

Hold 'Torpedoed' Ship Hit Floating Mine

Guam Naval Base Defeated

McNary Pledges Cooperation For Legislation

Republicans to Offer No Obstacles to Speedy Consideration of Bills

Washington, Feb. 23 (AP)—Speaker Bankhead told his press conference today President Roosevelt had "rather definitely stated" he did not intend to propose any additional new legislation to congress at this session.

For that reason, the speaker said, pending legislation to change the social security law and provide aid for the transportation industry and similar controversial proposals would largely determine the length of the session.

"It is the policy of the house leadership," Bankhead said, "to press the regular supply bills, to pass as quickly as possible. I see no reason at this time why there should be any undue delay in getting through with this business."

McNary's Statement
Earlier Senator McNary of Oregon, the senate republican leader, had offered to cooperate in democratic efforts for early enactment of a legislative program and subsequent prompt adjournment of congress.

McNary said republicans would offer no obstacles to speedy consideration of measures which the administration wishes to bring to the floor.

"All we want," he said, "is a reasonable amount of time to study each bill on its merits and we will be ready to vote."

Senator Barkley of Kentucky, the democratic leader, announced yesterday he planned to call the chairman of major committees, all of whom are democrats, into conference later this week to attempt to line up a program.

Although Barkley said he felt the legislative bill which has kept the senate in recess most of the time since congress convened January 3 was not unusual, McNary said he had experienced nothing like it in his years on Capitol Hill.

"The administration does not seem to have a program," McNary declared.

In this connection, another senator who asked to remain anonymous suggested that some committee delay in bringing out important legislation may have resulted from a White House decision against having department officials draft major bills. In recent congress many new deal measures were written by the president's advisors.

Boeing Clipper Lands, New Orleans

New Orleans, Feb. 23 (AP)—The 17 passenger Boeing clipper No. 14 en route from San Francisco to Baltimore to be christened into trans-Atlantic service, alighted at Shushan airport here at 9:20 a. m. (PST) today.

The clipper circled over New Orleans for a few minutes before heading out to the airport several miles to the east.

She made a smooth landing at the sea ramp on Lake Pontchartrain and was tied up to remain here overnight. She will take off tomorrow on the last leg of her flight.

The clipper flew here from Galveston, a 300 mile jaunt, postponing her arrival in New Orleans one day because of adverse wind conditions on Lake Pontchartrain.

Seek \$195 Million For Flood Control

Washington, Feb. 23 (AP)—Thirty-six representatives from 22 states organized today to secure an appropriation of \$195,000,000 for flood control.

The group elected as its chairman Representative Whittington (D. Mass.), chairman of the house flood control committee. Members adopted a resolution calling for the full \$195,000,000 appropriation recommended by army engineers, opposing the budget bureau's recommendation for a reduction of \$85,000,000.

States represented included Oregon and California.

No New Taxes Cabinet Member Tells Business

Morgenthau Gives Go-Ahead Signal to Industrial Leaders

Washington, Feb. 23 (AP)—Secretary of the Treasury Morgenthau told business men today they not only need not worry about new taxes but may hope for improvements in present taxes to help business.

Expanding on and endorsing President Roosevelt's statement of last week that business men need fear no new taxes, the treasury head said:

"I sincerely hope that congress will take a careful look at the tax laws and see if there are any deterrents holding back business and businessmen from making further commitments.

"I think the business man ought to feel that the administration wants him to go ahead and take normal business risks and make money."

The secretary said definitely that no tax proposals except reenactment of expiring excise taxes and possibly a measure to raise approximately \$200,000,000 for farm benefits, had been brought to his attention.

He indicated even proposals for new taxes to pay for increased armaments have been sidetracked for fear of depressing business and he said it was "likely" that further defense spending would be financed by borrowing.

Would Remove Deterrents
Morgenthau told a press conference he was not willing to say, at least yet, whether there are any deterrents to business in present tax laws. He added constant studies of taxes were being made in the treasury and if congress asked for any suggestions he would be ready to testify on the subject.

The administration's only hope at present for increased revenue, he asserted, was from stimulating business and business profits, thereby increasing the yield from present tax rates.

He indicated nothing would be done about taxes, however, until after March 15 income tax collections are in and give the treasury more definite revenue data to discuss with congress.

Starting off his discussion of the president's no-new-tax statement with an expression of gratitude Mr. Roosevelt had made it, Morgenthau explained:

"For myself, the thing that bothers me is that business men—and I see a good many of them—have what I call a 'what's the use' attitude on going ahead.

"I feel this 'what's the use' attitude is holding back business men from expansion and taking what I would call normal business risks."

He summed up his attitude with the words, "I don't know what congress will do but in making my financing plans I am not counting on any new tax legislation."

Morgenthau said he had nothing to tell about his conferences with Brazilian Foreign Minister Aranha and declined to comment on reports Assistant Treasury Secretary Wayne C. Taylor resigned because of differences with the secretary on international affairs.

Russians Launching Navy Building Plan

Moscow, Feb. 23 (AP)—The secret launching of a new fighting ship for the Soviet navy was reported today in the government organ, Izvestia. The account in Izvestia's edition commemorating the 21st anniversary of the red army and navy did not disclose the new warship's name, tonnage or even where it was launched. Officials kept all details closely guarded secrets.

Izvestia's caption said merely, "this is one of the first," referring to a new building program outlined in an article in the same edition by Navy Commissar M. P. Prinovskiy, who predicted the soviet navy would become invincible.

"While pursuing a constant policy of peace, demonstrating repeatedly to all countries an aim to safeguard peace, the soviet union cannot remain passive and indifferent in the

Air Base at Tongue Point Authorized

Washington, Feb. 23 (AP)—The house approved by an overwhelming vote today a navy shore station bill which included authorization for establishment of a \$1,500,000 air base at Tongue Point, Ore.

Acceptance of the project climaxed a five-year campaign in the house and house committees to obtain defense facilities at the mouth of the Columbia river.

Senate approval of the Tongue Point authorization, Oregonians said, was virtually assured. Senator McNary (R., Ore.), the minority leader, said chances of passage were "excellent."

Representative Mott (R., Ore.), who led the fight to have the Tongue Point project included in the authorization bill, said he expected the navy department to ask for the first \$500,000 immediately.

Soviet Rejects Japan Demands

Moscow, Feb. 23 (AP)—New demands by Japan in the Siberian fisheries dispute have been rejected by Russia, it was indicated today after a two-hour conference between Foreign Commissar Maxim Litvinov and Japanese Ambassador Shigenori Togo.

Japanese sources said the result of the Litvinov-Togo talk was unsatisfactory and that further discussions would be held.

Togo informed Litvinov that Japan refused to participate in an auction for Siberian fishing concessions which Russia proposes to hold March 15.

He was said to have demanded that fishing concessions which Russia had withdrawn, on the ground that the waters in question must be restricted in the interests of national defense, be made subject to further negotiations.

It was reported without confirmation that Togo also informed Litvinov the Japanese government would protect Japanese fishing rights and would use every means to do so.

Asks for Farm Labor Exemption

Washington, Feb. 23 (AP)—Senator Logan (D., Ky.), asked congress today to write into the national labor act a definition of agricultural labor which would exclude from federal jurisdiction workers preparing farm products for market.

An explanatory statement which Logan filed with the bill contended the legislation was necessary because the CIO was attempting to organize such workers, with the support of the labor board, and thereby "gain control" of the nation's food supply.

The labor act exempts agricultural labor from its provisions but does not define the term, the statement said, and the labor board has not laid down definite rulings on some types of work.

"The issue is squarely presented whether the United States government should use its police power through the national labor relations board and its agents as is now being done to assist the United Cannery, Agricultural, Packing and Allied Workers of America, or any like organization," the statement added. "In its efforts to dominate the farmers' labor and gain control of the sources of the food supply of the nation."

"Nine persons, including a British Indian policeman, were killed when a railway station on the Canton-Kowloon railway was struck. Hong Kong officials were inclined to consider it a 'localized incident.'"

Giant Clipper Lands at Honolulu

Honolulu, Feb. 23 (AP)—The Pan-American Airways giant clipper alighted here at 6:30 a. m. (8:50 a. m. PST) today, completing the first leg of its test flight to Hongkong from San Francisco.

The 2,400 miles were flown in 15 hours, 49 minutes. Twelve crew members and 11 observers were aboard the seaplane, capable of carrying 74 passengers.

Three Cars Stolen
Ames, Ia., Feb. 23 (AP)—While police danced at their annual ball here last night thieves stole three cars.

House Rejects Fortification of Pacific Isle

\$48,800,000 Naval Base Bill Passed After \$5,000,000 for Guam Cut

Washington, Feb. 23 (AP)—The house passed and sent to the senate today a \$48,800,000 naval air base bill after stripping it of the controversial proposal to establish a base for navy scouting planes on the far away Pacific island of Guam.

Final passage of the measure, an integral part of President Roosevelt's emergency defense program, came after the house had confirmed by a roll call vote of 205 to 168 an earlier vote to eliminate the \$5,000,000 Guam project.

Final passage was on a standing vote of 368 to 4.

Bi-Partisan Drive
The vote came after the house leadership had made a desperate last minute attempt to head off the bi-partisan drive against the project.

The vote on the Sutherland amendment came after Majority Leader Rayburn (D., Tex.), descended to the well of the chamber and declared solemnly the United States "wants no war with anyone" and does not "covet a foot of land that belongs to anybody else."

Rep. Magnuson (D., Wash.), told the house today that if the United States backed down on naval improvements on Guam Japan would "herald throughout the far east" that this country was "afraid even to dredge a harbor" for fear the Japanese government would protest.

Provocative Measure
Rep. Sutherland (D., N. J.), who sought to knock out the controversial project, declared it would be a "provocative measure" to extend the United States' defense line to Guam, so close to Japan.

Since 1926, Magnuson declared, Japan has fortified the entire length of the Kurile islands—only 522 miles from the tip of the American owned Aleutian islands and only 1,130 miles from Kodiak, Alaska, where an \$8,000,000 air base would be established under the current defense program.

Sutherland said he believed in "making America impregnable to attacks by any nation," but that he could see no reason in the world for extending the line of defense 6,000 miles into the Pacific.

"What do you suppose we would think," he asked, "if Great Britain undertook to fortify Bermuda today? Would you consider it an overt act or a hostile act?"

Hong Kong Bombing Called a Mistake

Tokyo, Feb. 23 (AP)—The Japanese foreign office announced today that the bombing of a railway station within British Hong Kong Tuesday had been explained as a "mistake" to British Ambassador Sir Robert Leslie Craigie.

It was said that Foreign Minister Hachiro Arita invited Craigie to call today and had offered an explanation of the attack, saying that one Japanese plane dropped a projectile within the crown colony boundary by "mistake." Arita expressed regret.

"Nine persons, including a British Indian policeman, were killed when a railway station on the Canton-Kowloon railway was struck. Hong Kong officials were inclined to consider it a 'localized incident.'"

Earthquake Jars Bakersfield

Bakersfield, Calif., Feb. 23 (AP)—Two minor earth shocks were felt in Bakersfield this morning. The first quake came about 1 a. m. and the second, of heavier intensity, between 1:15 and 1:20 a. m.

Sheriff's officers said no damage was reported in the vicinity.

Senate Votes Governor's Primary Bill

Would Change Date From May to September—Shortens Campaigns

By Paul W. Harvey, Jr.
A bill to change the date of the May primary to the first Wednesday after the first Monday in September was passed 19 to 9 by the senate today, while the house approved 35 to 25 a measure providing that clubs may not serve mixed drinks unless they hold club and restaurant licenses.

The principal objection to the primary bill was that voters three years ago decided against changing the date. The senate also voted 22 to 7 today against referring the bill to the people.

President of the Senate Robert M. Duncan took the floor to urge passage of the bill, explaining the people rejected it in 1936 because "they were not fully informed. This is a legislative responsibility, and the average legislator knows more about the mechanics of government than the average citizen. By this bill, we would have better elections and better results."

Shorter Campaigns
Sponsors said the bill would result in shorter campaigns, making it easier on the people and on the pocketbooks of candidates.

The measure would do away with the presidential preferential primary, in which voters instruct and choose delegates to national party conventions. Delegates would be chosen at the general election preceding the convention, and would not be instructed.

Sen. Thomas R. Mahoney (D-Portland), urging the measure be referred to the people, said "I don't think the legislature can tell the people, 'You didn't know what you were doing, so we're going to crax this down your throat.'"

Sen. William L. Dickson (D-Portland) answered that "we're more familiar with the September primary than 99 per cent of the voters. It would save expense and help to crystallize sentiment. We should do what we know is right."

Those voting against the bill, which goes to the house, were: republicans—Balentine, Belton, Burke, Jones, Kenin, Democrats—Mahoney, Ross, Strayer, Wallace, Absent—Ellis and Staples.

Jackson Warns Democrats

Topeka, Kan., Feb. 23 (AP)—Solicitor General Robert H. Jackson warned rebellious democrats in congress today that unless their "secondary" quarrels with President Roosevelt were subordinated to the urgency of "great problems of foreign and domestic policy," social stability and industrial peace probably would be affected.

Jackson, addressing Kansas democratic leaders at a Washington day club banquet, dwelt only briefly on local and state problems, devoting the major portion of his speech to issues affecting the national party. His words were broadcast coast to coast.

Since he is high in administration councils and has often spoken the sentiments of his chief, party leaders today studied Jackson's concluding tribute to President Roosevelt for some sign of his ideas on Mr. Roosevelt's plans for 1940. After declaring that "petty" quarrels among democrats might lead to chaos in the party and in the nation, he said:

"It is rather for our people and our party and those who come after us that we should renew our faith in liberal democratic government and go forward to a new day, guided by the lessons we have learned at the feet of the most inspiring and courageous leader given to any people in our day—Franklin D. Roosevelt."

No Bodies Found In Wrecked Auto

Newport, Ore., Feb. 23 (AP)—Two men who completed a perilous descent of a 500-foot cliff near Depe Bay discovered today the wreckage of an automobile in the surf contained no victims.

Licenses plates had been removed, apparently to obscure identification, and police believed the car had been stolen.

A farm boy saw the machine back off the cliff Tuesday night. Coast guardsmen and police were unable to reach the scene by ropes or boat yesterday.

Chinese Will Picket

Astoria, Feb. 23 (AP)—Chinese residents here said last night they planned to picket the Japanese freighter Norway Maru when she docked here today to load scrap iron for Japan.

Research Bureau Bill Introduced

Governor's Measure Provides for Interim State Planning—Gambling Bill to be Rushed Into House To Defeat Shake-Down Lobbyists

By Harry Crain
Governor Sprague's "brain trust" bill, abolishing the state planning board and then recreating it with broadened fifth-wheel powers, came into the house this morning, sponsored, by request, by the committee on administration and reorganization. The new bureau would be known as the state department of research and development and would have authority to organize bureaus and employ experts for research work in connection with legislative interim committees and to "make investigations, surveys and reports on the natural resources of Oregon, on the industries and agriculture of the state, and on markets for the products of said industries and agriculture, and on industrial and agricultural opportunities within this state."

It would also be directed to employ experts, within the limits of an appropriation yet to be fixed by the ways and means committee.

Gambling Bill
The house today prepared to make short shrift of Senator Mahoney's bill to make owners of properties in which gambling games are operated liable for gambling losses suffered therein, and which is reputedly being used by certain of the "money boys" in the lobby to shake down operators of Chinese and other gambling resorts in Portland.

When the bill came up on first reading in the house this morning it was referred to the committee on health and public morals, of which Rep. Hannah Martin is chairman.

Scarcely had it landed in the committee than it bounced right back out with a report recommending its passage.

Rep. Martin was prepared to ask the house this afternoon to pass the measure and get it out of the way, which would destroy its usefulness to the rail-birds in the lobby.

Legion Lobby
Speaking of lobbyists and their activities, the house witnessed a demonstration of super-high pressure operations along those lines this morning when representatives of the American Legion upset an adverse committee report on a resolution granting the Legion use of a meeting place of its annual state convention here next summer.

Under pressure exerted on some of the members most of last night—including hints of what the future might hold politically for them if they persisted in their opposition—not a member of the committee uttered a protest this morning when it was moved to send the resolution back to committee for reconsideration.

They forgot all about their first objections to establishing the precedent of throwing the elaborate and easily damaged legislative chambers open to public gatherings.

It is now proposed that they discriminate against farm and labor groups, lodges and other like organizations by limiting the use of the legislative halls between seasons to patriotic societies. Even church conventions would be barred.

Wine Bill to be Reconsidered

The house of representatives today voted 33 to 23 to reconsider its vote which defeated the bill to restrict fortified wines to state liquor stores and to promote the sale of Oregon-made wines. The bill was defeated yesterday.

A bill to increase pay of the commanding general of the national guard to regular army scale while on duty passed the house 37 to 21 and went to the governor. The house previously had defeated the bill, but reconsidered.

The joint ways and means committee recommended against passage of a bill to erect a state office building in Portland for \$150,000, and it also introduced a measure repealing a 1937 law authorizing the state board of control to buy an office building in Portland for not more than \$700,000.

Deer Kills Self
Astoria, Feb. 23 (AP)—A buck deer, infuriated for reasons unknown, charged the automobile of Robert Walker, Seaview, Wash., and killed itself. The car was slightly damaged.

Sponsors of the measure predicted its passage when it comes up for third reading on the calendar this afternoon.

No Mediation Asked By France or Italy

London, Feb. 23 (AP)—Viscount Halifax, foreign secretary, told the house of lords today neither the French nor Italian governments had shown a desire for "third party mediation" in their dispute over colonial possessions.

He said no such move could be undertaken "unless and until both parties desire it."

The newspaper Il Popolo Di Roma published a dispatch today from London quoting an "excellent" British informant as saying British Prime Minister Chamberlain was preparing a mediation plan.

The Italian government, Lord Halifax said, had not yet formally indicated "what they think the precise points of difference are between themselves and France."

Navy Advised Stray Mine Seen South of Azores

Probably Sea Weapon Of Spanish Civil War Carried by Currents

Washington, Feb. 23 (AP)—Captain G. S. Bryan, the navy's chief hydrographer, expressed an opinion today a stray floating mine may have sunk the unidentified ship which yesterday flashed it had been torpedoed in the Atlantic ocean.

Captain Bryan said the naval hydrographic office was advised by radio on January 27 a mine had been sighted by the oil tanker California Standard about 600 miles southwest of the Azores.

The position given by the vessel which yesterday flashed an electrifying SOS was about 360 miles south of the islands.

Ocean currents and winds might easily have carried the mine the intervening 240 miles distance, naval officials said.

Warning Issued
These officials termed a "definite possibility" the mine was a stray sea weapon of the Spanish civil war. Prevailing currents and winds both head toward the open Atlantic south of the Azores, charts showed.

Captain Bryan recalled the hydrographic office on January 27 in a daily maritime memorandum warned all shipping in the Atlantic overseas routes to keep a sharp lookout for a spherical mine believed to have six "horns" for contact points.

The lethal object had been reported the same day to the navy by the California Standard, a tanker of Panamanian registry.

Search Abandoned
Chatham, Mass., Feb. 23 (AP)—Organized search was abandoned today for the unnamed vessel which yesterday crackled out a sudden SOS, reporting she had been torpedoed near the Azores, and the beleaguered affair appeared likely to be recorded as another sea mystery.

The Radio Marine station here reported the Greek steamer Mount Pelion had given up its search of the area named in the distress message—signed only by the unlisted letters "PEOC"—some hours after the British liner Empress of Australia had abandoned the fruitless hunt. Neither vessel found any wreckage or other trace of a torpedoed ship.

Only silence greeted those who listened constantly on the international distress and calling wave for any further elucidation of the SOS. One possibility after another was abandoned by government officials and shipping men in this country and Europe as they sought to identify the vessel that might have been involved.

The British oil tanker Pecten, listed for a time as a possible victim, was discovered this morning to be afloat and untroubled, and proceeding toward her destination of Southampton, England.

Concerning the possibility the SOS might have been a hoax, officials here said the message itself was undoubtedly genuine. They explained the distress call was re-broadcast by other vessels after it was first picked up, as is the custom when a stricken ship is in grave danger.

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Rome, Feb. 23 (AP)—Hints of mediation by British Prime Minister Chamberlain of the differences arising from Italian aspirations toward French territory appeared today in two Italian newspapers.

It quoted an "excellent" British informant who, it said, did not know whether definite proposals yet had been submitted.