

U. S. TAXES LUMBER LOSS OF 10 MILLIONS

Reason Found for Sweeping
Shutdown in Northwest.

COMMITTEE AT CAPITAL

Definition of Term "Market" by
Government Will Result in
Ruin or Salvation.

THE OREGONIAN NEWS BUREAU, Washington, Dec. 16.—A committee of the West Coast Lumbermen's association has been in Washington all week endeavoring to have the United States treasury department define the word "market" as it has always been defined by the courts, the dictionaries and encyclopedias.

On the treasury department's decision hangs the fate of future operation of sawmills in Oregon and Washington, the conservation of timber resources and a great deal of litigation.

The treasury department regulations say that inventory valuations for tax purposes shall be cost or market whichever is lower, but defines "market" as the price for which the lumber can be sold in the market.

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Reason Found For Shutoff.

It means that the lumber industry in western Oregon and western Washington will be called on to pay excess profits taxes on approximately a \$10,000,000 loss. This is said to be the reason why mills are now closing down so fast in the Pacific northwest. Mill men, it is said, are liquidating their stocks to avoid paying excess profits taxes on losses—all hanging on the government's definition of the word "market."

The mill men say they will gladly pay excess profits tax on profits, but refuse to pay a profits tax on losses. Since Robert H. Allen announced to the industry that the treasury department's definition of "market" on November 4, there has been a stampede to unload the stocks of lumber accumulated during eight months of shortage and three months of prohibitive freight rates, in order that inventories January 1, should be as low as possible.

Courts May Give Relief.

Those mills that found it impossible to unload will probably have to go into the courts for relief. If the decision of the West Coast Lumbermen's association committee is unsuccessful, it is asserted.

All members of the committee left for the west today, after urging the treasury department to, if possible, expedite its decision. The committee was not overly hopeful of the result. It is understood that plans are well under way to take the matter into court should the treasury department's decision be unfavorable.

GERMAN MEETS REBUFF

INTRODUCTION REFUSED BY
AMERICAN AMBASSADOR.

Paris Discusses Incident of Dinner
to Diplomatic Corps in Honor
of U. S. Representative.

PARIS, Dec. 16.—Hugh C. Wallace, the American ambassador, refused to meet Wilhelm von Kauffmann, German ambassador, because the United States still is technically at war with Germany.

The incident occurred at an official dinner to the diplomatic corps given by Raoul Peret, president of the chamber of deputies, and his wife, Ambassador Wallace, dean of the diplomatic corps, and Mrs. Wallace were guests of honor.

Pierre de Fougères, of the foreign office, approached Ambassador Wallace before the dinner and said:

"The German ambassador desires to be presented to you."

"Can't you forget it?" inquired Mr. Wallace, who knows M. Fougères very well.

"He is standing just behind me," replied M. Fougères. "He was very persistent. I did not wish to embarrass you."

"Tell him," said Mr. Wallace, "that I refuse to meet him."

The German ambassador was standing so near that he heard Mr. Wallace's reply and M. Fougères repeated the response to him.

News of the incident spread rapidly among the 115 guests, who include many of the most notable men in the public life of France. Ambassador Wallace was surrounded by persons congratulating him, among whom were Philippe Berthelot, political director of the French foreign office, and Baron Hardinge, the new British ambassador to France.

The episode was much talked of in political circles in Paris today.

CRIME PROBE BROADENS

Astoria Grand Jury Investigates
All Phases of Vice Wave.

ASTORIA, Or., Dec. 16.—(Special.)—The circuit court grand jury still is wrestling with the reports and rumors of violations of the criminal laws, especially those relating to prohibition and gambling.

In the neighborhood of witnesses, including men and women, have been summoned and the investigation will not be finished before tomorrow and perhaps Saturday.

Judging from the personnel of the witnesses called, the inquiry is taking a wide scope and is including not only the disposal of liquor alleged to have been seized on Henry Hill's launch, but the illegal importation of other liquor; the reports of gambling in various resorts about town and at least one specific case in which a man claims to have lost money in a gambling game.

Salem Folk Snuff at Onion Scent in Atmosphere.

Source of Smell Mystery Until Police Run Down Clev.

SALEM, Or., Dec. 16.—(Special.)—Salem has a new distinction of being the original and only "onion-scent" city on the Pacific coast.

For several days the atmosphere has been charged with an onion scent, and it was not unusual for the

best of friends to accuse each other of partaking excessively of the lowly member of the highly odorized family. In a number of instances residents of the more populated sections of the city complained to the police, and in some cases relief from the obnoxious odor was demanded.

Jack Welsh, chief of police, who has a nose for anything with a scent, yesterday instituted a quiet investigation to ascertain the source of the pollution. Today his trail led to the local dehydrating plant, where officials admitted that the processing of onions had been in progress for several days.

Without any legal authority to quell the atmospheric menace the chief covered his nose, backed away from the plant and carried his tale of sorrow to the mayor. Although the mayor made no comment regarding his action in the matter, it is not unlikely that the complaints regarding the processing of onions within the city limits will be placed before the council at its next meeting. One councilman said today that he, too, had scented the pollution, but that he would not be a party to any move to hinder operations of the plant responsible for creating the unpleasant aroma.

BODY CANNOT BE FOUND

CONFESSED SLAYER OF VALE
TAILOR CLINGS TO STORY.

Sheriff Noe Now Believes Howard
Recovered Victim From Water,
Made Away With Corpse.

VALE, Or., Dec. 16.—(Special.)—After more than a week of painstaking dragging of the backwater above Palmer dam, on the Owyhee river at Palmer, where George Howard claimed in his confession he threw the body of George R. Sweeney, murdered Vale tailor, a searching party of deputy sheriffs returned to Vale late last night empty-handed. Sheriff Noe now firmly believes that Howard withheld the fact when he made his confession that he removed Sweeney's body after throwing it into the river and disposed of it in some other manner. The murderer has been cross-questioned several times on this point, but stubbornly holds to his assertion that he threw the body into the Owyhee river and left it there.

Howard thought Howard was taking this stand to shield a possible accomplice, Sheriff Noe was noncommittal.

Howard was arraigned before County Judge E. H. Test this morning. He waived examination and was bound over to the grand jury, which sits early in January.

It was at first thought possible that Sweeney's body had gone through the waterwheel at the Palmer dam. It is now known positively that the wheel has been closed since before the murder, that there has been no water high enough to run over the dam and that there is no possible way for the body to get out of the river at that point unless removed by some person.

The searching party dragged the backwater very carefully, and found quite an assortment of things, including the carcasses of sheep, hogs and coyotes.

Sheriff Noe branded as a "pipe-dream" the story that Howard was haunted by the specter of his victim to an extent that he visited the scene of disposal of the body daily to see if it never made the statement as reported," said the sheriff, "and I do not know where it came from."

MORE FRUIT MEN UNITE

Washington Growers to Spend
\$150,000 in Advertising.

SPOKANE, Wash., Dec. 16.—(Special.)—Plans for a membership of 65 per cent of the Wenatchee growers, a fund of \$150,000 to be spent in advertising a standard brand, arrangements to create a working surplus large enough to meet all requirements, and the establishing of connections in the east to handle a large percentage of the Wenatchee District Co-operative association, were announced by H. G. Bolke, president of the newly formed fruit growers' association, who is in Spokane.

Mr. Bolke, who is the retiring president of the Washington State Horticulturists' association, expects to devote his entire time to the association, and ultimately hopes to organize the whole state on a co-operative basis. The plan will be modeled after the associations in Oregon and California.

TWO HIT BY MOTOR CARS

Man and Boy Are Run Down by
Automobile Drivers.

Frank Carew, 43 years old, of the crew of the dredge Rescue, was hit and dragged about 30 feet about 5:30 o'clock last evening by an automobile piloted by John Schwab, 55 years old, of 1643 East Fulton Park boulevard.

The accident occurred at the intersection of Virginia and Nebraska streets. Carew was bruised and received treatment at the city emergency hospital. Schwab, who said he was superintendent of the Multnomah box factory, was held by the police for driving a car while intoxicated. His bail was set at \$500.

Chester L. Irwell, 491 East Thirty-fourth street, reported to the police that he hit a boy near Union avenue and Summer street, inflicting slight injuries. As Irwell had not obtained the name of his victim, he was locked up for investigation. Irwell said the boy was riding a coaster in the street.

DEATH SENTENCE DELAYED

Prisoner Receives Word as He Bids
Farewell to Sister.

CHICAGO, Dec. 16.—After 1 hour and 40 minutes in the death cell of the county jail, Gene Geary, sentenced to be hanged tomorrow for murder, was granted a writ of superseas by the state supreme court at Springfield late today. The news came while Geary was bidding goodbye to his sister.

Geary broke into tears when told that his life had been saved temporarily and grasping the jailer by the hand, said:

"That is the best news I ever heard."

After kissing his sister several times, Geary turned and kissed two Sisters of Mercy and a priest who had gone to the cell to comfort him.

200 Per Cent Dividend Declared.

CHICAGO, Dec. 16.—A stock dividend of 200 per cent, payable out of surplus, was announced today by the Crane company, manufacturers of structural steel and elevators, to holders of common stock.

S. & H. green stamps for cash. Holman Fuel Co. Main 353. 560-21. Adv.

Braiding, embroidery, hemstitching. Booth's, Morgan Bldg.—Adv.

COMMITTEE IS BUSY WITH FARM RELIEF

Sinnott of Oregon Helping
Draft Legislation.

SEVERAL MEASURES UP

One Comprehensive Bill Imposes
Duties Upon Almost Every Sort
of Farm Output.

THE OREGONIAN NEWS BUREAU, Washington, Dec. 16.—Representatives J. Stanley Webster of Washington and Nicholas J. Sinnott of Oregon are members of bi-partisan committee of 11 appointed by Representatives of agricultural sections to draft emergency legislation for aiding the agricultural industry.

This committee was named today at a largely attended meeting of house members from many states called by Representative Harold Knutson of Minnesota. Mr. Knutson presided. The committee was instructed to get together without delay and formulate emergency proposals and report back to the full conference Monday.

Other members of the committee are: Young of North Dakota, chairman; Green of Iowa, Timberlake of Colorado, Ayres of Kansas, Smith of Illinois, Tinscher of Kansas, Hudspeth of Texas, Martin of Louisiana and Riddick of Montana.

Committee Meeting Called.

Representative Young, as chairman, issued a call late today for the committee to meet at 11 o'clock tomorrow to begin consideration of relief measures. The unfortunate condition of the wheat growers and sheep and wool growers was especially emphasized at today's conference. It appeared to be the consensus of opinion that the quickest remedy for the present dilemma of the farmer is to be found in stopping the flood of imports.

Several measures are now before congress. Some representatives believe that a protective tariff offers the solution, while others plead for an embargo. It is thought probable that all bills so far introduced relating to the farming industry will be taken up by the committee of 11 and their best features combined in a measure upon which all representatives of farm sections can agree.

One Bill Comprehensive.

The most comprehensive bill yet introduced was offered by Mr. Young today. This bill imposes duties upon cattle, swine, horses, sheep, wheat, rye, flax, barley, corn, rice, beans, meat and wool as follows:

Barley, 30 cents a bushel of 48 pounds; corn or maize, 30 cents a bushel of 56 pounds; cornmeal, 80 cents each 100 pounds; rice, clean, 3 cents a pound; uncleaned rice or rice free of the outer hull and still having the inner cuticle on, 2 1/2 cents a pound; rice flour and rice meal, and rice broken which will pass through a No. 12 wire sieve of a kind prescribed by the secretary of the treasury, 1 cent a pound; paddy or rice having the outer hull on, 2 cents a pound; wheat, 15 cents a bushel of 60 pounds, but not less than 50 cents a bushel; rye, 30 cents a bushel; rye flour, 2 cents a pound; wheat, 50 cents a bushel of 60 pounds; beans, 3 cents a pound; fresh beef, veal, mutton, lamb, pork and venison and other dressed meats, 3 cents a pound; wool, the equivalent of 33 cents a pound for wool in the grease.

Representatives from Oregon, Washington and Idaho received numerous telegrams today from farmers and farmers' organizations in those states urging immediate action to relieve the situation.

POULTRY SHOW PLEAS

YOUTHFUL FANCIERS ACTIVE
AT LOCAL EXHIBIT.

Display of Pure-Bred Stock Attracts Favorable Comment From
Visitors to Auditorium.

Youthful poultry fanciers are taking an active part in the western winter show of the Oregon Poultry and Pet Stock association at the auditorium.

The Boys and Girls' club exhibit of pure-bred stock has attracted favorable attention from visitors and fanciers. Most of the entries of the young exhibitors are of the Rhode Island Red and White Leghorn varieties.

Dorothy Nelson of Boring, Idaho, and Virginia Miller of Portland have entered Rhode Island Red stock. Edwin Gronquist of Hillsdale, Or., Margaret St. Clair of Gresham, Or., and Carl Zimmerman of Gresham are among the winners of first prizes for White Leghorns. Robert Soderquist of Gresham is the owner of a Buff Leghorn prize-winner. Saturday has been named by officials of the association as a special children's day.

The Olympic mills have announced a list of prizes at the show as follows:

For the best male bird, 100 pounds of scratch feed and 100 pounds of egg mash.

For the best White Leghorn hen, 100 pounds of egg mash.

For the best dozen eggs, 100 pounds of egg mash.

PROBLEM PARTLY SOLVED

Oregon City Fire Insurance Situation Is Clarified.

OREGON CITY, Dec. 16.—(Special.)—The controversy between the hill section and the Main-street business interests over the question of reduction in fire insurance rates has been

BAD BLOOD

Impure, Thin, Weak, Afflicts the
Great Majority of People

Whether in scrofula, sores, boils and eruptions; or as rheumatism with agonizing pains and aches in limbs, joints or muscles; as catarrh with its disagreeable inflammation and discharge; in disturbed digestion, or dragging down debility and tired feeling—it is corrected by Hood's Sarsaparilla, that most economical and reliable blood remedy and building-up tonic. Thousands use this medicine and praise it for wonderful relief. Made from the most valuable remedies that physicians know, and unparalleled in character, quality, taste and curative power. When a cathartic is needed, use Hood's Pills.—Adv.

tion in fire insurance rates has been quieted somewhat by a letter received here last night by Councilman Bridges from James McCune, head of the insurance rating bureau of Portland. Some time ago a committee was appointed representing the Hill Improvement club and the city council to interview Mr. McCune and get his final opinion on the rate reduction.

Mr. McCune replied that if the fire truck goes on the hill, as voted by the people at the last election, a reduction in insurance rates will be given amounting to 7 per cent, with 5 per cent reduction in the downtown section. If the fire truck should go downtown, a reduction of 7 per cent would be allowed both on the hill section and in the business district.

SUBS NOT SATISFACTORY

DIFFICULTY EXPERIENCED IN
BUILDING DIVERS.

Secretary Daniels Reports Unfavorably on U. S. Submarine Construction to Date.

WASHINGTON, Dec. 16.—Secretary Daniels declared today before a house appropriations sub-committee that the American navy's submarines had never been entirely satisfactory during his administration. More difficulties have been experienced in the construction of submarines, the secretary added, than in the building of any other type of vessel.

The statement concerning submarines was made at a hearing during which the secretary urged authorization for new construction to round out the fleet built or now building, consisting of five 16,000-ton light cruisers, four gunboats, five minelaying submarines, two cruiser submarines and one airplane carrier.

The secretary added that he would not now ask more, although he had given tentative approval to the general board's recommendation for a new three-year building programme, which would provide for major craft.

The naval secretary, amplifying his statement with newspaper men tonight on submarine construction, said his department at present was engaged in a dispute with the Electric Boat company of Groton, Conn., over accepting more than a score of big submarines of the "S" type. The submarines have developed defects that make their acceptance by the navy department in their present condition impossible, he said, and representatives of the company will appear at the navy department tomorrow to confer on the matter with naval officials.

Mr. Daniels said that engine and shaft troubles had been among the chief difficulties encountered and that trouble had also been experienced in setting the full trial speed out of the boat.

PROFESSOR IS DELEGATE

Son of Oregon City Banker to Attend Convention at Glasgow.

OREGON CITY, Or., Dec. 16.—(Special.)—Dr. Kenneth Latourette, head of the history department of the Dennison university at Granville, Ohio, and who is the son of C. D. Latourette, president of the First National bank here, has been appointed as a delegate to represent the Y. M. C. A. at a convention to be held at Glasgow, Scotland, December 23.

Professor Latourette is the only faculty member of a university to attend the convention from this country, and he will stop over for a time in England, where he will visit Oxford, Cambridge and other universities in Europe. He will sail from England on January 15, arriving back in Oregon on January 22.

Cottage Grove Water Higher.

SALEM, Or., Dec. 16.—(Special.)—The Drain Water company, with principal offices at Cottage Grove, has been allowed a slight increase in its present rates through an order issued by the Oregon public service commission here today. The commission found, upon investigation that the corporation's operating expenses were approximately \$1715 a year, while the revenue does not exceed \$1300. In another order the commission granted permission to the county court of Baker county to construct a county road over and across the main line tracks of the Oregon-Washington Railroad & Navigation company, at a point one mile north of what is known as the McQuinn or Chandler crossing in Baker county.

Read The Oregonian classified ads.

POLITICIAN SUED BY WIFE

ALICE R. HEBBERD OF SPOKANE WANTS DIVORCE.

Counsel Silent on Suit; Couple Prominent Socially in Northwest.

SALEMAN, Or., Dec. 16.—(Special.)—Suit for divorce has been instituted in the superior court by Alice R. Hebbard against Charles Hebbard, chairman of the republican state central committee, former food administrator, former president of the Spokane chamber of commerce and one of the leading business and clubmen of Spokane.

When the demurrer to the complaint comes up for hearing in superior court Saturday it is expected that the complaint will be filed by Mrs. Hebbard's counsel. A note of issue was filed with the court today.

Neither the alleged grounds for the action nor the property settlement which Mrs. Hebbard will not be until the hearing Saturday. O. C. Moore, counsel for Mrs. Hebbard, and Charles F. Lund, counsel for Mr. Hebbard, refused to discuss the case prior to the meeting Saturday.

The Hebbards are widely known throughout the Pacific northwest. In civic, public, club and society circles both Mr. and Mrs. Hebbard are prominent. Mr. Hebbard is wealthy and one of the owners of Tull & Gibbs. During the war he served as United States food administrator for Washington in civic affairs, especially Mr. Hebbard has taken a leading part, having served as president of the

chamber of commerce and other organizations.

Acting Governor in Capital.

SALEM, Or., Dec. 16.—(Special.)—W. T. Vinton, who has been acting as chief executive of Oregon pending the return of Governor Olcott, who has been in the east for the past two weeks attending the governors' conference, came over from McMinnville, Or., today and passed several hours inspecting the various state institutions. He was accompanied to the in-

stitutions by Don. H. Upjohn, private secretary to Governor Olcott.

Jitney Robbers Sentenced.

ASTORIA, Or., Dec. 16.—(Special.)—Clifford Naden and John T. Holgate, who were arrested for holding up and robbing Chris Manantes, a jitney driver, were allowed to plead guilty in the circuit court to a charge of larceny and were sentenced to serve one year each in the county jail. The more serious charge still is pending against them.

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and Self Trimmed

Fur trimmings of Mole, Nutria, Australian Opossum,
Raccoon. The materials are Bolivia, Goldstone, Silver
Tip Bolivia, Silvertone, Veldyne.

Beautifully silk lined with plain and fancy silks.



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BROADWAY AT MORRISON

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Regular Price	Sale Price	Regular Price	Sale Price
Cross Fox Animal Scarf \$175	\$115.00	Natural Lynx Animal Scarf \$95	\$57.50
Fisher Animal Scarf 125	64.50	Black Lynx Animal Scarf 95	57.50
Sable Animal Scarf. 125	64.50	Mink Animal Scarf. 75	45.00
White Fox Animal Scarf 120	64.50	Kolinsky Animal Scarf 42.50	28.50
Taupe Fox Animal Scarf 135	85.00	Raccoon Animal Scarf 35	24.50
Skunk Animal Scarf. 85	57.50	Russian Fitch Animal Scarf 32.50	22.50

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