

'No Gain' in Malaya Drive

Jap Radio Says Sea Engagement on in Western Pacific

(Continued from Page 1)

that Castel Vetranio had apparently been prepared as a marshaling point for an attempted parachute invasion of the British island of Malta.

Malta's sea and air patrols have been in large part responsible for the inability of the Germans and Italians to reinforce Gen. Rommel in Libya.

As to Luzon in the Philippines the important fact was that General Douglas MacArthur, fighting a delaying action that will be long remembered, still strongly held out.

The war department's communique for Wednesday morning reported that heavy fighting had been resumed all along the front above fallen Manila "with the enemy increasing pressure at all points."

The fortress of Corregidor, just south of MacArthur's positions, again was heavily assaulted by at least 45 enemy bombers, it was added, and again its guns hit several of the invading planes.

The enemy's chief successes in the air, it appeared from a war department communique, were against the defenseless towns of Luzon, a number of which were savagely bombed.

Wednesday night the Columbia Broadcasting system announced that the Tokyo radio had been heard to quote imperial Japanese headquarters as stating: "The Japanese fleet is fighting the United States fleet in the Pacific." It was added, said CBS, that the British also were involved and that the action was in "the western Pacific."

The allied position in Malaya above Singapore was mixed.

In Perak state on the western side of the peninsula the British had to give some ground but below that area, in Selangor at a point about 240 miles north of Singapore itself, no enemy gains were reported.

From the eastern side of the peninsula, where the Japanese had seized Kuantan airdrome some 190 miles above Singapore. In Kuantan the Japanese had a dangerous air base but nothing more since the terrain to the south is substantially impassable and unpleasantly alive, for the invader, with crocodiles and tigers.

In the Australian theatre, the Japanese struck again by air, raiding the air field at Rabaul, 800 miles north of Australia proper in New Britain.

The Japanese laid broad and sweeping claims, without supporting detail, to successes in Malaya, the Philippines and British North Borneo. They tried to explain away their defeat by the Chinese in Hunan province.

Tokyo admitted the loss of another Japanese submarine and acknowledged that a Japanese cruiser had been damaged—although not knocked out—it was claimed—by air attack Sunday.

In Russia the soviet operations of greatest present interest were in the extreme south and extreme north.

On the south the soviet garrison of the Black sea naval base of Sevastopol was beating forward as the center of a maneuver to envelop the nazis and were supported by red troops landed above that point on both the eastward and westward sides of the lower peninsula under the protection of the Russian fleet.

Nazis Blast FDR Message

BERLIN, Jan. 7-(AP)—(Andi Agency to (AP)—German sources commenting on President Roosevelt's message to congress said Wednesday that the offensive plans of the United States were mere "desirous dreams."

These sources ridiculed the assertion that the nazis are aiming at world domination, and said that on contrary events in Canada and Australia are proving that President Roosevelt wants to lose no time in inheriting the British empire.

President Roosevelt, these German spokesmen said, desires "to rule as God's own representative on Earth."

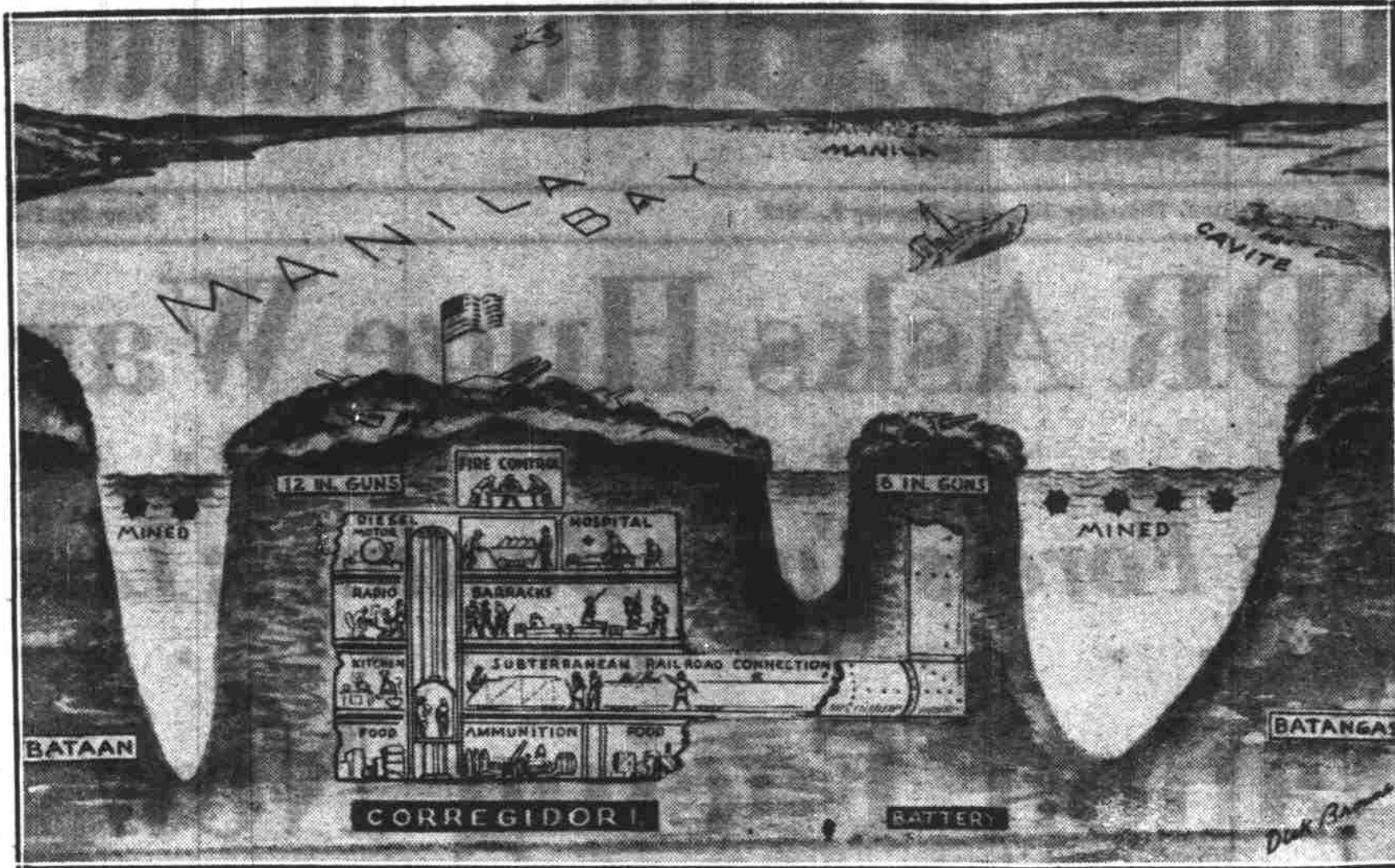
A German radio commentator said that President Roosevelt added "nothing or little new to what he has said in earlier and numerous speeches."

US Diplomats Go to Pan-American Parley

WASHINGTON, Jan. 7-(AP)—Sumner Welles, undersecretary of state, and a corps of advisors will leave Thursday for Rio de Janeiro for the conference of American foreign ministers called to plot the hemisphere's course in a world at war.

Dispatches from South America indicated that the issue of the conference—fulfillment of the Pan-American declaration that aggression against any one American state shall be considered as aggression against all—was rapidly crystallizing.

Pictorial Drawing of Corregidor's Great Strength



Why Corregidor guns may command Manila bay entrance indefinitely is made clear by this diagram. With all facilities and quarters deep in solid rock, defenders can hold out for months. Heavily mined areas on both sides make entrance of any enemy ship into the harbor doubly impossible. (IIN Service.)

Salem Power Lines Fail

Involuntary Blackout Follows Breaking of Trees; Roads Unsafe

(Continued from Page 1)

trees, which split all during the day. Wilson park around the state capitol was a shambles of broken branches.

W. M. Hamilton, division manager of Portland General Electric company, said the bulk of the city's lights would probably not be on during the night after the blackout out at 7:15 p.m. Some circuits were off earlier. Last to go was the downtown district, which was lightless for about five minutes at 10:20 p.m.

Three different times the 57,000-volt line from West Salem to Portland was out. The 11,000-volt loop around Salem was down six times, while branching 2400-volt circuits suffered heavily under trees. A number of new power poles were snapped in two. More than 700 calls for service were received.

Great flashes of light along the western limits were caused by the movement of Oregon Electric trams.

Patience until service is restored was asked by Harry V. Collins, district manager of Pacific Telephone and Telegraph company. A number of lines and poles were down here, but primary effort was being exerted to clear inter-city circuits.

Both power and telephone lines were on the job before daylight and continued far into Wednesday night in an effort to restore service as soon as possible.

Outstanding among the trees which fell was one which slightly damaged a parked auto at 13th and Chemeketa streets, one which dropped a limb on Art Hall, 1625 North Front street, a city employee clearing debris at Union and Winter streets, and one estimated to be 375 years old which dropped a 2½-foot-thick limb at 2041 Center street. Hall, treated by the first aid car, suffered bruises and lacerations of the head.

The city street cleaning crew from Engineer J. H. Davis' department worked first to clear large trees and branches, then smaller litter, required at times to close parts of streets to traffic. Park walks were blocked to protect pedestrians.

Radio calls from the city police station averaged one every five minutes during the swing shift from 2 to 10 p.m., according to Radioman Clive Scott. Most were handled by engineers, power and telephone crews, but police were busied with guarding broken lines which threatened traffic.

Other first aid calls were for men who fell, two of them on sidewalks. V. E. Endicott, 1290 Oak street, broke his left arm when he fell on South 12th street. Joe Chenoweth, 609 North 16th street, fell near his home and broke both bones in the lower right leg. David Stewart, 205 Bellevue street, fell about 30 feet from the trestle south of the paper mill and was taken to Deaconess hospital.

Fires were numerous, in contrast to recent days, but none was serious.

A grader at the airport caught afire; smoke caused a call to 532 North Liberty street; five fires occurred at 230 North 20th, 445 Oxford, 2510 Lee, 20th and Kearney and 1990 McCoy streets; wiring was destroyed by fire starting in the wiring at 605 South Church street, and wiring caused a small blaze at 570 North 12th street.

Tax Effective On Cigarettes

(Continued from page 1)

year the act is in operation, tax commissioners estimate. The suit, foreseen in Portland by West, would be one aimed to

Carol Would Lead Program

Exiled Rumanian King Plans US Trip to See 'Freedom' Committee

(Continued from Page One)

predicted reliably for some time, said he hoped to leave Mexico in two weeks and establish contact with the free Rumanian committee in the United States.

The next step will be formation of his free government, with himself entitled "regent of the kingdom of Rumania," the exiled king declared.

He planned to take with him to the United States his faithful palace chamberlain, Ernest Urdarianu, but did not mention Mme. Elena Lupescu, his companion-in-exile.

They now occupy a small villa in a garden at Coayacan, a Mexico City suburb.

Thus, for the second time in less than a dozen years, Carol has proclaimed himself successor to his son, Mihai.

As crown prince, Carol renounced his rights to the throne in December, 1925, rather than follow his private life, in which Madame Lupescu figured even then.

Mihai succeeded to the throne, but on June 6, 1930, Carol flew back to Bucharest from exile and proclaimed himself king. He ruled for more than 10 years, until the nazi influence and infiltration broke up the country and he again went into exile September 6, 1940, again turning the sceptre over to Mihai, then a youth of 18.

Newest addition to protective services for the state, Oregon's civil air patrol is to be in the making with appointment today of group commanders, Capt. Leo G. Devaney, state aviation director and wing commander of the patrol, said in Portland on Wednesday.

Two of the 19 groups planned are to be organized in Salem, six at Portland, two at Eugene and one each at Albany, Corvallis, Coos Bay, Roseburg, Medford, Klamath Falls, Bend and La-Grande, Devaney said.

Defense Set For Airports

LONDON, Jan. 7-(AP)—Formation of a specialized air defense force to take advantage of the bitter lessons of Greece, Crete and finally northern Malaya was predicted authoritatively Wednesday night amid indications that the training of such a ground force already was under way.

Even the acute concern which prompted widespread consideration of such a means of safeguarding vital battlefront airfields from parachutists and airborne infantry failed to, overshadow, however, increasingly confident talk of a turn to the offensive.

Call Board

ELGINORE Today—Mickey Rooney, Judy Garland in "Babes on Broadway."

CAPITOL Today—Claude Rains, Dick Foran in "Wolf Man." Bill Boyd in "Twilight on the Trail."

HOLLYWOOD Today—Mickey Rooney, Judy Garland, Lewis Stone in "Life Begins for Andy Hardy." Richard Arlen, Eva Gabor, J. Carroll Nash in "Forced Landing."

Thursday—Richard Arlen, Andy Devine in "Men of the Timberland." John Howard, Brod Crawford, Blaine Barnes in "Tight Shoes."

GRAND Today—Orson Welles in "Citizen Kane."

STATE Today—"After Mein Kampf." Maxie Rosenbloom, Rochelle Hudson in "The Stork Pays Off."

Friday—Charles Starrett in "Pinto Kid." John Garfield, Brenda Marshall in "East of the River."

Carol Would Lead Program

Exiled Rumanian King Plans US Trip to See 'Freedom' Committee

(Continued from Page One)

predicted reliably for some time, said he hoped to leave Mexico in two weeks and establish contact with the free Rumanian committee in the United States.

The next step will be formation of his free government, with himself entitled "regent of the kingdom of Rumania," the exiled king declared.

He planned to take with him to the United States his faithful palace chamberlain, Ernest Urdarianu, but did not mention Mme. Elena Lupescu, his companion-in-exile.

They now occupy a small villa in a garden at Coayacan, a Mexico City suburb.

Thus, for the second time in less than a dozen years, Carol has proclaimed himself successor to his son, Mihai.

As crown prince, Carol renounced his rights to the throne in December, 1925, rather than follow his private life, in which Madame Lupescu figured even then.

Mihai succeeded to the throne, but on June 6, 1930, Carol flew back to Bucharest from exile and proclaimed himself king. He ruled for more than 10 years, until the nazi influence and infiltration broke up the country and he again went into exile September 6, 1940, again turning the sceptre over to Mihai, then a youth of 18.

Newest addition to protective services for the state, Oregon's civil air patrol is to be in the making with appointment today of group commanders, Capt. Leo G. Devaney, state aviation director and wing commander of the patrol, said in Portland on Wednesday.

Two of the 19 groups planned are to be organized in Salem, six at Portland, two at Eugene and one each at Albany, Corvallis, Coos Bay, Roseburg, Medford, Klamath Falls, Bend and La-Grande, Devaney said.

Auto Plate Lack Seen

Delayed deliveries of steel to the manufacturers of Oregon's automobile plates will make it necessary for thousands of Oregon motorists to drive their cars with only windshield stickers for

Delayed deliveries of steel to the manufacturers of Oregon's automobile plates will make it necessary for thousands of Oregon motorists to drive their cars with only windshield stickers for

Call Board

ELGINORE Today—Mickey Rooney, Judy Garland in "Babes on Broadway."

CAPITOL Today—Claude Rains, Dick Foran in "Wolf Man." Bill Boyd in "Twilight on the Trail."

HOLLYWOOD Today—Mickey Rooney, Judy Garland, Lewis Stone in "Life Begins for Andy Hardy." Richard Arlen, Eva Gabor, J. Carroll Nash in "Forced Landing."

Thursday—Richard Arlen, Andy Devine in "Men of the Timberland." John Howard, Brod Crawford, Blaine Barnes in "Tight Shoes."

GRAND Today—Orson Welles in "Citizen Kane."

STATE Today—"After Mein Kampf." Maxie Rosenbloom, Rochelle Hudson in "The Stork Pays Off."

Friday—Charles Starrett in "Pinto Kid." John Garfield, Brenda Marshall in "East of the River."

FR Picks New Turkey Envoy

Steinhardt Quits Russia Post to Tackle Vital Diplomatic Mission

(Continued from Page 1)

just preceding the outbreak of war in Europe. He was there during the final phase of the abortive Anglo-French-Russian negotiations for a three-power military alliance, and Moscow's sudden conclusion of a non-aggression pact with Berlin—the diplomatic bombshell which preceded the German-Russian conquest of Poland.

He planned to take with him to the United States his faithful palace chamberlain, Ernest Urdarianu, but did not mention Mme. Elena Lupescu, his companion-in-exile.

They now occupy a small villa in a garden at Coayacan, a Mexico City suburb.

Thus, for the second time in less than a dozen years, Carol has proclaimed himself successor to his son, Mihai.

As crown prince, Carol renounced his rights to the throne in December, 1925, rather than follow his private life, in which Madame Lupescu figured even then.

Mihai succeeded to the throne, but on June 6, 1930, Carol flew back to Bucharest from exile and proclaimed himself king. He ruled for more than 10 years, until the nazi influence and infiltration broke up the country and he again went into exile September 6, 1940, again turning the sceptre over to Mihai, then a youth of 18.

Newest addition to protective services for the state, Oregon's civil air patrol is to be in the making with appointment today of group commanders, Capt. Leo G. Devaney, state aviation director and wing commander of the patrol, said in Portland on Wednesday.

Two of the 19 groups planned are to be organized in Salem, six at Portland, two at Eugene and one each at Albany, Corvallis, Coos Bay, Roseburg, Medford, Klamath Falls, Bend and La-Grande, Devaney said.

Two of the 19 groups planned are to be organized in Salem, six at Portland, two at Eugene and one each at Albany, Corvallis, Coos Bay, Roseburg, Medford, Klamath Falls, Bend and La-Grande, Devaney said.

Auto Plate Lack Seen

Delayed deliveries of steel to the manufacturers of Oregon's automobile plates will make it necessary for thousands of Oregon motorists to drive their cars with only windshield stickers for

Delayed deliveries of steel to the manufacturers of Oregon's automobile plates will make it necessary for thousands of Oregon motorists to drive their cars with only windshield stickers for

Call Board

ELGINORE Today—Mickey Rooney, Judy Garland in "Babes on Broadway."

CAPITOL Today—Claude Rains, Dick Foran in "Wolf Man." Bill Boyd in "Twilight on the Trail."

HOLLYWOOD Today—Mickey Rooney, Judy Garland, Lewis Stone in "Life Begins for Andy Hardy." Richard Arlen, Eva Gabor, J. Carroll Nash in "Forced Landing."

Thursday—Richard Arlen, Andy Devine in "Men of the Timberland." John Howard, Brod Crawford, Blaine Barnes in "Tight Shoes."

GRAND Today—Orson Welles in "Citizen Kane."

STATE Today—"After Mein Kampf." Maxie Rosenbloom, Rochelle Hudson in "The Stork Pays Off."

Friday—Charles Starrett in "Pinto Kid." John Garfield, Brenda Marshall in "East of the River."

Congress Set On War Budget

Will Speed Bills to Raise Greatest Sum in History of World

(Continued from Page 1)

only. Adding to this the cost of other government functions, interest payments on the national debt, statutory debt retirement and other usual costs—with spending for WPA and six other non-military activities reduced by \$1,058,000,000—the total budget for the year was put at \$59,027,982,300.

Against this staggering sum—the largest budget in world history—Mr. Roosevelt listed net treasury receipts under present tax laws of \$16,487,000,000 and \$7,000,000,000 under new tax legislation he asked congress to enact in the weeks or months just ahead. (In addition to this \$7,000,000,000 of new general taxes, social security taxes, which are not counted as revenues, would be increased \$2,000,000,000 under the Roosevelt program.)

With the present and the new taxes, the president expected the treasury to have a total of \$23,487,000,000 with which to defray the expected outlay of \$59,027,982,300, or \$35,540,000,000 less than enough.

The difference will have to be borrowed, and at another point in his message, the president in urging "restraint in consumption, especially of scarce products," said that "hoarding should be encouraged in only one field, that of defense savings bonds."

This huge borrowing will increase the national debt by the end of fiscal year 1943 to the unheard of sum of \$110,421,000,000. It will take about \$2,500,000,000 annually to pay the interest on that amount, he pointed out, adding that this necessity would rule out tax reductions to the extent otherwise possible in the years immediately following the war.

Revised figures for the present fiscal year, which ends next June 30, set national defense expenditures at \$23,996,525,400, total expenditures at \$30,575,796,162, total net revenues at \$11,943,993,000, and the public debt increased to \$70,612,246,697.

Congress lost no time in signifying its willingness to approve the appropriations involved. In a few days committees will be at work, and undoubtedly the appropriation bills will come rolling off the congressional assembly line as automatically and precisely as the planes, tanks and guns come out of America's ever expanding factories.

"We will make every appropriation the president asks for," said Chairman Glass (D-Va.) of the senate appropriations committee, for one. "Congress will do anything that is necessary to smash the axis."

Unlike Mr. Roosevelt's message of Tuesday, which he delivered in person, the budget message was merely sent to the capital and read, with few listening, by the reading clerks of the house and senate. The legislators were busier studying copies of the message than in hearing it recited.

Asserting that as drawn up, the budget would meet the war challenge, Mr. Roosevelt continued: "We must provide the funds to man and equip our fighting forces. We must provide the funds for the organization of our resources. We must provide the funds to continue our role as the arsenal of democracy."

As of Tuesday, the president's emphasis was upon the necessity for producing the weapons of war, upon the fact that victory depends not only upon the "courage, skill and devotion" of men on the fighting line, but also "upon efforts behind the lines—in the mines, in the shops, on the farms."

"We cannot outfight our enemies, unless at the same time, we outproduce our enemies," he said. "It is not enough to turn out just a few more

Scout Banquet Set

Weather will be no deterrent to the annual meeting and banquet of Cascade area council, Boy Scouts, tonight at 6:30 in First Methodist church, Executive R. E. Ruddiman said Wednesday.

Always 2 Smash Hits!

LIBERTY LAST TIMES TODAY!

THE DEVIL COMMANDS with BORIS KARLOFF

PLUS THE GREAT TRAIN ROBBERY with Bob Steele

News and Comedy

15c Matinee 18c Evenings

ELGINORE Starts Tonight Open 6:45

MICKY ROONEY JUDY GARLAND

ALL STARS! ALL FUN!

ELGINORE Starts Tonight Open 6:45

MICKY ROONEY JUDY GARLAND

ALL STARS! ALL FUN!

planes, a few more tanks, a few more guns, a few more ships than can be turned out by our enemies. We must out-produce them overwhelmingly, so that there can be no question of our ability to provide a crushing superiority of equipment in any theatre of the World war.

"And we shall succeed. A system of free enterprise is more effective than an 'order of concentration camps. The struggle for liberty first made us a nation. The vitality, strength and adaptability of a social order built on freedom and individual responsibility will again triumph."

The war spending, Mr. Roosevelt said, was now running at a rate of about \$2,000,000,000 a month, and in the fiscal year 1943 might reach a level of \$5,000,000,000.

"These huge expenditures for ships, planes and other war equipment, will require prompt conversion of a large portion of our industrial establishment to war production," he said. "These estimates reflect our determination to devote at least one half of our national production to the war effort."

Power Plans Worked out

Oregon, Washington Governors Confer On War Program

(Continued from Page 1)

northwest in a favorable position after the war.

"I believe both Gov. Langlie and Gov. Sprague are in agreement with me that it will do little good to win the war if this nation cannot win the peace which comes after," Raver said. "We in the northwest cannot help win the peace if, upon conclusion of the war, all our new industry shuts down and throws thousands of men out of work."

Thus, he said, the planning would contemplate establishment of basic metal and chemical industries and the manufacture of finished products.

OPM Denies Accessories Ration Talk

WASHINGTON, Jan. 7-(AP)—Director Leon Henderson of the OPM's civilian supply division said Wednesday his office did not intend to stop sale of batteries or spark plugs for automobiles and trucks, despite a "flood of groundless rumors."

"There is no intention of interfering with the free sale of batteries or spark plugs for replacement purposes for passenger cars and trucks," Henderson asserted. "Likewise there is no intention of rationing these products."

"There is no intention of interfering with the free sale of batteries or spark plugs for replacement purposes for passenger cars and trucks," Henderson asserted. "Likewise there is no intention of rationing these products."

Army to Lift Restrictions On Air Cadets

SEATTLE, Jan. 7-(AP)—A lifting of restrictions, to allow men without a college education to become flying cadets, was announced Wednesday by the northern traveling aviation cadet examining board. Hereafter, two years of college training has been a prerequisite. Age limits remain at 20 to 28, but married men will be accepted if their dependents have sufficient means of support.

SEATTLE, Jan. 7-(AP)—A lifting of restrictions, to allow men without a college education to become flying cadets, was announced Wednesday by the northern traveling aviation cadet examining board. Hereafter, two years of college training has been a prerequisite. Age limits remain at 20 to 28, but married men will be accepted if their dependents have sufficient means of support.

APITOL

Now Open 6:45
Bela Lugosi - Lon Chaney
The WOLF MAN
PLUS
TWILIGHT ON THE TRAIL
WILLIAM BOYD

Today ORSON WELLES
CITIZEN KANE
2nd Hit
"TILLIE THE TOILER"

Mat. 20c
Eve. 30c
Show Time
6:20-9:30
Plus Tax
Tillie: 1:40
3:10-5:40

Now Showing

Nazi Lust! Nazi Sadism!

SEE The Picture Hitler Fears!

Are Women of Occupied Countries Ravished by the Nazis?

AFTER MEIN KAMPE?

SECOND HIT!
"Slapsie" Maxie Rosenbloom

"The Stork Pays Off"

COME EARLY!

Also News, Cartoon and Serial, "Sky Raiders"

Also News, Cartoon and Serial, "Sky Raiders"

Also News, Cartoon and Serial, "Sky Raiders"

9 Billions in '43 Requested

People Urg