

Let This Be Your...

No. 1 Resolution
for 1942

Help Defeat the
Aggression by put-
ting your savings—
regularly—in U. S.
Defense Bonds and
Stamps.

Get Your Share of—
U. S. Defense BONDS—STAMPS

New Year Is
Feted QuietlyCold, Patriotism Said
As Victory Dedication

(Continued from page 1)

Red Cross emergency war relief fund.

The Whiskerino gift brought to \$1674 the funds contributed to the support of the council's work since its organization in July.

First contributor was the Salem Trades & Labor council, \$25. Later gifts were from Teamsters & Chauffeurs union, \$25; Salem Lions club, \$150; Kiwanis club, \$150; Rotary club, \$300; Williamette chapter of Bnai B'rith, \$25; Hollywood Lions club, \$30; a friend, \$5; Mt. Angel Flax Festival committee, \$75; Silverton, \$100; Zonta club, \$40; Salem Woman's club, \$40; St. Paul, by its police reserves, \$50; Salem Business & Professional Women's club, \$40; Jefferson, \$100; Valley Motor company employees, \$29; Turner, \$12; Mill City, \$78, and the Whiskerino, \$400.

NEW YORK, Jan. 1 (Thursday)—(AP)—Amid elaborate air raid precautions, but in full safety and without untoward incident, the nation's largest city early today gave an uproarious welcome to a new year already dedicated to "victory."

In Times Square, the traditional packed throngs whooped, tooted and cavorted as usual in defiance or disregard of the possibility of an aerial attack.

"Well," a taxi driver remarked hopefully, "if they didn't plan an air raid tonight, they'll never do it."

The blare of horns was as deafening as in past years, but officers kept the crowds moving faster than the average Saturday night; there was space amid the throng for an occasional jitterbug couple to do their stuff, and at five minutes before midnight, taxis drove right across the Square—an unheard-of phenomenon for the eve.

Apparently in response to the suggestions of authorities, crowds and traffic were notably lighter than usual in the Square and throughout the city. The celebration was distinguished less for its exuberance than for the omnipresent aura of war that pervaded it.

By The Associated Press

Violent deaths claimed but few Americans on New Year's eve as merry-makers prepared for a cautious holiday under President Roosevelt's national safety drive.

Early reports showed 30 deaths, of which 16 were from traffic accidents and 13 from fires, falls and homicides.

Illinois led all other states with four auto deaths and two from falls.

Last week's holiday toll, tabulated from noon December 24 until Christmas midnight, reached 334. Auto deaths accounted for 434.

Family Returns
From Nebraska

LAKE LABISH — Mrs. A. Messman and son Andy, are home from a month spent in their former Nebraska home.

H. W. Mears, employed in Portland spent Christmas day at home here.

Mrs. Nancy Peed, mother of Mrs. Herman Hahn, is visiting here over the holidays. She is living in California at present but continues to operate her apartment house in Longview.

TO YOU

Our Best Wishes
For A Happy, Pros-
perous & Victorious

New Year

We also wish to thank
you for your friendship
and patronage during the
past year.

Sincerely Yours

Personal
Finance Co.

513 State Street
5 Doors West of Capital
Theatre
Phone 2191
Licenses Nos. 9-122 & 9-145

Wounded Come
Back HomeTransports Arrive at
San Francisco With
Cargo of Hurt Men

(Continued from page 1)

were memories of civilians machine-gunned along the roads and gun crews that stuck to their guns until the flying fragments knocked them to the deck.

The rows of khaki-painted ambulances on the piers, the Red Cross nurses in their dark blue capes, and the boys themselves testified to the fight they made.

"That Sunday didn't seem anything unusual," said one sailor, J. R. Trammell, just turned 20, as he leaned on his elbow, lying in the middle of one row of those narrow stretchers. Trammell's row was Waurika, Oklahoma.

"But about five minutes to eight, we saw planes flying overhead," he recalled, "and a little while later a plane dropped a torpedo which hit us forward."

"I was in the crew's galley when the Japs were sighted and that's where I got mine—shrapnel in both legs. All four of the other boys with me were hit too."

"The ship's loudspeaker began bellowing, 'Japs are coming' and we went to our stations. Our runs were manned right through the attack and as far as I could see, we gave a good account of ourselves. I'm ready to go back right now."

Around him, some of the boys—for that was what they all were—were devouring American newspapers eagerly, news of the outside world at last. A girl came slowly down the rows, her eyes wide with searching, her face white above her bright red dress. Then she caught sight of "him" and ran to his side.

Passageways and corridors of the ship were packed with waiting women and children. Many of the women had tiny babies in their arms as they sat there on suitcases and life-preservers, waiting to disembark. Around them more life-preservers were piled high to the ceiling.

But 10-year-old Dwight Agnew, Jr., son of a naval officer, was wearing his and it was a special one. A proud grin crossed his brown face as he told about it.

"This jacket," and he lifted his head, "it's the lifejacket of a captain whom my dad rescued along with his crew. The captain was wearing it when his ship went down. He gave it to me."

"And he's worn it ever since," his mother, Mrs. Thelma Agnew, broke in.

Dutch Repulse Japs

BATAVIA, Netherlands East Indies, Dec. 31—(AP)—Scattered and unsystematic Japanese air raids on NEI provinces killed three persons and wounded 19 Wednesday and Japanese destroyers ineffectively shelled Menado, Celebes island, the Dutch command announced Wednesday night.

West Salem News

WEST SALEM—Mrs. Lillian Williams was a holiday visitor at the home of her son and daughter-in-law, Mr. and Mrs. David Williams, of Airline.

Mr. and Mrs. Everett Lisle and Marianne were holiday guests at the home of his aunt, Mrs. J. E. Carruthers of Bethel.

Mr. and Mrs. Phil Hathaway and daughters visited at the Lee White home at Salem Thursday. Mr. and Mrs. Ross Brown of Imbler and Darwin Teavy of Salinas, Calif., visited the Arthur Browns Thursday. The Browns' daughter, Mrs. Teavy, and children were confined to their home with mumps.

Mr. and Mrs. N. E. Abbott of Salem were Christmas breakfast guests at the home of their son's family, Mr. and Mrs. Kenneth Abbott and daughters. For dinner the N. E. Abbotts entertained their children, Mr. and Mrs. William Cross and family and Mr. and Mrs. Kenneth Abbott and daughters.

A large family gathering was held at the John S. Friesen home Christmas eve for dinner and a party. Present were Mr. and Mrs. Ernest Friesen and daughter, Mr. and Mrs. Willard Friesen, Buster Friesen, Edith Van Orden and Mr. and Mrs. John S. Friesen and Marjorie, Frances, Helen Doris and Betty Friesen.

Mr. and Mrs. Fred Gibson, Lillie Ruge, and Captain and Mrs. Charles Unruh enjoyed a family gathering at the Unruh home on Christmas day.

Mrs. Hattie West, Mrs. Merle Swearingen and sons were dinner guests Thursday at the home of Mr. and Mrs. George Swearingen of Salem.



Honestly and Truly
We Wish to ONE and ALL
A Happy and Prosperous
New Year
SALEM AUTOMOBILE CO.
AND EMPLOYEES

To Honolulu



Experienced shipyard workers sign up for jobs in Pearl Harbor, Hawaii, where they will be engaged in repairing the damage wrought to U. S. naval vessels and facilities by the Japanese. The government had advertised for several hundred of the experienced workers.

Win Predicted
By ChurchillGrand War Strategy
To Be Told in Deeds
Reporters Told

(Continued from page 1)

What about the decisions on the grand strategy for the future conduct of the war, to be made in conference with President Roosevelt?

He hoped they would be expressed "in deeds, and not in words."

How goes the battle of the Atlantic?

"In February we were concerned over the high rate of losses for our ships, but now we have managed so as to keep the U-boats farther out, break their link with Nazi planes, arm our merchantmen and—allowing for new British building—we have reduced our losses to one-fifth the former rate. We now feel confident that we can carry on our convoys until the great flow of ships begins coming from the United States. There's a lot of good stuff on the way, but we want more."

Is President Roosevelt going to London?

The president has not talked to him about it, Mr. Churchill said, but should he go, "he will get a royal welcome."

Of other fronts and allies Churchill said:

North Africa: "I am very confident of the result in Libya despite supplies difficulties."

Mediterranean: "I have no doubt that we shall hold Malta."

Russia: "The Russians are continuing their magnificent offensive on the eastern front and, while there will be a German front against them, no one knows just where it will be. The Russians have already inflicted such enormous losses on the Germans that it can not help but gravely damage German arms."

Sprague Makes
Appointments

Reappointment of B. R. Mathis, Portland, as a member of the state board of education was announced by Gov. Charles A. Sprague here Wednesday.

Mrs. C. W. Hayhurst, Portland, was reappointed a member of the state wage and hour commission. Current terms of these appointments expire January 1.

Other reappointments include William L. Finley, Jr., Portland, and Glen Macy, McMinnville, as members of the state board of funeral directors and embalmers. They will serve two year terms.

Funeral Held for
Independence Woman

INDEPENDENCE—Funeral services for Mrs. Mary Angeline Lander, who died at her family home Sunday at the age of 61 years, were held from the Smith-Baum Mortuary in Independence Wednesday with Rev. L. H. Vickers officiating. Interment was in the Pioneer cemetery at Brooks.

Mrs. Lander was born April 22, 1878 at Brooks, Ore. In 1894 she was married to Edward Lander and to this union nine children were born, of whom eight survive her, Charlie and Lester Lander, Corvallis, Carl, Marvin, Everett, Melvin, Mrs. Ruth Mills and Mrs. Wynona Nemchick, also one sister, Mrs. Ed Fuller of Independence; 14 grandchildren and three step-grandchildren.

Nation Starts
With PrayerRoosevelt, Churchill
To Join in Services;
Defense Work Rolls

(Continued from page 1)

ago. King George and Queen Elizabeth, "wherever they might be," are going to church.

Canada and India are likewise greeting the new year with prayer. The archbishop of Quebec asked Catholics in his archdiocese to observe January 1, with special prayers for a victorious peace.

Special services in the Bethany chapel in the Washington cathedral will have particular meaning. It is there that the last World War president, Woodrow Wilson, lies buried.

The office of production management asked that the wheels of industries supplying the armed forces keep turning on New Year's day, and in many plants throughout the country, tanks and implements of war are being turned out as the old year goes and the new comes in.

WASHINGTON, Dec. 31—(AP)—Speaking in the Japanese language, Senator Thomas (D-Utah) told the people of Japan by radio Wednesday night that "the little temporary advances your forces have made will all be swept away and that the United States will 'crush the war lords who are already crushing you.'"

Thomas, who spent seven years in Japan as a Mormon missionary, titled his address "Japan vs. Japan." The speech, broadcast by KGEI in San Francisco and 10 other American short wave stations, will be rebroadcast on the Japanese new year January 10.

"I do not know how many of you are listening to this New Year's message to the people of Japan," Thomas declared in his prepared address, "because the repressions which your government practices on you keep you as far as it can from knowing the truth."

"But if only one Japanese hears my words and learns the tragic story of the way you have been betrayed by your war lords, who have sold themselves to Hitler, then it will be worth while to speak."

Tire Quotas
Set by OPAState Limit Announced
As 4755 for January
Under Rationing Plan

WASHINGTON, Dec. 31—(AP)—The office of price administration drove home the full effects of the nation's tire rationing program today by establishing drastic January quotas prohibiting some countries from selling more than one new tire for a passenger automobile and limiting hundreds of others to sales of ten or less.

Set up on a county-by-county basis, the quotas will limit sales throughout the United States and its territories to approximately 357,000 tires next month, ranging from 105 in Alaska to 36,680 in Texas.

Oregon is limited to 1546 auto and 3209 truck tires.

Indicating the stringency of the figures, OPA officials have estimated that the normal consumption of new tires has averaged about 4,000,000 a month.

Further emphasizing the loss of vital imports from the Far East, the OPM ordered immediate sharp reductions in civilian consumption of tin and prohibited manufacturers of 70 types of commodities from using the metal at all after March 31. More than 80 per cent of the nation's supply is imported from British Malaya.

The January tire quotas permit maximum sales of 114,191 tires for passenger cars, motorcycles and light trucks and 242,783 for heavier trucks and buses, such sales to be made only to persons able to prove eligibility under strict OPA requirements.

Price Administrator Leon Henderson said he believed the quotas would be adequate to maintain operations of essential vehicles during the month and added that he hoped future quotas could be increased. This would depend, he explained, on developments in the military situation and future demands of the armed forces and the lend-lease administration.

"There is no need for people to get panicky," he advised. "The fact that a rationing plan is going into effect on January 5 doesn't mean that everyone is going to get a flat tire at 12:01 a. m. on January 5."

Radio Chains Accused

CHICAGO, Dec. 31—(AP)—The National Broadcasting company, the Columbia Broadcasting system and the Radio Corporation of America were accused of monopolistic practices Wednesday in two civil suits filed in federal court by the justice department's anti-trust division.

Hitler Fires



Field Marshal von Brauchitsch

Adolf Hitler himself has taken over the position as commander of the German armies, replacing General Field Marshal Walther von Brauchitsch, pictured above. The change in command came just one day short of an even six months after the start of the war against Russia.

Hitler Bitter
In BroadcastBlames Opponents for
Social Plan Failure;
Flays US, Britain

(Continued from page 1)

me with the deepest regret.

"It is a shame that it is impossible to prevent the duffers and laxybones from stealing the precious time which one intended to devote to the cultural, social and economic tasks of the people."

"The same is true also of Fascist Italy where likewise a single man has eternalized his name by a civilized and national revolution of secular dimension and which likewise cannot be compared with the democratic, political blunders of those pocket thieves and dividend hunters who, for instance in the Anglo Saxon countries, squandered the wealth of their fathers or accumulated new fortunes by dirty business transactions."

Germany, he said, understands why "at last Japan, also, tired of everlasting blackmail and daring threats, finally acted in self defense against the most infamous wamonger of all time."

He said the war was now drawn between the "mighty front of national states" against the "Jewish, capitalistic, bolshevik, world conspiracy."

"It simply can not be imagined the frightful misfortune which would have come over Germany and over all of Europe if Jewish bolshevism had been victorious as an ally of Churchill and Roosevelt; for Churchill and Roosevelt have delivered Europe to Stalin," continued Hitler.

"I speak now believing in divine justice. The bolshevik monster to which they wanted to deliver the European nations will destroy their own people in time to come."

"In East Asia... the fighting has just begun and while two blasphemers are still praying for their businesses the nations are throwing off their shackles."

Doctor Attends
Special Meet
In Portland

WALDO HILES—Dr. A. J. McCannell is at Portland this week attending a special course in pediatrics. He left for the study Monday and returned Wednesday night. All expenses while in attendance are being paid.

Mr. and Mrs. Lester Hemmingsen of Corvallis were recent guests at the Harold Roop home. Hemmingsen's grandparents, the John Hemmingsens, lived in the Evergreen district some years ago and his parents made their home in Brush Creek. Hemmingsen himself is a graduate of Silverton high school but is now attending Oregon State college.

Waldo Hills Community club will hold its first dance of the new year Saturday night at the club house, according to Theodore Riches, club president.

Dr. and Mrs. McCannell have received a note from Woodrow Wittenberg, former member of St. Mary CCC camp at Detroit, where Dr. McCannell was company doctor from Wake island where he has been stationed since early autumn.

Young Wittenberg just sent a greeting reporting he was with a glaciing crew. The note did not indicate whether it had been written before or following the Pacific disaster, the McCannells said.

Jap Consuls to Camp

PORTLAND, Dec. 31—(AP)—Y. Oka, acting Japanese consul here, his wife, young son and staff of five men and two women left Wednesday night for a government "camp" for Japanese consular officials at Hot Springs, Va.

Defenders Set
On Luzon LineCapital's Fall Seen
In Near Future; Navy
Denies Isles Hurt

(Continued from page 1)

Nevertheless, an orderly readjustment of the defense lines was completed. The defending forces were interposing a strong resistance and dealing out death and destruction to the enemy on a large scale.

But, said General MacArthur: "Our lines are being pushed back."

Censorship or interrupted communications had virtually ended the receipts of press dispatches from the beleaguered city. Radio telegraph companies refused to accept messages from Manila, or took them only at the sender's risk. The navy said, however, it was still in touch, presumably by radio.

The fall of the city had not been unexpected here, and word of its critical situation spread no gloom or discouragement in the capital. For days, the Japanese had been pouring men and war machines onto Luzon, and simply storming the island by the overwhelming force of numerically superior troops and equipment.

The great difficulty of reinforcing the American-Filipino defenders was apparent from the outset, especially in view of the time situation.

So it was that many here regretfully wrote off Manila days ago when the plight of the Philippines, and the broad outline of allied grand strategy became apparent. They wrote it off, however, for recapture later, when the material is available for the allied drive against Japan.

The imminent fall of the Filipino capital, however, raised several questions upon which Washingtonians speculated. Would fighting continue in the southern island of Mindanao? Was one of them, and what about Corregidor? Was another.

Corregidor is a rocky island fortress in the entrance to Manila bay. Military experts have said it was capable of withstanding a siege of many months. Possibly, it could make things extremely difficult should the Japs attempt to bring their warships into the harbor.

Another was what was to be the fate of General MacArthur, and his high command, could they be evacuated? Realizing that MacArthur is not the sort of soldier who would run away under such circumstances, many suggested, nevertheless, that it would be foolish for the army to surrender one of its outstanding field commanders, through any outmoded sense of the personal chivalry of battle.

Fag Tax Due
In Few WeeksCommission Setting up
Collection Machinery;
Prepare Stamp Plan

The state tax commission expects to undertake collection of the two-cent cigarette tax enacted by the 1941 legislature "as soon as the required equipment can be assembled," Chairman Charles V. Galloway announced Wednesday following a conference with Gov. Charles A. Sprague.

Galloway said it should be possible to begin collection of the tax within two or three weeks.

The commission has already begun negotiations with a Seattle concern for the purchase of metering machines. Collections of the tax will be made through sale of stamps or meter cancellations which must appear on every package of cigarettes sold in the state. Galloway estimated more than a million stamps would be required each year.

Preliminary plans for collecting the tax are being made within the present tax commission offices but it is likely that a separate division may be created later. How many additional employees will be required when collections are in full force will not be determined for sometime, Galloway declared.

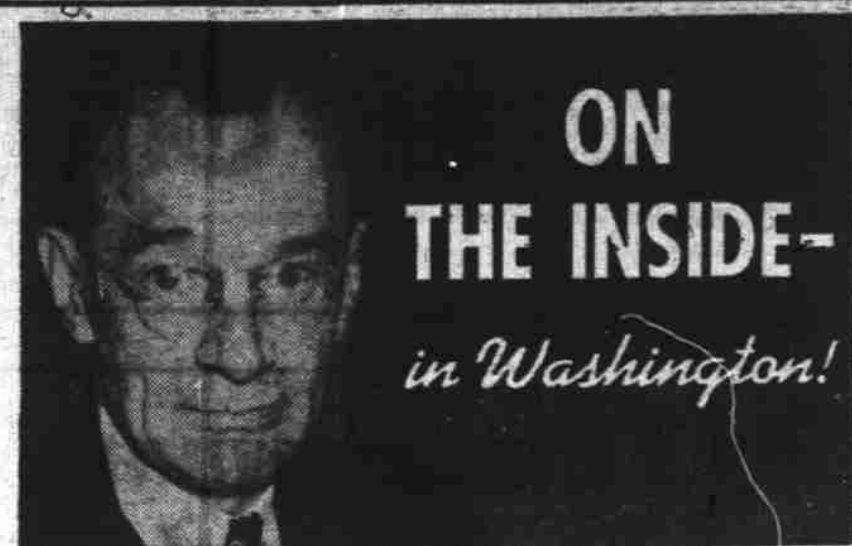
It was estimated that the tax would raise \$1,200,000 annually, with five-sixths of the receipts earmarked for old age assistance. One sixth of the tax will go for vocational education.

The cigarette tax law was attacked by referendum petitions, but Attorney General I. H. Van Winkle held these were invalid because the contributions and expenditures statement of the Retail Grocers association did not comply with the statutory requirements.

The Retail Grocers association was one of three sponsors of the referendum.

Although the law became effective June 14, no attempt will be made to collect the tax on cigarettes sold prior to the date the collection machinery is in readiness to operate.

COLDS
4-566



By KIRKE L. SIMPSON

Wide World War Analyst for The Statesman

Ill-omened tidings from embattled Luzon made it a bleak New Year's eve for Americans, although elsewhere on the war front that rings the world the news was more cheering.

There was no denying the peril to Manila. Official and terse bulletins both from Gen. MacArthur's field headquarters and from Washington were calculated to brace Americans for its probable fall.

Japan's flag soon may fly over the ancient walls of the old city, once Spain's far eastern Gibraltar, to displace the Stars and Stripes which rose above them as token of a new nation in the making less than half a century ago.

That is a grim outlook for survivors of Dewey's fleet and of the little force of American troops, regulars and volunteers, which carried that flag into Manila to set it above those walls on August 13, 1898. The writer happens to have witnessed that ceremony from the ranks of a California regiment which had pushed its way up the Calle Real from Malate suburb to its edge of the slimp, green-scummed moat that rimmed those massive old walls.

Yet there had been moments before that August day so long ago when the few thousands of American troops mustered in a peanut field encampment south of the city at Paranaque to consolidate Dewey's naval victory and drive Spain from the Pacific were as uncertain of their fate as MacArthur's men are today. Spain had one power-

ful battleship still to reckon with. It was reported moving eastward to raise the American-Filipino siege of Manila.

Dewey's light cruiser fleet, led by the Olympia which carried his commodore's flag, had no ship to match her in gun power or armor. A powerful German fleet rode sullenly at anchor in Manila harbor and with it Japanese warcraft, hardly less suspect in Dewey's eyes.

He planned to take his fleet to sea to meet his Spanish foe. The army ashore was prepared to fall back into the mountains and sustain itself as best it could until that sea fight was finished.

Then a midgeut but mighty ship appeared off the harbor mouth with the stars and stripes flying at her staff. It was the coast defense Monitor Monterey, rusty and slimp, green-scummed moat that rimmed those massive old walls.

That voyage from San Francisco made naval history. The Monterey came in as ready to fight as the Oregon from her 17,000 mile dash to Santiago from Bremerton. She moved in to place before Manila's main Krupp-gun defense battery next day at short range, and Spain's downfall in the Pacific, and the birth pangs of a Filipino nation in the making, had come. It was under the ominous muzzles of her guns that the stars and stripes rose over Manila.

If it is to pass now, for some brief spell, under Japan's ill-omened control, it cannot be for long. American public opinion must demand fulfillment of President Roosevelt's solemn pledges to redeem Filipino freedom, whatever the cost.

Yet the fate of MacArthur and his men grimly falling back before the ever-increasing power of Japanese attacks remains obscure even if Manila cannot be held. To what mountain fastness they might withdraw, still to threaten the enemy and keep employed on Luzon Japanese forces that otherwise could be thrown against Singapore, is only conjecturable.

While they survive anywhere on the island they are still a factor in the vast battle, and there is nothing to indicate any other purpose.

Japs Report
Capture of
Malay Town

LONDON, Thursday, Jan. 1—(AP)—A Japanese communique reported by Reuters claimed today that Japanese forces had captured Kuantan, on the east coast of Malaya 190 miles north of Singapore.

The communique, issued by the army section of Japanese imperial headquarters, said:

"Japanese forces advancing along the east coast of Malaya captured the strategic city and port of Kuantan, 190 miles north of Singapore, at 10:20 o'clock yesterday morning."

SINGAPORE, Dec. 31—(AP)—Japanese pressure fell off Wednesday in the main Perak sector some 290 miles above Singapore, and all along that front British patrols successfully took the offensive at every point where they could engage the enemy.

All this—establishing that the invaders not only had gained no ground but had been pushed back in some areas of the Malayan peninsula, the most vital of all the Pacific threats—was announced by the British command in a communique which also reported failure for another overnight Japanese air raid on Singapore.

Review of '41
Recalls News

(Continued from page 1)

A change in judicial districts took Judge L. G. Lewelling to Albany, brought about the appointment of E. Max Page, Salem attorney, to the post of circuit judge here.

Marriage licenses boomed; defense activity spread into various phases of the city's industrial life, and kahki and navy blue vied as favorite colors while Salem prepared for 1942.



Let the bells ring out a
year of happiness and
joy for you, blessed with
good friends, health and
good fortune. Just our
way of saying a very
Happy New Year!

The Staff and
Dr. Harry A. Brown

Brown's
SALEM'S LEADING CRE-
DIT JEWELERS and
OPTICIANS
184 N. Liberty St.

**Remaining Stock of
COATS**
Greatly Reduced!

Odds & Ends Table
Values to \$1.95
49c

One Group Dresses, Tots
To 14—Values to \$1.25