



ACTION ON DEFICIT WILL BE POSTPONED

Pruning of Estimates Regarded as Difficult.

END OF YEAR IS AWAITED

Leaders Hesitate Over Extension of "War Tax."

M'ADOO IS OPTIMISTIC

Secretary of Treasury Thinks Revenue May Exceed Expectations and Hope for Revival of Business is Expressed.

WASHINGTON, Jan. 28.—Leaders of the Administration in conference today with President Wilson decided that there was no immediate need of executive action to increase the Government's revenues.

Mr. McAdoo declared that he still stood by his estimate of the Government's revenue for the fiscal year ending next June, which, compared with his estimate of expenditures, would leave a deficit of \$10,000,000.

Estimates Not Reduced.

It was understood after the conference that suggestions that the war revenue action be extended for six months and that Congress abandon the \$1,000,000 river and harbor bill struck no responsive chord.

Substantial Additions Made.

Some additional estimates have been sent in since then, however, and substantial additions to the proposed appropriations have been made by the House committees in drafting the supply bill.

The estimates sent to Congress aggregated \$710,000,000, to which \$28,000,000 was to be added for Panama Canal disbursements.

Income Tax Relied On.

Since the new tariff and income tax law was passed in 1912 there is deferred until June of each fiscal year the payment into the Treasury of \$75,000,000 to \$80,000,000 of corporation and personal income tax.

In support of Mr. McAdoo's statement some officials pointed out that there was reason to believe that the war revenue act would be at least as big a revenue producer as had been expected.

Customs Receipts Fall Short.

Secretary McAdoo's estimate for customs receipts for the coming year, \$220,000,000, is about \$72,000,000 under the receipts for the fiscal year 1914.

Customs Receipts Fall Short.

So far as the income tax law goes, there are no accurate data available yet in the Treasury Department on which officials can base an estimate of what may be expected this fiscal year.

FRANCE PILES UP GOLD

PARIS, Jan. 28.—The report of the Bank of France for the year of 1914 shows that the amount of gold on hand increased more than 640,000,000 francs, bringing up the gold reserve at the end of the year to 4,400,000,000 francs.

CANAL DECLARED TRUST FOR WORLD

SENATOR BURTON SUGGESTS INTERNATIONAL OPERATION.

Free Waterway, With Great Nations of World Sharing Maintenance, Declared "Not Improbable."

NEW YORK, Jan. 28.—An international agreement under which great commercial nations will maintain the Panama Canal is not an improbability if traffic through the waterway proves financially disappointing, United States Senator Burton, of Ohio, said tonight in an address at the annual meeting of the New York Peace Society.

"It has been proclaimed that the Panama Canal should be treated as a trust of the world," Senator Burton said. "In view of this fact and the manifest improbability that the tolls collected will ever furnish an adequate return on the cost, it is not improbable that if the traffic should prove disappointing tolls will be materially diminished or abolished entirely, or that with a free canal an international agreement may be reached under which great commercial nations will pay their respective contributions for its maintenance."

INCOME REPORTS SOON DUE

Penalty Heavy After March 1 if Statements Fail to Arrive.

By March 1 reports must be filed on net incomes in compliance with the Federal income tax act. Failure on the part of individuals and corporations to abide by the edict of Uncle Sam will entail the payment of an additional tax of 50 per cent, added to which may be other legal penalties.

Mr. Rockefeller thought it was unwise for the bureau, the prime object of which, the witness said, "was the systematizing of municipal government," to engage in a publicity campaign by distributing postal cards and pamphlets.

Conditional Offer Refused.

He also thought it inadvisable that the bureau should do work outside the State of New York or that it should interest itself in technical pedagogical work in the New York schools.

At the time he expressed these opinions employees of the bureau were aiding in an investigation which was conducted by another bureau into the Children's Court of Denver and Judge Ben Lindsey, who presided over it.

Mr. Rockefeller at first offered the money on the condition that his suggestion be complied with. The board of trustees of the bureau decided at a meeting that it would accept no conditional donations. Some time ago, however, the practice of sending out postal cards and pamphlets was discontinued and the work outside the state was curtailed.

Bureau Receives Donation.

"The trustees, however, had intended to make the changes for a long time," said Mr. Cutting. "The bureau received the \$20,000."

REYNOLDS CATCHES OREGON LAWMAKERS IN ACTION.

Senator Wood, of Hillsboro, hustling along his game bill.

Representative Forbes, of Bend, smoking up.

Two quarts of whisky or fifteen quarts of beer.

Representative Olson throws a good tomahawk when the occasion demands.

They've got old John Barclay guessing these days.

Representative Collins of Columbia on his way to a committee meeting.

Representative Davey, who is one of the best speakers in the house.

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STRING TAKEN FROM ROCKEFELLER GIFT

Donation, Once Refused Finally Accepted.

POLICY, HOWEVER, MODIFIED

Head of Research Bureau Testifies to Incident.

LIMIT PLACED ON FIELD

R. Fulton Cutting Tells Federal Investigator John D. Jr., Accepted Situation When Independence Was Asserted.

NEW YORK, Jan. 28.—Robert Fulton Cutting, president of the Bureau of Municipal Research, testified before the United States Commission on Industrial Relations today that the policies of the bureau were changed considerably after John D. Rockefeller, Jr., offered to donate \$20,000 toward defraying the expenses of the bureau for a year.

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INDEX OF TODAY'S NEWS

YESTERDAY'S — Maximum temperature, 40.9 degrees; minimum, 23.5 degrees. TODAY'S — Unsettled, with rain probably part snow in early morning; southeasterly winds.

Legislature.

Ronald G. Callvert reports the House studiously and carefully defending the direct primary. Page 1. House has received 215 bills and acted on about 100 in first 18 days of session. Page 1. "Regular" doctors and "drugless healers" in lit. at Olympia. Page 8. Assessor Reed discusses Senate bill for limiting tax levies. Page 7. Idaho Senate kills resolution to call state constitutional convention. Page 8. Senator Bingham attacks Forestry Department. Page 8.

War.

Austria-Hungarians continue to beat Russians backward. Page 5. American consuls in war zone avoiding trouble wherever possible. Page 2. Rescued German officers give jewels to Britons after naval battle. Page 5.

National.

Senator Walsh defends right of Government to buy gold. Page 14. Administration to defer action on prospective deficit. Page 1. American naval experts still believe dreadnoughts should be preferred to battle cruisers, if choice must be made. Page 2. President vetoes immigration bill. Page 6.

Domestic.

Extreme cold continues in Middle West. Page 3. Witness says when "conditional gift from Rockefeller was refused young man moved restriction. Page 1. John D. Rockefeller, Jr., is beginning to see needs of labor, says Mother Jones. Page 2. Senator Burton says international management of Panama Canal is not improbable. Page 1. North Pole discovery articles in magazine under names of Peary and Cook fixed by editor, says ex-employee. Page 1.

Sports.

Jefferson High basketball team defeats Washington High, 25 to 9. Page 14. One more reliable pitcher would make Seals pennant contender, says Walter McCredie. Page 14. Matty Adams "tapering off" on training for athletic sports, but says games don't hurt him. Page 14. Ice carnival set for night of February 12. Page 14.

Pacific Northwest.

District Attorney Tongue says George A. Thatcher, criminologist, errs in Pender case. Page 15.

Commercial and Marine.

Alaska line may dock at municipal wharf No. 2. Page 18. May wheat advances sharply in local market. Page 19. Oregon hops sell at best price since last September. Page 19. Wall-street stocks rally from preceding day's decline. Page 19.

Portland and Vicinity.

United States Commissioner holds six alleged mutinous sailors are under jurisdiction of Vice-consul for Norway. Page 18. Progressive Business Men's Club favors state aid for reclamation. Page 11. Weather report, date and forecast. Page 19. View found in Dickey case. Page 13. Faults of efficiency system told. Page 29. Oregon's contribution to Belgium sufferers dispatched. Page 19. Auto dealers say greater year is coming. Page 15. Investigation is added to recount in Sheriff's case. Page 13.

GERMANS REACH SERBIA

All Defiles Mined to Keep Invading Forces Out.

GENEVA, via Paris, Jan. 28.—The arrival of a regiment of German Hussars at Orsova, on the Serbo-Rumanian frontier, is announced here.

The Serban engineer corps has mined the gorges of the Danube from Trebia to Belgrade and has fortified all the defiles through which the Austro-German troops could invade Serbia.

RECORDS FOR 22 BROKEN IN CHICAGO

Woman Is Frozen to Death on Street.

WAVE JOURNEYS SOUTHEAST

Relief for Middle West Apparently Is Far Off.

FLORIDA TO HAVE FROST

Farmers Halt Low Temperature as Blessing Giving Assurance of Bountiful Crops Relatively Free From Pests.

CHICAGO, Jan. 28.—(Special.)—All cold weather records for the last three years in Chicago were broken early today, when the mercury sank to eight degrees below zero.

Two persons were frozen to death, one a woman, who perished while walking a short distance from her home to a grocery.

Many cases of frozen feet, hands and ears were reported and the police picked up three unconscious men who were badly frozen but will recover.

Wave Travels Southeast.

The cold wave, traveling on a 15-mile wind, came from the Dakotas and is journeying in a southeasterly direction. Wisconsin and Iowa received the full benefit of the windy blasts.

At Superior, Wis., it was 31 degrees below zero at 9 A. M. La Crosse reported 29 below, Oshkosh 24 below and St. Paul 26 below. In Iowa temperatures ranged from 4 to 24 below. Nebraska also was exceedingly cold, averaging 15 to 21 below.

All the Middle Western territory continues cold tonight, and no relief is promised for several days.

White River Is 50 Below.

White River led the list of cold places with 50 below, but the temperature for this district was not nearly so severe as much higher temperatures in other places unaccustomed to unusual cold.

Farmers hail the intense cold as a blessing that will be more apparent next Summer in bountiful crop, free from many pests. They say the extreme temperatures will destroy millions of colonies of chinch bugs and other destructive insects and that freezing, in connection with the numerous heavy snows, will put the soil in excellent condition.

Temperatures Vary in Chicago.

The cold wave displayed many vagaries in and around Chicago. In the crowded loop district, where thousands of furnaces were going night and day, the temperature was 8 below. A mile distant it was 13 below and four miles distant it was 18 and 29 below. Downstate points also report 20 and 23 below. The East will begin to feel the force of the cold wave by morning and night.

THAW STRIKES LA GRANDE

Freeze Drives City to Use of Grand Ronde River Water.

LA GRANDE, Or., Jan. 28.—(Special.)—While the Middle West shivers in the grip of Winter La Grande and the Grand Ronde Valley today have been enjoying the first thaw since the freeze weather and the attendant freezing of water pipes and hydrants, which has caused many to allow the water to run all night to avoid freezing, has been such a tax upon the city's supply that it has been necessary to resort again to the Grand Ronde River for a supplementary supply.

FIRST TRAIN RUNS TONIGHT

Willamette Valley Southern Raises Voltage and Tests Equipment.

OREGON CITY, Or., Jan. 28.—(Special.)—At 12 o'clock last night the voltage of the wires of the Willamette Valley Southern was raised from 600 to 1200, giving the line the highest voltage in the state.

The last of the new equipment was received here today and was tested out. The electric locomotive has been here several days and has demonstrated its value. The company has six passenger cars, each capable of seating 60 persons. Two of the cars have baggage compartments and three are trailers. The first train will bring Molalla Moose to initiation ceremonies here tonight.

FRANCE PILES UP GOLD

Reserve Increased More Than 640,000,000 Francs in 1914.

PARIS, Jan. 28.—The report of the Bank of France for the year of 1914 shows that the amount of gold on hand increased more than 640,000,000 francs, bringing up the gold reserve at the end of the year to 4,400,000,000 francs.

On December 24 last the Bank of France lent to the government 3,000,000,000 francs and to private borrowers for commercial and industrial purposes 4,481,000,000 francs. The dividend rate was decreased by 10 francs, as compared with 1913.

THE ARTICLE NOT COOK'S, SAYS GIRL

"PEARY'S STORY" WRITTEN BY ANOTHER, IS TESTIMONY.

Magazine Editor Made Discredited Explorer's Report Appear as Confession, Declares Witness.

WASHINGTON, Jan. 28.—Miss Lillian E. Kiel, of New York, who said she was a stenographer employed by a magazine that printed articles under the names of Rear-Admiral Peary and Dr. Cook, on their return from the Arctic regions, testified tonight before the House committee on education that neither of these articles was written in its entirety by the explorer whose name it bore, but that both were rearranged in the magazine office.

Miss Kiel was one of a number of witnesses who testified in connection with the resolution of Representative Smith, of New York, designed to establish the priority of the discovery of the North Pole. She said she took the dictation of Dr. Cook's statement at a hotel in Newberg, N. Y.; that he dictated his story of the Polar exploration, sent it to New York to the magazine, and that after he received proofs and had "K.C." them, a sub-editor of the magazine clipped the proofs, eliminated certain paragraphs and inserted others, the result being, she said, that the story indicated a confession of failure.

She said that Admiral Peary's story was first obtained by questions asked by a reporter and that a woman transcribed the notes and wrote the story. The Admiral, she said, had a contract or an agreement of some sort under which the magazine was not to print anything detrimental to him.

"In other words," asked Representative Towne, of Iowa, "this particular statement called Dr. Cook's story is partly his statement and partly a manufactured story that was inserted?"

"The magazine did not find Dr. Cook's story sufficiently exciting and sensational to suit them?"

"They were under contract with Mr. Peary not to print what would be detrimental to Mr. Peary," Miss Kiel replied.

HUSBAND DONATES CASH

John Palamera to Furnish Money to Bring Back Alleged Slayer.

SALEM, Or., Jan. 28.—(Special.)—Because the state appropriation for the return of prisoners has been exhausted, John Palamera today agreed to advance to the commonwealth the necessary expense money for returning his wife's alleged murderer, Dominic Pachena, from Stockton, Cal.

Governor Withcombe today issued a requisition on the California state ex-emption on the extradition of Pachena. Mrs. Palamera was terribly mutilated by her murderer. According to a statement before she died, she was attacked because she refused to run away with Pachena.

SWISS PETROLEUM IS LOW

Order Is Placed With New Orleans Firm for Supply.

BERNE, Switzerland, via Paris, Jan. 28.—A scarcity of petroleum is being experienced in Switzerland, owing to suspension of importations from Russia and Roumania.

Supplies have run so low that the government has been forced to arrange importations from America. It has just bought a large amount of petroleum at New Orleans.

Thursday's War Moves

ALTHOUGH no big battles, as battles go in this war, have been fought of late, there have been engagements in all the arenas, from Asiatic Turkey to the English Channel, in which the losses have been greater in the aggregate than in many great battles of history.

According to the French reports the attacks the Germans delivered against the allied lines in Flanders, France and Alsace on the first three days of the week cost them 20,000 men, to which must be added the losses suffered in their repeated attacks on the Russian intrenchments in Central Poland.

All of eight attacks in the west, the announcements of the allies say, met with failure except near Craonne, where it is admitted the French lost 800 men, largely because of the collapse of an old quarry.

The Germans, on the other hand, assert that they inflicted a severe loss on the French at Craonne and that they repulsed all the French attacks in the Vosges and Upper Alsace with heavy losses.

In the east, in the centers in the Carpathians, where the Austro-Germans have brought up new armies to oppose the Russian invasion of Hungary, according to announcements in Vienna, they have recaptured some of the passes the Russians were holding in strength. While naturally the Russians, like the other belligerents, do not relish giving up any ground gained, they declare this is compensated by the fact that their aggressiveness has compelled the Austro-Germans to postpone the expedition they were preparing with the object of crushing Serbia. Russia hopes Roumania, with her financial position guaranteed by the recent London loan of \$25,000,000, soon will send her army into the field and form the missing link between Russia and Serbia.

The Turks, by bringing up their Fifth Army Corps, have been able to resume the offensive in the Caucasus, but, a Russian report says, they have suffered another setback.

HOUSE CAREFUL TO DEFEND PRIMARY

Simple Change Stirs All to Oratory.

PETITION-HAWKER AIMED AT

Representative Olson Would Substitute Fee Method.

"PEOPLE'S LAW," IS REPLY

Result Is That Meritorious Measure Is Sent Back for Amendment.

Court Revision Bill and Forestry Act Magnetic.

BY RONALD G. CALLVERT.

STATE CAPITOL, Salem, Or., Jan. 28.—(Staff Correspondence.)—It was refreshing to observe in the House today the oratorical yet studious care with which some of the members defended the direct primary. One might have thought that there was some pernicious influence at work to destroy the power of the people, and some of the orators even said as much.

Yet the discussion was all over a simple little method of reducing the cost of state elections and dispensing with one of the most pronounced abuses of the election law.

It was Representative Olson's bill, and it proposed to put out of business the down-at-the-heel professional petition hawker, whose services, almost invariably, it is necessary for the honest applicant for elective office to solicit and pay for.

Fee Method Proposed.

The bill proposed that instead of the purchased and meaningless petition petition which the primary candidate must have signed before he can get his name on the ballot the practical equivalent of what the petition hawker's charge would be should be paid into the public treasury, the fee being wholly in lieu of and superseding the petition method. The bill also required an aspirant for nomination to bind himself to support the successful nominee, and if defeated not to accept the nomination of any other party, although it did not deprive him of the privilege of running as an independent.

As to final disposition, the bill goes back to the committee for amendment, but the roll, was called on it and in the absence of a number of members it had about 20 yeas recorded against it. The result, however, was not announced.

Miss Towne's Argument "Real."

During the debate the tender solicitations for the fate of the primary somewhat questionably held by Representative Eaton, were voiced in passionate terms. It was un-American, unprincipled and a few other "uns."

Some of the Democrats, who profit politically by the primary defections in the dominant party, also were aroused to protect the "people's law," and the discussion even carried off his feet the usually sound-thinking Representative Frank Davey.

Practically the only real argument offered against the bill was presented by Miss Towne, who referred to an opinion by the Supreme Court of Illinois, holding a similar fee law unconstitutional. The others indulged in platitudes and direful predictions as to the awful political fate that would attend any legislator who tampered with one of the "people's laws."

Davey's Argument "Misty."

Representative Davey brought forth that misty old argument that amendments of laws adopted by the people

(concluded on Page 7.)

LATE REALTY TRANSACTIONS TANGIBLE EVIDENCE OF PROGRESS.

An important realty transaction whereby Henry L. Corbett, Elliott B. Corbett and Hamilton B. Corbett became owners of 55 by 100 feet located on the north side of Morrison street, between Seventeenth and Chapman streets, at a valuation of approximately \$35,000. Beattie B. Hutchinson and E. N. Hutchinson, former owners, accepted as \$20,000 of the payment a lot located on the west side of Third street, between Columbia and Clay streets, a balance of \$15,000 was paid in cash.

The Morrison-street property, which adjoins an improved 55 by 100 feet recently acquired by the Corbett estate, is covered with a two-story store and flat building. The Third-street property is improved with a two-story frame building occupied by stores and a rooming-house.

Another deal involves the sale of the four-story brick warehouse at the northwest corner of East Sixth and Ash streets by Lipman, Wolfe & Co. to the Security Savings & Trust Company at a valuation of \$60,000. Lipman, Wolfe & Co. will continue to occupy the warehouse until it acquires a suitable location further out on the East Side.