

The Capital Journal is first with the latest news of the European crisis, United and Associated Press news dispatches. The only Salem paper carrying both services.

# Capital Journal



Weather  
Partly cloudy tonight and slightly colder. Sunday fair. Northerly wind. Friday: Max. 48. Min. 36. Rain 18 in. River 3.5 ft. South wind. Partly cloudy.

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## School Board Votes 3 to 2 to Oust Gaiser

### FDR Requests Labor Peace

#### Order Italians In France Back To Homeland

#### Mussolini Repatriates Italians as Slap at France

Italy's territorial aspirations at French expense cast a new shadow over Europe's peace today as thousands of Italians began an exodus from France in what many quarters viewed as a direct slap at the French.

The Italians' return to their homeland was said to be part of Premier Mussolini's plan to repatriate Italians abroad. Italian sources said 3,000 were leaving continental France and 10,000 were leaving Corsica.

An Italian embassy spokesman in Paris said this was "only a beginning" and foreign circles in Rome expressed belief it was another gesture of Italian ill-feeling toward France.

It coincided with signs of imminent peace in Spain. Both France and Britain were making urgent efforts to end the Spanish civil war and clear the way for their formal recognition next Monday of General Francisco Franco's rule as Spain's legal government.

France already has disclosed her intention to give Franco recognition and the nationalists were said to have given assurances encouraging to it.

#### Guam Rejection Pleases Japan

Tokyo, Feb. 25 (AP)—Newspapers welcomed in editorials today the action of the United States House of Representatives in rejecting an administration proposal to improve the harbor of the island of Guam.

#### Score Injured In Union Pacific Train Wreck

#### 5 Passenger Cars Keel Over Embankment in Southern Wyoming

Laramie, Wyo., Feb. 25 (AP)—Injured when five cars of the Union Pacific's "Pony Express" passenger train "keeled over" a 20-foot embankment in southern Wyoming, 13 persons were under treatment today at a hospital here and five others were in a Rawlins, Wyo., hospital.

Three persons were able to leave the Laramie hospital after receiving first aid.

W. W. Jaeger, vice-president of the Bankers' Life Insurance company of Des Moines, one of several insurance executives bound for the Golden Gate Exposition at San Francisco, said his fellow passengers "kept their heads pretty well" when the car jumped the track and overturned near Bosler, Wyo., at 10 p. m., last night.

Tells Experience  
Jaeger said he and his wife were sound asleep in their berth but awoke when they felt "the bumping of the wheels over the ties."

"There was a smash, a crash and I sensed the car sailing through the air," Jaeger said. "Then the car keeled over on its side and came to rest."

There was little screaming or other confusion among the passengers, Jaeger related after he and his wife were brought to the hospital here. Bosler is 17 miles north of Laramie.

Ambulance drivers were impeded by a blinding fog while driving to the scene of the wreck, where the injured were swaddled in blankets against the zero cold.

Kicked Window Out  
Dr. E. W. Dekay, Laramie physician, said he had to kick out a window before he could enter one of the Pullmans and start boosting out the injured passengers. He cut one of his legs on the broken window glass.

Aiding four Laramie doctors are Dr. J. R. Milson of Omaha, chief surgeon of the Union Pacific. N. A. Williams, general manager at Omaha for the Union Pacific, also was here to superintend clearing of the wreckage.

None of the injured, with the possible exception of a negro porter, was believed dangerous injured.

Broken Rail Blamed  
Several hundred yards of track were torn up when the train was derailed, and railroad officials said an emergency track was being laid around the wreck site to restore westbound traffic over the double-track line.



Silas M. Gaiser—Salem superintendent of schools whom the school board has refused to re-elect.

#### Negrin Accepts Armistice

Paris, Feb. 25 (AP)—Spanish government officials said tonight government Premier Juan Negrin had accepted a British proposal for an armistice to end the Spanish civil war.

"They said the decision to accept the armistice, which would allow opening of negotiations to fix terms for the war's end, were conveyed to Azana by Spanish government Foreign Minister Julio Alvarez Del Vayo. At the same time, Spanish government officials confirmed that Azana already had signed his resignation as president of the Spanish republic.

In a document which may be made public tomorrow, it was stated, Azana would declare that French and British recognition of the nationalist government of Generalissimo Franco had ended the legal life of the republic.

#### Hines' Fate in Hands of Jury

New York, Feb. 25 (AP)—The case of Tammany leader James J. Hines, accused of selling his political influence to the Dutch Schultz policy racket, went to a blue ribbon jury in general sessions court at 12:15 p. m. today.

At the end of five weeks of testimony—the trial started on January 23—Judge Charles C. Nott, Jr., delivered his charge to the jury, composed of brokers, bankers and business men selected from a "blue ribbon" list, and it retired to determine the 62-year-old former blacksmith's fate.

He is accused of having sold and conspired to sell to the late Dutch Schultz's lottery mob, the political influence he amassed and kept intact by dispensing coal, food, jobs, funeral expenses, ice cream, handshakes and pats on the backs to the poor voters of his 11th assembly district.

The maximum penalty of five years imprisonment.

Neck Fracture Fatal  
Portland, Feb. 25 (AP)—E. E. Turner, 25, whose neck was broken in an auto accident, died yesterday.

#### Green and Lewis Urged to End Controversy

#### President Wants Negotiated Truce Between AFL and CIO Bodies

Miami, Fla., Feb. 25 (AP)—President Roosevelt, in letters today to the heads of the country's rival labor organizations, said labor "faces a challenge in finding itself divided into opposing camps" and called upon them to name a committee to negotiate peace.

In letters to John L. Lewis, chairman of the congress of industrial organizations, and William Green, president of the American Federation of Labor, identical except for the final paragraph, he declared the American people "sincerely hope that a constructive negotiated peace with honor may come about between the A. F. of L. and the C. I. O. within the early months of the new year."

Says It is Right  
"The secretary of labor," he added in the letters made public at the temporary White House here, "tells me that after careful investigation and prolonged conversations with respective leaders in both groups there appear to be no insurmountable obstacles to peace and that in fact there is a real and honorable desire for unification in the labor movement among all parties concerned."

The president was still at sea aboard the cruiser Houston when his letters, making dramatic plea for labor peace, were given out by Acting Secretary William Hassett.

In asking the CIO and AFL, at loggerheads nearly three years over the organization of labor by industry and by craft, to appoint committees to negotiate "terms of peace," Mr. Roosevelt based his request on four grounds:

Reasons Stated  
First, because it is right.  
Second, because responsible officers in both groups "seem to me to be ready and capable of making a negotiated and just peace."

Third, because "your membership ardently desire peace and unity for the better ordering of their responsible life in trade unions and in their communities."  
Fourth, because the government of the United States and the people of America "believe it to be a wise and almost necessary step for the further development of the cooperation between free men in a democratic society such as ours."

Hopes for Reply  
In the final paragraph of each letter, the president expressed the hope he would very shortly receive a reply giving the name of the peace committee members.

To Lewis he said: "In addressing this letter to you, my dear John, I have great satisfaction in knowing I am dealing with a man whom I respect, a man of honor, intelligence and good will."  
To Green, he concluded: "It is with confidence that I write you, dear Bill, as a man of good will, of experience and high principles."

The president said the opportunities for a united and vital labor movement to make a contribution to American life of help to the people and future generations "were never better."

Cites Employers  
He added the National Manufacturers' association recently made a statement "expressive of a better understanding of the problems of labor relationships and of their willingness to work with labor in a realistic effort to improve their mutual relations and to better general working conditions."

#### Sprague Vetoes Free Blood Tests For Marriages

#### Governor Says It Imposes Burden on Board of Health and Taxpayers

Gov. Charles A. Sprague vetoed today a bill providing that the state board of health shall make free blood tests for marriage license applicants.

Asserting in his veto message that the bill "imposes a burden on the state board of health," the governor said "the law does not limit the free service to those who are financially unable to provide it for themselves. It would impose fresh burdens on the state at the cost of the taxpayers."

"The bill makes it mandatory for the board to provide the service, and it would be merely optional for applicants to use independent registered laboratories."

Too Much Expense  
"The costs of the board have been growing steadily over the years and, while I am sympathetic with the public health program, I feel there are limits to which the state can and should assume in the way of burdens of expense."

Sponsors of the bill argued it would influence people, who have been going to Washington state because of the marriage examination bill passed by the voters last November, to be married at home.

Sen. Joel C. Booth (R-Lebanon), who introduced the vetoed measure, said he would make no attempt to have the bill passed over the governor's veto.

Abolish Capitol Board  
"I can understand how the governor feels. If people want to go to Vancouver, Wash., to get married, then let 'em go. This bill would have stopped that," Senator Booth said.

Dissolution of the capitol reconstruction commission on April 1 was approved by the house today and sent to the governor.

Other bills passed by the house were measures to permit cities to establish sinking funds to buy equipment such as fire apparatus, and to appropriate \$15,000 to aid Oregon livestock breeders in entering exhibitions at the San Francisco fair.

The senate passed 23 to 5 and sent to the governor a bill to prevent corporations from practicing optometry, despite the charge by Sen. L. W. Wipperfurth (R-Grants Pass) that the "bill is a political football and would restrain trade."

PUD Bill Monday  
Ralph E. Moody, house legal adviser who is drafting a new peoples' utility district bill for the senate railroads and utilities committee, said the bill would be completed Monday or Tuesday. The bill would provide that districts pay the same taxes as private utilities, that voters pass on every bond issue, that districts may be dissolved after five years by majority vote of the people, and that rates shall be high enough to pay taxes, bond retirement, depreciation and cost of operation.

The senate passed and sent to the house a bill providing for non-partisan nomination and election of the state superintendent of public instruction. The bill previously had passed both houses and was signed by the governor, but the senate recalled it for minor corrections.

#### Bigger Pension Hopes Fading

#### Little Progress Made for More Extended Relief In 48 Days—Restoration of Autos to Tax Rolls Lightens Social Security Load on Counties

As the 40th legislative assembly crawls along toward final adjournment hopes of the various groups which have been working for extended and more liberal pensions and other forms of relief, involving sizable additions to the state's tax revenues, are gradually fading.

Forty-eight days of pulling and hauling and deliberating with the money problem have resulted in the formulation of a program which, at this writing, reads something like this:

Repeal of the intangibles tax law and revision of the personal income tax act to include a 3 per cent surtax on income from stocks, bonds and other securities.

Upward revision of the corporate excise tax to make up for lost revenue incident to the intangibles tax repeal.

Social Security  
Maintenance of the social security budget at \$22,000,000 for the biennium with the reduction of the counties' share by \$1,000,000 a year and an increase of that amount in the state's lead.

Funding of the state's increased social security burden through a boost in liquor prices, which would be accomplished without legislation through the governor and his liquor commission.

Restoration of automobiles to the personal property tax rolls for further lightening of the social security burden on the counties in the estimated amount of \$1,500,000 a year.

So far as house and senate leaders, taxation committees, Governor (concluded on page 9, column 9)

#### Seek to Reduce Warplane Costs

Washington, Feb. 25 (AP)—Economic advocates in the senate today in an effort to reduce the \$170,000,000 expenditure President Roosevelt has proposed for new airplanes.

Several said they believed a substantial saving could be made by supporting the house-approved limitation of 5,500 planes for the army. This limit has been raised to 6,000 by the senate military committee.

Senator Burke (D-Neb.) told reporters it was his belief that, if costs could be reduced by mass production of planes, as contended by Secretary of War Woodring, and others, this saving should be passed along to the taxpayers rather than be invested in additional craft.

#### Star Chamber Session Denies Re-election

#### Lack of Cooperation Alleged—Superintendent Asks Public Hearing

Superintendent Silas Gaiser of the Salem public schools has been notified that his contract, which expires June 30 of this year, will not be renewed.

Acting in executive session early this week the board members, by a vote of 3 to 2, decided against renewal and unless a reversal is brought about in the meantime, Superintendent Gaiser will end his five years with the district the first of July.

Voting to retain the superintendent were Mrs. David Wright and Dr. L. E. Barrick. Opposed to renewing the contract were W. F. Neptune, chairman, Percy Cupper and E. A. Bradford.

Directors Barrick and Cupper were appointed members of a special committee to notify the superintendent of the board's action. The task was performed later in the week by Dr. Barrick.

Asks Hearing  
Superintendent Gaiser said today that he would request a public hearing where he would seek to have all of the cards laid on the table. "I do not think it is fair to myself or to the 1500 persons who have signed petitions favoring my retention to decide the issue in a star chamber session where everybody is sworn to secrecy. It would be cowardly for me to quit under fire," he added.

Whether this hearing will be granted appeared to be up to the board itself. Chairman Neptune said he had not had time to go into the proposal since it had been broached to him only this morning by the superintendent.

"We (the members of the board) were elected to run the schools to the best of our ability and when we declined to renew the superintendent's contract we were hearing to the line in this connection," the chairman said.

Lack of Cooperation  
"Lack of cooperation with what the board decided was to the best interests of the school," was the reason advanced by Director Bradford for declining to renew Mr. Gaiser's contract. "If the superintendent wants an open hearing, we will have plenty to offer in defense of our action."

"We notified Mr. Gaiser of our decision and agreed that we would say nothing about it, thus giving the superintendent a chance to line up something else," Percy Cupper said in commenting about the situation.

"We take the attitude that we were elected to operate the schools. We believe we are taking the right course in declining to issue a renewal of Mr. Gaiser's contract."

Director Wright said she was in favor of conducting an open hearing where all sides to the issue could be heard.

Barrick's Comment  
"I feel that the schools are improved over what they were when Superintendent Gaiser took charge, and in view of this situation, I did not see how I could vote against renewal for at least a short term contract," Dr. Barrick commented.

#### County Court Okays \$116,000 Project

County officials today gave approval to three WPA projects covering over \$116,000 under the \$275,000 blanket WPA road project approved a few weeks ago. Under the arrangement with the WPA each separate project under the blanket road project must be set up and given approval.

One project approved today covers a portion of market road No. 24 in Mission Bottom two miles west of Waconda and contemplates \$16,294 expenditure of which \$12,284 will be spent for labor by the federal government and the sponsoring county's cost will be \$3,670. The project contemplates expenditures of \$11,224 on earth excavation and \$2,700 for graveling. Total cost for unskilled labor on the project all borne by the federal government will be \$11,040, the balance of labor cost for skilled and intermediate labor.

#### Men and Women Picket Vessel

Marshfield, Feb. 25 (AP)—A group of a dozen men and women who said they represented Coos Bay citizens today picketed the Greek steamer Kostas which was loading 3,000 tons of scrap iron for Japan.

Coos Bay Chinese denied the picket line was planned but knew any part and had no members of their race on the docks here. It was believed the auxiliary to the CIO International Longshoremen and Warehousemen's union was instigator of the line. Sixty-eight longshoremen went to the ship but would not pass the pickets and said they would return only when they are withdrawn. Members of the banner-carrying brigade said they would demonstrate only for two days then let loading continue.

#### Nazis Order 100 Jews A Day to Emigrate

Berlin, Feb. 25 (AP)—The Berlin police authorities today acted to speed emigration of Jews by serving notice on the Jewish community of the city that it must furnish each day the names of 100 Jews who then will be required to leave the country within two weeks.

The order is to take effect Monday.

Some new measure against the alleged enemies of the Nazi regime had been expected today following a double-barreled attack on "German-haters abroad" and opponents of the regime at home delivered by Chancellor Hitler and his minister of propaganda, Paul Joseph Goebbels.

#### Prentiss Gilbert Dies Suddenly

Berlin, Feb. 25 (AP)—Prentiss D. Gilbert, charge d'affaires at the United States embassy, died last night of a heart attack. He was 35 years old.

Mrs. Gilbert, who was vacationing at Davos, Switzerland, was notified and started at once to return to Berlin. She planned to catch a plane at Zurich which would reach Berlin at noon today.

United Pacific officials here doubted to explain the cause of the accident. At Omaha, Neb., officials of the line said a broken rail caused the derailment.

Hitler spoke last night at a Munich rally of his "old guard" on the 19th anniversary of the founding of his Nazi movement. Goebbels' blast appeared in Hitler's paper, Voelkischer Beobachter. Both acknowledged continued opposition to the Nazis in Germany.

Today's police notice provided that as soon as the 100 names are furnished the necessary deductions for taxes, the billion-mark fine levied on Jews last November after the killing of Ernst vom Rath in Paris, the capital flight tax and a special levy for the support of aged Jews unable to emigrate will be taken from the fortunes of the nominees.