

Weather
Cloudy with occasional rain Thursday and Friday. Max. temp. Wednesday, 49, min. 26. Northwest wind. Rain trace, River 11.6 feet. Cloudy with occasional rain.

Measure Proposes \$1,000,000 Yearly Tax for Pensions

Eight in House and Two Senators Sign Bill Designed to Levy on Corporation Incomes

Plan Based on Wisconsin Measure on Privileged Dividends and Validated by US Court

Proposing to raise \$1,000,000 a year for old age pensions, eight representatives and two senators signed a bill in the legislature here Wednesday to levy a 3 per cent tax on Oregon-owned dividends of domestic and foreign corporations. The authors said their plan was based on a privilege dividend tax enacted in Wisconsin in 1935 and validated by the United States supreme court a few weeks ago.

Representatives who signed the bill were Bull (D-Union), Hoesch (D-Deschutes), Brady, Allen, Neuberger and Gleason and Adams, all Multnomah democrats, and Wilson (D-Clatop), Sens. Mahoney (D-Multnomah) and Kenin (R-Multnomah) signed the bill in the upper house.

The lower house today will receive a bill to provide additional revenue for support of public schools and the old age assistance program by setting up a \$6,000,000 ceiling on state general fund use of income tax receipts and dividing any overage equally between public education and pensions. Rep. Lytle Thomas of West Salem, announced Wednesday night.

He said the bill was supported by a Polk county legislative committee of the state teachers' association and a group of Polk taxpayers.

Memorial on Pensions May Be Sent Congress Pension legislation issues also will be presented to the senate today in the form of a joint memorial, to be introduced by Sen. Ronald E. Jones of Brooks, asking congress to provide a minimum pension of \$30 a month to every retired citizen 65 years of age or older "as a matter of right" if he is not drawing annuities in that amount under any other federal system.

Supreme Court Judge Retires

James Clark McReynolds Resigns; Speculation on Successor Rife

WASHINGTON, Jan. 22—(AP)—Associate Justice James Clark McReynolds, brusque and immovable foe of new deal constitutional principles, announced his retirement from the supreme court Wednesday, making possible President Roosevelt's sixth appointment to that nine-man tribunal. His withdrawal started an immediate flurry of speculation as to who his successor would be. Attorney General Jackson was considered, as of the moment at least, the most probable choice, but the names of Francis Biddle, the solicitor general, Senator Byrnes (D-SC) and others also were prominent in the discussion.

A number of members of congress paid tribute to McReynolds. Comments ranged from a remark by Senator Hayden (D-Ore.) (Turn to page 2, col. 8)

\$400,000 Given By Liquor Board

The state liquor control commission Wednesday turned over to the state treasurer here \$400,000 of liquor profits to be credited to the old age assistance fund. This turn-over wipes out all of the certificates of indebtedness against the liquor control commission account.

Legislature Awaits Possible Argument Over Fishing Laws

The legislature is due for another embroilment over salmon fishing regulations unless either the packers nor the fishermen bring in bills now warning their pockets, it was indicated Wednesday by reliable sources at the capitol.

Legislators from salmon fishing counties had been hoping that the packers and the men on the netting and gaffing lines would be able to agree on revisions of the fish commission's powers to open and close seasons on the Columbia river, but latest report is that they have reached a stalemate. As a result the packers, or, at least, one or two of the largest operators, may propose a fixed closed season to protect the mid-season Chinook run, and the fishermen may ask that the commission be empowered to invoke such a closing when it sees fit rather than in accordance with a period fixed by statute. The two sides also are not entirely in agreement on proposals for an earlier season opening.

Marion County Court Offers Road to State

Independence Construction outlined at Meet

County Commission Hears and Agrees to Consider Matters in Future

The Marion county court figured in two significant proposals made Wednesday to the Oregon state highway commission at its regular meeting in Portland.

1. It offered the state title to the 31 miles of the North Santiam highway above Detroit now listed as a county road.

The offer to transfer the county's section of the North Santiam highway to the state, members of the court said on their return, was prompted by the fact that the state is in a far better position to maintain and improve the road than is the county.

All through this period the county has discharged its maintenance duties by means of contracts with the state highway commission, maintaining completely equipped and staffed road shops near the summit of Hog pass.

In One Ear..

Paul Hauser's Column

DICKNEUBERGER'S WAITING You shall hear how Dick Neuberger prayed and waited in the session. Waited for his resolution. For his joint memorial waited. While after the Great White FDR they a third time inaugurated.

Parole Offer Given Guilty Men in Draft

WASHINGTON, Jan. 22—(AP)—Men convicted of violating the selective service act will be eligible for parole if they agree to serve their year of military training in a noncombatant capacity. This effect was announced Wednesday by C. A. Dystra, selective service director.

Germany Plans Help to Italy In Africa War

Fall of Tobruk Admitted in Official Reports; Greeks Claim Win

Light Bombings by Nazis and British Exchanged; Churchill Speaks

ROME, Jan. 22—(AP)—Indications of further German assistance for the Italian army in Libya appeared Wednesday night after the high command acknowledged that Tobruk's defenses had been breached by Britain's army of the Nile. (A special bulletin announcing the fall of Tobruk appeared in The Oregon Statesman Wednesday morning).

Premier Mussolini's newspaper Il Popolo d'Italia said the Italian-German allies were fighting the British "wherever this enemy seeks to strike and offer itself to the blows of the two axis armies."

The daily war bulletin said Tobruk's lines were pierced after a heavy air, artillery and land bombardment Tuesday. The attack was said to have been carried out by three Australian divisions, two armored divisions, and a motorized corps of "deserted" Frenchmen, all supported by two regiments of heavy artillery.

On the east African front, the Italians said British motorized columns were halted with heavy losses at "predetermined points." (The British reported they were pursuing two Italian divisions retreating on a 100-mile front into Eritrea).

Strikes Flare In War Plants

(By The Associated Press)

While one threatened strike was settled, others flared Wednesday in several plants throughout the nation, stopping or slowing down production of defense materials.

Lobby Hobnobber

Scorching criticism of Oregon Compiled Laws Annotated, now legal code which cost the state approximately \$60,000, was voiced Wednesday by Blaine McCord, chief of the house legislative committee and rules committee in a letter to Bancroft-Whitney, the publishers, who had invited comment.

Flays Present Measure Form

WASHINGTON, Jan. 22—(AP)—Senator McNary of Oregon, the 1940 republican vice-presidential nominee, and Norman Thomas, perennial socialist candidate for president, expressed opposition Wednesday to giving the chief executive broad authority under the British aid bill.

McNary Joins Fight on Bill

Back at Capital, Oregon Senator Raps Power Roosevelt Asks

WASHINGTON, Jan. 22—(AP)—Senator McNary of Oregon, the 1940 republican vice-presidential nominee, and Norman Thomas, perennial socialist candidate for president, expressed opposition Wednesday to giving the chief executive broad authority under the British aid bill.

McNary, the senate's minority leader, returned to the capital after a long siege of pneumonia and promptly told reporters that he opposed the measure in its present form because it grants "extraordinary and total power to one person."

Wife of State Senator Hurt

Mrs. Ronald E. Jones Cut Severely in Four Car Mishap at Labish

Mrs. Ronald E. Jones, wife of Marion county's junior state senator, suffered cuts about the face and neck when her car was involved in a four-car pile-up on the Pacific highway one-half mile north of Labish shortly before 6 p.m. Wednesday.

Envoy Loses Visa After King Chat

SOFIA, Bulgaria, Jan. 22—(AP)—After an hour and 20 minutes chat Wednesday with King Boris in the royal palace, Colonel William J. Donovan, United States observer on a secret mission, found to his dismay—and to the king's—that he had lost his diplomatic passport.

The royal staff searched the palace high and low, in vain. The orient expert was held up 30 minutes, then the Colonel finally gave up the hunt and boarded the train for Belgrade, Yugoslavia.

Plane Search Is Centering Near Medford

McChord Field Officials Order Crews in Area Around Montague

Possible Course Plotted Would Make Southern Section Feasible

McCHORD FIELD, Jan. 22—(AP)—Air corps officials at McChord field disclosed late Wednesday that they had suddenly "become mightily interested in the area along the ridge between Fort Jones and Medford, Oregon," in connection with the search of the missing army bomber.

"We have found a very likely area south of Medford around a place called Montague," announced Lieut. William Hatcher, in charge of field operations, "and we expect to examine the country thoroughly as soon as we can get decent enough weather to allow our planes to fly."

Lieut. Hatcher said a forest ranger on the south slope of Mount Rainier had reported he saw an army bomber last Thursday apparently lost and headed south.

Stalin Unwanted By Coast Unions

TACOMA, Jan. 22—(AP)—Joseph Stalin was nominated for membership in both CIO and AFL longshore organizations Wednesday at NLRB hearings being conducted here to determine who shall have bargaining rights for Tacoma, Port Angeles and Anacortes—but neither side appeared willing to accept the Russian dictator.

Late Sports

NEW YORK, Jan. 22—(AP)—Babe Ruth has been in bed since Sunday with influenza. Mrs. Ruth revealed Wednesday. She said two doctors and a day and a night nurse are in attendance.

In addition to "fin," the sufferer of what also is suffering from laryngitis. Mrs. Ruth added he is "very uncomfortable" as well as most annoyed at not being able to talk.

Pilot of Lost McChord Plane

Lieut. Robert M. Krummes (above) was at the controls of the army twin-motored bomber with seven aboard that disappeared seven days ago on a trip from McChord field to bombing practice in California. Search is now going on near Medford, Ore., for the plane.



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Knudsen Reports Speed of Planes

WASHINGTON, Jan. 22—(AP)—William B. Knudsen submitted Wednesday a cautiously optimistic report on the progress of efforts to get industry quickly to the manufacture of arms.

Salem Woman Hurt In Roseburg Bus

ROSEBURG, Jan. 22—(AP)—Sixteen persons including a Salem woman were hurt, none critically, as a northbound Greyhound bus slipped from a soft highway shoulder and overturned two miles south of Canyonville Tuesday night.

Three Scions of the Wealthy Are in Army Now—and How

Hundreds Die As Revolvers Run Rampant

Antonescu Proclaims Martial Law; Nazi Troops in Clear

Extremists Claim More Than 30,000 Fight; Air Force Joins

SOPIA, Bulgaria, Jan. 23 (Thursday)—(AP)—Fighting between Rumanian extremists and followers of the regime of General Ion Antonescu, chief of state, spread throughout that country early today with probably several hundred dead, dispatches to Sofia newspapers reported.

Bucharest dispatches said the revolutionaries claimed more than 26,000 were fighting in their ranks. They reported they were in power in most cities throughout Rumanian Transylvania, where there has been fighting with some dead.

Extremists in Bucharest were reported holding the postoffice, several ministries and the telephone central.

Over the Bucharest radio, which they seized, the revolutionaries announced Rumanian air force units at one point had joined in the revolt.

The civil war in Rumania with hundreds believed killed spread through southeastern Europe last night and early today. Hungarian calls more men in emergency preparation.

Anxious Hungary was reported calling more men to her army in preparation for a possible attack by fully-armed Turkey's cabinet dismissed the Rumanian riots at a three-hour session.

ALBANY, Jan. 22—(AP)—Lloyd Templeton, owner, told police that the safe of the Albany Auto company was robbed of nearly \$700 Tuesday.

NEW YORK, Jan. 22—(AP)—Three scions of the wealthy—A Rockefeller, a Butler, and a relative of the Bonapartes—took on new jobs Wednesday at which they'll never get rich.