Cloudy to day and Wed-nesday, light rains today. No change in temperature. Max. temp. Monday 37 min. 29 River 1.8 feet, South

EIGHTY-EIGHTH YEAR

Salem, Oregon, Tuesday Morning, January 24, 1939

Price 3c; Newsstands 5c

Fourteen Vessels Call for Aid in Storms

Compensation

Senate Okehs Amendment Designed to Fit in Federal Setup

New Income Tax Scheme Lowers Exemptions to \$1250, \$700

With only three "no" votes on final passage, Governor Charles A. Sprague's amendment to the unemployment compensation law was passed by the senate and sent to the house late Monday. This is the bill designed to make the compensation law acceptable to the federal social security board which has delayed certifying it, and to continue the benefits which insured Oregon workers receive when unemployed.

The near-unanimity with which the bill passed in the senate augured its prompt approval by the lower house, but the contest which developed over an additional clause inserted by the senate committee on revision of laws is also likely to carry over to the other

end of the capitol. This clause contains a definite be applicable to the unemployment compensation act . The amendment as written by Ralph Campbell, attorney for the compensation commission, was designed merely to reenact the secdisqualification for benefits, with

this clause inserted: "On and after November 8, 1938, and for the purpose of this subsection shall have the same many European countries. tion 903 (a) (5) of the federal

Objection in the senate to the further amendment proposed by the committee was based upon a fear, among members from predominantly agricultural districts, that the reference to the picketing law would weaken it or entangle it in litigation. The vote for inclusion of this amendment was 16 to 13, with the following senators opposed:

and Zurcher. On final passage the three "no' voters were Burke, Kenin and Wallace.

Burke, Chaney, Childs, Duncan,

Dunn, Jones, Kenin, McKay, Stel-

wer, Walker, Wallace, Wheeler

The joint committee on assess ment and taxation was consider-

ing Monday an entire new income tax bill which would lower the exemption for heads of families from \$1500 to \$1250 and for single persons from \$800 to \$700. The bill, prepared by Budget Director David Eccles, would not hit middle incomes as hard as the tax commission measure introduced last week. Eccles indicated he prepared the bill because of objections to the tax commission measure,

which would have taxed all income but would have allowed \$35 to be deducted from the tax of married persons and \$6 to be deducted for each child. He said his bill would raise as much revenue as now being pro-

duced by the intangibles tax, which would be repealed, and the income tax law. The exemption for children would remain at \$300. Here's how the three bills would

work for married persons without dependents: Present Tax Com. Eccles' Law Bill

\$2,000	\$ 10	\$ 15	
2,500	20	35	
3,000	35	55	
3,500	50	80	
4,000	70	105	37
7,000	235	305	2014
5,000	115	165	di
4.10	- Just	Control Section	_
	Z. in	a contract	

Unemployment Admin's ration Forces Change Voted Prepare to Fight for Original WPA Request

HARRY HOPKINS

Desert President

"no" Along With two

of Purge Targets

WASHINGTON, Jan. 28-(AP)-

Harry L. Hopkins was confirmed

bach (D, Wash.) arose to declare

that President Roosevelt, not Hop-kins, was "the target" of the

The final vote showed a margin

of more than two to one in Hop-

bership, voting almost solidly

against confirmation, polled a to-

tal of 21 votes, and received the

assistance of one farmer-laborite

and five democrats, all of whom

have been at odds with the ad-

ministration from time to time.

Fifty-three democrats were sup-

ported by two republicans and by

three minor party senators in con-

(Turn to page 2, col. 1)

Relief Strike Is

compromise agreement.

said would be a "showdown."

Of particular interest to the

firming the appointment.

criticism aimed at Hopkins.

Only Five Demos

FR Maps Out Federal-State Health Setup

Vast Program to Cost \$850,000,000 Year Sent to Solons

Health Insurance Plan: Program "to Reduce Suffering, Death"

WASHINGTON, Jan. 23-(AP)-A ast program of federal-state health activities, to cost ultimately \$850,000,000 a year, was transstatement that the definition of mitted to congress today by Presia labor dispute contained in the dent Roosevelt with a recommenpicketing regulation law, shall not dation that the legislators study

Though he did not ask specifically for adoption of any detail of the plan, drawn up by his special committee on health and welfare, he referred to it as a protion of the original act relating to gram to reduce "the risks of needless suffering and death."

One step recommended by the committee was an Americanized version of compulsory health inact only, the provisions of this surance as it is now in effect in

dealth of Nation

Held Public Concern "The health of the people is a public concern," the president said. "Ill health is a major cause of suffering, economic loss, and dependency; good health is essential to the security and progress of the nation."

Linking the committee's pro-

posals with the social security act,

the president added that it was

recognized five years ago "that a comprehensive health program was required as an essential link in our national defenses against individual and social insecurity.' He did not discuss in detail any of the recommendations made by the committee and avoided any mention of the compulsory health insurance program. Health insurance has been the

basis of a controversy between the kina' favor. The republican memcommittee and the American Medical association and is the only one of the five recommendations made to the president, which the association failed to endorse. Climbers Turn up

After Chill Night HOOD RIVER, Ore., Jan. 23 -(AP)-Two mountain climbers,

missing since yesterday on Mt. Hood, checked in this morning after spending a snowy night in timber on the mountain. The men, Blancher Baldwin and Bob Fuller, resumed their

journey at daybreak after locating timber tot provide a fire and shelter from wind last night. Neither man suffered ill effects and both said they managed to keep warm and dry their clothing. Thirty members of the Crag Rats, mountain climbing club,

had searched the north side. The two mountaineers left Legion camp before dawn yesterday to climb the nort haide and descend 82 the south to meet friends at Tim-256 berline lodge. They checked in at 139 Government Camp.

Senate Finally GOP, Democrat Okehs Hopkins **Bloc Opposes**

McKellar Lists Probable a half miles southwest of Barce-Slashes as Argument for \$875,000,000

Oregon WPA Rolls Are Slated to Drop to 6,600, He Claims

WASHINGTON, Jan. 23.-(AP)-Administration leaders in the senate rallied their forces tonight for the first big battle of the new session, an endeavor to give President Roosevelt the full appropriation which he requested for work

Lined up against them, it was apparent, were most of the republican membership and a goodbloc of democrats, arguing that the time had come when a start must be made toward reducing the nation's vast expenditures. The issue lay between two sums, proposed to be appropriated to maintain WPA from Feb. 7 to the

committee approved an outlay of ing a possible inflation in Ger-McNary and Holman Vote \$725,000,000. Senator McKellar (D-Toun), submitted to the senate a table he said showed the reductions which must be effected in relief rolls if the revised \$725,000,000 relief

appropriation bill is enacted.

as secretary of commerce by the December 31, 1938, and estimatsenate today after a three-day ated rolls for the last week in tack on his administration of June, 1939, in states and selected work relief. The vote was 58 to 27. cities. The list included: Shortly before the vote, two ad-Idaho, 11,100 and 3,800: Oreministration supporters, Senators gon, 19,300 and 6,600. Washington, 53,300 and 18,200. Barkley (D, Ky.) and Schwellen-

> hind-the-scenes scrimmaging for votes. The open battle of debate egins tomorrow. In an endeavor to attract the votes of members who are anxious for economy but oppose

For days there has been be-

reducing the relief rolls during the winter months, the senate committee attached a proviso forbidding WPA to discharge more than 5 per cent of its 000,000 workers before April 1. The committee majority bulwarked that today by submitting a report saying that in view of expenditures for public works.

the armament program and "the very definite uprise in business conditions," there was reason to expect a voluntary decline in the number of relief workers exceeding the 500,000 to 600,000 drop of the spring of 1936 and Airship Sabotage

Temporarily off IDAHO FALLS, Idaho, Jan. 23. Seen by Bridges (AP)-One hundred and fifty unemployed men and women who 'picketed" the Bonneville county

They were to meet with the commission again Wednesday in what the unemployed delegates Roosevelt. Bridges' telegram named the

Of Insurgents

Loyalists Cling Doggedly to Important Knoll Near Barcelona

European Stocks Jittery Over Apprehensions of Loyalists' Loss

HENDAYE, France (At the Spanish Frontier) Jan. 24-Larger Funds Spanish Frontier, sau. (Thursday)-(P)-Insurgen ts advancing along the coastal mountain range laid siege today to the little village of San Boy, nine and

The attacking troops descended on the little town from the north

after capturing the mountain posi tion of Olesa de Bonesvalls. San Boy was held doggedly by government militiamen because of its position on a hill above the Llobregat river dominating the coastal highway and the highway from Martorell and Barcelona.

(By the Associated Press) Insurgent legions closed in on Barcelona yesterday as fears of drove prices down sharply on the

world's major markets. Gen. Franco's whirlwind drive on the Spanish government capital and nervousness over what might happen in Europe after the end of the Spanish civil war inspired the selling wave which gave the markets their worst setback since the Munich crisis. Berlin Prices

Range Higher Only on the Berlin Boerse were end of the fiscal year next June prices higher in all divisions, 30. Mr. Roosevelt and WPA retraders there viewing the ouster quested \$875,000,000. The house of Dr. Hjalmar Schacht from the and the senate appropriations Reichsbank presidency as indicat- pulled toward the four life pre-

In Barcelona with the insurg-

away, all civilians unable to help defend the capital, were ordered cruiser Omaha steamed under McKellar listed WPA rolls on forced draft for Barcelona to take of the flying boat still were able out American citizens. Across the Pyrenees mountains, eports were circulated in France that the French government had

many.

agreed to do nothing to prevent an insurgent victory in Spain in exchange for a German promise to induce Italy to call off the fas- held the pilot afloat. cist campaign for territory in France's African empire. British Prime Minister Cham berlain in an empire-wide radio

broadcast opening a recruiting drive for a huge volunteer home defense declared, however, that his remarks did not mean he believed war was coming. Anthony Eden, former foreign minister, in a speech at Coventry, said an insurgent victory in Spain

would mean "a foreign victory"

for Germany and Italy.

Another British official, Robert Another British official, Robert Ask Impeachment overseas trade department, cautiously offered Germany trade peace in exchange for political appeasement. The Rome-Berlin axis picked up

strength when an authoritative Italian editor declared Yugoslavia was now Italy's friend and virtual In China, an estimated 30,000 Chinese were fleeing Chunking,

Chinese provisional capital, which Japanese have declared they would bomb until Generalissimo Chiang Kai-Shek's government is driven out.

Suggests Act's Revision

Strategic Hill Hymn Sung by Survivors Guides Is Under Fire Rescuers to Plane Wreck Scene

Ten Supported Small Plane By Four Belts Till Aid Comes

Injured Captain of Ship Is Saved by Woman; Group Praised

Lifeboat Guided at Last by Song but Nobody

Remembers Name NEW YORK, Jan. 23-(AP)-Only song from the 10 survivors of the lost Imperial Airways plane Cavalier guided the lifeboat which edged through utter blackness to pull them heroically from the At-

This was told tonight as the 10 reached port aboard the rescue tanker Esso Baytown, which saved them early yesterday after they had spent nearly 10 hours in the waters of the Gulf Stream more trouble ahead for Europe in which their three companions

Stanley Taylor, a seaman who stood in the bow of the lifeboat as it put out from the Baytown. said that without that last desperate and almost tuneless chorus

from the victims they might not have been pulled from the sea in time. "We were without stars, moon or sextant - in complete darkness," he said, "and then the whole crowd of them started singing. We listened and the song

servers upon which the 10 had clung so long in the near presence of death, two members of the ents at one place only 12 miles Cavaller's crew-Neil Richards, the first officer, and Patrick Chapman, radio officers-struck out evacuated. The United States and swam to the Esso Baytown. All save Capt. M. R. Alderson to cry out. Alderson was uncon-

guided us to the spot."

scious, Taylor reported, and had been saved only through the heroic efforts of Mrs. Edna Watson of Montreal and Bermuda, one of the Cavalier's passengers. For hours -no one knew how long-she had The Esso Baytown was welcomed by a great shricking of harbor whistles and by saluting airplanes

overhead as she pushed her icecoated prow into the pier. Taslor said eight of the survivors were hanging to four life pre-

into sight through almost total "They must have lost the other life preservers when the plane (Turn to page 2, col. 8)

Of Miss Perkins WASHINGTON, Jan. 23-(AP)-

Secretary Perkins defended today the conduct of the labor department in the Harry Bridges deportation case, but Rep. Thomas (R-NJ) announced he would introduce tomorrow legislation calling for her impeachment. Secretary Perkins sent Chair-

man North (D-NJ) of the labor committee a letter, which Mrs. North read to the house, saying that she could not be accused of negligence, as charged by the Dies committee, in not pressing deportation proceedings against Bridges, west coast CIO maritime leader.

Forced Down, Kings Valley

PORTLAND, Ore., Jan. 23-(AP) Airport officials here said tonigh they had been informed a small cabin plane flown by a pilot named Wilson had made a forced land-ing in the fog tonight in Kings Valley, west of Albany, Ore. It

was undamaged. According to word here the ship was being ferried from Redding, Calif., to Aberdeen, Wash. Earlier in the day it was forced down by fog near Klamath Falls

but continued the journey north when the weather cleared. KLAMATH FALLS, Jan. 23-(AP)—Suburban housewives dropped Monday washings and dived for cover today when a light cabin plane hedgehopped rooftops and stalled to a landing at the edge of

The plane, being ferried from Redding, Calif., to Aberdeen, Wash., became lost in the dense fog and was far off its course When its pilot managed to get down through the haze to a landing, he had less than a gallon of

gasoline left. The pilot, a man named Wilson and the ship's owner, Duffy, were aboard. They took off for Portland when the fog lifted, after

they had replenished their gasoline supply. SEATTLE, Jan. 23-(AP)-The veather bureau reported southeast storm warnings were hoisted tonight on the Washington coast and at the mouth of the Columbia river. The forecast was for increasing southeast wind becoming of the rescue tanker Esso Bay-

of gale force tonight and Tuesda;

PORTLAND, Jan. 23-(AP)-A thick fog held some 10 freighters at anchor in the Columbia river near here tonight. Some were loaded and ready to proceed down river to sea. Others were en of the season when the temperaroute upriver for cargo when the fog caught them. **Elective Auditor's**

Office Is Urged Letter to Senate Asserts County Officials Wish

Changes in Bill Sheriff A. C. Burk carried to

body to create the office of Marion county auditor. In a letter being sent to all senators, the sheriff many rural areas in New Jersey declared "very few" county offi- but rising temperatures, accomcials had been consulted concern- panied by snow, were in prospect ing the bill and asserted that if in much of the east. the office of auditor were created it should be made elective and not subject to the control of any other office. The letter read in full as follows:

"It has come to the attention

of this office that a bill has been introduced creating the office of county auditor for Marion county. "I find from a canvass of the officers for this county that very

few of them were consulted about this matter and that most of them feel that it should not become a law as it now stands. We feel that the proposed office should be an independent office and not under (Turn to Page 2, Col. 5.)

Wilhelm Gives Firewood DOORN, The Netherlands, Jan 23-(P)-Firewood cut by Former Kaiser Wilhelm of Germany on

presented today to the 0 Poores

Gales Kill 12 On Southwest **Britain Coast**

No. 259

Eastern US Reports 17" Deaths as Weather Remains Frigid

30 Below Is Recorded in Adirondacks: Relief

From Cold Near (By the Associated Press) Onslaughts of wind, cold and snow caused widespread distress

on land and sea yesterday.
"SOS" signals came from 14 ships scattered across the Atlantic and passengers.

while mountainous waves imperilled several hundred seamen Piercing cold spread through the east and New England in the wake of a brisk blow that dashed pounding surf against the coast from Cape Hatteras to Maine. Snow storms swirled through

the west and midwest. At least 29 deaths were reported on both sides of the ocean. Gales, at times reaching a velocity of 94 miles per hour, killed 12 persons on the southwest coast of England. A freak "line squall" which brought rain, hail and snow to New England left three dead. Five fatalities in upstate New York, seven in Pennsylvania and two in Chicago were attributed to the frigid weather.

town in New York until late after noon. On board were the ten survivors of the flying boat Cavalier, which sank Saturday with a loss of three lives. New York Shivers In Season's Coldest Residents of New York City shuddered in the coldest weather

Heavy seas delayed the arrival

ture dropped to 10 above early in Upstate readings included 30 below in the Adirondack mountain hamlet of Mountain View, 28 below at Oil's Head, 19 below at Malone, 10 below at Watertown

and Saranac Lake, 5.7 above at Buffalo and 7 above at Rochester. The sudden descent of temperatures in New England glazed many highways. Thermometers registered 36 below atop Mt. Washington in New Hampshire, 14 below at Greenville, Md., 12 below at Concord, N. H., and 16 servers when the lifeboat pushed the state senate yesterday object below at Maxfield, Vt. Boston's tions to the bill now before that five above was the lowest since Jan. 19, 1938. The zero level was touched in

> Southwest Is Hit By "Unusual Snow" The weather also took a turn

> for the warmer in the midwest as forecasters predicted snow, sleet or rain for most of the states in that section. Snow ranged from two inches to a foot in depth in northern New

> Mexico, five inches in Clinton, Mo., and three in Kansas City. Snow fell in southwestern Colorado, Kansas, Nebraska and Iowa as the storm moved northeastward toward Illinois, Wisconsin, Indiana and Michigan. Coldest point in the midwest was Park Falls, Wis., with ten below. Minimum of 8 and 9 above

were recorded at Ft. Wayne, Ind.. Philadelphians experienced the coldest day of the winter. It was

Chamberlain, Eden his estate was among the gifts he and his wife, Princess Hermine, Agree About Peril

LONDON, Jan. 23-(P)-Prime Minister Neville Chamberlain and his former foreign secretary, Anthony Eden, issued a common warning tonight of dangers to Britain at home and abroad. Chamberlain, in an empire-wide

radio address opening a recruiting drive for a huge volunteer home defense army, said his remarks did not mean he thought war was coming. "But," he said, "we might be

forced to take part in a war begun by others, or we might be attacked ourselves if the government of some other country were to selves effectively."

Eden, addressing his constitu-

ency at Coventry in a speech un-connected with the Chamberlain plea, said that if the insurgents should win the Spanish civil war it would be "a foreign victory."

Knudsen Sees Upturn LOS ANGELES, Jan. 23-(P)-

William S. Knudsen, president of General Motors, today predicted a "2 to 33 per cent improvement" in the automobile industry this year, and a corresponding ap-swing in business in general.

SAN FRANCISCO, Jan. 23.-(AP) commission for eight hours and -Sabotage of American military threatened a relief sit-down strike, left the courthouse peaceably tonight under terms of a

airplanes by nazi agents and sympathizers employed in two Southern California aircraft factories was charged today by Harry Bridges, CIO director on the west coast, in a telegram to President

Social Security Board

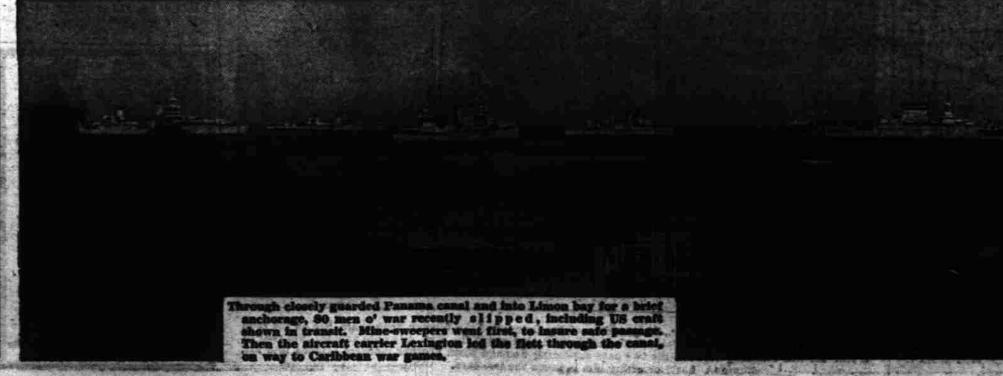
WASHINGTON, Jan. 23.-(A)-A conference with the board failed to bring results asked by the unemployed group, but the three commissioners assured them that it would seek to develop road improvement projects and other washington."

North American Aviation company at San Diego, and urged that "immediate investigation be conducted by special government representatives from Washington."

WASHINGTON, Jan. 23.—(A)—

Secretary Perkins told, in her the social security board suggested to congress today revision of the social security act to require cooperating state agencies receiving federal funds to install the merit system and prohibit political activity.

HOW US NAVY PROTECTS BOTH OCEANS ON WAY TO WAR GAMES



Legislative Here and there behind and in Sidelights: hours" or less in session, but they

Legislators maintain "banking ploye of the house who was congratulated by resolution last week on the birth of a son. Those who did not get cigars were supplied with candy, which Rep. Hannah and conferring with constituents work and in the drafting of bills and conferring with constituents and others. A good many members and employes of the legislature "burn the midnight il" at the capitol. But the capitol telephone switchboard operates only up to 6 p. m. After that it is impossible to call the capitol, although persons there can call out. It may help the members to get their work done, but is irritating to those who want to get in touch with persons in the building. put in long hours on committee

There were 40 cigars for 60 senate. Exact relation of cause house members yesterday, the gift of John Keegan, a former em-

uting.

front of the scenes at the

40th legislative assembly.

Dr. R. E. Lee Steiner and Judge L. H. McMahan were among visit-ors on the floor of the house yesterday after adjournment.

Meetings of the state board of control, previously held on Mondays, hereafter will be held on Tuesdays, Governor Charles A. Sprague announced Monday. Sprague said the change in the time of holding these meetings would be more convenient to all three members of the heard.

Columbia county goats will have to stay home. The house on Monday passed the bill prohibiting their running at large, A similar bill was introduced in the