PREPARE TO LEVY CORPORATION TAX

Treasury Officials Draw Up Rules for Reports of Yearly Earnings.

LITTLE DANGER OF FRAUD

Weavy Penalties for Attempts to Deceive or Failure to Report-Test Suits Expected, but Courts Will Delay.

OREGONIAN NEWS BUREAU, Washington, Nov. 6.—In the course of a meath or six weeks the Secretary of the Treasury will issue regulations governing the imposition and collection of the new corporation tax authorized by the Payne-Aldrich tariff bill. These regulations will fully explain all expenditures, etc., which corporations may deduct from their gross carnings in arriving at their net earnings, which become taxable, and will differentiate corporations will car up one question over which are taxable from those which are not.

When issued the regulations will clear up one question over which much doubt appears to exist in the public mind. The corporation tax is retroactive, in that the law provides that the first levy shall be upon the net extraings, in excess of \$5000, during the year ending December 21, 1909. It is unusual for laws of this sort to date back prior to the time of their passage, but Congress prescribed the manner in which this tax should be imposed in the following language:

There shall be deducted from the amount of the net income of each of such corporations. . the sum of \$5000, and said tax shall be computed upon the remainder of said net income of such corporation. . for the year ending December 21, 1909, and for each calendar year thereafter."

Must Report Before March 1. OREGONIAN NEWS BUREAU, Wash-

Must Report Before March 1.

The law further stipulates that on or before March 1, 1910, and March 1 of each succeeding year, a true and accurate return, under oath, shall be made by the president or other general officer of every corporation subject to the tax (that is to say, every corporation whose net income exceeds \$5,000), setting forth in detail the salient figures in connection with the corporation's business for the preceding calendar year, which statements shall be presented to the local Collector of internal Revenue in Washington.

As these returns are received in Washington, hey will be examined for securacy, and where they are found to be correct or supposedly correct, with no evidence to the contrary, the amount of tax authorized by law will be assessment before June 16.

The payment of the tax must be made before June 30.

May Yield \$30,000,000.

The terms of the corporation tax law are very explicit, but for all that they have received much consideration at the nands of the Secretary of the Treas-th'y and the Commissioner of Internal Revenue, and great care is being exercised in the preparation of regulations to avoid errors which will give ill-disposed corporations technical grounds upon which to avoid payments or to escape full payments in accordance with the terms of the law. Investigation is being made by the Treasury Department, in co-operation with the Bureau of Corporations, to ascertain the numis the Treasury Department yet ready to make an official estimate of the amount of revenue likely to be derived amount of revenue inkey to be derived from the corporation tax when the returns are made next June. During the debates in Congress, while this tax provision was being framed, estimates ranged all the way from \$25,000,000 to \$108,000,000, but the conservative cal culators seemed to agree that \$20,000, 000 would be a reasonable guess.

Heavy Penalties for Fraud.

So strict are the provisions of the corporation tax law, and so drawtic the penalties for evasion of its provisions, that the Treasury Department contemplates very little fraud in the making of returns. For example, the law stipulates that in case of any return made with false or fraudulent intent, the Commissioner of Internal Revenue shall add 100 per cent of the tax to his assessmid 100 per cent of the tax to his assessment on the corporation making such fraudulent return, and in the case of refusal or neglect to make a return, or to verify the same as directed by law, he shall add 50 per cent of the tax to the assessment. In the former instance the corporation would be compelled to pay a 2 per cent tax instead of 1 per cent, and in the futter a tax of 1½ per cent. Failure to pay the assessed tax on or before June 30 will entail a penalty of 5 per cent of the assessment, with interest. with interest.

Expect Attack in Court.

That the constitutionality of the cor-That the constitutionality of the corporation tax is to be brought into question is anticipated by the Treasury Department. But the opinion prevalls that court proceedings will not be instituted until after the first assessment has been levied and paid. Then it is anticipated that suit will be brought to recover the amount of the tax, and into that suit will be injected all solutions bearing upon, the constituall points bearing upon, the constitu-tionality of section 38 of the Payne-Aldrich law. If suits are delayed until after the first payment has been made, the question can hardly get into the Federal Courts before the Fall of 1910. Federal Couris before the Fall of 1910, and 1963 not reach the United States Supreme Court until the close of the term of 1910-11, and possibly not before the October term of 1911. In any event, should the law eventually be held unconstitutional, the Government will have had the use of the many millions collected under the law for upwards of a rear, and if the law is sustained, that increment to the Federal strong box will have gone far towards wiping out not deficil which the law was intended to obliterate.

Anticipating attacks upon the consit-tutionality of the law, the Treasury De-partment officials are fortifying them-

STATE GETS ITS SHARE

controversy between the state and the Poetland Railway, Light & Power Company regarding the income from the Gregon City locks. Under the terms of the agreement the company pays to the state the sum of \$7250.95, the amount due the state from May 21, 1897, to December 31, 1908. This amount represents 10 per cent of the net income of the locks during that time.

itime.

Hereafter on or before January 15 of each year the company will certify to the state the gross receipts for the year ending December 31, just preceding, with the sources from which the money was received, with the setual operating expenses and ordinary repairs, this statement to be focompanied by a check for 10 percent of the net receipts as shown by the statement of the company.

This, it is hoped, is the final settlement of a question that has been in the courts for several years and has been the source of endless discussion and controversy. Some years ago the

heen the source of engless discussion and controversy. Some years ago the state made a demand upon the Portland company for 10 per cent of the net profits of the company, based upon the fact that in 1870 the state appropriated \$200,000 to aid in the construction of the locks.

The company had paid the state's ware for one year and then refused

The company had paid the state's share for one year and then refused to comply with the law. The matter was carried to the Oregon Supreme Court, which ruled that the state was not entitled to recover but could not go back of 1897, the statute of limitations having run against the claim previous to that year. The present settlement is the final act in the contraversy.

JAP GIRL LEFT AT DOCK

PROXY BRIDE WAITING IN VAIN FOR TACOMA FIANCE.

Almond-Eyed Maiden Comes From Far East First-Class-Groom-to-Be Fails to Claim Prize.

TACOMA. Wash., Nov. 6 .- (Special.)

The course of true love, as exempli-fied by the case of Miss Mitsu, a pretty Japanese maiden, who arrived on the Tacoma Maru, is far from being smooth. She has been waiting for a week for her flance, a Mr. Ota, said to smooth. She has been waiting for a week for her fiance, a Mr. Ota, said to be a wealthy Japanese merchant at Sebastopol, Cal., but so far in vain. All efforts of the Japanese association to locate him have been of no avail.

Miss Mitsu came to this country first cabin, in keeping with her fiance's station in the business world. She has seen a dozen of the other Japanese proxy brides, who came steerage, called from the steamer to the immigration offices, where they were married.

Should her fiance not appear by next Tuesday, the day when the Tacoma Maru sails for the Orient, it will be necessary for the immigration officials to transfer her to the deternition station and she will be kept there possibly until the sailing of the next steamer of the Osaka Shosen Kalshaline, when, if her husband does not claim her, she will probably be sent back to Japan at the expense of the steamship line.

OFFICIALS TRADE PLACES

Councilman Becomes Marshal and Peace Officer Joins Council.

HARRISBURG, Or., Nov. 4.—(Special.)

—A. M. Pryor and Mahlon Hawk, two
well-known local men, traded their city offices this week. Pryor has given Hawk his position as City Marshal, while Hawk has given Pryor his seat in the City

At the last meeting of the City Council Pryor handed in his resignation as Marshal and street superintendent. The resignation from both positions was accepted. Councilman Mahlon Hawk then arose and tendored his resignation as a City Councilman. His resignation was accepted and Mayor Robert K. Burton then appointed him City Marshal. The then appointed him City Marshal. The Council then elected him Street Superin-tendent also. Hawk then had both of tion, and to ascertain, as near as possi-ble, the condition of their business. Pryor's former offices and to make the This total has not been ascertained, nor trade complete the Council proceeded to elect Pryor a City Councilman in

FLOWER SALE IS SUCCESS

Sorosis Club, of The Dalles, Raise Entertainment Fund.

THE DALLES, Or., Nov. 6.—(Special.)— The women of the Sorosis Club held their annual chrysanthemum show and sale in the parlors of the Commercial Club this afternoon. Chrysanthemums of Club this atternoon. Chrysantaenums of all varieties were on display and some of them brought fancy prices at auction. The show was a feature of a 25-cent afternoon. A tidy sum was realized and will be added to a fund which is being ed to entertain the State Pederation Women's Clubs, which meets in The

High School Work Grows.

ALBANY, Or. Nov. 6.—(Special.)— The village of Crawfordsville, in the Calapoola Valley, in the eastern part of Lina County, will sonn have a high school. County School Superintendent Jackson arrived home last night from Crawfordsville where he attended a meeting of the taxpayers of the school district and arrangements were made for the establishment of a high school as soen as possible.

Bigbee Is Truant Officer.

ALBANY. Or. Nov. 6.—(Special.)—
Professor C. F. Bigbes, of Albany, was
today appointed county trunnt officer
of Linn County by the County Court.
Professor Bigbes has taught in a number of schools in different parts of Linn
County and has had wide experience in
school matters. school matters.

Albany Reports Heavy Frost.

ALBANY Or. Nov. 6.—(Special.)—
The Central Williamette Valley experienced the first freezing weather of this Fall last night. Thin crusts of ice were formd this morning in various places, and there was a heavy frost. The light freeze was succeeded, however, by the best day for more than a week.

Linn County Gets New Town.

ALBANY, Or., Nov. 6.—(Special.)—
The Linninven Orchard Company, which plans to set out a 3900-acre orchard in the northern part of Linn County, will establish a new townsite. It will be called Linnhaven. The site of this new town has not been definitely chosen, but it will be near the center of the colossal orchard.

BACK TO NATURE.

Power Company Settles Up Oregon

City Locks Controversy.

SALEM. Or. Nov. & Special.)

Attorney-General Crawford has returned from Portland, where he effected a zettlement of the long-standing

All dealers should have it. Price 50c.

Three Days' Special Sale

of Ladies' Fine Tailored Suits-Latest Styles and Fine Quality-Beginning Monday Morning

ALL SUITS IN THE FOLLOWING RANGES WILL BE-ON SALE:

\$30.00	Suits	at !	Special	Price		 \$21.50	E
						\$27.50	
						\$31.50	
\$45.00	Suits	at !	Special	Price		 \$35.00	
\$50.00	Suits	at !	Special	Price		 \$39.50	4
\$60.00	Suits	at	Special	Price	• • • • •	 \$48.50	0

A Splendid Opportunity—Take Advantage of It

273-275 Morrison at Fourth

R. M. GRAY

Ladies' Entrance 148 Fourth

Lumbermen of Northwest Are Entertained.

DINNER IS ON PROGRAMME

Object of Meeting Is to Weld Timbermen of Northwest More Close ly Together-Many Guests Are Present.

ABERDEEN, Wash., Nov. 6.—(Special.
-Lumber manufacturers representing nills in Portland and Puget Sound and ther points of the Northwest were guest of Grays Harbor millmen today. The morning was spent in Hoquiam. This afternoon the visitors and their hosts came to Aberdeen in automobiles, and a meeting was held in the Pythian Temple, Matters of interest were discussed, and the entertainment closed with a dinner at the Hotel Washington tonight, tendered by the Grays Harbor lumbermen. Among these from out of town were: Portland—G. K. Wentworth, Jr., Portland Lumber Company; C. G. Briggs and E. B. Hazen, Bridal Vell Lumber Company;

L. W. Wentworth, Portland Lamber Company: Peter Autzen, Portland Manufacturing Company; C. O. Shumway, Sheridan Lamber Company; E. A. Kingsley, West Oregon Lamber Company; F. C. Young, West Side Lumber & Shingle Company; W. W. Chark, Chark-Wilson Lamber Company; W. B. Mackley, North Pacific Lumber Company; W. B. Mackley, North Pacific Lumber Company; George M. Cornwall, The Timberman. Tacoma—J. W. Dempsey, Dempsey Lumber Company; Charles H. Foster, St. Paul & Tacoma Lumber Company. Prescott, Or.—R. F. Barker, Beaver Lumber Company, Knappton, Wash.—H. B. Sutton. South Bend—T. E. Pearson, South Bend Mills & Timber Company; W. L. Adams, Keystone Lumber Company; W. L. Adams, Keystone Lumber Company; F. C. Knapp, Peninsula Lumber Company; F. C. Knapp, Peninsula Lumber Company. L. W. Wentworth, Portland Lumber Con

The meeting was undertaken in para-ance of a policy the lumbermen have lately inaugurated, and grows out of a desire to weld the interests of the North-west. Many of the Portland visitors had never been on Grays Harbor. Much good to the trade is expected to result from the meeting.

ONE TICKET PUT IN FIELD

Salem Nominates Councilmen for City Election.

SALEM, Or., Nov. 6 .- (Special.) - The following were nominated as members of the City Council at today's primaries First Ward-One-year term, F. H. Berger; two-year term, A. T. Moffitt.

Second Ward—S. A. Manning. Third Ward—W. H. Eldredge. Fourth Ward-Walter Lowe, Fifth Ward-Angust Huckestein, Sixth Ward-H. W. Hatch,

NEW EVANGELICAL CHURCH AT ALBANY, PARSONAGE, PRESIDING ELDER AND

PASTOR

ALBANY, Or., Nov. 6.—(Special.)—The new Evangelical Church in this city was completed this week and will be dedicated next Sunday. November 7. It will be named the Emmanuel Church of the Evangelical Association. The church stands at the corner of First and Pine streets and scioking It is the parsonage. Both buildings were erected this Summer and are splendid structures.

The photo at the upper left hand of the picture is that of Rev. H. E. Hornschanh, of Portland, presiding elder of the Evangelical Association of this district. The photo at the right is that of Rev. H. R. siding elder of the Evangelical Association of this district. The photo at the right is that of Rev. H. R. cell, she pastor of the church. This is Rev. Gell's second year as pastor of the local church. He came to Osegon from Virginia and came to Albany after a pastorate of one year at Dufur.

The Evangelical Church was established here in 1878 by Rev. Josiah Bowersox. The old church stood for many years at the corner of Fourth and Lyon streets, but the growth of the city resulted in the sale of this property for business purposes. The old church was sold to the Mennonite denomination and moved to the western part of the city while the Evangelical denomination utilized the money received from the sale of this property in the erection of this neat church and parsonage in a new location in the esstern part of the city.

BUILDING WILL BE DEDICATED TODAY.

ESCAPE MAY OPEN

John Riplinger, Alleged Embezzler, May Go Free.

MISSING MONEY NOT CITY'S

Washington Supreme Court Decides Controller Merely Go-between and Not Responsible for Funds Given Into His Charge.

OLYMPIA, Wash., Nov. 6.—(Special.)
—"Honest" John Riplinger, ex-City
Controller of Seattle, who was defeated
for Mayor and fled to Honduras, from
where he recently returned, may escape

where he recently that the prosecution for alleged embezalement as a result of a Supreme Court decision rendered here today.

After Riplinger fled it was generally asserted that he had embezzled many thousands of dollars of special deposits made with him by city contractors. Being in Honduras, Riplinger was safe from extradition, but returned recently and is now on bonds to await trial at

On all city contracts at Seattle It has

contractors should deposit a certain percentage of their contract price with the City Controller. It was such moneys Riplinger is accused of having stolen. The city authorities recently decided to sue the contractors for these missing sums.

dissing sums.

decided to sue the contractors for these missing sums.

In a test case against Contractors Stirratt and Goets the Supreme Court held today that these moneys were not city funds; that the city simply handled them as a go-between for the contractors and property-owners, and that so long as the city had directed the money to be paid by the contractor to the Controller, the city, not the contractor, is liable when the Controller failed to account for the funds. Attorneys here say this decision—that the money was not city funds—relieves Riplinger's bendsmen from liability, as they only guaranteed safe handling of city money, and also means dismissal of all charges which were based upon the contention that the money belonged to the city.

"Horsest John" was the nonular nick-

the city.

"Honest John" was the popular nick-name for Riplinger when, after his term as Controller, he made an unsuccessful race for Mayor, prior to the discovery of his shortage

FALLS, FORGETS HIS PAST

Stranger Is Picked Up at Klamath Falls in Precarious Condition.

KLAMATH FALLS, Or., Nov. 6 - (Special.) J. R. Douthal, who says he is from Fresno, Cal., was seen to fall off the sidewalk on Main street in this city Thursday, apparently in an epileptic paroxysm. He was taken up by citizens and a physician sent for. When he returned to consciousness he could barely give his name and address. A number of receipts he carried in a memorandur book showed that he has lately been member of the Switchmen's Union i member of the Switchmen's Union in California. He were a badge of the So-ciety of Eagles, but could not show any evidence of his standing in that organiza-

He could not remember the time of his arrival in this city, had no remembranes of falling on the street, could not recognize any place in the town, and believed he was yet in the City of Oukkand, Cal. He was placed in the hands of the County Physician. Physician, who sent him to the county hospital for treatment.

EUGENE'S NEAR-BEER SAFE

Judge Holds Close-Intoxicant May Be Sold With Impunity.

EUGENE, Or. Nov. 6.—(Special.)—In the Circuit Court today in the case of W. E. Boddy vs. the City of Eugene, Judge Coke, sitting in place of Judge I. T. Harris, decided that near-beer could be sold in Eugene.

The basis for the decision was that the city charter does not provide for an ordi-

city charter does not provide for an ordinance prohibiting the sale of non-intoxi cating Houors.

cating liquors.
Several months ago, W. E. Boddy was arrested charged with violating the city ordinance which prohibite the sale of near-beer. He pleaded guilty and was sentenced to pay a fine. The cass was taken from the Justice Court to the Circuit Court on a writ of review.

LINE BEGUN IN SALEM Local Streetcar System May Later

Become Interurban.

construction work until the two miles within the city limits are constructed. The corporation controls the street rall-way system at Albany and Eugene and is now building a big power house on the McKenzie River.

STORE AT SANDY BURNS

Loss, Believed to Be Due to Incendiary, Is Placed at \$6000.

SANDY, Or., Nov. 6.—(Special.)—The merchandise store of J. B. Awney burned to the ground at an early hour this morning. The blaze was well under way before any one noticed it and nothing was

The cause of the fire has not been ascertained, but it is thought to be of incendiary origin. The lose, about \$6000, was fully covered by insurance. A residence belonging to Arthur Bell, close to the store, barely escaped burning, and it was only the prompt action of several neighbors that saved it.

Will Do Some More Boosting.

ROSEBURG, Or., Nov. 6 .- (Special.)-The Roseburg Commercial Glub which is already one of the largest organizations of its kind in the state outside of Port-land, is adding new members at every meeting. This week arrangements were made for another booster meeting the last of this month, and the matter of still further advertising this section will be taken up. A new booster, will, in all probability, be employed to take the place of C. E. Colt, resigned.

Sealers Prepare Claim.

VICTORIA, B. C., Nov. 6.—The sealing scheoner Thomas F. Bayard arrived today from Bering Sea with 821 sealskins and six otter pelts. Captain Blakstad, of the Bayard, will meet the commanders of the schooners Jessie and Pescawha on Monday to prepare a claim against the United States for the Interference of the revenue cutter Bear, which sealed up the Brearms of the three schooners, 13 miles off Chellkoff Island, October 22.

OPAL CITY-FUTURE METROPOLIS Of Central Oregon-See Page 9, Section 6. Trunks, suitcases and bags. Largest ariety at Harris Trunk Co.

Beauty Secrets

How to Have a Beautiful Rich Brown Head of Hair.



My Dear Woman, If You Would Only Use Mrs. Potter's Walnut-Tint Hair Stain, as I Do, No One Would Ever Know You Stained Your Hair.

SALEM, Or., Nov. 6.—(Special.)—The Portland. Eugene & Eastern Railway Company, A' Welch president and general manager, has a crew of men at work in this city today building the first of the two miles of a city system for which it has a franchise, and also the first of an extensive interurban system which is planned to inclinde Salem, Albany, Stayon, Eugene and various other towns and cities in the Williamette Valley.

Preliminary work is now under way on Ferry street and on Center street near Commercial, and according to A. Welch, local manager of the Welch interests, there will be no letup in the