# URGED BY HOUSTON

Exemption of Land Bank Issues Held Wrong.

Secretary Would Have Organizations of Private Capital Bear Share of Burden.

WASHINGTON, Dec. 24,—Withdrawal of the tax exemption provision from farm loan bonds issued in the future by joint stock land banks has been recommended to congress by Secretary Houston on the ground that these banks are organizations of the these banks are organizations of private capital for commercial purposes in which the profits accrue to the benefit of the investing stockholders. Tax exemptions in the case of join stock land banks were declared by

stock land banks were declared by the secretary to amount to a gift at the expense of the government and toxpayers generally. The privilege, he said, should not be continued with respect to the private mortgage companies, organized for private profit. This is emphasized, the secretary asserted, in this period of high taxes, when the government has established the polley of subjecting its own securities to partial taxation and when the treasury cannot afford to dispense the treasury cannot afford to dispense with any of the receipts which other-wise would accrue on account of

The withdrawal of the tax exemption for the United States from farm loan bonds, however, the secretary suggested, should be accompanied by an increase in the powers of the fedan increase in the powers of the suggestion for the establishment of a \$1.000,000,000 credit for
Germany, in which Austria may participate, is part of the programme
inaugurated by the farmers' organiact.

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privilege from farm loan bonds issued by joint stock land banks.
"In this connection, it should be borne in mind, however, that the joint stock land banks now in operation were organized under sanction of law and with the approval of the government. In any legislation withdrawing the tax exemption features from farm loan bonds issued by joint stock.

Pressure of Conflict With Italy or land banks it would appear to be nec-essary, however, to make provision to safeguard joint stock land bank bonds already issued as well as the interest of existing joint stock land

## RAILWAY PAYROLL SHORT

CITY TO TRANSFER \$203,909 TO KEEP CARS RUNNING.

ecial Ordinance in Scattle Says Extra Fund Is Required to Operate Street Lines.

payroll, the city, for the benefit of the carline, made its first inroads on the general fund raised by taxation. The transfer depicted the interest funds and the contingent fund created to enable the city to pay cash for goods when a discount can be obtained, and repealed the ordinances creating them. The measures were introduced last Monday and passed at a special meeting of the city coun. at a special meeting of the city coun-

verted from the utility street railway bonds interest and redemption fund to the street railway to meet the payroll for the last half of November and avert placing the lines on a warrant basis. The total amount transferred this month is \$340,909—\$203,909 yesavert placing the lines on a warrant basis. The total amount transferred this month is \$340,909—\$202,909 yes-terday and \$137,000 December 10.

Now that the railway bonds interest and redemption funds are depleted, the city will have to devise means to raise money for an interest payment March 1 next, and a principal payment of \$833,000 March 1, 1922. The ordinance transferring the funds carried emergency clauses reciting that the money was required to keep the street railway lines in operation during the next 30 days.

### NUGENT RESIGNS SEAT

Senator From Idaho to Qualify as

Trade Commissioner. THE OREGONIAN NEWS BUREAU, Washington, Dec. 24.—Senator John F. Nugent telegraphed his resignation as a United States senator to Goveras a United States senator to Governor Davis of Idaho today, to take effect on January 15. On that date
Senator Nugent will step into office
as a member of the rederal trade commission, to which he was appointed a
few days ago by President Wilson.
Senator Nugent said that his resignation was compelled by the necessity
for his early qualification as a member of the trade commission.

It is understood here that Frank R

It is understood here that Frank R. Gooding, who would legally succeed Senator Nugent on March 4, will be appointed to Nugent's unexpired term

BLACKMAILER IS PAROLED

# Man Who Terrorized Prominent

Ogden Citizens Liberated. SALT LAKE CITY, Utah, Dec. 24.

—Joseph Henry Martin, convicted in 1914 of blackmailing several prominent Ogden citizens, who were terrorized by his threats, was paroled by the state board of pardons today.

The blackmailing campaign and the trial of Martin gained nation-wide interest.

### SEAT CONTEST DELAYED

Hearing of Protest Over Gordo Election to Be Next Monday. SALEM, Or., Dec. 24.—(Special.)—
saring of the proceedings filed in Edletsen's wish you Marry Kmas. Adv. The Butter of the proceedings filed in Edletsen's wish you Marry Kmas. Adv. The Butter of the police department.

the Marion county circuit court to un-seat Horbert Gordon as represent-ative in the legislature from Mult-nomah county has been set for neft Monday by Judge Kelly. It originally was agreed to present the charges against Mr. Gordon today, but because of tomorrow being a holi-day the hearing was continued until next week.

The protest against Mr. Gordon was filed by Lealie M. Murray, who alleged that the former's election was illegal for the reason that he was a candidate for two offices at the same contest. Should it be found that Mr. Gordon's election was iligal Mr. Murray hopes to get the place, as he received only a few votes short of the required number to put him in the CONGRESS ASKED TO ACT required number to put him in the

At the election complained of by Mr. Murray 12 candidates were nomi-nated for the lower branch of the leg-islature from Multnomah county, the complainant finishing in 13th place.

banks."

During the past fiscal year, the secretary said, 27 joint stock land banks were in active operation, making loans in the aggregate of \$29,262,470 to 3148 borrowers.

FIUME, Dec. 23.—(By the Associated Press.)—Captain D'Annunzio has refused to receive any further communication from the italian officials outside of Fiume, either oral or considering that hostilities

deprived of a voice, and their exas-peration is increased by the almost complete destitution to which the city has been reduced by two years' paralysis of its commerce. They disapprove of . D'Annunzio's

SEATTLE, Wash., Dec. 24.—(Special)—In transferring \$203,908 to the city railway fund today by emergency ordinances to provide for the railway ordinances.

### CLACKAMAS SPLIT URGED

Oak Grove and Milwankle Said to

The first interest fund transfer was made by the emergency ordinance December 10, when \$137,000 was districts from the county and place the two communities in Multnomah bonds interest and redemption fund

The trouble originated over the pro-posed road-building programme, when the county court left out a great deal of Milwaukle and Oak Grove districts under the \$1,700,000 road bond issue.

week ended December 23, according to a report issued today by the state industrial accident commission. The victims were S. M. Thiess, miner, of Bourne, and Joseph M. Fitzgerald, laborer, of Salem.

Of the 456 accidents reported, 420 were subject to the provisions of the compensation act, 21 were from firms and corporations that had rejected the law and 16 were from public utilities not subject to benefits under the act.

Mrs. Baldwin Visits School. SALEM, Or., Dec. 24.—(Special.)—
Mrs. Lola G. Baldwin, member of the
advisory board of the state industrial
school for girls, was in Salem today
conferring with Mrs. Clara Patterson,
superintendent of the institution. Mrs.
Baldwin resides in Portland and is at
the head of the women's protective
bureau of the police department.

### SENATORS HOLD HEARING

Arguments in Favor of Providing Market for American Foodstuffs Given Committeec

GERS ARE ARRESTED.

Well-Known Contractor is Held on Suspicion of Being Purchasing Agent.

The late Christmas trade in liquor suffered a severe jolt yesterday when several alleged bootleggers, were taken into custody by the federal authorities, charged with violating the national prohibition law.

M. C. Hill, a west-known contractor and builder, was arrested after papers and bills taken in a raid in Clackamas county, according to the federal authorities, seemed to indicate that he had been acting as purchasing agent for a moonshiner.

The raid on the still took place early in the week. The apparatus was cleverly concealed in the underby the still, but the latter was so cleverly and on agriculture.

The suggestion for the establishment of a huge credit in European countries, Gerfmany included, by which a market could be found for American foodstuffs, were presented today to the joint senate committees on agriculture, finance and forestry. The chief argument was made by J. R. Howard represented the American Farm Bureau federation. No definite action was taken and it was the sentiment of the committee that the objects desired could be best obtained through the operations of the war finance corporation which is about to be re-established.

Efforts to create a \$1,000,000,000,000 credit in the United States for Germany as a means of encouraging trade relations and bringing relief to the agricultural interests of the country will not be encouraged by the state or treasury departments.

High government committees on agricultural interests of the country will not be encouraged by the state or treasury departments.

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High government of the committee that the Objects desired could be best obtained through the operations of the war finance corporation. No definite action was taken and it was the sentiment of the committee that the Objects desired could be best obtained through the operations of THE OREGONIAN NEWS BUREAU

federation, which claims a member-ship of 1,500,000 farmers.

While Mr. Brauer does not repre-

Prospect of Conflict With Italy or

Jugo-Slavia and Ruin to Commerce Not Liked.

FIUME, Dec. 23.—(By the Associated Press.)—Captain D'Annunzio has refused to receive any further communication from the Italian officials outside of Flume, either oral or written, considering that hostilities had begun. Whenever the "commander," as he is called here, moves, trumpets blow while his wild march "Eja, Eja, ala, ala" resounds.

Most of D'Annunzio's time is occupied by ministerial and war councils, and in issuing proclamations and addresses to what he describes as his "loyal population of Fiume." The people here have declared themselves tired of a situation in which they are deprived of a voice, and their exasperation is increased by the almost

It is regarded as extremely doubt-ful that the reparations commission would allow the priority Hen on Ger many's taxable resources in view of the fact that the allied countries, especially France and Belgium, are going through the same process of strangulation which Germany is experlencing as result of Germany's war

The United States government has maintained that private property should be held inviolate and the total sum now in the hands of the govern-ment does not amount to more than \$300,000,000. The American repre-sentatives at Paris resisted attempts

Two Firms Incorporate.

West Park near Washington - Direction JENSEN & VON HERBERG wishes you all Christmas Joy and offers for your entertainment today this super-production-

-adapted from CYNTHIA STOCKLEY'S famous story

"Rozanne Ozanne."

act
"In view of the absence of compensating benefits for the loss in revenue resulting from the extension of the lax exemption privilege to securities issued by institutions organized on an investment basis by private capital for gain," Secretary Houston continued. "I think it is clear that section 26 of the federal farm loan act should be amended."

"In view of the absence of compensation of the law arrested and released hall, were also arrested and released on \$500 ball each, after, it was alleged, revenue officers purchased is represented by William Wallace Brauer, who is here for the business interests of Germany, although in no way representing the German government, with which the United States is still technically in a state of war.

Mr. Brauer has been in consultation with J. R. Howard of Iowa, representing the American Farm Bureau Prioray Lien Is Proposed.

sent the German government, it is understood that Berlin has applied to the reparations commission, as pro-vided for under the Versallies treaty, to acquire certain foodstuffs by giv-ing a priority lien on the taxable re-

Permission Held Doubtful.

aggression.
Government officials see only one way in which the German credit could be extended and that would be through a bend issue which would place the American government be-OREGON CITY, Or., Dec. 24.—(Special.)—The question of the division of Clackamas county bobbed up again when at a meeting at Oak Grove last Wednesday evening it was advocated to divide the American government behind the proposition. This would have to be done without security, they say, and would result in added taxation upon the whole people to benefit a single class—namely, the again to divide the American government behind the proposition. This would have to be done without security, they say, and would result in added taxation upon the whole people to benefit a single class—namely, the again to be done without security, they say, and would result in added taxation upon the whole people to be done without security, they say, and would result in added taxation upon the whole people to be done without security, they say, and would result in added taxation upon the whole people to be done without security.

Any action by the reparations com-mission, it is realized, will be predi-cated upon the final decision that

that this credit might be obtained and that the person making it desired the privilege of expending it here. Later, it is understood, the German government receded from its previous encouragement of the project.

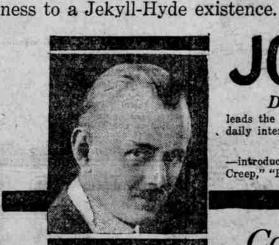
The suggestion that has been made that German seized property in this country be used as a lien to obtain such a credit is not looked upon with fayor.

o have this property thrown in the eparations pool, aithough they did agree to place certain American claims for damages against it.

Cuticura Soap SHAVES . Without Mug

Don't fail to see beautiful Ethel Clayton in her wonderful Queen of Sheba gown. Glittering gems and oriental magic Ruled by a sinister power, lured Rozanne—lovely society queen

she was at times a lovely, in--away from love, honor and happinocent girl-at times an abandoned adventuress.



DIRECTOR OF MUSIC leads the new Peoples Orchestra in a splendid accompaniment and in concert selection from FLORA BELLA

-introducing: "Give Me All of You," "You Are the Girl," "Creep,

Creep," "Flora Bella."

PENFECTION

SEE IT TODAY

SEE IT TODAY

SEE IT

### LOUIS PAQUET IS DEAD

Pioneer Succumbs at Home of Daughter in Portland.

Louis Paquet, one of the early pio-ers of Oregon, died yesterday at the home of his daughter, Mrs. Daisy Ulen, 7429 Eighty-second street. Mr. Paquet was born in St. Louis on April 17, 1845, and came with his family to Oregon in 1852. The family set-

> F. FRIEDLANDER COMPANY 310-312 Washington Street

for the future.

serve them during the year, and through all the years that reach back in an unbroken line to the founding of this house,

a half-century ago. To render

even a greater service is our aim for the present—our hope

Any action by the reparations companies and the reparations companies and the reparations companies to the county source in the county

and a Prosperous New Year

Stout-Lyons Drug Co.

Your "Home Druggist"