

**They're Yours**  
The community served by The Oregon Statesman is your community. This paper your newspaper. Look to it for your news—it's accurate, interesting, on time.

**Weather**  
Cloudy with rains today and Monday; snow possible in mountains. Max. temp. Saturday 47, Min. 27. Southeast wind, River 2.4 feet. Foggy.

NINETEETH YEAR

## Oregon to Get Big Shipbuilding Program

### Speaker Race Still in Dark; Caucus Today

### Written Ballot Favored by McAllister Group; Farrell Objects

### Session Opens Monday; Governor's Message One Early Event

**SESSION PROGRAM**  
Tonight—Assembly-eva caucus, Marion hotel, 8 p.m.  
Monday—10 a.m., house and senate convene; 12 noon, flag raising; 2 p.m., approximate hour of governor's biennial message to the legislature, to be broadcast by KGW-KEX and KSLM.

By STEPHEN C. MERGLER  
Portland will yield to Salem today as center of interest for Oregon's legislators as the biennial assembly, the state's 41st and the second in the new capitol, are undertaken.

Forces contending for the lower house speakership rallied in Portland yesterday seeking to clinch the office for William M. McAllister of Medford, on the one hand, and for Robert S. Farrell, jr., of Portland, on the other.

But the word from Portland last night was that the jockeying was still going on, with the Farrell camp expecting to make its finish fight on the floor of the house Monday morning and the McAllister supporters during the Portlander to put his strength to the test of a written ballot at the traditional session-eva caucus at the Marion hotel here tonight.

If Farrell refuses to show tonight, one McAllister spokesman declared, the "Mac-for-us" men may attempt to put their man across at an exclusively republican caucus.

Farrell still claimed the necessary 31-vote majority pledged to his cause; and McAllister's friends asserted he had 29 votes and a good chance to pierce the majority. The former was reported willing to go into caucus if he could muster all of his backers at that time but not for a secret ballot, which McAllister asked for yesterday.

Saying he would ask for a written caucus ballot, McAllister, in a formal statement issued in Portland, explained:

"Members, on both sides, have (Turn to Page 2, Col. 1)

### Flag Raising Set For Monday Noon

American flags, gifts from the Salem Elks club, will be hoisted on the new flag poles at the state capitol in a public ceremony arranged by patriotic organizations promptly at noon on Monday.

Douglas McKay, Marion county senator, will be master of ceremonies and Secretary of State Earl Snell will officially receive the flags for the state. Governor Charles A. Sprague, State Treasurer Leslie A. Sway, J. Hanson of Astoria, representing the grand exalted ruler of the Elks, R. I. Canfield of Medford, state commander of the Veterans of Foreign Wars, and Alfred Kelly, state commander of the American Legion, will speak briefly.

One of the flags will be raised by Ray J. Stumbo, commander of Capital post No. 9, American Legion, and the other by Frank Miles, commander of Capital post No. 481, Veterans of Foreign Wars. Charles Norton, commander of the Salem chapter of Disabled American Veterans of the World war, and Commander Nelson of the Spanish-American War Veterans, will also participate in the presentation. Music will be provided by the Salem high school band.

### New Oregon Code Has Grave Errors; Acceptance Held up

Discovery of two glaring errors in the new 1940 Oregon codes, of which the first nine volumes were received last week, led the state supreme court yesterday to defer their official acceptance pending receipt of a proposal by the printers, Mancroft-Whitney company, San Francisco, to make corrections.

## Three Men, Two From Salem, Killed on Willamette Highway

### Gerig, Owsley Victims; Auto Hurtles Bank

### Third Local Man Suffers Injuries; Think Two Victims Drowned

### All Are Members of SP Crew; New Route Is Fatalities Scene

EUGENE, Jan. 11.—(P)—Three men were killed today when their car hurtled over a bank from the slippery Willamette highway into Salt creek. A fourth was injured and is in a Eugene hospital and a fifth occupant of the machine escaped unhurt.

The dead men are: Carl C. Owsley, about 32, and Henry W. Gerig, 26, both of Salem, and Joe Donohue, about 35, address unknown. Edward Mulcrone was slightly injured. The name of the fifth person is unknown.

The dead were identified by V. G. Derryberry and Fred Frantz employees of the Western Lumber company, occupants of the first car flagged and personal friends of those who were involved in the tragedy.

All the men were employees of Southern Pacific, and were stationed with gang 22 at McCredie Springs.

Owsley and Donohue were killed instantly and Gerig, the driver (Turn to Page 2, Col. 8)

### Saunders Loses Police Garage License During Probe Into LA Racket

### Not Officer in Los Angeles Department Except Possibly in 1924-25 but Intimate With Men. Let out in '39 Shakeup, Reports State

By RALPH C. CURTIS  
When it was announced that H. O. Saunders, Sheriff A. C. Burk's unsalaried deputy assigned to investigation of pinball conditions in Marion county, was a former Los Angeles police officer there was some lifting of eyebrows on the part of persons who recalled that the Los Angeles police department recently underwent a "purge" in which racketeering was alleged and in some cases proven. The case received nationwide publicity, partly because the automobile of some officers investigating alleged rackets was blown up by a bomb.

### In One Ear..

—Paul Hauser's Column

Saturday Survey: Commercial Street — Stepped out into the chill and wended our way past the fish market and the meat market which keeps gold fish, but doesn't sell gold fish steaks as far as we know.

Found things quiet on the Brewma road with one juke establishment less since the last survey. Mourned quietly and passed on.

Found the Salvation Army band tooting to a lone and meditative repentant in the lee of the Pioneer Trust company. Found Sheriff's wooden horse moved into the interior warmth, well blanketed and without cause for complaint to the humane society.

Passed the grocery store which has a doughnut machine and found the machinery not working since the last company. Moved into the closing out of business area and discovered a \$35,000 clearance sale going on right alongside a \$15,000 clearance sale. Hot competition.

Turned back and noted that the famous old name of Dan'l J. Fry is still marked in tiles in the entrance of the pool hall that used to be his pill hall.

Court Street—Noted that a youthful wag has made a sign on the Pearce building bulwarks read "Danger — Keep Herby Out." As we shuffled past the alley between Commercial and Liberty saw for the first time the scrawling in the pavement there that has been there since November of '08, so it said. Moved into the clearance sale district. "Everything must go," it said, so we went. And wondered at the trams of a sign on the door of a business house, which would perish if it had no visitors, saying "Visitors Welcome."

Liberty Street — More sales. State Street — Found Western Union advertising the fame of one Arthur Buckley, the organization's "champion" singing messenger. And who, Mr. Butler, is Salem's champion singing messenger?

And more sales. Oregon won the game despite the soft playing of the Willamette team. Edna Sessie and strudy Don Barnick, both of Salem, were noted doing some subtle weaving for Willamette.

Maybe the Willamette boys better leave their knitting at home next time.

### Coos Bay Woman Victim of Crash

MARSHFIELD, Ore., Jan. 11.—(P)—Mrs. W. E. Beaumont, 45, operator of the House of Myrtlewood here, died tonight of injuries suffered in an automobile accident near Elkton this afternoon.

She was hurt when the car in which she was riding left the highway and rolled over several times. A daughter, Jeanne, an Oregon State college student, suffered a broken hip, and Mr. Beaumont, fractured ribs.

### Stan Laurel Remarries Second of Four Ex-Wives

LAS VEGAS, Nev., Jan. 11.—(P)—Liam comedian Stan Laurel, 60, remarried the second of his four wives, Virginia Ruth Laurel, 41, of Beverly Hills, Calif., in a surprise ceremony today.

### Fires Battled As London Is Strafed Anew

### Portsmouth Much Scarred in Raid; Fatalities Believed Heavy

### German Airmen Claimed Active in South and Carriers Damaged

(By The Associated Press)  
Hundreds of Londoners on rooftops and in streets worked frantically for four hours last night (Saturday) to save the city from another devastating fire as scores of Nazi warplanes showered incendiary bombs on the capital.

Fire engines, sirens and anti-aircraft guns set up a terrific clamor smothering the drone of the planes as they came over, wave on wave in an apparent attempt to repeat the big fire of December 29-30. But the "all clear" sounded before 10 p.m. (PST) and there were indications the damage was lighter than in the previous assault.

Portsmouth, raided by the Germans Friday night, was badly scarred by high explosives and fire bombs and the government admitted "a number of fatalities" and "considerable damage."

On the North African front British armies were shelling Tobruk, major Libyan base on the Mediterranean.

Italy gave a figure of less than 1500 as her total casualties "during December" in all of Africa—a period which did not take in the fall of Bardia, Libya.

The British said Italian casualties in killed and captured at Bardia, taken two weeks ago, numbered 2941 officers and 42,827 men, bringing to about 5,500 the aggregate of fascist troops claimed by the British to have been made ineffective since the British offensive in Egypt began a month ago.

The Italian high command said four British warships were hit in a new joint German-Italian aerial offensive against England's Mediterranean fleet. The communiqué listed an aircraft carrier as hit by an Italian aerial torpedo, a second aircraft carrier hit by heavy Italian bombs, and one of these aircraft carriers hit also by both heavy and medium German bombs, as well as a destroyer hit by the Germans.

The attack occurred Friday in the Sicilian channel, the Italians (Turn to Page 2, Col. 6)

### Naval Base Sites Accord Achieved

WASHINGTON, Jan. 11.—(P)—Secretary Hull tonight announced that agreement had been reached by the United States and Great Britain on sites for eight American air and naval bases to be constructed on British possessions in the western hemisphere.

Formal 99-year, rent free, leases will be signed, officials added, as soon as an American mission composed of Charles Fahy, assistant solicitor general; Col. Harry J. Malzer, US army; and Commander Harold Blesmeier, US navy, work out technical details with British officials. They will go to London via Lisbon on the clipper leaving January 17.

The sites agreed upon were (Turn to Page 2, Col. 2)

## Contracts Include 31 Vessels; Costs to Exceed 46 Million

### Yard With Eight Shipways Will Rise at Portland, Cost 4.7 Million; Charles Shea Heads Firm

### Maritime Commission Reveals Only Shipyard Deals; Two Others Are Announced; Speed Indicated

PORTLAND, Jan. 11.—(AP)—Thirty one ships valued at from \$1,500,000 to \$1,800,000 each will be built in a new shipyard here, Charles A. Shea announced tonight.

Shea's report followed the announcement by the US maritime commission that it had negotiated contracts for the construction of three new shipyards to provide about 200 new merchant vessels.

He said the yard, to be built at a cost of \$4,700,000, would have eight shipways.

Shea, who is slated to be president of the Portland, Ore., Shipyard company, said he would be associated with Edgar F. Kaiser of Oakland, Calif., and his father, Henry J. Kaiser, president of Six Companies, Inc., builders of Boulder Dam.

He said that "no time will be lost getting started by doing the job."

E. Don Ross, president of the Portland chamber of commerce, stated that at the height of production as many as 25 ships will be worked on simultaneously. He estimated that between 5000 and 7000 men would be employed.

The maritime commission's announcement did not say how many ships would be constructed at the yards. It said that the contracts, now awaiting final approval by the national defense commission, covered only shipyard facilities and that contracts for building of the ships would "come later."

The commission said it had negotiated contracts with the Portland, Ore., Shipyard company, the Houston, Tex., Shipbuilding company and the California Shipbuilding company of Los Angeles.

WASHINGTON, Jan. 11.—(P)—Maritime commission officials said tonight contracts had been negotiated for construction of three new shipyards under a program designed to provide about 200 new merchant vessels.

The contracts, now awaiting final approval by the national defense commission, were negotiated with the Houston, Tex., Shipbuilding company, the Portland, Ore., Shipyard company, and the California Shipbuilding Co., Los Angeles.

Commission officials said these cities were the first to be selected as sites under the emergency program announced by President Roosevelt last week.

They said six or seven new yards would be built but declined to give details of the contracts until they were cleared by the defense commission.

These officials said the contracts cover only shipyard facilities and that contracts for building of the ships would "come later."

The vessels will be "very simple freighters" of a tonnage of 7500 gross tons. It was said they will be oil burners, about 425 feet long and have a speed of about 10 to 11 knots.

Maritime officials said they expected the work to be done "very quickly" and that plans called for the 200 vessels to be completed in 24 months with a substantial number of them to be launched this year.

On Jan. 3 the president said the vessels would cost between \$308,000,000 to \$350,000,000 and Russia, which administration believed steps should be taken to meet a prospective shortage as a result of so much tonnage going to the bottom in the European war.

### Ask French Fleet To Assist Britain

LONDON, Jan. 11.—(P)—Vice-admiral Emil Muselier, commander-in-chief of the "Free French" German-Russian trade pact signed here Friday, under which Germany is supposed to receive, principally, increased supplies of soviet wheat. (Buenos Aires sources have indicated that Russia is sending a mission there to buy much Argentine wheat. This might be trans-shipped to Germany.)

Both Ivestia and Pravda carried editorials which cast some new significance on the expanded German-Russian trade pact signed here Friday, under which Germany is supposed to receive, principally, increased supplies of soviet wheat. (Buenos Aires sources have indicated that Russia is sending a mission there to buy much Argentine wheat. This might be trans-shipped to Germany.)

He said the "Free French" fleet now had 50 men of war and 50 merchantmen in service and that all save 50 of the merchantmen were manned by French crews.

### Lease Powers Will Get Past Initial Hurdle

### Committee Will Approve After Vacancies Are Filled, Forecast

### Military Group Seeking to Get Bill; Senate Fight Predicted

WASHINGTON, Jan. 11.—(P)—A poll indicated today that the administration could count on a majority of the senate foreign relations committee to support its legislation giving President Roosevelt broad powers to send war supplies to nations resisting "aggressors."

Eight committee members said they were for the measure; four declared against it; four said they had not made up their minds, and five were either unavailable or made no statement.

Before the committee acts, however, two new members will be chosen to fill vacancies and the leadership certainly will pick appointees who favor the program. In addition, it was indicated that the administration would receive the votes of at (Turn to Page 2, Col. 3)

### Politics Stirring As Session Nears

### Groups From Both Parties Convene, Look Ahead to 1942 Contests

PORTLAND, Ore., Jan. 11.—(P)—Republican and democratic party chiefs from all sections of the state were tonight preparatory to moving into Salem for the opening of the 41st assembly of the state legislature Monday.

Pre-session interest centered around the house speakership contest between Rep. Robert Farrell, jr., of Portland and Rep. William M. McAllister of Medford.

The possibility of a settlement of the contest before tomorrow's caucus at Salem faded when McAllister again challenged Farrell's claim that 31 votes had been pledged to him, and demanded a secret, written caucus ballot.

The Portland man's chances brightened, however, when Rep. H. R. Jones of Marion county, who previously announced his vote was pledged to McAllister, told a republican rally luncheon this afternoon that "I've been (Turn to Page 2, Col. 4)

### Bean Unchanged

Justice Henry J. Bean of the Oregon supreme court was reported "about the same" by Deaconess hospital attendants early this morning. The 87-year-old justice was taken to the hospital 16 days ago to be treated for an intestinal ailment.

### EXCAVATE FOR HIGHWAY LABORATORY



This view of excavation preliminary to erection of an \$80,000 laboratory-office building for the state highway department at Pentecostal and Airport roads gives an idea of its location with respect to other highway shops units. It will be adjacent to the highway sign shops building, at right, which also houses the state police patrol office and the highway traffic engineering division. Unlike other of the shops units, the new structure will be of reinforced concrete construction.—Statesman photo.

### Keizer Residence Total Loss, Fire

KEIZER, Jan. 11.—Total loss of the home occupied by the V. Moon family northeast of here was suffered tonight about 8 o'clock in a fire believed to have started from defective wiring.

Although Mrs. Moon and one child were visiting Mr. Moon in a hospital, other children were at home and took word of the fire to neighbors. Some of the furniture was saved by them but no water was available because a fuse on the electric pump blew out.

Known as the Fox place, the house was owned by Larry Forkner of Salem. It was insured but the furniture, owned by the Moons, was not.

### Excavate for Highway Laboratory

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The company will submit its proposal to the court Monday. There was an indication the court might demand reprinting of the two volumes in which the errors appear.

Described as the most confusing error was inclusion in the new code of the 1939 legislative act changing the date of the primary election from the third Friday in May to the first Wednesday after the first Monday in September. This law was subjected to the referendum and defeated last November by vote of this people.

The erroneous primary law is