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Weather

Showers tonight and Wednesday;
little change in temperature. Mon-
day: Max. 48. Min. 44. Rain 1.9
in. River 11.5 ft. South wind, clou-
dy.

Finns Recapture Lost Positions on Karelia

State Rests in Drager Trial

Defendant Takes Stand in Own Defense

Bond Attorney Tells of
Interviewing Richardson;
Boyer, Hewlett Testify

The state rested at about 10:30 o'clock this morning in its prosecution of D. G. Drager, county treasurer, charged with larceny of public funds and shortly after Judge McMahan denied a motion on part of the defense to dismiss the jury to return a verdict of "not guilty." The motion for dismissal offered by George Rhoten, one of the defense counsel, alleged that the state had failed to make a prima facie case as to the charges in the indictment and had not introduced evidence showing that Drager took the money and converted it to his own use.

While the defense put on two witnesses this morning, John Lichty of Portland, attorney for the bonding company which furnished the bond for W. Y. Richardson, Drager's former deputy and jointly indicted with him, and U. G. Boyer, county clerk, main testimony of the defense is expected to come from defendant Drager himself who was just getting his testimony under way this afternoon and is expected to be on the stand for possibly a day and a half.

Lichty a Witness

Lichty in his testimony for the defense told of coming to Salem after the state audit and interviewing Richardson at the offices of Abrams & Ellis, with C. E. Abrams present for a portion of the time. This was some time in November, 1938. Lichty said he asked Richardson if he had taken any of the money and Richardson said he had not. Lichty said he asked him to explain why he had manipulated the records if he hadn't taken any money and he said Richardson told him the first year that he went into office, back in 1916, he had found a small shortage and covered it up so the auditors wouldn't find it. He said Richardson told him that he thought it was caused by bookkeeping errors and he covered it up thinking he could find the errors and rectify them.

Repeated for 16 Years

The next year, and the next and for 16 years, Lichty said Richardson told him he'd done the same thing, all the time with the hope he would find the reason. Lichty then told of one group of warrants which had been manipulated in 1931 and 1932 totalling \$20,000.20 which he submitted to Richardson and talked about the changes made in the bank stamps. He said Richardson denied that he had changed the bank stamps and that he didn't know who did it.

Lichty said Richardson told him that all during the 16 years he had never told any one else of the shortage and all the time had carried the loan on his own shoulders, although he had never taken any of the money. Lichty said Richardson reiterated this statement many times. In response to an inquiry from Counsel Rhoten whether Richardson had specified Drager as one whom he had not told of the shortage, Lichty said he had not.

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Pontiff Continues Efforts for Peace

Vatican City, Feb. 13 (U.P.)—Pope Pius XII was reported today to have started sounding out responsible circles in Paris, Berlin and London in connection with the forthcoming visit of Sumner Welles, United States undersecretary of state, to Europe.

According to usually well-informed sources, the pontiff sent messages today to apostolic nuncios in France, Germany and Great Britain for a survey of responsible circles and of public opinion regarding the Welles visit.

It was reported that the message also asked each of the papal representatives to plead with the faithful of each nation not to take any stand which might be of political importance in connection with the Welles journey.

These sources said the Pope's mes-



Dewey Meets Indians—Thomas E. Dewey (right), stumping the northwest on his campaign for the presidency, is shown at Grand Coulee, Wash., being greeted by Henry Owl (left), Nez Perce Indian from northern Idaho. — Associated Press Photo.

Repeal of Picket Law, Labor's Plan

By Harry Grain

From Portland, where it scarcely draws mention in the newspapers, comes word that this year's elections may be complicated again by revival of the question of labor control by statute—an issue which over-shadowed all others and wielded no little influence on the political fate of candidates for state, local and congressional offices in the 1938 campaigns.

Farley Sends FDR Valentine

Hannibal, Mo., Feb. 13 (U.P.)—Postmaster General James A. Farley abstained from politics today, mailed a yard square Valentine to President Roosevelt, and said the nation needs a sense of humor.

He officiated at the first sale of the Mark Twain commemorative stamp of the famous Americans series from the post office in this Mississippi river town where Twain lived and laid many of his stories.

The city's residents addressed the large Valentine to the president. Farley affixed the first of the Twain stamps and personally cancelled it. Stamps on covers addressed to thousands of other philatelists were cancelled by machine.

Farley's speech here was concerned only with Twain. Farley compared him to Abraham Lincoln, whom he honored at a ceremony in New Salem, Ill., yesterday.

"They have one great thing in common," he said. "A genuine and wholesome sense of humor. Probably at no time in American history has this attribute been of more importance in our national life than it is today."

"As long as we can keep our sense of humor there is no danger for the safety and welfare of our country."

Injury Fatal to Boy
Vancouver, Wash., Feb. 13 (U.P.)—Richard Crowley, 14, of Vancouver, who lost control of his motorcycle during a storm January 14, died of a broken back last night. The cycle veered from the Evergreen highway east of Camas.

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Winter's Heaviest Snow in Cascades

Bend, Feb. 13 (U.P.)—The winter's heaviest snow, reaching two feet in some mountain areas, blanketed eastern Oregon today but all major highways remained open.

Two inches fell at Bend. The Diamond lake secondary highway was closed last night.

A 52-inch total was reported on the Crater lake rim, an increase of 22 inches.

Fifteen inches were reported on Sun mountain, high pass between here and Klamath Falls on The Dalles-California highway.

Arbitrator to Pass Stage Wage Scale
Portland, Feb. 13 (U.P.)—The Oregon Motor States company proposed wage adjustments including both increases and decreases today at an arbitration hearing with the AFL motor coach employees union.

Jerry Simpson, union attorney, told the arbitrator the company had only increased its 1931 investment to a \$40,000 capitalization but the value had mounted 609.5 per cent.

He asserted 1938 revenue was \$408,872 but the union "had to battle" for each pay increase.

NLRB Officials Lobbied to Get Appropriations

Pressure Politics Played To Forestall Cuts and Kill Amendments

Washington, Feb. 13 (U.P.)—Edmund Toland, counsel of the house committee investigating the National Labor Board, today asked the committee to consider whether NLRB officials violated federal law in lobbying against reduced appropriations and the American Federation of Labor's Wagner act amendments.

After an executive session, Chairman Howard W. Smith announced that the committee was divided on whether the law had been violated. He said Attorney General Robert H. Jackson would be asked for an opinion.

List of Telegrams

Toland read into the record a list of telegrams sent by board employees to unions, letters by board members and other documents. Board Chairman J. Warren Madden agreed under questioning that he knew of activities by regional officers and employees to organize a pre-election campaign to forestall cuts in NLRB appropriations.

Toland also called board member Edwin S. Smith and Secretary Nathan Witt to the witness stand and asked them about the alleged lobbying activities.

"I make no charges," Toland said, "but I call your attention to the statutes."

Used Federal Funds

Then he read the statute barring government employees from using federal funds, "directly or indirectly," to influence members of congress on proposed legislation.

Toland read several telegrams showing that region NLRB officials sought to line up union opposition to a proposed \$385,000 reduction in the board's funds for 1937. One by Edwin A. Elliott, Fort Worth, Texas, regional director, went to many labor unions and officials in Missouri, Texas and Oklahoma. It asked them to "wire senators and request other labor organizations and individuals who are sympathetic to the work, to urge that the reduction be not allowed."

Madden testified that there "had been some activity of this kind and the board knew enough about this to take full responsibility."

Kennedy Offers Swapping Plan

Washington, Feb. 13 (U.P.)—Ambassador Joseph P. Kennedy said today he would take back to London a proposal for "swapping" certain British and American shipping routes, which would result in putting idle American ships to work again.

He expected to talk over his plan with President Roosevelt later today, he said.

After a 40 minute conference with Secretary H. H. Kennedy declared that he hoped to get the British to turn over the United States routes now operated solely by British ships, which already are being removed from some of these to carry war materials on other routes.

The routes Kennedy has in mind for American ships were said to be far removed from the European fighting area.

The ambassador reported that possibilities for increased export of American lumber to Great Britain were connected with his plan. He mentioned particularly southern pine and some western woods.

Britain, he said, needs the lumber but is having difficulty finding ships in which to transport it. If British ships operating in other parts of the world could be replaced by American ships, the required tonnage would become available.

Zeb Farley Worried

Crawfordsville, Ind., Feb. 13 (U.P.)—A new tooth growing in his jaw worries Zeb Farley, elderly janitor at the Wabash Avenue Presbyterian church.

Because he had all his teeth pulled 10 years ago and bought false ones.

British Cruiser Rescues Crew of Scuttled Ship

German Freighter Wakama Set Afire When Halted Brazilian Waters

Rio de Janeiro, Feb. 13 (U.P.)—Rear Admiral Sir Henry Harwood told the Associated Press today that the crew of the German freighter Wakama, after setting their ship afire yesterday off the Brazilian coast, had been taken aboard a British cruiser.

Sir Henry, commander of British forces in the south Atlantic, said in an exclusive interview that 10 officers and 36 men of the Wakama's crew had been picked up in lifeboats by one of the British patrol vessels.

Sir Henry's flagship, the cruiser Hawkins, entered port here last night. The cruisers Shropshire and Dorsetshire yesterday were in the waters off Brazil where the Wakama was intercepted and fired by her own men.

Spotted by Plane

Because she was considered a menace to navigation, the burning Wakama was sunk, Sir Henry said, by the British cruiser that intercepted her. He would not say which British ship delivered the finishing stroke but made it clear it was not the Hawkins.

"I didn't see the Wakama burning," he said, "but I know she burned and sank because of a communication I received from the other cruiser."

"I understood they finished her off so she would not menace other shipping."

When asked if a British scouting plane had been the first to spot the richly laden 3,771 ton freighter, Sir Henry said:

"That is correct."

"But the plane did not attack; it simply gave word to give up."

Sir Henry, who was knighted after commanding the British squadron which drove the German pocket battleship Admiral Graf Spee into Montevideo, gave indications the overhauling of the Wakama had been an easy matter.

Cat Found in Hood of Auto

There are many things beneath the hood of an automobile beside the engine and Kenneth Davidson, employee of the Standard Oil service station at 1210 State street, has found numerous articles besides wrenches but he had a new one sprung on him Monday.

When Davidson raised the hood of the automobile belonging to J. M. Manwell, Portland, he found a husky black cat, which was rather warm, lying beside the motor block. The cat had apparently crawled under the hood by means of an opening just above the pan but why it did not leave was something that only the cat could answer and "he no speaks English."

Manwell was in Salem Friday and had his automobile serviced at the station. He drove to Eugene, had the oil checked again and then parked his automobile in a hotel lot where he remained over night. He did some driving around Eugene, returned to Salem, and drove several miles around the city before taking his machine to the station to have Davidson again check the equipment. Manwell's only surmise is that the cat must have crawled under the hood to get warm while the car was parked outside overnight and that probably Lane county will be minus one black cat when the federal census is completed.

Britain to Welcome Sumner Welles

London, Feb. 13 (U.P.)—The British government will welcome Undersecretary Sumner Welles when he comes as President Roosevelt's emissary, Prime Minister Chamberlain told the house of commons today.

Chamberlain said the government will be ready "to take him fully into their confidence with the object of assisting the president to form an estimate of the present situation."

The prime minister was replying to a member's question.

Welles is to visit Rome, Berlin, Paris and London to gather information for the president.



Won't You Sit Down?—When Archibald Roosevelt, Jr., (right), second cousin of the president's wife, offered a resolution of sympathy for Finland at the American Youth Congress in Washington, he was confronted by this police officer, who is asking him to please sit down. He did, and his resolution was declared out of order. One of his companions was ejected from the meeting. — Associated Press Photo

British Expand Coast Patrol

London, Feb. 13 (U.P.)—Great Britain is expanding her air and naval coastal patrols suddenly and swiftly to smash Germany's mine-and-bomb blockade of British shipping. The admiralty announced it was recruiting 10,000 additional fishermen for naval patrol duty in the war against German mines.

Hull Opposes Ban on Japan

Washington, Feb. 13 (U.P.)—Secretary Hull has expressed state department disapproval of a resolution to invoke the neutrality act in the undeclared Sino-Japanese war.

Chairman Pittman (D., Nev.), of the senate foreign relations committee disclosed this today, saying further that the committee probably would consider Hull's opinion as reflecting the state department's views not only on the far eastern conflict but also on the undeclared war between Finland and Russia.

Although Pittman declined to make the letter public, he said it was apparent Hull felt that the peace and security of the United States were not directly involved in either of the undeclared conflicts and for that reason did not favor invocation of the neutrality act, which would greatly restrict American dealings with the belligerents.

The Hull letter will be considered when a subcommittee takes up a resolution by Senator Gillette (D., Ia.), to act in motion congressional machinery to place the neutrality act in operation in the far eastern war. Chairman George (D., Ga.), said the subcommittee might meet tomorrow.

Australian Troops in Palestine Area

Jerusalem, Feb. 13 (U.P.)—Australian troops began arriving today at specified areas in Palestine.

An estimated 30,000 Australian and New Zealand troops arrived at Suez yesterday after a 10,000 mile journey from the antipodes.

The first contingent of Australians reached a Palestine camp after five hours in a crowded troop train.

Long lines of gray buses, winding through the green hills and orange groves, carried the men from a small country station to their new encampment which had been prepared by the Scottish regiment stationed in Palestine.

The newcomers quickly exhausted available supplies of oranges from happy vendors.

Withdrawal of Wheat Advised

Washington, Feb. 13 (U.P.)—Limited withdrawals of foreign wheat from warehouses for consumption in the United States were recommended by the tariff commission yesterday by the agriculture department.

Norris E. Dodd presented the recommendations at a hearing on the threat of imports to the domestic wheat market.

Red Assaults Continue in 13 Day Battle

Mannerheim Line Still Intact—Finns Stage Counter Attack

Helinski, Feb. 13 (U.P.)—After 13 days of bitter fighting, Finnish military authorities announced tonight that all positions of strategic importance on the Karelian isthmus had been won back by Finnish counter-attacks.

The Finns acknowledged for the first time that they had "withdrawn" late Sunday from some of these positions in the sector about Summa.

A military interpreter explained that this often occurs in "battles of such fury as are now going on."

The Mannerheim line is still intact, this Finn said.

(The Russian army announced in Moscow that its forces on the isthmus had captured 32 "defensive fortifications" Monday and a total of 61 such positions within the past week.)

Lines Still Hold

"We have recaptured these positions now," said the Finnish spokesman, "and are leaving in Russian hands only a few outlying machine-gun posts of no importance in the battle along the Mannerheim line, which itself still holds."

This interpretation of the fighting in the region of the Mannerheim line—Finland's main defense fortifications—came after the daily army communique had told of "several successful counter-attacks" on the isthmus in all-day fighting yesterday and had described action further north where the Finns were said to have driven a Russian detachment back across its own frontier.

The daily communique said fighting was continuing on the isthmus today, 13th day of the Russian assault there.

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Soviet Claims Forts Captured

Moscow, Feb. 13 (U.P.)—Within a week, the high command for Soviet Russia's Finnish campaign has reported capture of 61 "defensive fortifications" on the Karelian isthmus where runs the Finns' Mannerheim line.

Today's communique announced 32 of these positions were wrested from the Finns yesterday. Among them were "12 iron and concrete artillery forts."

On the basis of today's report, the drive against the isthmus line—vortex of the war—is gaining momentum.

Finnish equipment seized by red troops in areas of defensive fortifications captured in the past few days, the communique said, includes 230 machine guns and 82 guns—whether field pieces or hand weapons was not clear.

Capture of 13 "iron and concrete" forts was reported last Thursday and yesterday's communique announced that 16 more "defensive fortifications" had fallen to red troops, including eight of the "iron and concrete" variety. (Finnish reports have denied any breach in the line.)

Railroad Conductor Decapitated by Train

Nathaniel J. Swain, 60, of 448 University street, veteran employee of the Southern Pacific company, met instant death under the wheels of a train at the Southern Pacific depot early today. His stopped watch indicated the accident occurred at 8:19 o'clock.

Swain, known familiarly as "Mac," was conductor on a train being made up for a run to Albany, and was standing on the rear platform of the caboose while cars were being coupled. At one contact the cars failed to couple, and a second contact was made. The first impact apparently caused Swain to fall from the platform to the track, and the second impact pushed the caboose and possibly two cars over his body, which was decapitated.

There is some question whether the fall stunned Swain, but Dave McRae, 2242 North Fourth, a switch-

man, who was an eye-witness, told police that Swain tried to roll between the rails, and McRae said he tried in vain to reach Swain and pull him to safety.

None of the train crew saw the accident. A. A. Look of Portland was the engineer and J. A. Reilly of Beaverton the fireman. Other crew members were Eldon Vaughn of Dallas and Clarence V. Woolery, 1970 Lee street, Salem. Fifteen or 18 cars were in the train.

Coroner L. E. Barrick took charge of the body and questioned some of the train crew. The coroner said probably an inquest would not be necessary.