

You Pay
Income taxes will be due soon. If you are in doubt about your federal tax, turn to The Statesman editorial page.

Weather
Forecasts, temperature, rainfall and river reports withheld by request of western defense command, US army.

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No. 247

US Subs Play Havoc With Japs in Pacific

Orchard Damage Is Slight

Trees, Utility Poles Cracked; Schools Closed

Trees and utility lines continued to fall on each other and on the ground in and near Salem Thursday, but power was on again for most of the city. Little damage was believed to have been incurred by the majority of orchards.

Park areas were jungles of toppled trees and broken branches. Even the more pliable birches and willows were cracked off near their tops.

Lights were back to normal in

Salem public schools will not convene today, but will resume Monday, according to Supt. Frank B. Bennett. They were closed Thursday, Willamette university, where no classes were held Thursday because of lack of heat, will be open today unless a similar emergency occurs.

Salem except for a number of small "spots," according to David Wright, division superintendent of Portland General Electric company, who said he thought most of the trouble would be "licked" today. Both main power lines from Portland were back in service. A large section just north of the city continued to be in the dark.

As fast as bad spots were cleared, another branch would tangle with wires, Wright declared. (Turn to Page 2, Col. 8)

Suit to Fight Cigarette Tax

West Predicts Case Will Be in Courts Here This Weekend

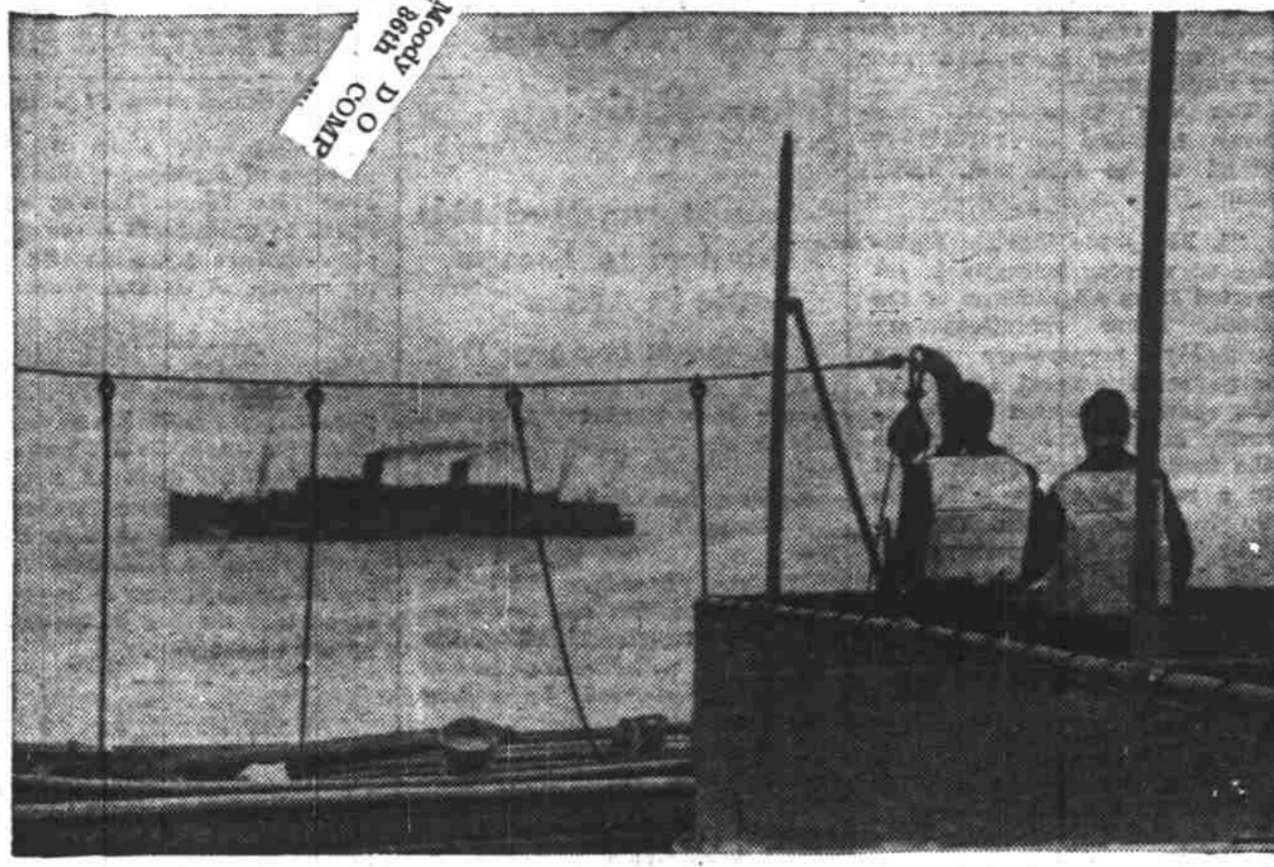
Predicting that a suit in opposition to Oregon's new cigarette tax law would be filed here Saturday or Monday, Oswald West, Portland attorney, inspected records in the case Thursday in Salem.

With West in the capital city to view Secretary of State Earl Snell's order declining to certify a referendum against the law to the county clerks for a place on the official ballot was Anthony Kennedy, Sacramento, Calif., attorney for cigarette manufacturers.

A copy of Attorney General I. H. Van Winkle's opinion holding the completed referendum petitions invalid because of alleged failure of the contributors' and expenditures' statement of the Oregon Retail Grocers' association to comply with statutory requirements was obtained by West.

First-day enforcement of the new law in Salem found a boost of three cents and not the previously announced two-cent increase in the price of each standard 15-cent package of cigarettes. Wholesale tobacco dealers in late session preceding the application of the new tax, decided, they announced Thursday, that the federal tax previously absorbed by dealers might as well be tacked on to the purchaser's price.

First Photo of US Convoy in Pacific



Here is the first picture of an east-bound American convoy in Pacific waters. Photo shows a troopship in the distance as seen from the deck of a merchant vessel in the convoy. Note life preservers worn by two men at right. Picture was taken by Bob Bryant for International Illustrated News.—IIN Photo.

Certificates Not Received

Ration Boards Lack Documents; More Inspectors Picked

All material necessary for commencing actual rationing of tires except the certificates which, properly filled out and signed, permit their purchase, have been received by Marion county ration boards, John Heltzel, local administrator, said Thursday.

Naming three inspection points in addition to those previously listed, Chandler Brown, defense council ration chairman, urged would-be buyers to take the tires they wish to replace to any inspector they may select.

"Just because each brand is represented in the Salem district by one distributor or dealer does not mean that the wornout tires must be inspected by the man who represents its brand," he said. "I would suggest that the person preparing to buy a tire go to the dealer he plans to patronize, who may then suggest to him where his tire should be inspected. He may, of course, take it to the inspector closest to him and then buy his new tire wherever he pleases, if his right to buy has been certified by the ration board in his own district," Brown added.

Added to the list of inspectors in the Salem district since the first announcement have been Goodrich-Silvertown store, 198 South Commercial street; Firestone Auto Supply Service store, 375 North Liberty street, and Carl Hultenberg, 395 North High street.

WASHINGTON, Jan. 8—(AP)—Secretary of Interior Ickes Thursday eased public fears of gasoline rationing, but he proposed a 40-mile-an-hour speed limit on the nation's highways, as a war measure.

There is "no immediate prospect" of motor fuel rationing, he said; though, "no one knows what the future holds." Turning to the rubber shortage, Ickes, who is petroleum and solid fuels coordinator, told his press conference that a 40-mile (Turn to Page 2, Col. 2)

Defense Work Contracts For City To Be Talked

OPM Official and Staff Will Confer With Chamber Industrial Committee and Plant Owners on Plans, Financing Production

More nearly complete steps than have yet been taken to obtain defense contracts to enable Salem manufacturers to keep in production were promised Thursday by President Carl Hogg of the Salem chamber of commerce for a meeting of his industrial committee and plant proprietors at the Quelle cafe at noon today.

Hogg, announcing personnel of the new industrial committee at the same time, said all local manufacturers were invited to be present. An effort was made Thursday to communicate with as many proprietors as possible.

Defense work and how it is obtained will be discussed at the luncheon by L. D. Barnett, acting manager of the Office of Production Management for Oregon, who is bringing his entire staff along to answer questions at a round table discussion to be conducted at 1 o'clock.

Other speakers will include (Turn to Page 2, Col. 2)

Eccles Called To Bonneville Meet Today

David Eccles, state budget director, said Thursday he had been called to confer in Portland today with Ivan Bloch, chief of the Bonneville administration's market development staff and Pat Hetherington, executive secretary of the Washington state planning council.

The conference will be one of a series contemplated to project a course for developing both wartime and postwar industries in the northwest as a result of a pledge of cooperation made by Gov. Charles A. Sprague of Oregon, Gov. Arthur B. Langlie of Washington and Dr. Paul J. Raver, Bonneville administrator.

Red Cross Fund Rises

Cash in the bank and in hand for the Marion county Red Cross emergency war relief fund drive mounted beyond the \$15,000 Thursday, it was announced at chapter offices.



Lee U. Eyerly, (above) who will head the Salem chamber of commerce industrial committee this year. He has been working as chairman of the Salem productive facilities committee to secure defense contracts for local industries.—Jesten-Miller photo.

Bomber Falls, Crew Saved

HANNA, Wyo., Jan. 8—(AP)—An army bomber crashed seven miles south of Hanna Thursday night, and seven of its crew of eight were known to have parachuted to safety.

The other crew member, who also parachuted from the falling plane, apparently was carried some distance from the crash scene. Sheriff Glenn C. Penland of Rawlins, his deputies and 50 miners of the Union Pacific coal company were searching for him.

Axis Army In Africa Escaping

Sandstorm, Mud Slow British In Libya Fight

CAIRO, Jan. 8—(AP)—General Erwin Rommel's African corps was making a getaway Thursday night from the Agedabia area of Libya, favored by an unusual combination of mud that hampered flank attacks and a swirling sandstorm that half-blinded his pursuers.

Further complicating the running battle which British imperials fought with Rommel's rearguard were mines which Rommel's sappers laid in roads and other inviting terrain.

Nevertheless, according to Thursday's communique from British general headquarters, the Coldstream guards and the Scots guards, battle-honored regiments of the British, established contact with the enemy's rearguard about seven miles southwest of Agedabia.

Farther south, a flanking operation was attempted simultaneously by the King's Dragoon guards and a South African armored force, but while this car-

(Turn to Page 2, Col. 6)

Fire Damages Stored Goods

Wool Warehouse Scene Of Blaze; Blamed On Broken Wire

Fire, which apparently had its origin in a snapped power line lapped a path across the front of the main storage room of the Clifford W. Brown warehouse at 171 North Front street early Thursday night, causing damages yet unestimated according to Carl E. Nelson, manager.

When city firemen arrived on the scene at approximately 4:45 they found a telephone pole near the north end of the building in flames, a loose wire swinging in the breeze above the burning wooden steps which (Turn to Page 2, Col. 6)

Chinese Still Killing Japs

CHUNGKING, Friday, Jan. 9—(AP)—China's central news agency reported today that the Chinese had killed or wounded 2,000 more Japanese Thursday in their methodical campaign of annihilation against the 30,000 invaders trapped between the Loo-tao and Milo rivers in northern Hunan province.

Chinese spokesmen previously had reported the Japanese suffered more than 35,000 casualties since the smashing of their assault on Changsha last Sunday.

As the Japanese, who originally numbered 100,000 to 150,000 by Chinese estimates, sought to fall back to their Yochow base 100 miles to the north, strong Chinese land forces aided by planes trapped 30,000 of them in the area between the two rain-swollen rivers.

Axis Army Transports, Cargo Ships Sunk; Isle Forces Wait Powerful Nippon Drive

Invaders Reported To Be Organizing for Great Effort; Wake Defenders Cited by FDR for Bravery and Losses Inflicted

Soviet Drive Rolls Along

Fresh Troops Pound At Retreating Nazis On Central Front

LONDON, Jan. 8—(AP)—Vast columns of newly-trained troops from Russia's almost limitless reserves Thursday night were reported moving up to the central front, where the Soviet offensive was rolling on toward a great collision with German forces attempting to dig in on the Vyazma-Bryansk line 130 miles westward beyond Moscow and halfway back to Smolensk.

Information from reliable quarters here that the command of the red army's center had just begun to draw upon its manpower reserve, after more than a month of unending offensive action against the invader, was coupled with word that these fresh troops were to some degree equipped with captured Nazi arms.

"The Russians," said these informants, "still have untouched reserves of manpower which are now being tapped as fast as they can be armed. The red army (of the center) is now largely powered by troops trained in the six months since the start of the war, and this training is going on at a rate that more than makes up for battle losses."

Specific information was scarce Thursday as to the progress of the drive beyond Moscow. It already had progressed to within 40 miles of the Germans' Vyazma-Bryansk line with the capture of the town of Meshchovsk, 130 miles southwest of Moscow.

But there was news of fresh Russian successes above the capital. On the Kalinin front, about 95 miles northwest of Moscow, the official organ of the red army announced that Soviet troops in a day's action (Turn to Page 2, Col. 1)

Production Steps Up

MANKATO, Minn., Jan. 8—(AP)—Speaking of stepped up war production: Three Holstein cows on the Leo Kruse farm near here each gave birth to twin calves within six days.

WASHINGTON, Jan. 8—(AP)—Heartening word of United States submarine successes against Japanese shipping came from the far east Thursday night to relieve, at least temporarily, anxiety over signs that Gen. Douglas MacArthur's forces in the Philippines soon would face the full power of growing enemy forces there.

In its first communique for days the navy said: A Japanese transport and three cargo vessels, about 10,000 tons each, had been sunk by a submarine in the Asiatic fleet.

The warship toll exacted in the memorable fight marines put upon Wake Island was increased to seven. A report, written December 20—two days before the Japanese overwhelmed the defenders—added a destroyer and a gunboat to the cruiser, submarine and three destroyers reported earlier.

The navy also disclosed that President Roosevelt, with words of pride, formally cited the garrison of less than 400 marines. Their "courageous conduct," he said, "will not be forgotten so long as gallantry and heroism are respected and honored."

A day-by-day report of the fury of the attacks and the tenacity of the defense on the sun-blistered Isle between Hawaii and the Philippines was released by the navy.

With the situation in the Philippines obviously growing more ominous by the hour the war department passed its usual night communique.

The morning gave every indication that the Japanese were organizing their growing forces for a great effort to wipe out Gen. Douglas MacArthur's American-Filipino army.

Enemy reinforcements, MacArthur reported to the war department, were being brought up to the front lines, still somewhere north and west of Manila, and there were other indications of preparations for a large scale general attack.

One such indication was an absence of aerial activity save for searching observation planes keeping close watch on the battle-weary defenders. Bomber and fighting planes presumably were being readied for the assault.

Confronted with this prospective supreme test, the American and Philippine forces were reported braced and ready. (Turn to Page 2, Col. 5)

Bulletins

TOKYO, Jan. 9—(Friday)—(Official broadcast recorded by AP)—Half of the Japanese foreign office was burned down today in a 2 1/2-hour fire which Domet, the Japanese news agency, said was caused by an overheated stove. The fire started in the first section of the research bureau in the northeast wing and swept through the second and third sections of the bureau of commercial affairs and burned other sections as well, including the accounts section, the agency said.

SINGAPORE, Jan. 9—(Friday)—(AP)—Singapore had its first night alert in three days shortly before (Turn to Page 2, Col. 7)

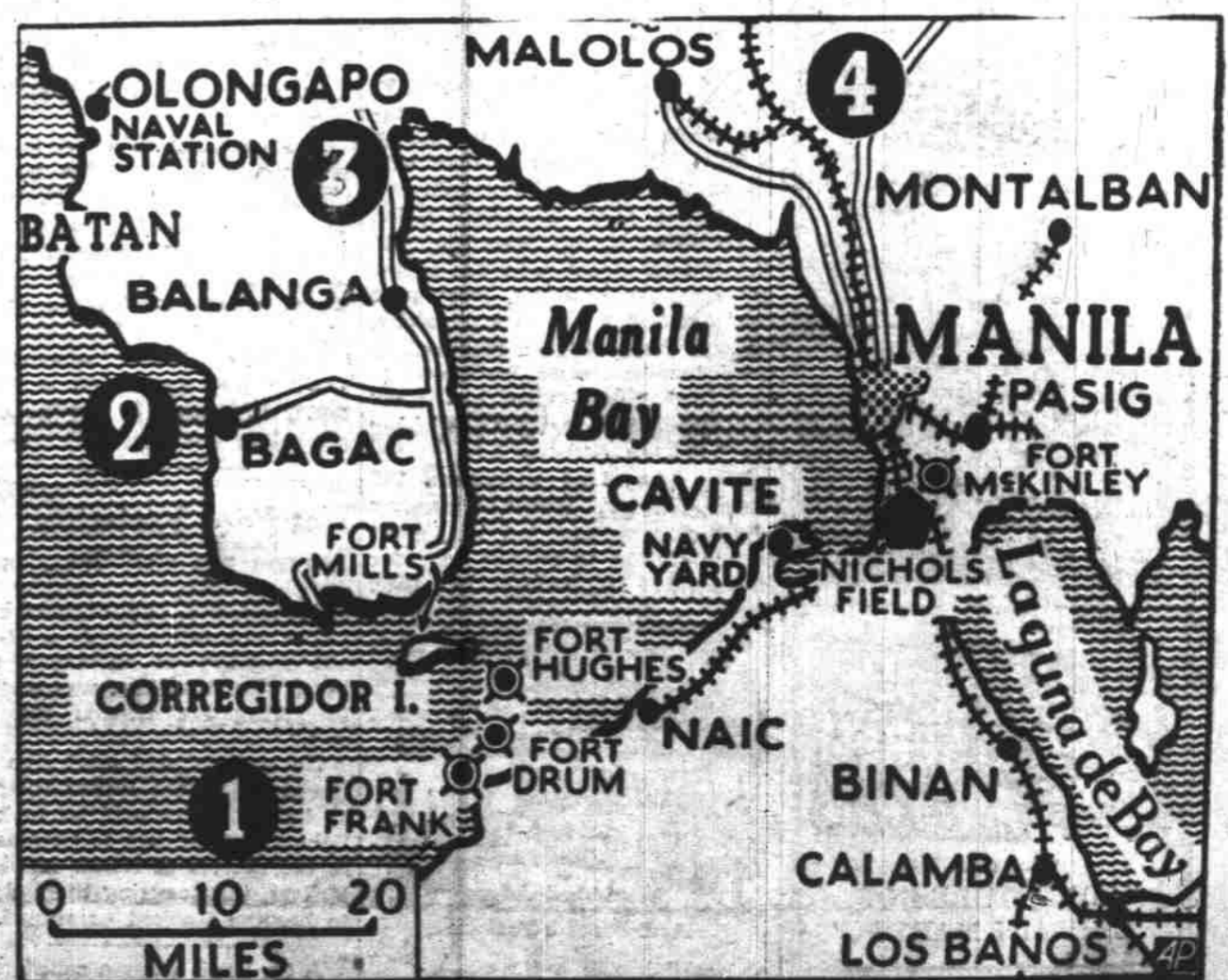
Junior CC Plans Fete January 22

Harry P. Cain, mayor of Tacoma, Wash., is to be speaker at the third annual Founders' day banquet of the junior chamber of commerce Thursday night, January 22, at the First Methodist church.

Name of the speaker and change of the date from January 19 were announced by the board of directors after their meeting Thursday night at the chamber of commerce hall.

Announcement of the junior first citizen of Salem will climax the banquet program, according to Milan Boniface, chairman of arrangements.

Corregidor Fortress Hard Nut to Crack



The Japanese found Corregidor island fort (1) a hard nut to crack on their initial attempts, and were reported musing to storm it and Batan peninsula (2). In Washington it was believed the navy had shifted from Cavite to Olongapo (3). Tokyo reported intensive air bombing of troops withdrawing northward from Manila.

Salem Scoutmaster Is Honored At Annual Banquet

Don Douris, a scoutmaster for nine years, was awarded Thursday night the Silver Beaver for distinguished service to boyhood in the Cascade Area council, at the annual Boy Scout meeting here. Charles S. McElhinny, Salem insurance man, was elected president, succeeding Harry Scott. Pres. Carl S. Knopf of Willamette university gave the principal talk, challenging the scouters and parents to teach boys and girls to keep "both eyes open." He said youths taught wrong values grow up with them and acquire adult ability to apply them to the detriment of themselves and others. "A democracy," he declared, "cannot thrive if the people are ignorant."

Douris, now troop eight scoutmaster, is religious education director at First Presbyterian church. He was chosen junior first citizen for 1939. Now on his honeymoon, he was unable to attend the banquet to receive the award.



Other officers elected were W. L. Phillips of Salem, first vice-president; J. Deo McClain of Albany, second vice president; T. A. Windishar of Salem, treasurer; Carl H. Connet of Albany, commissioner; A. C. Haag of Salem, national council representative.

Newly named to the executive board are Frank E. Near of Salem and G. W. Schachtsiek of Stayton, term to expire in 1942; H. C. Johnson of Albany and Harold C. Davis of Silverton, 1943; William A. McAfee, Henry Kropp and Dr. Franklin Thompson of Salem and Dr. G. B. Smith of Woodburn, 1944.

A Scoutmaster's key, award for completion of the five-year training course, was given Robert Day, council office assistant.

Walter R. Whidden of Portland, deputy regional executive, presented the Parsons awards to troops which recently demonstrated their preparedness in special work. Winners were troops 1, 2, 4, 6, 8, 14, 15, 16 and 42 and Cub pack 1.

At the annual Eagle scout court of honor, LaVerne Hopp of troop nine and Wade Egelston of troop 14 were given badges of scouting's highest rank. Others recognized for attaining the rank during 1941 were Bob McNeill, Bob Johnson, Roland Brown, Dean Chandler, Elmer Hayden, Marion Kummer, Robert Day, Clarence Conrad, Homer Hadley and Charles Weichel.

Entertainment included a scout play, "Mac Decides," directed by Bob Johnson, and colored slides of the summer outing area, Camp Pioneer.

Executive Ronald R. Ruddiman announced Arthur W. Lamka, former troop 13 scoutmaster, is to conduct a training course in fundamentals for troop leaders.

TOKYO, Jan. 9—(Friday)—(Official broadcast recorded by AP)—The Japan Times and Advertiser, government organ, declared today that once a Japanese landing is made on the American continent "it will be a simple matter for a well-trained and courageous army to sweep everything before it."