

**The Weather**  
Partly cloudy today and Monday, little change in temperature. Max. Temp. Saturday 51, Min. 35. River 12.7 feet. West wind.

EIGHTY-EIGHTH YEAR

## Spanish Peace Looms but Europe Worried

### Legislature Is Starting Down Home Stretch

Appropriations, School Setup, Tax Problem and PUD Remain

Relief Cost Puzzle May Be Simpler Than Has Appeared, Belief

By SHELDON F. SACKETT  
Oregon's 40th legislative session, with six weeks of work behind it, was ready today to head down the home stretch and adjourn within a fortnight. Its major enactments are yet ahead but the last week cleared away numerous important measures and the way is clear for orderly conclusion of the session's work with 15 days unpaid, overtime activity.

A checkup of the box score of the session showed the senate had passed 271 measures, the house 280 while the two assemblies had agreed on 179 bills and sent these to the governor for approval.

Comparison with the Washington legislature, the record was noteworthy, that assembly having enacted 18 bills in six weeks.

Before the session as major objectives remain:

1. Enactment of the ways and means bills, including decision on how to handle the vexing \$22,000,000 relief problem.
2. Clearing up of the tax dilemma.
3. Decision on the two bills for reorganization of school districts and reapportionment of school funds.
4. Passage of some revisions to existing PUD law.

A score of other measures of relative importance await final decision. The bakery board decision went through the senate decisively as the week came to a close and is expected to be passed by the house. Governor Sprague, who views the board and its price-fixing as an NRA carryover, is determined it shall be discontinued. The fundamental changes in the state setup of parole have been approved by the senate and await house decision. Major changes are expected in the administrative procedure in handling unemployment insurance. Yet to be introduced is a vital measure which would provide for reforestation of lands on a far-sighted program aimed at a sustained yield for Oregon timber.

The much-discussed state relief problem may be settled more easily than most legislators expected. The state will contribute \$8,000,000 to the federal government which will contribute another \$2,000,000 to the state. The federal government will contribute another \$6,000,000 to the state with \$6,000,000 to raise as their share of the 1939-1940 relief program. The counties, who strained their budgets to raise \$4,000,000 in 1937-1938, protest they cannot handle their share of the next biennial relief load. As a result the ways and means committee and the taxation and revenue committee in the house may instruct the state liquor commission to obtain \$500,000 to \$750,000 more annually from liquor sales. This money will probably be added to the state's share for relief and when and if the counties fall down on their match money, the state will increase its contribution as it did in the latter part of 1938 when the counties' funds ran out.

This procedure remains surmise but it is much more likely to be followed by this session than the enactment of any new taxes. The proposal of a gross income tax for relief has come out but is meeting serious objection. First, a gross income tax will be more bitterly fought by merchants than a sales tax; the latter is directly

### PASADENA AND JUNEAU SUFFER BAD FIRES



Fanned by the same high wind which felled trees and telephone poles over a large area in southern California, flames razed almost a square block of business and residential buildings in downtown Pasadena, with loss estimated at \$60,000. Upper picture shows what was left of a machine shop, feed and fuel store and several homes. Below, scene of a \$300,000 fire in Juneau, Alaska. The Goldstein building, largest in the territory, was destroyed and the entire business district threatened. The harbor is in the background.—AP Telemat.

### Records Salvaged On Schreck Ship

SPOKANE, Wash., Feb. 18.—(AP)—A party of 13 men returned here today from Copper mountain in the Couer D'Alene hills carrying 150 pounds of instruments from the wrecked plane of Roy Shreck, Spokane weather pilot, who was missing 80 hours after he was forced down early last Sunday.

### Traffic Death's Holiday at End

WALLA WALLA, Feb. 18.—(AP)—Mrs. Amelia DeWald, 73, tonight became the first traffic fatality in this city in 15 months.

### Senate Okehs one Pay Raise But Balks at Another Bill

The state senate gave approval, 21 to 8, Saturday to a senate bill increasing the salary of the state corporation commissioner, an appointive official, from \$4800 to \$4500 a year, but rejected a house bill proposing to increase the salary of the labor commissioner, an elective officer, from \$3600 to \$4200.

### Timberline Lodge Showing Profits

PORTLAND, Ore., Feb. 18.—(AP)—Private operators of Timberline lodge, WPA project built on the slopes of Mt. Hood to give the west an Alpine resort, said today that they made an operating profit of \$2,600 in the first 11 months of operation ending last December 31. After depreciation a net loss of \$873 was shown. Gross business of \$109,797 was reported, with total visitors exceeding 114,000. Operators lease the lodge from the forest service.

### Portland Man Is Killed in Wreck

HILLSBORO, Ore., Feb. 18.—(AP)—Stanley R. Sulte was killed instantly and David O'Bray was critically injured tonight when their automobile overturned in a ditch near Tigard. Both men were from Portland and O'Bray was removed to a Portland hospital. He was unconscious.

### War-Marked China Greets New Year

SHANGHAI, Feb. 19.—(Sunday)—(AP)—While 400,000,000 Chinese today celebrated their New Year, sporadic fighting went on over most of the country without any major changes.

### Treasure Island Magic Is Disclosed

SAN FRANCISCO, Feb. 18.—(AP)—The Golden Gate exposition on fun zone was darkened for an hour and a half tonight when a huge blow out on a feeder electric line, leaving riders stranded on ferris wheels, sky rides and other gayway concessions.

### Joint Program Is Drawn for Real Recovery

Administration, Business Expected to Bless National Move

New Deal to Railroads, Utilities, Overhauling Labor Acts Due

By HENRY PAYNTER  
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NEW YORK, Feb. 18.—Tax revision, a new deal for railroads and utilities, and an overhauling of labor policies are basic elements of a joint business-administration program designed to bring lasting recovery, some industrial leaders said today.

Secretary of Commerce Harry L. Hopkins, under whose supervision the plan has been elaborated in secret conferences with big business leaders during the past two months, is expected to announce the benediction of the new deal upon the program in a speech at Des Moines, Iowa, during the coming week, they said.

Hopkins has represented to some big business leaders, they said, that the "drive" to bring recovery will have the support of President Roosevelt.

The main points of the "drive" as outlined by financial leaders here, are understood to include:

1. Broad revision of the federal tax laws, and basic modification of the securities and exchange commission's policies all in the primary hope of "breaking the log jam of capital resources" and getting the nation's wealth moving, through equity markets, into business expansion; (they pointed out that although President Roosevelt said yesterday that he did not plan to introduce new taxes, that his remarks did not preclude a move originating with business itself through congress).

2. A long-term program for private electric utility expansion, including an administration promise to limit future competition with private industry, in the hope of immediately launching a utility spending to "get heavy industry moving."
3. A permanent solution of the railroads' problems in a broad new transportation act, in which the future of rails, highway traffic, and water transport will be amicably correlated, in the hope of getting "the nation's number one spender on the job."

4. New laws and federal policies relating to coal and other basic mineral industries, worked out jointly by executives, labor and government experts to "eliminate disease spots" in the national economy.

5. A major effort to end factional labor disputes; modification of national labor board procedure (but without basic change in the principles of the Wagner act); tempering of the Walsh-Healy act to help solve some small factory problems.

Not to Compromise  
New Deal's "Reforms"

The program in general, they said, was designed not to compromise any of the essential "reform" policies of the "new deal," but to "consolidate" these changes in order to put "drive" into the business picture, especially in the capital field.

Some "new dealers" have charged that there was a "strike of capital"; industrialists, conceding that the world's greatest accumulation of capital resources is stagnant, have contended that capital was not being invested because investors were uncertain of the future. The program, they say, is designed to remove a large part of that uncertainty.

Some of the best known figures in heavy industry, utility and finance fields said today that they would predict that if the program (Turn to Page 2, Col. 3.)

### Italy Calls Reserves; Fears of FDR Shared

Great Britain, France Will Act for Madrid

Sole Condition to Surrender Will Be Assurance That no Reprisals Will Be Taken Against Loyalist Fighters

PARIS, Feb. 18.—(AP)—Spanish government officials said tonight that the Madrid government had authorized France and Great Britain to negotiate its surrender to the nationalists on the sole condition that there be no reprisals against former government fighters and sympathizers.

These officials, closely identified with Spanish government President Manuel Azana, said French and British representatives at Burgos had been instructed to present to Generalissimo Franco's government the offer for peace in the two and one-half year old civil war.

The French government, acting through a special envoy at Burgos, sought quick settlement of the war and repatriation of about 380,000 civilians and soldiers now refugees in France.

Sir Robert M. Hodgson, British agent in nationalist Spain, arrived at St. Jean de Luz tonight from Burgos, the nationalist capital, following a reported conference with nationalist officials on the government's proposition.

MADRID, Feb. 18.—(AP)—Nationalist artillery shelled Madrid today while the port of Alicante was subjected to a prolonged air raid. A number of casualties were caused by high explosive shells falling in widely separated sections of the besieged capital.

At Alicante 40 persons were reported killed and 160 wounded in the raid directed at the heart of the port. Thirty buildings were wrecked.

### Willamette Takes Talk Sweepstakes

Thomas and Smith Team Winner; Other Events Are Also Tackled

McMINNVILLE, Ore., Feb. 18.—(AP)—Willamette university downed all comers to win the sweepstakes event in a Pacific coast intercollegiate debate tournament today.

Linfield college finished second and Pasadena college third.

Other winners included:

Division A debate — Women: University of Redlands, team of Frances Anderson, Nancy Rankin and Mary Brown, first; Pasadena college second. Men: Willamette, team of William Thomas and Albus Smith, first; Pacific university, Willamette and Linfield college second (tie).

Division B—Women: Washington State college, team of Elna Schmitz and Lauraine Little, first; Linfield second.

Division C—Women: Washington State college, team of Ruth Engleson and Mary Burnett, first; Willamette second, Helen Newland, Beverly McMillan, Doris Riggs and Wilma Schneider. Men: Pasadena, team of James Jackson and Bud Smees, first.

Division D—Oregon State college, team of Burdon Emberson and Kenneth Robinson, first; College of Puget Sound second.

Oratory—Women: Juanita Gillham, Linfield, first; Frances Anderson, Redlands, second. Men: Bill Clemes, Willamette, first; Duane Lamka, College of Puget Sound, second.

Impromptu debate — Miss Anderson, Redlands, first; William Thomas, Willamette, second.

Extemporaneous speaking — Men: Arnold Pinkbeiner, Linfield. After-dinner speaking — J. E. Hartman, Oregon State, first; Carl Burness, Redlands, second.

### Italy's Press Drive Against France Grows

Fascists Say Morocco and Balearics Are Sores Points

American President Is Perturbed Over News About Europe

LONDON, Feb. 18.—(AP)—Reliable foreign circles said tonight that Italy quietly had called up 150,000 reservists while her anti-French press campaign gathered momentum.

This partial peacetime mobilization, it was said, would continue with a total of 300,000 reservists scheduled to be called up "by the spring."

It was pointed out that Italy officially announced Jan. 25 that 60,000 were being called up. The reported call lacked confirmation in Rome.

Authoritative British sources said the foreign office was well aware that there was considerable military movement in Italy and was trying to ascertain just how far such movement was "abnormal."

ROME, Feb. 18.—(AP)—Fascist sources, informed of reports that President Roosevelt had received alarming news from Europe, pointed to the Balearic-Islands and Spanish Morocco tonight as the most obvious trouble spots.

Some foreign observers thought the Italian-French colonial borders on the north and east coasts of Africa also were danger spots.

By JAMES C. OLDFIELD  
LONDON, Feb. 18.—(AP)—Europe's harassed statesmen, agreeing with President Roosevelt tonight that European developments were ominous, foresaw the possibility of a new international crisis at an early date.

While democracies and dictatorships took to the Spanish nationalist capital at Burgos their fight for European domination—with Britain and France hearing terms of Madrid's surrender—there were these new danger signs:

France took extraordinary defense precautions in Tunisia and shipped heavy artillery to her key colonial port of Djibouti after occupying a strategic Red Sea area. Italy under a 1935 accord with Italy subsequently disclosed.

The British government, reliable sources disclosed, agreed with information it had received that German army officers have been attached to Italian garrisons in Libya. It also was said to be aware of important troop movements in Italy and to be seeking to establish how far they were "abnormal."

KEY WEST, Fla., Feb. 18.—(AP)—President Roosevelt, "concerned over a possible new international crisis, sailed for the Panama canal fleet maneuvers today after warning the world anew that the Americas were determined to ward off the "ugly trucelessness of autocracy."

Official reports reaching him of possible new territorial demands backed by threats of aggression caused the president to intimate before embarking that he may have to cut short his journey and return to Washington before the scheduled March 4 date.

At a press conference after lunching at a civilian conservation corps camp at West Sumner Key, Mr. Roosevelt said informally in a "spirit of good will."

### Golden Gate Fair Funseekers Left in Dark on First Night

SAN FRANCISCO, Feb. 18.—(AP)—The Golden Gate exposition on fun zone was darkened for an hour and a half tonight when a huge blow out on a feeder electric line, leaving riders stranded on ferris wheels, sky rides and other gayway concessions.

Electric crews hastily strung a second power line to take the overload off the single line, and exhibition officials said it was "one of those things, which won't happen again."

The exposition opened today, and the first-night crowds on the gaily lighted fun zone were caught unawares when the power went off. Thousands of hungry people were waiting at the time before eating stands which were incapacitated when the power failed.

Concession attendants resorted to hand wheels to move the ferris

Night view at Treasure Island, in San Francisco bay, where the right, the two massive Elephant towers flanking the Portals of the night illumination.—IN photo.

Golden Gate exposition opened Saturday. At left, the Sun tower; in the center, the Electric City; at right, the Ferris wheel, which form the western wall of the island, pictured under