

WEATHER
Yesterday 77
Last Night 42
Local rain tonight
Friday.

ROSEBURG NEWS-REVIEW

ALL THE NEWS TODAY
BY
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LEASED WIRE SERVICE

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DAUGHERTY COMMITTEE POKES A NAIL INTO CONTROVERSY OVER INDICTMENT OF SEN. WHEELER

Witnesses Are Questioned Directly About Charges Against Committee Prosecutor—William Burns Says He Sent Secret Service Operatives to Great Falls, Montana.

WASHINGTON, April 10.—In an afternoon session of the Daugherty committee today a finer into the controversy has arisen over indictment of the committee prosecutor, Wheeler, by a Montana witness. Burns testified that three of his men had worked in Montana on the Wheeler case. "Who ordered you to send those men out?" Wheeler asked. "Nobody. I sent them out," said Burns. "The postoffice department asked for them." Burns also said he had reported to Daugherty that "you (Senator Wheeler) was attorney for the Gordon Campbell concern." The conversation took place at Daugherty's apartment. Burns said, "I added, 'he would have to look it up,' to see whether it was before or after Daugherty left office as attorney-general. The investigation of the Gordon Campbell company was started by Mr. Cunningham of the postoffice department, the witness said, adding that Cunningham was now on his way to Washington from Great Falls. Blair Cohen, Burns said, was not employed by the department of justice, but worked for the republican national committee. The records showed that Lockwood's telephone call to Great Falls took place yesterday.

MR. HUBBARD SPEAKS BEFORE ROTARY CLUB

The Rotary club was favored today with the presence of Russell Hubbard, of Reedsport, who gave a very interesting talk on matters pertaining to the welfare of the lower Umpqua, showing a great era of progress in that vicinity. Reedsport, the second largest city in the county, housing approximately 2500 people, with its great lumbering industries, is bidding strongly for a better harbor, a good roadway to Roseburg and is taking a warm interest in all matters pertaining to the welfare and upbuilding of Douglas county. With four big saw mills operating on the lower Umpqua, with their attendant payrolls, this section is in a very prosperous condition. Though the lumber market is a little slow at this time, due to over-production, this is only a temporary condition, Mr. Hubbard stated, and it is expected soon to again be active. Mr. Hubbard laid much stress on the new road from Roseburg to the coast country and the great market that would be opened to producers of the Umpqua Valley. At the present time much of the business of that section, in fact, practically all is carried on with other sections of the state other than Roseburg, owing to the isolated condition existing between this city and the lower Umpqua. With a good roadway, now under construction, complete and ready for travel Roseburg will notice a material change in the way of exchange of commerce. Chas. McElhinny and L. J. Barnes added some spice to the meeting in making up a program for today's meeting of the club.

CAPITAL STOCK TO BE INCREASED

At a membership meeting of the Umpqua Savings and Loan Association it was decided to increase the capital stock of the organization from \$500,000 to \$1,000,000. The \$500,000 stock has been over-subscribed by more than twenty shares, and if the association is to continue its remarkable growth an additional increase of stock is necessary. Three-fourths of the membership must concur in the ratification of the increase in stock, but this number have already expressed themselves as being in favor of the increase so that application will be made at once. H. O. Pargeter, secretary of the association, states that approximately \$200,000 has been loaned on Roseburg property, and that more than 50 per cent of this is on new construction.

GUARDS ON TRAIL OF 'OREGON' JONES

(Associated Press Leased Wire.) SALEM, April 10.—Guards from the state prison and deputy sheriffs are today again on the trail of a suspect believed to be Bert (Oregon) Jones, who escaped with five other convicts from the prison on the morning of March 29. The search is being conducted in the comparatively open country between Sublimity and Silverton, ten miles east of Salem, and the searchers are on a warm trail, according to deputy Warden J. Lilley who has been on the chase since daylight. The suspect was first seen about 5:30 o'clock yesterday afternoon by a farmer named Claxton, living on the outskirts of Aumsville, who said that he had seen a man answering to the description of Jones cross his pasture and disappear into the brush along Beaver Creek, near the spot where the search for the escaped convicts was conducted during the first two days after they got away. Deputy Warden Lilley and two guards found the tracks of the suspect, with the tell-tale tracks of the heels of the shoes which four of the convicts secured in the robbery of the Aumsville store.

LAND SETTLEMENT MEETING TONIGHT

The land settlement meeting to be held in the Chamber of Commerce office will be attended by fifteen representatives from the various towns and cities of Douglas county. Reedsport and Gardiner are sending a joint delegation of three, while there will be representatives from all other communities. The purpose of this meeting is to form a committee to take up the land settlement program of the Oregon State Chamber in Douglas county. The state chamber is endeavoring to prevent Oregon from receiving unfavorable publicity such as other coast states have received from inflated property values during the tourist season, and will list lands in various localities, so that a fair appraisal will be obtainable. The committee will not enter the real estate business and will have nothing to do with the actual selling of land, but will merely provide a bureau of information for homeseekers. It is quite possible that the result of the meeting tonight will be a county chamber of commerce, in which all communities will have representation. Such an organization has been demanded in some of the meetings held in different communities, and it is possible that the meeting tonight will take up such a plan.

DATES FIXED FOR BERRY CARNIVAL

Umpqua Chiefs to Stage Strawberry Festival Again This Year.

SCHOOLS TO GIVE AID

Pageant and Field Meet Will Take Up Second Day If Plans of Committee Are Carried Out.

Roseburg is to have a strawberry carnival on the dates of May 23, 24 and 25. This much was definitely decided last night at an enthusiastic meeting of the Umpqua Chiefs at the office of A. T. Lawrence. The merchants and business men of Roseburg have voluntarily subscribed \$1,000 to the event already, and additional funds can be undoubtedly be raised by an organized canvass. It is the intention of the Chiefs to make this festival one of the best Roseburg has ever known and to achieve this end committees will get busy at once to arrange the various events and forms of entertainment. Good programs are to be offered on each of the three days and there will be plenty of attractions to keep everyone in the festival spirit.

The Chamber of Commerce has agreed to take care of the detailed work and will serve as the clearing house for all preparations and arrangements for the big event. It is intended to make a feature of the Roseburg schools and one entire day will probably be devoted to them. It is proposed to postpone the pageant in which the schools of the city are to participate until the 23rd and hold it on the same day as the track meet and declamation contest. This pageant will be a wonderful carnival feature as it is based upon the early settlement of Oregon and particularly Roseburg and depicts with wonderful dramatic effect the historical growth and progress of this community ending with a review of the resources and possibilities of the present time. It would be a feature not only unusual but of great instructive and entertaining qualities and if it is possible to secure a postponement from the tentative date early in May until carnival time the city will be able to widely advertise a very attractive program.

The schools are now arranging for the annual declamation contest and track and field meet which will be a feature of the second day. The rules and regulations are being printed ready for distribution to all schools and interested parties and considerable interest is being shown. The district meets will start in the very near future and the schools to represent each district will be chosen.

AROUND THE WORLD FLIERS MAKE START

SITKA, Alaska, April 10.—America's around-the-world fliers reached here at 12:43 this afternoon.

PRINCE RUPERT, B. C., April 10.—A squadron of American army fliers on a flight around the earth taxied into the air here at 9:22 this morning and winged their course for Sitka, Alaska, 309 miles northwest.

FORT SIMPSON, B. C., April 10.—Four airplanes moving northwestward passed over here at 9:45 this morning. They were believed to be an American squadron that left Prince Rupert, 35 miles south-east of here today for Sitka, Alaska. Visibility was low here.

KETCHIKAN, Alaska, April 10.—An American army air squadron from Prince Rupert, B. C. to Sitka, Alaska, on its way around the earth, passed here at 9:31 this morning. Time here is one hour later than at Prince Rupert.

This gave an elapsed time of 69 minutes for the 85 miles from Prince Rupert, which the planes left at 9:22 to Ketchikan, crossing from British Columbia to American waters at Dixon's entrance, just south of here. As the machines passed here rain was falling and a light wind was stirring. The planes were about 200 feet above the waters of the inside passage, which the fliers were following between the Alaska mainland and the Alexander Archipelago.

Joseph Lyons of Reedsport spent the day in Roseburg. Mr. Lyons will represent the Reedsport Chamber of Commerce in the land settlement meeting to be held tonight.

R. H. Brehm of Portland, representative of the Du Pont Powder company, arrived in this city last evening to spend the next few days here attending to business interests.

These annual track meets have grown to the point where they attract children and adults from all parts of the county and the success of the school day of the carnival is assured. The Chiefs are endeavoring to provide excellent prizes to award to the schools for their participation. It is hoped to have a large display of school children in the school parade and an endeavor will be made to stimulate great interest by the prizes which will be offered.

The American Legion drum corps and the Douglas County Concert band will provide music for the parades and for all other occasions. Both of these organizations have accepted honorary membership in the Umpqua Chiefs and will aid in making the festival a success.

STATE INCOME TAX LAW IS INVALID FOR CORPORATIONS ACCORDING TO RULINGS MADE

Judges Bingham and Kelly Hand Down Decision Late Yesterday in Suit of Standard Lumber Company, Holding That Law Discriminates.

(Associated Press Leased Wire.) SALEM, April 10.—As a result of the decree of Judges Bingham and Kelly of the circuit court for Marion county, holding invalid the state income tax as far as it affects corporations, both foreign and domestic, Governor P. Z. Linn has hastened to Portland today to confer with friends relative to what may be done to save the measure.

The governor stated positively that the case will be appealed to the supreme court, and should that court uphold the lower court, the governor intimated that efforts would be made to amend the act at the next session of the legislature for the purpose, the governor said. The over-ruling of the demurrer by the circuit court gives the state ten days in which to file an answer, in which event the case must still be argued in the lower court. It is possible, however, that the state may allow a default judgment and take the case immediately to the supreme court without hearing it in the lower court.

Earl Fisher, state tax commissioner said today that the income tax, unless further payments by corporations are halted by the action of the courts, will probably yield \$2,000,000 instead of the \$1,250,000 first estimated. The amount now paid in is about \$675,000.

(Associated Press Leased Wire.) SALEM, April 10.—As far as domestic and foreign corporations are concerned the state income tax law is invalid, according to a decision by Circuit Judges Bingham and Kelly, handed down late yesterday afternoon. The court over-ruled a demurrer from the attorney-general's office to the complaint of the Standard Lumber company, holding that the law discriminated in tax collections from corporations having both resident and non-resident stockholders as against those with only resident stockholders. Unquestionably an appeal will be taken from the judges' decision.

By the decision the law is invalidated only insofar as corporations are concerned. The court was asked only to rule on the questions involving the particular corporation, the Standard Lumber company, which is incorporated in this state, but does business in Idaho exclusively.

However, it is pointed out, with income tax under the present act, a discrimination apparently would be against the individual. It is stated this may require still another suit to determine the status of the individual if the present decision only applies to corporations. In handing down its decision yesterday the court said: "Under section of article 3 of the income tax act, a domestic or foreign corporation may deduct from its taxable income dividends paid to resident stockholders, but it can make no deductions on account of non-resident stockholders. Plaintiff has resident and non-resident stockholders.

"We believe the following to be a fair illustration of the workings of this section: Plaintiff has \$12,000 taxable income. Say it has five resident and five non-resident stockholders and declares a dividend of \$1,000 to each, \$5,000 to residents and \$5,000 to non-residents. Deduct \$5,000 paid residents and we have \$7,000 upon which plaintiff will pay a tax of \$130. The resident stockholder must include his dividend in his annual income return and if his income from all sources exceeds his exemption he pays a progressive tax. The non-resident stockholders pay nothing, and the plaintiff is penalized in the sum of \$130 for having non-resident stockholders. Put it another way. Suppose the corporation is a very large one, with monthly non-stockholders and its taxable income exceeds \$12,000. It will be penalized in the sum of 6 per cent on all of its income in excess of \$12,000 paid to non-residents. If, however, its stockholders are all residents, it pays no tax. If the corporation is a non-resident doing business in the state it may deduct dividends paid residents, but not non-residents. This is a discrimination against a corporation having non-resident stockholders and violates the federal constitution."

(Associated Press Leased Wire.) SALEM, April 10.—The attorney-general's office announced today that an answer will be filed in the circuit court to the complaint of

the Standard Lumber company. This will take the case to a hearing in the lower court.

(Associated Press Leased Wire.) PORTLAND, April 10.—C. C. Chapman, editor and publisher of the Oregon Voter and leader of an initiative movement against the state income tax law, announced today that the circuit court decision relative to the income tax would have no effect on the movement against it. His attorneys say, declared Mr. Chapman, that the legislature can remedy the law to make it proof against the counsel, he added that he believed that the supreme court would uphold the income tax law, although parts of it might be ordered annulled.

FAIRFAX PARRISH DIES AT DALLAS

Many friends of Fairfax M. Parrish for many years a resident of Roseburg, will regret to learn of his sudden death at Dallas, Oregon, recently. Mr. Parrish was an employe of the Southern Pacific company for about 26 years, and was on a run out of Roseburg for a long time. In recent years he was on the Salem-Falls City run. About eight months ago he met with an accident which resulted in his temporary retirement. This and continued worry over the condition of his wife, who is critically ill with cancer, is believed to have been responsible for the condition which caused him to collapse and die suddenly on Monday.

His wife was formerly Mary Hoham, formerly instructor in music at the state normal school at Monmouth. Mr. Parrish had a wonderfully deep bass voice and a short time ago broadcasted a delightful program for the Portland Oregonian.

HIRAM TO CONTINUE FIGHT FOR DELEGATES

(Associated Press Leased Wire.) CLEVELAND, Ohio, April 10.—Hiram Johnson will continue his fight for delegates to the republican national convention in states yet to hold primary elections, his Ohio campaign manager, State Senator George H. Bender announced today. Bender, after a telephone talk with the California senator in Washington said Mr. Johnson had declared reports of his withdrawal were unfounded.

Johnson will stump Ohio in the pre-primary campaign, Bender said, coming to Ohio on April 19 and remaining until the evening of the primary election April 29. He will campaign in New Jersey before coming here, he told Bender, since the primaries there will be a week prior to those in Ohio.

(Associated Press Leased Wire.) WASHINGTON, April 10.—A number of consultations today between Senator Hiram Johnson and some of his friends in the senate were followed by indications that he might have an important announcement to make before the day was over regarding the future of his candidacy for the republican nomination.

AUTOS COLLIDE

Two autos belonging to Fred Sexton and E. O. Peter, collided at the corner of Cass and Rose streets last night. None of the occupants of either machine were injured, but both cars were damaged.

DO YOU KNOW THAT

Roseburg is a division point of the Southern Pacific railroad, which has an annual payroll of over \$1,000,000?

Oh Boy! The Strawberry Festival is Coming Back May 22-24



(Associated Press Leased Wire.) SALEM, April 10.—The attorney-general's office announced today that an answer will be filed in the circuit court to the complaint of