

# House Hears Plan to Slash China Forces

WASHINGTON, June 19 (AP)—A plan to slash China's armed forces to a fraction of their present numbers and otherwise "provide peace and unity" in that war-torn country was laid before congress today.

Top-ranking officials of the state, war and navy departments outlined the program to the house foreign affairs committee. The committee is considering a bill to provide military assistance to make China's reduced forces more efficient.

Main points in the program, being worked out by General George C. Marshall, special representative to China, include:

1. A reduction of the Chinese army to 60 divisions, instead of its present strength of from 250 to 375 divisions.

2. An amalgamation of the Chinese nationalist and communist armies into one unit with a ratio of five nationalists to one communist.

3. Sending of a military mission of 1000 Americans to China to train its personnel.

4. Giving China excess war goods for use by its army and navy. The naval supplies would be limited to 271 small-class vessels.

5. Transfer of all Japanese in China to their homeland.

6. Maintenance "until stability returns" of approximately 30,000 United States marines in China.

# Natural Gas Said in Oregon

WASHINGTON, June 19 (AP)—New gas fields may be found in approximately half of the United States, including the coastal regions of Washington and Oregon, a bureau of mines official reported today.

Hugh D. Mizer, chief of the bureau's fuels division, made the estimate in reporting to the power commission results of a survey of potential gas producing areas.

He said proven reserves of natural gas are estimated at 140 trillion cubic feet and reserves of oil are estimated at 20 billion barrels.

Geological conditions, he added, indicate there are "large" undiscovered gas reserves.

# GRAND Adventure and Intrigue

Pat O'Brien  
Perilous Holiday  
Ruth Warwick

CO-FEATURE: A CYCLONE OF FUN!  
The Texas Rambler  
John Clegg - Jeff Doreau  
Andy Cole - Greta Williams

PORTLAND ROSE FESTIVAL NEWS

# LIBERTY

OPENS 6:45 P.M.  
NOW! Clark Gable  
Loretta Young  
"CALL OF THE WILD"

CO-HIT: BOB STEELE  
"WESTWARD HO"

PLUS! CHAPTER ONE OF NEW THRILL SERIAL!

"ZORRO'S BLACK WHIP"

STATE  
OPENS 6:45 P.M.  
NOW! SEA-GOING RIOT!  
DINO CRUZZI  
BETTY HUTTON  
SONNY TUFTS

CO-FEATURE: GLORIA JEAN  
"RIVER GANG"

# Man Charged With Unlawful Use of Auto

City police early Wednesday arrested Grant Murruga, 724 N. High st., who was driving, they said, a car reported stolen from American Legion hall early Tuesday night. Arrest was made in the downtown area.

Eric Bergman, owner of the car, charged Murruga with unlawful use of an automobile. Murruga appeared in Salem justice court Wednesday and his case was continued.

# Nip Journalist Reveals Japan Peace Strategy

TOKYO, Thursday, June 20 (AP)—Japanese newspaperman Tamom Maeda testified tonight in the international war crimes trial that Japan in 1928 was trying to carve out a "corridor of safety" in Manchuria against Russia.

He said that at that time he had no knowledge of any move by Japanese militarists to start the 1931 "Manchurian incident."

Testifying at the war crimes trial of former Premier Hideki Tojo and 27 others, the Japanese newspaperman said the cabinet was formed to adopt a more aggressive policy in connection with Manchuria, with the government at that time feeling that Manchuria was the Japanese lifeline.

He said Manchuria was to serve as a buffer, and Japanese leaders worked toward that end despite the fact that "Japanese blood had been shed previously for reasons of these sacrifices Japan was entitled to control Manchuria and realize the fruits thereof."

# Poland Said Near Upheaval

WASHINGTON, June 19 (AP)—Diplomatic informants said today that political conditions in Poland are approaching a critical, perhaps explosive, point. Terrorism is widespread and the possibility of a bloody upheaval is not discounted.

The state department, as the latest in a series of moves reflecting concern over the situation, has asked Ambassador Arthur Bliss Lane at Warsaw for a full report on action of the Polish government in closing six district offices of the Polish peasant party in the last six weeks.

# Albany Plant Changes Hands

SEATTLE, June 19 (AP)—Sale of the Associated Frozen Food Packers, Inc., to the Capital Corporation of California for an undisclosed sum was reported today by Patrick A. Conrad, president of the former.

Associated operates a plant at Albany, Ore., and three in the Puget Sound area, with value estimated in excess of \$1,000,000. The firm has a payroll of 700.

# GEN. GULLION DIES

WASHINGTON, June 19 (AP)—Maj. Gen. Allen W. Gullion, who was the wartime provost marshal general of the army, dropped dead tonight while listening to a broadcast of the Louis-Conn fight.

# CHINA ARMY BUDGET HIGH

NANKING, June 19 (AP)—The Chinese central government is spending more than 80 per cent of its income on armies, Premier T. V. Song disclosed today.

The term skyscraper originally applied to a skyscraper of triangular form.

# LEONARD'S SUPPER CLUB

2ND SENSATIONAL THRILL WEEK  
Held Over! For You!

Yvette Dare  
And Her Sarong Stealing Parrot

PLUS! ALL NEW ACTS!  
Featuring Lee Carter "Sensational Dancer"

Billy Bishop

# ALL NEW BAND "ABBE" GREEN'S ORCHESTRA

FEATURING JEANNE FONTAINE - VOCALIST - CHINESE FOOD STEAK  
And Chicken Dinners

# Order to Fight Tito Denied By Mihailovic

BELGRADE, June 19 (AP)—Gen. Draja Mihailovic today denied the testimony of one of his lieutenants that he had personally ordered the first Chetnik attack against Marshal Tito's partisan troops, and had offered cooperation with enemy occupation forces.

Mihailovic made the denial in a face-to-face encounter with the lieutenant, Milos Gistic, after the defense attorney had again appealed for permission for American fliers to testify on behalf of the Chetnik leader.

The court, however, interrupted the attorney's reading of a telegram from New York from the committee for the defense of Mihailovic. The attorney, Dragis Joksimovic, also asked that all evidence and reports on the trial be made available for the defense, but the court did not rule immediately on this motion.

# AVC Delegates Return From Convention

Art Dow and Jim Pollard returned to Salem Wednesday from the AVCA convention, which they attended at the first national convention of the American Veterans Committee. They represented the Salem chapter to which they will give reports at a meeting next Wednesday night.

Dow, president of the local chapter, and convention highlights included AVC endorsement of the Columbia valley authority; election of Charles Boile as national president and Gilbert A. Harrison, AVC founder, first vice president; adoption of first steps toward an international veterans' league in conjunction with British, Greek, Yugoslav and French veterans who attended; and permanent adoption of the national legislative office of AVC in Washington, D. C.

# Hoyt Flays Red Censors

COLUMBUS, O., June 19 (AP)—Criticizing censorship in Russia, E. Palmer Hoyt, editor and publisher of the Denver Post, asserted today that the United States "should urge, as a matter of international salvage, world freedom of news and equal use of communication facilities."

This should be done, he said in an address to the International Circulation Managers' association, "so that the average man regardless of what country he may happen to be a resident, will know first hand of the certain doom that awaits the world if it again indulges in warfare."

# Budget Director Takes New Job

WASHINGTON, June 19 (AP)—Budget Director Harold D. Smith, who has supervised the spending of billions by government agencies since 1939, today joined the parade of officials leaving the federal service for better-paid jobs.

Smith resigned to become vice president of the new \$7,670,000,000 International bank under President Eugene Meyer at a tax-free salary of \$22,500 a year, compared with the \$10,000 less taxes which the government paid him.

# 1600 4-H Club Members Begin Summer School

CORVALLIS, June 19 (AP)—Some 1,600 4-H club youngsters began their 31st annual summer school today, with 200 local club leaders from throughout Oregon joining in discussions.

The 10-day school began with demonstrations and instruction, farm youngsters will have lessons in the mornings, assemblies, small meetings, and entertainment in the afternoon.

# AMMO DUMP EXPLODES

HANNOVER, Germany, June 19 (AP)—More than 100 Germans and displaced persons were feared dead today in an ammunition dump explosion, and a raging underground fire threatened momentarily to touch off the remainder of the stores in a salt mine at Haensgen, 15 miles northeast of here.

# Too Late to Classify

1937 HUDSON, convertible Call 2-1201  
50-LB. ICE BOX, good condition, after 8 p.m., 310 Liberty Road

# LAST TIMES TODAY

Follow Spotlight Beam to Tent at Leslie High School South Field.

# CLYDE BEATTY

LARGEST Trained and Animal Circus in the World!  
3 RING CIRCUS  
GIGANTIC RAILROAD SHOW

Scores of people and animals  
Tons of performing Elephants  
Scores of Magnificent Horses  
Clowns Galore • Acres of Tent  
TWICE DAILY - 2:30 & 8 P.M.  
DOORS OPEN 1 P.M. POPULAR PRICES

Reserved Seat Tickets on Sale Today 10 a.m. till 5 p.m. at Capital Drug Store

# 'Hidden Writing' Believed Found on Degan Ransom Note

CHICAGO, June 19 (AP)—The discovery of "hidden writing" including more than a score of names—on the Suzanne Degan ransom note was reported today by Detective Chief Walter Storms, who predicted it would lead them to the kidnap-killer of the six year old girl.

The chief investigator of the baffling five months old crime said the "hidden writing" consisted of "hundreds of impressions" of names, telephone numbers and words made on the ransom note from writings on sheets above it in a writing pad.

Storms discussed the new clues after the Chicago Daily News announced in a copyrighted story that one of its staff artists, Frank San Hamel, had discovered the tracings on a photograph of the ransom note when he was preparing it for reproduction in the paper.

Some of the first words reported discovered in the "hidden writing" were: "Policeman, bring, tens, rest, ready, pay, reward, singles, get 5's, spw, rat, beware not to, meet me, police or; cash and leave car."

The news said the FBI office in Washington which had examined the original note and fingerprints, was asked after San Hamel's discovery to reexamine the note for hidden writing and the story added:

"And here came the first big disappointment of the inquiry—the FBI reported its experts could find no hidden writing on the ransom note."

Chicago police were optimistic, however, about the new clues.

# Circus Set for Final Shows At 2:30, 8 p.m.

The Clyde Beatty circus, with added aerial trapeze acts augmenting its program of previous years, plays its final two performances in Salem today.

The Big Top went up at the Leslie school yard yesterday and played to near-capacity audiences at 2:30 and 8 p.m. Programs today are at the same times.

The acrobatic Escalantes on the bars, trapeze artists Jean Evans and Bebe Siegrist, the high pole Olveras and the Flying Concellos vie for top interest with the Beattys' lion and tiger act around which the show is built. Clowns brought chortles with a new version of the cannon-ball act and their impromptu antics in and out of the circus.

The circus today is taking advantage of the two-day stop in Salem by scheduling a softball game at 11 a.m. between the candy butchers and the trimmen, with rivalry heightened by several weeks of argument during a schedule which kept the show too constantly on the move to permit earlier settlement.

# Harbor Probe Reaches Paper

WASHINGTON, June 19 (AP)—The joint congressional committee named to investigate the Japanese attack on Pearl Harbor will begin writing its report tomorrow.

Senator Scott Lucas (D-III), was selected chairman of a subcommittee which will frame the report.

Lucas said the first phase of the work will be to assemble a chain of undisputed facts as to what happened at the Pacific naval stronghold Dec. 7, 1941—how many Japanese planes came in, how many men were killed and wounded.

# Draft Opponents To Continue Fight

WASHINGTON, June 19 (AP)—Opponents of the peacetime draft served notice tonight they haven't yet given up the fight despite a vote radiated from the Pacific which earlier appeared to have broken a deadlock and turned the tide against them.

Rep. Andrews (R-NY) radioed yesterday from aboard a ship taking him to the atomic bomb tests in the Pacific that his proxy would be cast for a senate compromise on the teen-age draft.

However Rep. Short (R-Mo) said he would contest Andrews' proxy and ask that another republican conferee be named to replace the absent New Yorker.

# Senator Taft Says Debt to Top Estimate

WASHINGTON, June 19 (AP)—Senator Taft (R-Ohio) told the senate today that the government deficit for the next fiscal year may be double the \$4,000,000,000 estimate made by President Truman.

Taft voiced his warning as congress began a race with time to complete 11 big appropriation bills before the new spending year starts July 1.

Senator Bridges (R-NH) interjected that the rush was an example of the "haphazard" way the federal government is operating.

Taft said the budget bureau estimate of the deficit was about four billions "but nobody knows whether it will be four, six or ten billion dollars."

During the day the senate approved many increases recommended by its appropriations committee in annual funds for the interior department, including a large number of reclamation projects in western states.

# Hush-Hush of Conclave Seat Refusal Denied

PORTLAND, Ore., June 19 (AP)—J. T. Marr, executive secretary of the Oregon State Federation of Labor, today denied a state convention committee had made a deal with a Salem union man not to publicize action refusing him a seat at the recent convention in Astoria.

Marr explained Ray Thomas, Salem, who was refused a convention seat on his admission of communist activity, had made the charge.

"The charge of a deal between him and the committee is obviously false, for the convention, which is open to the public and to newspaper representatives, had sole power to grant or deny a convention seat," the federation officer declared.

Marr reported the incident was the second time a seat had been refused to a delegate who admitted communist activity.

# Secrecy Veil Lowered Over OPA Bill Talks

WASHINGTON, June 19 (AP)—Congressmen working out the final draft of the OPA bill burrowed into a storm-shelter of secrecy today in the gusty controversy.

They decided unanimously not to disclose piecemeal the details they agree upon but to wait until their work is all done before they reveal what price controls they scrap or save.

# FARM MORTGAGES DROP

WASHINGTON, June 19 (AP)—The agriculture department reported today that the nation's farm mortgage debt dropped this year to the lowest level since 1915.

The first regulations governing naval officer uniforms were passed by the United States in 1797.

# Geologist to Talk Of Coast Range

The geology of the central Coast range will be the subject of an address before the Salem Geological society, at 8 o'clock tonight by Dr. E. M. Baldwin at Collins hall of the Willamette university campus.

Dr. Baldwin, a member of the state department of geology and mineral industries, will limit his discussion to that portion of the Coast range lying between the Corvallis-Newport highway and the one connecting Valley and Otis Junctions. His talk, illustrated with photographs and diagrams, will review the stratigraphy of the region with special reference to the intrusives which dissect it. Dr. Baldwin is at present engaged in mapping this district, so he is expected to be exceptionally well informed as to its geologic features.

# Portugal is the most important source of cork.

Rathryn Grayson • June Allyson

"TWO SISTERS FROM BOSTON"  
One whirling your way!

Accompanied by LAURITZ MELCHIOR • JIMMY DURANTE • PETER LAW FORD COMING SOON!

# Crystal Garden

Salem, Oregon

8 to 12 Dancing Thurs, June 20 1.50 incl. tax

"Children under 12 accompanied by parents admitted free—It's Family Night."

## AMERICA'S MOST VERSATILE DANCE BAND!

BOB WILLS  
TEXAS PLAYBOYS  
COLUMBIA RECORDINGS ENTERTAINMENT GALORE!

# NOW! Faster, Finer Trains EAST THROUGH CALIFORNIA!

If you are planning to go East on business or pleasure have you thought about going East through California? On round trip tickets to Chicago, New York and most other eastern cities you can go one way through California for little or no more railroad fare than you'd pay to go straight East and back!

This way you can see much of California including San Francisco, Los Angeles, San Diego, Stover anywhere. We now have much finer, faster trains on our Shasta Route to California, and on our three routes from California to the East.

On all of these routes we have fast luxurious Pullman trains, and speedy comfortable trains with chair cars and tourist sleeping cars if you are traveling on a limited budget.

## S.P.

The friendly Southern Pacific

City Ticket Office: SW 6th & Yamhill Sts. Union Station, telephone ATwater 8181, or see local agent, or write J. A. Ormsandy, GPA, 622 Pacific Building, Portland, Ore.

# CAPITOL

NOW! Through Saturday

Robert Walker  
June Allyson  
"THE SAILOR TAKES A WIFE"

# SHADY SLADY

Ginny Simms

# The VIRGINIAN

Joel McCrea  
Brian Donlevy  
Sonny Tufts

Barbara Britton • Fay Bainter  
Tom Tully • Henry O'Neill

# HOLLYWOOD

OPENS 6:45 P.M.

DICK POWELL  
Cornered  
with WALTER SLEZAK

CO-FEATURE: ROY ROGERS • TRIGGER  
"BELLS OF ROSARITA"

# EL SINORE

STARTS FRIDAY

THE GREATEST OUTDOOR ROMANCE OF THEM ALL... IN THE MOST GORGEOUS Technicolor EVER SEEN!

Plus Co-Feature "Dangerous Business"

The hilarious side of homicide... to make you spit your sides with laughter. with Forrest Tucker - Lynn Merrick - Gerald Mohr

Plus Co-Feature "Man Who Dared"