

MEXICO DOESN'T AGREE WITH NOX

Envoy Indicates Force Against Zelaya Will Not Be Approved.

VIEWS OF ENRIQUE CREEL

Ex-Mexican Ambassador Makes Known His Mission to Washington—Denies That Diaz Plans on Naming New President.

WASHINGTON, Dec. 12.—Enrique C. Creel, ex-Mexican Ambassador to the United States and now acting as special envoy for his government in the Central American imbroglio, arrived today and will bring his mission before the State Department Tuesday.

While insisting that his government had "abounding faith in the broad judgment and sound diplomacy" of the State Department, Senator Creel indicated that Mexico was not altogether in accord with the vigorous measures being employed by the United States government to bring Zelaya's government to time.

Senator Creel tonight denied that his government was putting forward any candidate for the Presidency of Nicaragua. It is an open secret that Estrada is not acceptable to the State Department.

That Mexico is looking forward to the day when the five turbulent republics of Central America will be molded into one government was acknowledged by the diplomat in his remarks on the creation of the United States of Central America has not arrived. In Senator Creel's opinion, and he believed such an arrangement in both San Diego and Los Angeles, these lots were listed for sale with real estate dealers in both cities.

One case is that in which lots owned by S. P. Swackhamer, of Union, Or., formerly of San Diego and which were sold by a San Diego firm, becoming suspicious, the San Diego agents wired to Swackhamer, who replied that he had not disposed of the lots.

The special envoy will remain in Washington several weeks. He is expected to take part in negotiations which he expects will lead to a peaceful settlement of the American dispute with Nicaragua.

ARRESTS IN LAND FRAUDS

Los Angeles Police Charge Woman and Three Men With Conspiracy.

LOS ANGELES, Cal., Dec. 12.—The police are holding in the City Jail here Mrs. Laura T. Bryant, Louis Chiffino, John H. Hawley and Harry Hancock, pending investigation into the numerous land frauds and it is said more arrests will be made. It is alleged the persons arrested obtained false titles to numerous lots owned by residents in both San Diego and Los Angeles, and these lots were listed for sale with real estate dealers in both cities.

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MARINES ARRIVE AT ZONE

(Continued From First Page.)

mine near the transport Diamante, is given no credence. This version is contradicted by a deserter from the Zelayan forces, who informed the American report that each of the Americans was captured while reconnoitering some hills near the river.

REBELS SURE OF VICTORY SOON

General Estrada and Troops Intrenched Near Rama.

WASHINGTON, Dec. 12.—Senator Castillo, representative of the Nicaraguan Insurrection, today received a cablegram from General Estrada, head of the revolutionary movement, which declares that the revolutionists are strongly intrenched at Rama, and that the forces of President Zelaya are two days' march from the city.

The cablegram asserts that a revolutionary victory is certain, but that following it, the revolutionists will take no definite steps until their program is approved by the American State Department.

This is presumed to refer especially to a decision that may be made in the case of President Zelaya should the insurgents win.

The cablegram as translated by Senator Castillo follows:

RAMA, via Bluefields, Dec. 12.—Castillo, Washington.—We occupy our impregnable position at Rama town, with a more numerous and more decided than ever. Enemy has two days' march from Rama. We are disposed not to concede anything and are sure of victory. That is our program, and our plan from the beginning has been to capture the enemy at Rama. We are disposed not to take resolute action without approval of the American State Department, in whom you must communicate. This when the battle is expected we will advise you.

(Signed) E. ESTRADA.

The State Department announced it was without official advice from Nicaragua today. Any action the department contemplates will be taken only upon official information.

WHO WILL SUCCEED ZELAYA?

Managua Quiet, but Talk is Rife as to Next President.

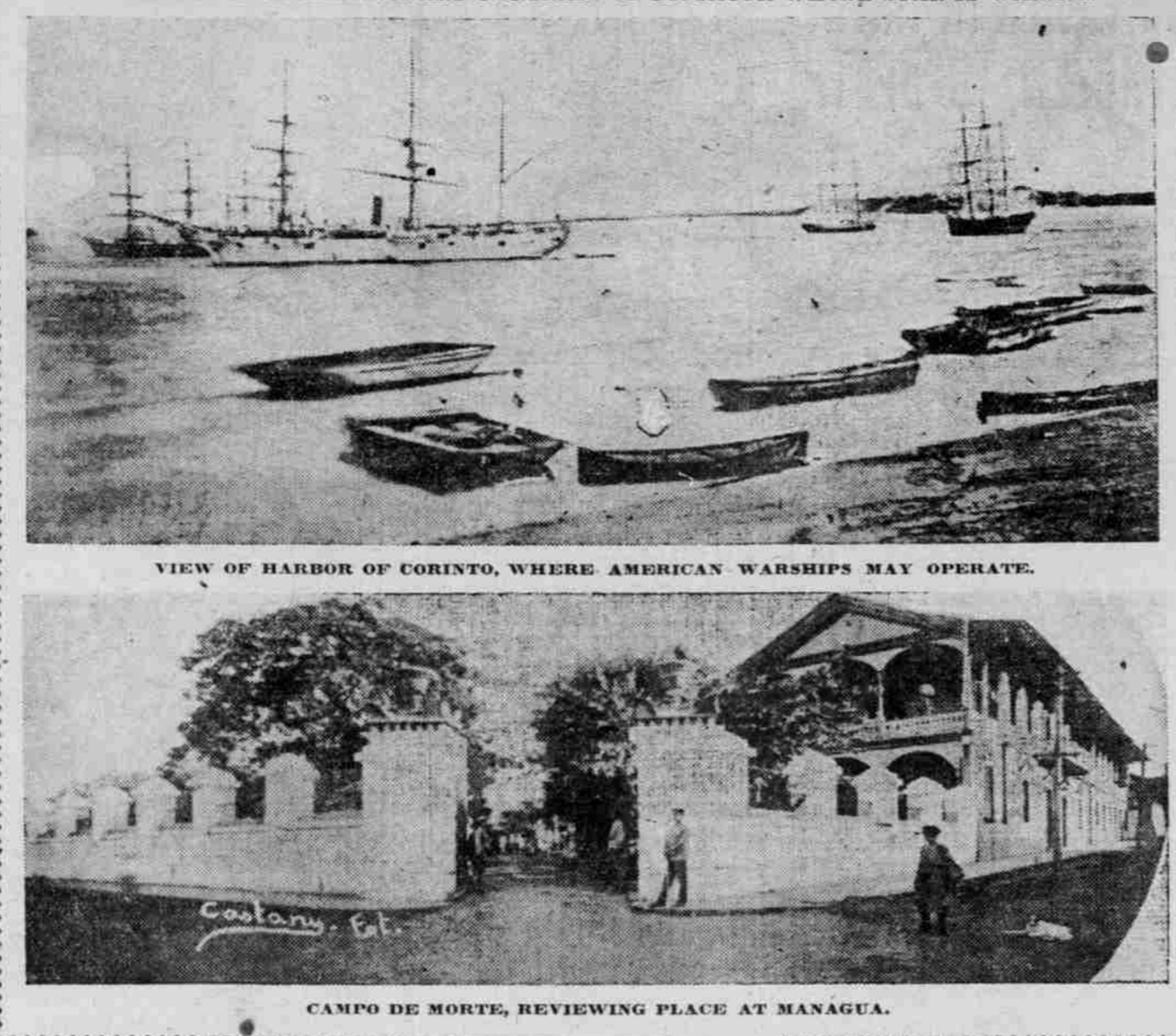
MANAGUA, Dec. 12.—Outwardly Managua is peaceful. There have been no military preparations and the people appear unconcerned. Band concerts are given daily in the plazas.

There is much intriguing, however, among the better classes, and cafes are the centers of various conspiracies. The revolutionists in Leon, Granada and Managua are warring among themselves, each being eager for supremacy. Those in Managua are openly declaring that they have been assured of the assistance of the United States and insist upon being permitted to choose Zelaya's successor. Zelaya declared recently he was in negotiation with revolutionists to obtain their endorsement to a successor to the presidency, who would be acceptable to all parties, and that he had submitted the name of Dr. Jose Madriz, judge of the Carriago court.

It is believed, however, that Dr. Madriz would be objectionable to the revolutionists. It therefore would be dangerous to impose a man endorsed only by one or two factions, as the other factions would likely take this for an excuse for a further rising.

Dr. Julian Irias, Minister-General, who also has been suggested as a possible successor to Zelaya, would be powerful enough to crush an uprising in event of his selection, but it is understood he is not favored by the United States.

SCENES IN NICARAGUA AND PORTRAIT OF DICTATOR WHOSE STAR IS WANING.



VIEW OF HARBOR OF CORINTO, WHERE AMERICAN WARSHIPS MAY OPERATE.



CAMPO DE MORTE, REVIEWING PLACE AT MANAGUA.

PLANE FOR 3, CLAIM

High Speed Claimed in Test of New Airship.

WORCESTER, Mass., Dec. 12.—A remarkable assertion of the practicability of aviation is embodied in the announcement today of Wallace E. Tillingham, vice-president of a Worcester manufacturing company, who asserts that he has invented, built and tested secretly an aeroplane capable of carrying three passengers and in which he says he has flown from Worcester to New York, thence to Boston and back. A speed of 120 miles an hour was made at times, he declares.

The test was made on September 4 at night, according to Mr. Tillingham, who says he circled the Statue of Liberty at an elevation of 400 feet and was seen on the return trip by a coast guard on Long Island when flying low the fact being recorded in the newspapers at the time.

Mr. Tillingham says the machine is a monoplane, weighing 1500 pounds, equipped with a 120-horsepower gasoline engine. He refuses to tell where the machine is, but says he will bring it to Worcester for a public demonstration.

NET PROFITS TAXED

MacVeagh Explains Purpose of New Law.

WASHINGTON, Dec. 12.—More than 400,000 corporations in the United States will have to make their returns in conformity with the new corporation tax law. Secretary of the Treasury MacVeagh has issued a comprehensive statement for the government of those corporation officials. The statement is calculated to clear up questions of classification and distinction which might arise in the making of the returns, and it sets forth in terse language what the government expects.

The statement begins plainly with the statement that the Government expects returns to be made to conform with the intent of the law, and that the law had two intents—first, that it should be a revenue producer for the Government, and second, to levy a tax of 1 per cent on the net income of corporations as provided in the law.

Tax Hits Profits Only.

After a concise definition of what is considered net income with the law, the statement says:

"It is clear that the purpose of the law was not to put a tax on receipts, but on profits, and that the terms 'net income' and 'gross income' are used because, while they are practically identical with gross profits and net profits, they are yet more embracing and consequently permit a more comprehensive administration of the law."

For convenience and facility in classification, corporations have been divided into five classes. They are insurance companies, transportation companies, manufacturing companies, mercantile companies and miscellaneous corporations.

Frauds Will Be Prosecuted.

The statement makes detailed explanations of what can be considered gross income, net income, and defines what other terms used in the statements are held to be within the law. Inaccuracy is expected in some of the returns, the statement says, and it is expected they will be free from two causes. The first is honest error and the second is intent to defraud the Government. Honest errors will be corrected, but any attempts at fraud will be prosecuted vigorously.

The regulations do not call for specific methods of keeping accounts or any other particular method of bookkeeping. The requirement is simply that accurate returns can be made and verified when necessary.

BLACKMAIL IS CHARGED

LOS ANGELES PROSECUTOR ACCUSES SEATTLE MEN.

LOS ANGELES, Cal., Dec. 12.—(Special.)—District Attorney John D. Fredericks will go before the grand jury at Seattle and tell his version of how he frustrated an alleged attempt made to fleece Ralph J. Leavitt, of this city, of \$1000 by Deputy Prosecuting Attorney Frank H. Holzholmer and Detective C. B. Peyton, of Seattle, on the occasion of Leavitt's recent arrest for manslaughter for being a passenger in an automobile that killed a Seattle street-walker.

Mr. Fredericks admits that under the law the Washington authorities cannot compel him to answer a subpoena, but he says he is willing to go if the grand jury desires information on the actions of the two officials, who have been forced to resign.

"The men had solicited \$1000 from Leavitt under promise to dismiss the case against him, but in reality they could not be punished. As no crime had been committed here, in view of the fact that the men were not officers of California," said Mr. Fredericks today. "At the same time they were dealt with in such a manner that their resignations were assured and both made confessions in their own handwriting of having received the money."

SEATTLE, Wash., Dec. 12.—(Special.)—Leavitt ran over and killed a street-walker here. Joe Schlumpf and others went his bail on a charge of manslaughter. Leavitt left for Los Angeles and jumped his bail. Holzholmer, the Deputy Prosecuting Attorney, went to Los Angeles to try to bring Leavitt back. He is supposed to have compromised the case.

Prosecutor Vandever says that if District Attorney Fredericks comes here he will have every chance to appear. Vandever discredits the Los Angeles story, Holzholmer and Peyton were not dismissed. Holzholmer resigned but later was reinstated. Peyton resigned and is still out.

PROFITS GO TO MIDDLEMEN

Ultimate Buyers Pay Many Times First Cost of Trees.

BOSTON, Dec. 12.—The Yuletide call to the forests and its exactions of 4,000,000 young spruce, fir and balsam has been felt the last three weeks in Maine, Michigan and Oregon, the great centers of Christmas-trees cutting industry. Shippers are now busy rushing the product to the market. The total cut of trees yields the owners of lands about \$2,000,000, shippers and dealers reaping a great share of the profit.

Oregon's trees are cut more than those of any other Pacific state, but the total cut of that state does not equal that of either Maine or Michigan.

ILLINOIS CENTRAL ENGINEER KILLED.

SPRINGFIELD, Ill., Dec. 12.—A northbound passenger train and a southbound freight train on the Illinois Central crashed together head-on near Pana, Ill., today. Engineer Philip May, of Clinton, was injured internally.

Only One 'BROMO QUININE.'

That is LAXATIVE BROMO QUININE. Look for the signature of E. W. GROVE. Used the World over to Cure a Cold in One Day. 25c.

ZELAYA INSTITUTES REIGN OF TERROR

Over 500 in Chains in Managua. With but Two Cents Day Food Allowance.

BOTH SIDES ARE ACTIVE

Zelaya Places Force of 500, Who Will Oppose Landing of American Marines—Estrada's Soldiers Can Defend Bluefields.

BLUEFIELDS, Nicaragua, Dec. 12.—It is learned from an authoritative source that a reign of terror is being maintained in Managua and that not less than 500 persons identified with politics are in chains in the prisons. A Catholic society has been ordered to cease sending supplies to the prisoners, who may starve to death, as they are allowed only 2 cents a day for food. Corporal punishment is meted out daily to various alleged offenders.

Zelaya, to create an impression that the sentiment of the people of Managua is hostile towards America and Americans, recently ordered Amelio Estrada, a prominent Liberal and a brother of the revolutionist chief, to organize a demonstration against the United States. This he refused to do.

Irias Would Succeed Zelaya.

It is understood that Dr. Julian Irias, Minister-General, has been making attempts to start an uprising in his favor as Zelaya's successor, but whether with Zelaya's consent is not known. It is reported also that Irias' forces have been surrounded by soldiers. Further authoritative dispatches state that 500 of Zelaya's forces have been entrenched to prevent American marines from passing over the bridges into Corinto.

Escondido River Guarded.

Since last Thursday, when General Estrada became certain that General Vasquez, in command of a portion of Zelaya's troops, was attempting to make a detour from Rama to seize an unguarded river point and descend upon Bluefields, forces of the provisional government have been acting with great energy. Rama has been occupied, and less important river landings have been strongly guarded. All available boats have been held in reserve to rush reinforcements to any point that may be threatened.

General Chamorro and 250 men arrived today to assist in guarding the entire 60 miles of the Escondido River, from Rama to Bluefields. General Chamorro left 300 men guarding the land passage between Bluefields and Greytown.

Zelaya's Troops Bottled.

The provisional Secretary of State, Adolfo Diaz, today declared that the Zelayan troops would not be able to march overland from Greytown, because of the swamps and jungles, and they would be unable to get the use of river boats. For these reasons, General Chamorro could afford to weaken the Greytown forces, he said, without fear of results.

While the provisional government would welcome additions to the marines which the United States cruiser Des Moines had aboard, Secretary Diaz declared that Estrada's forces were capable of defeating any attempt to attack Bluefields.

Scouting parties are out in every direction to determine the objective point of General Vasquez, who has asked for two days' extension of the truce to enable him to communicate with Zelaya. An telephone system over which probably ten minutes would suffice to transmit his business with Zelaya, the truce was looked upon with suspicion and refused.

CARNegie INSTITUTE READY

Handsome Administration Building to Be Dedicated Today.

WASHINGTON, Dec. 12.—A noteworthy addition to the many buildings of architectural beauty in the Nation's capital is the new Administration building of the Carnegie Institute of Washington, which will be dedicated tomorrow evening.

Andrew Carnegie, founder of the institution, which he endowed with \$12,000,000, will deliver an address. With the encouragement of investigation, research and discovery in the broadest and most liberal manner and the application of knowledge to the improvement of mankind as the object of the corporation, the institution is accomplishing achievements of far-reaching scientific value. Since its organization in 1902 upwards of 1000 individuals have been engaged in investigations and at present 500 are thus engaged.

Ten departments of research have been established and two astronomical observatories and five laboratories for as many different fields of investigation in widely separated localities are maintained. Work has thus far been carried on under the auspices of the institution in many different fields successfully.

Nearly 210,000 coin cards have been sent out this year by the young people's missionary department of the Methodist Episcopal church, and the plan to promote in the Sunday schools such regularity in giving as shall insure \$1,000,000 annually for missions from these schools.

President Taft Is Pleased

Mr. R. A. Thompson, Portland, Oct. 2, 1909.

My Dear Sir: The President has received the glasses you furnished him on the 2d of October and thanks you cordially for same. He much appreciates your attention.

Very truly yours,
(Signed) ARCHIBALD W. BUTT,
Aide to the President.

Thompson has pleased President Taft and over 20,000 other spectacle wearers and can please you. High-class work at the lowest possible prices.

BAY CITY FIGHTS O. K.

NEW REGIME IN SAN FRANCISCO MAY ALLOW CLUBS.

SAN FRANCISCO, Dec. 12.—(Special.)—According to information that comes from a source close to Mayor-elect McCarthy, the plans of the new administration as far as the fight game goes, in San Francisco, have already been decided. It is said there will be three clubs, each to have four permits during the year, and that Jack Gleason, Jimmy Coffroth and Louis Blot, a commission man, who is Billy Papke's California representative, will be the promoters.

The men interested in the game think that longer fights will attract, and believe that the Supervisors will allow an extension so that 20-round fights will be allowed. In addition, Jack Gleason expects to be granted permission to hold one 45-round fight, which will mean that the Jeffries-Johnson mill will be held in the city proper.

REPORT SAYS THREE ASSOCIATIONS WILL BE FORMED, EACH TO GET FOUR PERMITS YEARLY.

THE WHITE HOUSE, WASHINGTON, Oct. 2, 1909.

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Thompson has pleased President Taft and over 20,000 other spectacle wearers and can please you. High-class work at the lowest possible prices.

THOMPSON Eye-Sight Specialist

Second floor Corbett Bldg., Fifth and Morrison.

Cash Boys and Girls Wanted Over 16 Years of Age

Lipman-Wolfe & Co

The Christmas Season Has Opened in Earnest

—The Christmas bustle has come—a vast army of good-natured, jolly and eager people, racking their brains to think of some gift, large or small, that will make somebody happy. There is good cause for early shopping, it gives you time to make your selections leisurely and with the proffered assistance of the salespeople, impossible later in the day. This week you find the stocks at their fullest. As inducements for early shopping we have made some trenchant reductions in many lines of goods.

Special Sales That Must Command the Attention of All Shrewd Shoppers

MONDAY'S BIG SALES

—500 FRENCH SEAL HAND BAGS in the very newest shapes, received by express Saturday. All fitted with coin purses, double strap handles and large gold-plated initials.

—Special at \$1.98

—1000 IMP'TED PIECES OF REAL EBONY in toilet requisites. Men's military brushes, cloth brushes and hair brushes, also ladies' hair brushes, hand mirrors, bonnet brushes, cloth brushes, some plain and some sterling mounted.

—Monday Half Reg. Price

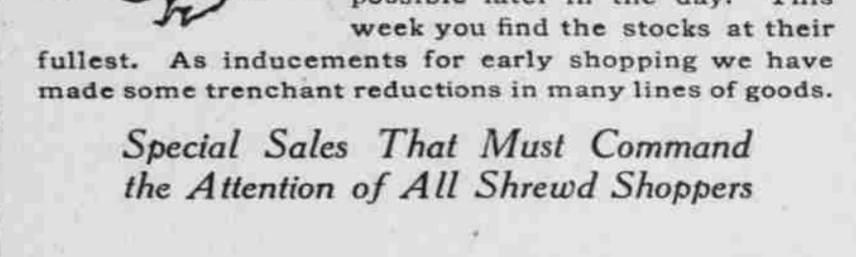
—SYRIAN CROCHET DOILIES, SQUARES and bedspreads. Our Christmas importation at just half regular price.

—TODAY IS YOUR OPPORTUNITY to make a very pronounced saving on holiday umbrellas, if you have such an item on your Xmas list.

—WHILE IN THE STORE don't fail to take advantage of the picture sale. Immense saving on pretty framed pictures today.

—SALES IN JEWELRY, silverware, cut glass, toilet sets, Christmas ribbons and neckwear.

—SALES ON THE SECOND FLOOR in the Art Needlework, Pyrography, Millinery, Suits, Dolls and Rugs.



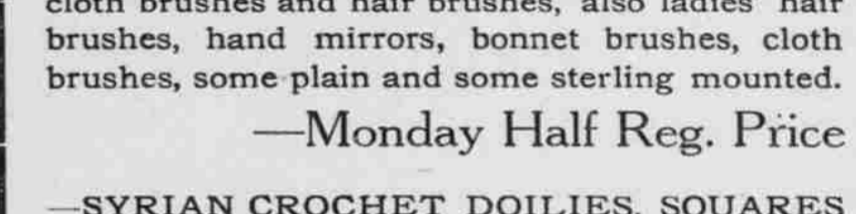
"Mother Knows"

"The difference between good bread and poor bread is the discretion you exercise in buying your flour—OLYMPIC FLOUR makes good bread."

—Mother.

Only the plumpest and hardest grains are selected from the Northwestern wheat crop for the making of Olympic Flour. There is absolutely no question of the nutritious value of Olympic—its wholesomeness—its purity—or its cleanliness. It's the way to good bread and successful baking.

Positively demand Olympic —"there isn't any just as good."



AT YOUR GROCER'S

PORTLAND FLOURING MILLS CO., PORTLAND, OREGON