EIGHTY-EIGHTH YEAR

Salem, Oregon, Sunday Morning, February 19, 1939

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saturday 51, Min. 35. River

Partly cloudy today and

Spanish Pace 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. Compared 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 di

3. Decision on the two bills for reorganization of school districts and reapportionment of

4. Passage of some revisions to existing PUD law. Bakery Board Repeal

A score of other measures of relative importance await final decision. The bakery board repeal went through the senate de-cisively as the week care to a close and is expected to be passed by the house. Governor Sprague, who views the board and its pricefixing as an NRA carryover, is determined it shall be discon-tinued. 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 farsighted program aimed at a sus-tained yield for Oregon timber.

The much-discussed state relief problem may be settled more easily than most legislative observers believe. It is a certainty that the state will approve about an \$8,000,000 appropriation from its own funds. This money will be obtained as follows: \$5,200,000 will be appropriated from future tax revenues and profits on the sale of wines, beer and hard liquor. An additional \$2,100,000 will be carried over from unused appropriations of 1937. The balance will be a new general fund appropriation for 1939-1940.

The federal government will contribute another \$8,000,000 as 150 pounds of instruments from match money leaving the 36 counties of the state with \$6,000. Spokane weather pilot, who was 000 to raise as their share of the 1939-1940 relief program. The counties, who strained their bud-1938, protest they cannot handle skis, followed the trail made by their share of the next biennium's Shreck in coming out and found relief load. As a result the ways the plane, half buried in the snow, and means committee and the its wings folded back, but othertaxation and revenue committee in the house may instruct the state liquor commission to obtain apartment here, said he hoped to \$500,000 to \$750,000 more an- salvage the motor in the spring. nually from liquor sales. This He said he had planned to resume money will probably be added to his weather flights tomorrow, but the state's share for relief and will rest a few days longer. 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, Gross Income Tax

Would Face Battle 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 an ambulance enroute to a hosbitterly fought by merchants than pital. a sales tax; the latter is directly Walla Walla's last traffic death took place November 25, 1937.

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 | Timberline Lodge 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 the wrecked plane of Roy Shreck, missing 80 hours after he was forced down early last Sunday. The men, on snowshoes and

wise not damaged. Shreck, convalescing at his

Traffic Death's Holiday at End

WALLA WALLA, Feb. 18-(AP)-Mrs. Amelia DeWald, 72, tonight became the first traffic fatality in this city in 15 months.

An auto driven by Loren Royse, also of Walla Walla, struck her while she was crossing a residential street in the rain. She died in

ness of \$109,797 was reported, with total visitors exceeding 114 .-000. Operators lease the lodge

from the forest service.

(AP)-While 400,000,000 Chinese today celebrated their New Year, most of the country without any Healy act to help solve some small major changes.

R. Jeffs, commander of the United States gunboat Oahu, and Lieut. Commander R. S. Stafford, commander of the British gunboat Ladybird, reached Kuling, summer resort near the Yangtze river, to supervise evacuation of marooned foreigners there in anticipation of a Japanese attack scheduled for Monday.

Portland Man Is

Real Recovery

Administration, Business Expected to Bless National Move

New Deal to Railroads, Utilities, Overhauling Labor Acts Due

By HENRY PAYNTER (Copyright, 1939, by The Associated Press)

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 pronounce 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 President Roosevelt.

The main points of the "drive" here, are understood to include: "Breaking Log Jam

Of Resources" Planned 1. Broad revision of the federal log jam of capital resources" and getting the nation's wealth mov- tions of the besieged capital. business expansion; (they pointed ported killed and 160 wounded in Cone boy. He said they would inout that although President the raid directed at the heart of Roosevelt said yesterday that he the port. Thirty buildings were 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 huge 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 War-Marked China basic mineral industries, worked out jointly by executives, labor and government experts to "eliminate disease spots" in the nation-

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 sporadic fighting went on over act); tempering of the Walshfactory problems. Not to Compromise New Deal's "Reforms"

The program in general, they said, was designed not to comproform" 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 lege of Puget Sound second. charged that there was a "strike of capital"; industrialists, conced- ham, Linfield, first; Frances Aning that the world's greatest ac- derson, Redlands, second. Men: cumulation of capital resources is Bill Clemes, Willamette, first; Killed in Wreck stagnant, have contended that Duane Lamka, College of Puget capital was not being invested be- Sound, second.

Joint Program Is Drawn for Italy Calls Reserves; Fears of FDR Shared

To Convicts Here

They Slew Boy; Bones

Believed Found

PERRYTON, Tex., Feb. 18-(AP)

A 7-year-old mystery of the dis-

appearance of two boys whose fa-

wind-swept panhandle ranch.

Lloyd Davis, a WPA worker,

stumbled onto the skull and parts

of a skeleton while making a min-

eral survey on the Merydith ranch,

25 miles southeast of here in Lips-

Ochiltree county believed the

the place where the bones were

J. M. Cone, jr., 10, and his

brother, Vernon, 6, disappeared

May 31, 1932. Their father was

Officers branded their story as a

The teeth indicated the bones

of CIO, joined tonight in propos-

culture, labor and industry, which

work together for economic re-

Charles R. Hook, of Middle-

town, O., steel manufacturer and

anxious to put its shoulder to the

These three leaders, with Secre-

ary Wallace representing the

dual roll of agriculture and gov-

ernment, were speakers at the

concluding session of the national

farm institute, which for two days

discussed economic inter-group

A national income of \$100,000,-

000,000 was envisioned by Secre-

tary Wallace if all three groups

cooperate in the reconstruction

However, the cabinet member

said, to accomplish this petty

squabbling over the share to be

all parties must "pull together" in a "spirit of good will."

wheel along with agriculture, la-

bor and government."

relations.

chairman of the board of the

about 12 years old.

found.

Great Britain, France Will Act for Madrid Drive Against

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 govern-

ment President Manuel Azana, Osaid French and British representatives at Burgos had been in- Mystery Is Tied structed to present to Generalissimo Franco's government the offer for peace in the two and onehalf year old civil war.

The French government, acting Tennyson Duo Have Said 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 recovery will have the support of at St. Jean de Luz tonight from Burgos, the nationalist capital, following a reported conference as outlined by financial leaders with nationalist officials on the government's proposition.

MADRID, Feb. 18-(AP)-Nationalist artillery shelled Madrid totax laws, and basic modification day while the port of Alicante was of the securities and exchange subjected to a prolonged air raid. commission's policies all in the A number of casualties were comb county. primary hope of "breaking the caused by high explosive shells falling in widely separated sebones may be those of the missing

At Alicante 40 persons were re-

Willamette Takes found the next day dying from bullet wounds. A coroner returned Talk Sweepstakes

Thomas and Smith Team state penitentiary, told of being Winner: Other Events Are Also Taken

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 Aldus Smith, first; Pacific university, Willamette and Linfield col- and Sidney Hillman, vice-president

lege second (tie). Division B—Women: Washing- ing an inter-group council of agrion State college, team of Elna Schmitz and Lauraine Little, first; with the aid of government, would Linfield second.

Division C-Women: Washington State college, team of Ruth Engleson and Mary Burnett, first; Willamette second, Helen Newland, Beverly McMillan, Doris National Association of Manufacmise any of the essential "re- Riggs and Wilma Schneider. Men: turers, pledged the support of in-Pasadena, team of James Jackson dustry, asserting "it is ready and and Bud Smee, first.

Division D-Oregon State college, team of Burgon Emberson and Kenneth Robinson, first; Col-

Oratory-Women: Juanita Gill-

Extemporaneous speaking-

After-dinner speaking - Jean Burness, Redlands, second.

Italy's Press France Grows

Fascists Say Morocco and Balearics Are Sorest 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

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 ther was found shot fatally next officially announced Jan. 25 that day was recalled today by the dis-60,000 were being called up. The covery of the bones of a child on 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 "abnor-Deputy Sheriff D. D. Taliaferro mal.

> ROME, Feb. 18 - (P) - 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,

In 1936, Elmer and Claud Ten-By JAMES C. OLDFIELD nyson, convicts in the Oregon LONDON, Feb. 18-(AP)-Europe's harrassed statesmen, agreehired by the father to kill his ing with President Roosevelt tochildren. They said they shot Cone night that European developments when he refused to pay them for were ominous, foresaw the possimurdering and burying the boys. bility of a new international crisis at an early date. hoax. They were sentenced to the

While democracies and dictatorpenitentiary in 1935 for bank robships took to the Spanish nationalist capital at Burgos their fight for European domination - with found today to be those of a child Britain and France bearing terms of Madrid's surrender - there were these new danger signs: Wallace, CIO Head

France took extraordinary defense precautions in Tunisia and shiped heavy artillery to her key Plan Cooperation colonial port of Djibouti after reoccupying a strategic Red Sea are aceded to Italy under a 1935 accord with Italy subsequently denounced.

The British government, reliable sources disclosed, was worried by 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 truculence 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 had by each group must stop and corps camp at West Summerlin Key, Mr. Roosevelt said informa-(Turn to Page 2, Col. 5.)

Golden Gate Fair Funseekers Left in Dark on First Night

SAN FRANCISCO, Feb. 18-(A) | ris wheels and other mechanisms -The Golden Gate exposition on which stopped, in order that pasfun zone was darkened for an

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

gaily lighted fun zone were caught a constantly swelling flood of visiunawares when the power went off. Thousands of hungry people were waiting at the time before eating stands which were incapacitating stands are as a stand automobiles began pouring customers onto the architecturally bejeweiled 400-acre ,man-made island even because of all-night workers

sengers might disembark. Two hour and a half tonight when a persons, however, who were high fuse blew out on a feeder electric up on a ferris wheel could not be line, leaving riders stranded on reached, and spent the time in ferris wheels, sky rides and other darkened suspension above the Official attendance at the ex-

position was 109,043 at 8 p. m.
The amplified voices of President Roosevelt and Governor Calbert L. Olson rose above the diff happen again."

The exposition opened today, and the first-night crowds on the 000,000 Golden Gate exposition to of Treasure Island construction

Concession attendants resorted fore an army of all-night workers to hand wheels to move the fer- (Turn to Page 2, Col. 2.)

Senate Okehs one Pay Raise But Balks at Another Bill The state senate gave approval, | year and the insurance commis-

21 to 6, Saturday to a senate bill increasing the salary of the state increasing the salary of the state | Wallace opposed the bill on the corporation commissioner, an appointive official, from \$3600 to \$4800 a year, but rejected a house bill proposing to increase the salary of the labor commissioner, Sen. U. S. Balentine said the an elective officer, from \$3600 to bill was a move to equalize sal-

commissioner receives \$7500 a tion.

sioner \$5000.

Senators W. E. Burke and Lew 4200.

Praise of the service performed to increase them, Sen. Rex Ellis

by James H. Hazlett, present corporation commissioner, featured the debate favoring the increase. Sen. Ashby Dickson declared Oregon was fortunate to have such an officer and claimed his salary was out of line since the utilities would move for reconsideration.

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 busi-

Greets new Year

SHANGHAI, Feb. 19 .- (Sunday)

Lieutenant Commander Charles

HILLSBORO, Ore., Feb. 18-(R) cause investors were uncertain of the future. The program, they stantly and David O'Bray was crit-say, is designed to remove a large Thomas, Willamette, second. ically injured tonight when their part of that uncertainty. Some of the best known figures Women: Miss Anderson, Redlands. automobile overturned in a ditch near Tigard. Both men were from in heavy industry, utility and fi- Men: Arnold Finkbeiner, Linfield. Portland and O'Bray was removed nance fields said today that they to a Portland hospital. He was would predict that if the program | Hartman, Oregon State, first; Carl (Turn to Page 2, Col. 3.) TREASURE ISLAND MAGIC IS DISCLOSED

Night view at Treasure Island, in San Francisco bay, where the right, the two massive Elephant towers flanking the Portals of the Pacific, which form the western wall of the island, pictured under night fillumination.—IIN photo.