

Bakery Board Issue Is Debated

Compensation Bill Due For Final Action Today

House Deletes References to Picketing Law

Senate Amendments Are Eliminated Despite Lonergan's Fight

Portland Member Holds Definite Statement May Be Required

Final action on Governor Sprague's amendment to the unemployment compensation act to increase the rate of the law by the social security board next week became a special order of business for the house this morning at 10:30 o'clock as the lower body sped through preliminaries Tuesday.

The house put the bill through first and second readings Tuesday morning and in the afternoon adopted the report of its revision of laws committee that it pass without the senate amendments. The committee report was adopted after a motion by Rep. Frank J. Lonergan (R, Portland) to make it a special order of business for this morning.

Members more time to study the deletion of senate amendments, failed 33 to 25. Lonergan, who objected to the haste with which the house committee considered the bill, said he believed the senate committee amendment, which expressly declares that the anti-picketing law should not affect the unemployment act, should be given more consideration. Reference to the anti-picketing law was deleted by the house committee.

"If the anti-picketing law does not affect the unemployment act," Lonergan said, "it is a mystery to me."

Superintendency's Decision Skipped

School Board to Take up Gaiser Tenure Later; 50 Petitions in

With one member absent, the Salem school board last night gave no consideration to the superintendency question, raised by the presentation of 31 petitions at the first January meeting requesting that Silas Gaiser be retained in that position.

The directors will be called together to take up the matter "when they are ready," Chairman W. F. Neptune said at the meeting. When that may be, he said he was unable to predict.

Nineteen additional petitions, bearing 646 signatures, in Gaiser's support were filed with the board last night to bring the total number of signatures in his favor to 1563. Names of ministers, business men, civic leaders, professional people and housewives headed the petitions, which declared Gaiser's administration of the schools "efficient, progressive and satisfactory."

Business transacted by the board was of a routine nature. Purchase of 41 fire extinguishers (Turn to Page 2, Col. 2.)

Legislative Sidelights:

If any member of the legislature spends a dull evening in a hotel room tonight, it's nobody's fault but his own. There are plenty of places to go and events to attend. Passing over the hearing on the closed shop bill which may be over in time for some other activities, and not trying to mention them all, the suggestions include:

1. For republicans, the meeting of the Young Republican club at the Marion hotel, 8 p.m.

2. For all members, the Salem grange's benefit dinner and social evening at the new Grange home on east D street, half a mile northwest of the state hospital, from 6:30 to 8. Might take this in before the hearing A. A. Geor, grange master, extends the invitation.

On Thursday night the members are invited to be guests of the Elks; those who belong to the order, for the brief local session at 8 o'clock; the others for the special entertainment at 8 o'clock.

Rep. E. W. Kimberling of Prairie City became a grandfather for the second time Saturday. The representative, who has been awaiting the blessed event with some anxiety, was

Proposed Bill On Excise Tax Is Announced

A fairly complete picture of proposed tax changes which will be placed before the legislature was available on Tuesday following announcement of the general nature of a bill designed to increase the revenues of the corporate excise tax.

Already introduced in the house are bills proposing to eliminate the intangibles tax, which would result in the taxing of invested wealth's income on the same basis as other income, and to broaden the base of the income tax.

The corporate excise tax bill is calculated to produce an additional \$475,000, which together with the anticipated increase from the broadened income tax of \$900,000, would make up for the loss resulting from a change in the (Turn to page 2, col. 5)

Cavalier Mishap Gets British Eye

Air Ministry Investigates Crash; Incident Has Mystery Cloak

NEW YORK, Jan. 24.—(AP)—The British air ministry tonight began an investigation into the mysterious power-failure crash of the 19-ton Imperial Airways flying boat Cavalier, with the loss of three lives at sea, as the captain of the lost plane said "definitely" the tragedy was not caused by icing.

"The Cavalier was equipped to combat ice," said 31-year-old Capt. M. Rowland Alderson, who was rescued with nine other survivors.

"As no time did I have the slightest fear of ice formation—either on the wings or clogging the carburetors. I have flown through far worse conditions. The whole thing is a mystery to me."

Without elaboration, under strict orders not to discuss technical phases of the disaster, Radio Engineer Patrick Chapman cryptically suggested some strange "unseen force" may have played the role of destroyer.

"Just before I sent out the SOS," he said, "I saw a dirty patch ahead and I started getting static. We had been flying in cold, clear skies."

"It was not normal static, such as you get on your radio. It was a terrific rush—an outburst of static that created quite a charge in the plane."

Packing Company Lost at Newberg

NEWBERG, Ore., Jan. 24.—(AP)—Fire of unknown origin tonight destroyed the H. S. Gile company packing plant here, burning 300 tons of dried prunes and about 100 tons of walnuts.

The building and equipment were valued at \$4000 but no estimate of the value of the content, said to have been covered by insurance, was made.

Portland Baby Victim

PORTLAND, Jan. 24.—(AP)—Slipping under bed covers, Barbara, six-month-old daughter of Mr. and Mrs. Charles Demuth, smothered to death early today.

Fletcher said the consumption of bread had increased materially since the bakery board was created which indicated that the consumers were satisfied. He stressed the increased use of raw materials and employment of additional workers.

Lloyds, which received SOS calls from 15 ships yesterday, reported three of them were making for their home ports.

Hearing Draws Throng; Code's Merits Argued

No Price-Fixing, Claims Board Spokesman; Says Regulation Needed

Consumer's Interest Ignored, Argument of Repeal Sponsors

Pros and cons of the state bakery code were debated Tuesday night before 500 persons who attended a committee hearing at the statehouse. The gathering, held in the basement room for hearings, drew an audience from all parts of the state, an audience which filled every foot of standing room and overflowed into the halls.

E. M. Stadel, executive secretary of the board, took the lead in defending the bakery code, declaring emphatically that the weighty board had not fixed prices on bread.

The senate judiciary committee conducted the hearing. The bill to abolish the board was introduced by Senators Rex Ellis of Umatilla county and L. H. Wiperman of Josephine county.

Never Fixed Price. Spokesman Asserts "The bakery board has never fixed a price," Stadel declared. "All that the board asks is that bakers file their price schedule. There is no uniform price of bread in Oregon."

Stadel said that prior to the creation of the state bakery board the baking industry was in a precarious condition and was honeycombed with unfair trade practices.

"As a result of this situation bread was manufactured of inferior ingredients and was expensive, even at eight cents a loaf," Stadel continued.

Senator Ellis asked why the bakery business was a favored industry in Oregon. "Why should the state not go into the laundry business?" Ellis inquired. "Says Consumers?"

Interest Ignored. Ellis charged that the bakery board ruled with an iron hand and apparently had not taken hungry stomachs into consideration. He also alleged that stool-pigeon tactics had been used in enforcing the sanitary regulations and said that bakers could be fined a maximum of \$500 for certain violations.

Senator Lew Wallace asked why a 16-ounce loaf of bread was retailed in Ontario, eastern Oregon, at 10 cents while the same weight loaf could be purchased across the river in Idaho at eight cents. Stadel replied that there probably was a difference in the quality of the bread.

Stadel was asked by Senator Wiperman if any Oregon bakery had refused to deliver bread to a retailer who had cut prices. The reply was "no."

The financial aspect of the baking industry was discussed by Sam Fletcher, Portland bakery employee. He said that prior to enactment of the bakery board law the baking industry was on the threshold of bankruptcy. "The industry is now on a sound financial basis and manufacturers are able to meet their payroll," Fletcher declared.

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The Weather Generally fair today and Thursday, becoming cloudy Thursday, little change in temperature. Max. 44. Min. 38. River 1.1 feet. South wind.

Urgents Roll up To Barcelona Gate In Speedy Advance

Lack of Defense Prompts Predictions Capital Will Fall in Three Days; Army Within Two Miles

2,000,000 Persons in Spain's Largest City Fear for Lives; Loyalist Government Moves out

(By The Associated Press.) A Spanish insurgent "army on wheels" rolled up from the south to the outskirts of Barcelona last night in a surprisingly swift dash which made insurgents confident the government's capital would fall within three days, perhaps two.

Within the city, largest in Spain, 2,000,000 people were reported losing a calm they had maintained through previous horrors of war, fearful at the prospect they might not be able to flee to the north.

Trains were stopped and there were few motor vehicles available to carry the refugees away from the range of bombs and shells. Bombings in the last three days and nights had taken an estimated toll of nearly 500 dead and wounded.

The southern army advanced to within a mile and a half of Barcelona's center after capturing the government airdrome at Prat de Llobregat almost without firing a shot. It was expected to halt in the suburbs and wait for reinforcements from other directions.

Reports to the French frontier indicated lack of ammunition might be the explanation for failure of the defending troops to make a stand.

According to military experts in Paris, fall of Barcelona would probably mean fall of all Catalonia, comprising Spain's principal industrial regions, within a few weeks.

The government left Barcelona during the day for an undisclosed destination in the north, probably Girona, about 85 miles from the French border, or Figueras, 20 miles north of Girona.

The United States cruiser Omaha arrived off Caldeas, Spain, 20 (Turn to Page 2, Col. 8.)

Subsidy for Flax Pushed by Group

Nearby Growers Ask for State Officials' Aid on Action now

Immediate consideration by Secretary of Agriculture Wallace of a proposal of Senator Charles L. McNary to subsidize the Oregon flax industry, was urged by a delegation of Mt. Angel and Clackamas county flax growers here Tuesday.

The flax growers asked Governor Charles A. Sprague, Secretary of State Earl Snell and State Treasurer Walter E. Pearson to send telegrams to the federal officials stressing the necessity for immediate action.

"The proposed subsidy is badly needed to stimulate planting of flax fibre in Oregon," a resolution adopted by the flax growers read.

The flax growers also requested a larger acreage for the year 1939. It was pointed out that operation of the several flax plants would be on the same basis as in 1938, and that any surplus flax would be taken over by the state.

Oregon's Weather Menu Is Varied

PORTLAND, Ore., Jan. 24.—(AP)—Fog, rain, snow and freezing temperatures set the course of Oregon's weather east and west of the Cascade mountains today.

Shipping and airline schedules were delayed by fog in the Columbia river area. Lakeview reported the lowest minimum temperature —12 degrees—in Oregon and Burns was close behind with 14 degrees.

Showers in the northwest, light snow in the mountains and little change in temperature were predicted for tonight and Wednesday.

Low readings included Baker 30 degrees, Bend 30, Brookings 34, Hood River 36, Medford 26, Pendleton 25, Portland 35, Roseburg 39, St. Marys Summit 35, Newport 36 and North Bend 34.

Harrisburg Area's Irrigation Talked

HARRISBURG, Jan. 24.—(AP)—Southern Willamette valley farmers considered a plan today to divert McNamara river waters above the Coburg bridge through Muddy creek to irrigate several thousands acres of land in the Harrisburg and Coburg districts.

Frank Kropf, farmer, estimated the initial cost at \$5 an acre in addition to an annual assessment of 50 cents an acre for maintenance.

\$18,000 Is Favored for Valley Project Agency

The joint ways and means committee decided Tuesday to recommend to the house the bill of Senator Douglas McKay (R-Ore.) appropriating \$18,000 for the creation of a Willamette valley project commission, to cooperate with federal agencies in connection with the proposed Willamette valley project.

Senators Hold Bitter Debate On WPA Needs

Economy Forces Attack Administration List of Relief Needs

Close Vote Is Certain on Move to Slash FDR's Request

WASHINGTON, Jan. 24.—(AP)—Senate economy advocates denounced administration figures on relief needs as inaccurate today at the height of a bitter, slashing debate on raising or reducing WPA appropriations. The controversy was made the more intense by the acknowledged fact that a close vote was expected.

From the administration side came a warning by Senator McKellar (D, Tenn.) that if a proposed cut of \$150,000,000 is carried through, three-fourths of those entitled to relief will be deprived of it by June.

The issue was whether \$875,000,000 requested by President Roosevelt to finance WPA from February 7 to June 30, should be appropriated, or whether the sum should be \$725,000,000, voted by the house and approved by the senate's appropriations committee.

To this reduction the senate committee added an amendment forbidding more than a five per cent reduction in relief rolls during the "cold weather months" (Turn to Page 2, Col. 7.)

Friends of KOAC Strengthen Lines

Added \$500 Is Voted to Oppose KOY's Use of Airwave Channel

PORTLAND, Jan. 24.—(AP)—The state board of higher education appropriated an additional \$500 today to oppose the application of radio station KOY, Phoenix, Ariz., to use the same wave length as station KOAC, the state-owned broadcasting enterprise at Oregon State college.

L. R. Brethaupt of Oregon State college was formally named the state's representative in the struggle. The allotment brought to \$1500 the amount assigned to conduct the dispute.

E. C. Sammons, chairman of the finance committee, reported a favorable bond market had made it possible for the board to issue its own bonds and sell them privately rather than turning them over to the FWA for loans on building projects.

The District Attorneys' association asked continuation of a crime detection laboratory at the University of Oregon medical school, the Aero club of Portland recommended application for a pilot training unit at the state college and the Farmers' union urged forcible action to protect KOAC.

The board granted an indefinite leave of absence for John J. Landsbury, dean of the University of Oregon school of music. The basis for the leave was not revealed.

Quakes in Chile Said Fatal to Six

SANTIAGO, Chile, Jan. 25.—(AP)—A series of earthquakes shortly before midnight rocked this capital and a large section of central Chile and early today communications were disrupted in the large cities of Concepcion and Talca. (Business Aires dispatches said tremors were felt in the Andean provinces, Mendoza and San Juan, which adjoin Chile.)

First reports from provincial areas gave six dead.

There were no casualties here. Both the navy and government along with private radio stations were trying to reach Concepcion, a city of 77,000 population more than 100 miles south of Santiago and on the Pacific.

Talca, inland city of 45,000 midway between Santiago and Concepcion, likewise could not be reached.

Radio Artists to Demand Contracts

NEW YORK, Jan. 24.—(AP)—Mrs. Emily Holt, national executive secretary of the American Federation of radio artists, announced today "there is no alternative but to strike" if individual radio programs refused to sign contracts with the AFRA.

Contracts were sent by AFRA advertising agencies handling commercial radio programs with the suggestion that they be signed immediately.



Delayed by icy gales and battering seas, the tanker Esso Baytown is sighted from an airplane as she steams into New York harbor with the ten survivors of the wrecked airliner Cavalier, forced down halfway between New York and Bermuda during a storm.—AP Telegram.



Mrs. George Ingham, one of the passengers who clung to a life raft for ten hours after the flying boat plunged into the sea and sank, is being assisted from the rescue ship.—AP Telegram.



Mrs. J. Gordon Hoskes, who left New York aboard the Cavalier with her husband, returned a widow, her husband having been one of the three persons lost.—AP Telegram.



Survivors of the Cavalier disaster are escorted down the gangplank of the tanker, which effected a dramatic rescue at sea. Its lifeboat was guided at the last by a hymn, sung by the stout-hearted survivors.—AP Telegram.