

## Tunis Reports, "Sinking" Ship Puzzle World

### Both Italy and France Deny Border Fight With 84 Dead

### South Atlantic Shipping Is on Lookout for "Torpedoed Ship"

(By the Associated Press)  
Reports, which could not be confirmed officially, of a clash between French and Italian troops on the border of Tunisia, and a distress call from a ship signing herself "Pec" saying she had been torpedoed by a submarine south of the Azores stirred a war-conscious world yesterday.

French military chiefs in Africa met in an urgent session after reports, received in Paris diplomatic circles and from private sources in Tunis, said 80 Italians and four Frenchmen had been killed in a clash Friday.

Both French and Italian official sources denied there had been a clash, but it was recalled that Italy recently had reinforced her troops in Libya, and had sent her chief of staff, Marshal Pietro Badoglio, to Tripoli. The French Mediterranean fleet already was assembled at Bizerte, Tunisia.

The French premier, Edouard Daladier, in a Washington birthday speech, without mentioning Italy, warned that French in protecting her empire "will never give way either to threats of force or to blackmailing tactics."

On the broadcast with him, United States Ambassador William C. Bullitt, said America believed in the commandment, "Thou shalt not covet thy neighbor's house" and declared America was "not in the habit of starting wars"—but underscored the word "starting."

South Atlantic shipping was on the search for the vessel which sent the distress message saying she had been torpedoed by an unknown submarine and was sinking.

"Pec" sends SOS from Atlantic. She gave her position as about 250 miles south of the Azores. Her identity could not be established immediately because the letters "Pec" were not so assigned to any ship.

Carrying his gold-knobbed umbrella and a book of Shakespeare, Prime Minister Chamberlain, of Britain, told a Lanchester meeting of conservatives that "come the three corners of the world in arms, and we shall shock them."

The quotation was from Shakespeare's King John. Chamberlain said, however, that he was not speaking in a belligerent vein, and that he believed trade negotiations with Germany and a speedy termination of the Spanish war might signal a period of greater calm in Europe.

From Rome, Premier Mussolini informed Generalissimo Franco that "Italian legionnaires are at your orders until final victory."

French recognition of the nationalist regime was declared at Paris to be "probable" by Saturday.

## Seattle Taxicab Pay Cut Hinted

SEATTLE, Feb. 22.—(AP)—Members of the Seattle Taxicab Drivers' association posted a bulletin tonight notifying drivers they are unable to continue paying present wages.

B. I. Bowen, secretary of the taxicab drivers' union, denounced the action, and added: "If I have anything to say about it there's going to be a taxicab fight in Seattle."

Bowen said the taxicab drivers are the lowest paid teamster union members, and couldn't "support their families decently on less than the \$30 a week they're now getting."

## 'EOCE' Makes Bow With OCE, SOCE Soon to Follow

Over the wires Wednesday night came a dispatch relating that "Eastern Oregon College of Education" basketball players had won a game, or maybe they lost—that isn't so important as the name of this "new" college.

It used to be Eastern Oregon Normal. Within the next few days there will be dispatches relative to Oregon College of Education. It's at Monmouth. Southern Oregon College of Education is at Ashland.

Governor Sprague on Wednesday signed the bill authorizing these changes. Actually, the bill doesn't go into effect for several months. But then the name of Oregon Agricultural college never has been changed—and that old name has been almost forgotten for a decade.

# House Approves Tax and Parole Bills

## Nippon, USSR Fish Dispute Is Unsettled

### Litvinoff Cites Reports Japanese Fleet Will Take Action

### Japanese Ambassador Says Their Interests to Be Guarded

MOSCOW, Feb. 22.—(AP)—Foreign Commissar Maxim Litvinoff and the Japanese ambassador, Shigenori Togo, discussed their far eastern fisheries dispute for two hours this afternoon, but afterward appeared as far removed from a settlement as ever.

Litvinoff was reported to have told the ambassador that information in Japanese newspapers appeared to indicate the Japanese fleet was planning to help Japanese fishermen take what they want in Siberian waters.

He was said to have warned that such an attempt would be dangerous and would "not be localized" as was the Changkufeng incident of last August. (The Changkufeng incident was settled in a truce after Japanese and Soviet forces had repeatedly clashed along the Siberian-Korean-Manchoukuo border.)

Togo was said to have replied that the Japanese government "will take all necessary measures to protect Japanese interests."

Japanese sources said Togo first repeated his request for cancellation of the fisheries auction scheduled for March 15. If it is held, he was reported to have warned, the Japanese would not participate in the bidding.

Despite today's exchange there apparently was not a complete breakdown in negotiations, for Togo and Litvinoff were said to have agreed to meet again after consulting their respective governments.

## Entirely new Bill On PUD Projected

### Senate Rails and Utilities Committee Will Write new Measure

The senate railroads and utilities committee, after hearing Gov. Charles A. Sprague's suggestion that peoples' utility districts be taxed the same as private utilities, prepared Wednesday night to write an entirely new PUD bill.

The governor's suggestions, presented to the committee by his legal adviser, Allan Bynon, included: 1. Districts should pay taxes on the same basis as private utilities, and should be required to have the same auditing systems as private utilities. Districts also would be audited each year by the secretary of state.

2. Districts could be dissolved after five years by a majority of the district voters. After dissolution, the directors would become trustees and would sell the district property. If the assets were not sufficient to pay off general obligation bonds, the trustees would levy taxes, but taxes could not be used to pay off revenue bonds which would be permitted.

## Ask Quizzing of Envoy to Mexico

WASHINGTON, Feb. 22.—(AP)—Representative Martin J. Kennedy (D-NY) today coupled sharp criticism of the state department with a legislative proposal asking President Roosevelt to "recall" the United States ambassador to Mexico, Josephus Daniels, so congress could question him on Mexican affairs.

Daniels would be asked to explain what Kennedy called "the repeated violations of American rights in Mexico."

## Japanese to Use Terrorism As Excuse to Police Area

SHANGHAI, Feb. 22.—(AP)—Japanese armed forces tightened their pressure against Shanghai's foreign-controlled areas today by forcing the terrorism that has swept those areas as a basis for demanding a greater voice in the administration of the international settlement.

United States marines were subject to emergency call, a common practice, but marine officers denied that leaves had been cancelled.

Japanese marines, said to number 100, took over a part of the Italian defense sector in the northwest corner of the city. Because the area lies outside the permanent settlement boundaries, however, the action was regarded as not constituting an invasion of the international settlement itself.

## SCORE INJURED, 13 JAILED IN BUND RIOT



Thirteen persons were arrested and a score of others nursed bruises as an aftermath of a recent riot demonstration in New York's Madison Square Garden. Fritz Kuhn, national leader of the German-American Bund, was concluding a denunciation of "international Jewry" when Isadore Greenbaum, 26, hotel worker, ran toward the speaker, but was beaten down by storm troopers. He was rescued by police. Photo shows part of the 100,000 persons who milled around the arena demanding the right to picket. Greenbaum was later fined \$25 with an alternative of ten days in jail. He went to jail. —IIN photo.

## Copyright Filing Measure Debated

### Radio Men Want to Know What Bought; ASCAP Opposes Proposal

Oregon radio station operators objected to "buying a pig in a poke" before the senate revision of laws committees last night as they presented their arguments in favor of a bill to force copyright "pools" to file lists of their song properties with the secretary of state.

The broadcasters objected that they were required to pay the American Society of Composers, Authors and Publishers and other similar "copyright pools" blanket fees without knowing what music is owned by the "pools." They charged they were forced to buy licenses "under fear of suit."

Herman Kenis, representing ASCAP, charged the broadcasters are "seeking to destroy the only effective way copyright owners have to protect themselves." A copyright would not be worth a cent if the owner could not collect by a blanket fee," he said.

Maria Chessman, Astoria publisher and radio station operator, said his station paid 5 per cent of its gross income to ASCAP. "I (Turn to Page 2, Col. 2)

## 17,500 Men Idle In Auto Plants

DETROIT, Feb. 22.—(AP)—Fist fighting on the assembly line by opposing factionalists in the United Automobile Workers today forced the closing of the Chrysler corporation's Plymouth division and made more than 17,500 workers in four factories temporarily idle.

Late today Ed Hall, an international vice president aligned with the CIO-supported UAW faction, described the Plymouth trouble as a strike and placed pickets at plant gates urging men not to work. Hall said the management had refused to recognize his group's bargaining committee.

A leader of the Plymouth faction supporting Homer Martin in the battle for UAW control said his group had "no dispute with the management and wants to work."

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## Senator McNary Wants Lift up But Goes Down

WASHINGTON, Feb. 22.—(AP)—A senator's word is law to senate elevator operators, but Senator McNary (R-Ore) learned today that such is not always the case on the house side of the capital.

"Up" the republican leader said as he stepped into an elevator.

"I'm going down," replied the young operator, ignorant of his passenger's identity. He dropped the car to the basement.

## WPA Enrollment Has Slight Gain

### Small Quota Increases Granted Here Boost Rolls to 2173

Slight quota increases granted for WPA projects in Marion and Polk counties since February 1 have resulted in small gains in enrollment of active workers, it was reported at the district WPA offices yesterday.

The Marion county quota of workers certified as eligible for WPA employment in Marion county has dropped from 2870 to 2738. The number awaiting assignment has declined to 435 from 638. The latter decline is attributed to a weeding out of inactive cases.

The Marion county quota of workers on local projects is now 1900, increased from 1875, and the Polk quota 240, up from 225.

## Mystery Shrouds Wrecked Machine At Cliff's Base

TOLEDO, Ore., Feb. 22.—(AP)—Founding surf and a 500-foot cliff prevented rescue crews today from determining if the wreckage of an automobile half hidden in the sea contained victims.

Farm land saw the car back over the lowering cliff late yesterday three miles south of Depoe Bay on the coast highway near Ottercrest.

Coast guardsmen and police were unable to reach the wreckage by lowering men down the face of the bluff or by boat. The car landed on a sandy stretch running out from a portion of the cliff rising perpendicularly for 150 feet.

Wheel tracks were engraved on the first section of the steep drop. The battery was torn free as the machine plunged over.

Parole Violation Held Cause of Man's Arrest

## Los Angelenos Pelt American Bunders

### Meeting Is Held in Honor of George Washington; Likened to Hitler

LOS ANGELES, Feb. 22.—(AP)—Uniformed members of the German-American Bund, stationed outside the doors of the Deutsches Haus here, were driven to cover by a barrage of eggs and vegetables hurled by anti-Nazi demonstrators tonight.

Late-comers at a Bund meeting in celebration of Washington's birthday were led through side doors into a hall where approximately 300 persons heard speakers liken Washington to Adolph Hitler in his purposes.

The counter-demonstrators, estimated to number 100, carried anti-Nazi placards. The start of the meeting was delayed for an hour. A dozen policemen assigned to prevent violence occupied automobiles nearby.

Speakers, including Herman Schwinn, western director of the Bund, criticized administration policies which they termed antagonistic to Germany.

## Opposition Weak On Tongue Point

WASHINGTON, Feb. 22.—(AP)—Supporters of a \$1,500,000 naval air base at Tongue Point, Ore., would "do nothing to invite an attack upon the project," Rep. Mott (R-Ore) said today.

The project is part of the \$53,800,000 naval air base bill now being considered by the house.

Mott said "the heated controversy over Guam is a very fortunate thing for Tongue Point and other items in the bill not recommended by the Hepburn board. Thus far the debate has served to detract attention from the Oregon project and it now appears there will be no serious opposition to the \$1,500,000 authorization we are asking."

## Late Sports

SAN FRANCISCO, Feb. 22.—(AP)—Ceterino Garcia, veteran Filipino middleweight boxer, scored a decisive 10-round victory over Lloyd Marshall, Sacramento negro, here tonight.

Garcia scored four knockdowns in the thrilling battle, and seemed to have things his own way most of the time.

TREASURE ISLAND, Calif., Feb. 22.—(AP)—Roy Mikkelsen, veteran ski jumper from Auburn, Calif., won the Golden Gate International exposition invitational tournament here tonight with a total of 214.3 points.

PORTLAND, Ore., Feb. 22.—(AP)—Sam Shouderbake, Salem CVO, technically knocked out Hal Peterson, Multnomah A.C., in the fourth round of an amateur ring card tonight. Keller Wagner, Salem, knocked out Marvin Spahn, Multnomah club 175-pounder, in three rounds. Pets Riley, 140, MAC stopped Harold Alderman, Salem; Ray Merrill, 115, St. Helens, beat Harold Gordon, Salem; and Ames McGinn Oregon Amateur Athletic club, stopped Eddie Layman, Multnomah club.

## Senators Okeh Rearming Plan With Exception

### Military Committee Is Unanimous on Bill on Most Points

### House Bitterly Debates Advisability of Guam as US Outpost

WASHINGTON, Feb. 22.—(AP)—A bill embodying most of President Roosevelt's big rearmament program received the unanimous approval of the senate military committee today, while the house engaged in a vociferous debate on the advisability of expanding naval facilities on the faraway island of Guam.

Specifically, the committee endorsed a \$358,000,000 expenditure to increase the army's war planes to a total of 8,000, to augment the air corps' personnel, to strengthen the defenses of the Panama canal, and to school American industry in the production of war supplies by the placement of educational orders.

It disregarded, however, a request of Secretary of War Woodring for removal of all stated limits on the number of planes to be acquired by the army, so that advantage might be taken of economies of mass purchasing.

The house had under consideration a measure to authorize an outlay of \$53,800,000 for the development of naval air bases at seven points in the mid-Pacific, two in the Alaskan area, one in the Caribbean and four within the United States proper.

Late in the day after agreeing to defer until tomorrow a vote on removing the \$5,000,000 item for Guam from the measure, the house tentatively gave its approval to all other items in the bill.

A crackling debate produced: 1. An assertion by Rep. Van Zandt (R-Pa) former commander of the Veterans of Foreign Wars, that nothing was heard of the Guam proposal until the visit to this country of Anthony Eden, former member of the British cabinet.

2. A prediction by Rep. Shannon (D-Mo) that eventually the United States would become involved in a world war.

## Contending Fleets Test US Defenses

### Reports Radioed From Houston, Bearing FR on Review Cruise

By D. HAROLD OLIVER  
MIAMI, Fla., Feb. 22.—(AP)—Contending fleets have fought several sharp engagements in the south Atlantic war games testing the American defenses against theoretical attack from Europe, said a radio message today from the cruiser Houston.

The dispatch, received at temporary White House offices shortly after 4 p. m. (Eastern Standard Time) said "reports of the initial operations of the opposing fleets indicated that several sharp engagements resulted from contacts of scouting and detached groups with consequent probable minor changes in subsequent operations."

"Contacts between scattered light forces have been numerous out in the Atlantic ocean well to the eastward of the West Indies." The message signed by Capt. Daniel J. Callaghan, the president's chief of staff, added "because the Houston was 'proceeding' (Turn to Page 3, Col. 1)

## Civil Rights Bill Approved In Senate by 16-12 Margin

With only affirmative debate before packed galleries, the civil rights bill, guaranteeing equal privileges to all persons in accordance with the constitution, was approved 16 to 12 by the Oregon senate Wednesday afternoon.

"Other states, including California and Washington already have this legislation. The people of the entire United States are watching to see what the Oregon legislature does with this bill," said Sen. Harry Kenin of Portland.

He said the measure had received the approval of the school teachers of Oregon, the Young Women's Christian association, a large number of churches and other organizations and individuals.

Sen. Kenin quoted Governor Charles A. Sprague as saying he knew no prejudice and read editorials from "The Oregon Statesman" dealing with the civil rights measure defeated at the 1937 legislative session. In these editor-

## Healthy Majorities Given to Measures Revising Tax Setup

### Burden Shifted Slightly but Revenue Unchanged; Persons With Smaller Intangibles Income Aided

### Penal Reform Bills Go to Governor; Primary Change, Milk Control Issues in Senate Today

Two important hurdles were cleared by the Oregon house of representatives Wednesday when it passed two administration tax bills and approved the parole and probation reforms which an interim committee as well as both the outgoing and incoming governors had favored.

The house action makes the parole reforms certain, for the bills had previously been approved by the senate. One bill provides for better supervision of paroled convicts and the other gives the parole board the duty of setting minimum sentences in certain classes of criminal cases, after a circuit judge has set the maximum sentence.

The tax measures included the program under which income from intangibles would be taxed on the same basis as other income with a 3 per cent surtax added, instead of under the present separate intangibles levy; and an increase in the revenue from the corporation excise tax obtained by lowering the offset allowed on personal property taxes from 75 to 50 per cent.

The intangibles tax revision bill passed 38 to 9, while the corporation excise measure was approved 40 to 11.

Those voting against the intangibles revision measure were: republicans—Chapman, Duncan, Hempstead, Hill and Hilton. Democrats—Brady, Confield, Kirkpatrick and Perry.

Rep. C. C. Chapman (R-Portland) said the corporation excise tax meant "a doubling of the tax burden on industry. There is a limit beyond which industry cannot operate to a profit. That limit has been invaded and invaded until it approaches the breaking point."

Burdens Distributed Among Many, Claim  
Rep. Frank J. Lonergan (R-Florence) said the tax would not be "a tremendous burden on anyone." He said the tax would spread "a burden of \$70,000 to \$80,000 over 4,000 Oregon corporations."

Representative Chapman opposed repeal of the intangibles tax because "I cannot weep any tears for the person who holds \$24,000 in intangibles and pays only \$96 tax."

Rep. William McAllister (R-Medford) said repeal of the intangibles tax would not relieve the larger holder of investments but would "give relief to persons with low intangibles income."

The house voted 33 to 27 to accept a favorable committee report on a bill to restrict clubs serving liquor, but balked on a motion to suspend the rules and pass the bill immediately. The bill would prohibit clubs from making drinks unless they have restaurant facilities.

Primary Change Bill Up This Morning  
The lower body passed and sent to the senate two other bills to change the name of the state relief committee to state public welfare commission, and to codify highway law.

A bill by Sen. Wheeler and others changing the time of holding the primary election from May to September will be considered under special order of business in the senate at 10 o'clock.

A majority of the senate elections and privileges committee recommended that the bill do pass.

This afternoon also as a special order, the senate will consider the bill providing for repeal of the milk control law, upon the recommendation of eight members of the agricultural committee against the bill's passage.

Sen. Charles Childs filed a minority report recommending that it be referred to the voters.

Ex-Employe Dies, Leaps From Bank  
HARTFORD, Conn., Feb. 22.—(AP)—Before a crowd that pleaded with him to desist, Henry M. Mueller, 67, of Wetherfield leaped 65 feet to his death today from a top story window in the Society for Savings bank building.

Benji's Governor Dies  
CALCUTTA, Feb. 23.—(Thurs.—AP)—Lord Bhabasa, 63, governor of Bengal, died today following an internal operation performed last Saturday.