



TAX BILL IS PASSED

Makes Large Change From Present System.

EXCEPTIONS LIBERAL

Property Same as Private Persons.

Law Fixes Method of Assessment—Real Estate Owned by Banks Will Be Rated Same as That of Individuals.

SALEM, Ore., Feb. 9.—The House today passed two of the bills backed by the State Tax Commission, and practically decided to pass another, consideration of this measure in the committee of the whole being interrupted by the adjournment in the afternoon. House bills 85 and 89 were passed, these laying the foundation for the other four tax bills and materially changing the present system of state taxation.

House bill 89 prescribes what property shall be taxed in Oregon, as well as what is exempt. The following exemptions are provided: All real and personal property of the United States or state; all public or corporate property of cities, towns, school districts and villages; personal property of all literary, benevolent, charitable and scientific institutions and real estate occupied for the purposes for which the societies were incorporated; all churches, burial grounds and buildings thereon, not exceeding 30 acres in one piece; all public libraries, property of Indians who have not severed their tribal relations; personal property of indigents; \$300 worth of household goods for each family.

The law is more liberal in its exceptions than many of the legislators hoped, the provisions for the exemption of all fraternal property and furnishings and especially for the exemption of private cemetery and crematory associations, that are organized for profit alone, being considered somewhat liberal.

The bill provides for the assessment of estates, for the place of assessment of persons owning property in various counties, and for the taxation of corporate property. Section 13, which treats of corporation taxation, says:

"The personal property of every private corporation is liable to taxation in the same manner as the personal property of a natural person, and shall be assessed in the name of such corporation in the county where the principal place of business of such corporation is located, unless otherwise specially provided by law; but if such corporation is engaged in the business of navigation, then the steamboats or other water craft of such corporation shall be assessed in the county and state where the home port of such water craft may be."

The form of the assessment roll is provided, personal property is to be placed at its cash value by the assessor; time of assessment and method of giving notice of same are fixed, and generally the basis of the new taxation system recommended by the commission is laid.

House bill 85, that was passed yesterday, provides for the assessment of bank stock and shares. Under the bill all trust, loan and exchange companies are considered banks and their shares of stock are made liable to assessment. Accounting officers of such

institutions are required to furnish a statement of the number and value of shares for the guidance of the assessor.

Real estate owned by the banks is assessed as other real estate, and not, as at present, according to the value of the property as shown by the books of the bank. In Portland large blocks of real estate have been escaping their share of taxation because the assessor took these tracts at the valuation shown by the bank's books which was always the bank had paid for this property and not what the present sale price was.

Shares of bank stock not situated in the state are not to be assessed. That is, Oregon holders of stock in foreign banks do not have to pay taxes on such stock.

Shares of stock in national banks shall be assessed to the individual shareholders at the place where the bank is located. Shares of stock in other banks, interest in banking capital, banks and loan associations and trust companies shall be assessed to the banks or companies or their owners and stockholders at the place where such institutions are located.

FOR CHEAP ALCOHOL.

Denatured Product May Be Manufactured Without Red Tape.

WASHINGTON, Feb. 9.—Senator Hansbrough, of North Dakota, seems to have won the fight he has made so vigorously for the purpose of enabling the farmers of the great northwest to manufacture denatured alcohol, without all the red tape and rigid regulations which accompany the manufacture of this article in the great distilleries. The first fruits of this legislation were heralded as of incalculable benefit to the farmers, but it was soon seen that under the law denatured alcohol would easily be controlled by the trusts, which own all the distilleries.

Then it was that Senator Hansbrough set about having the law amended and the House Committee on Ways and Means, where all revenue measures must originate, has risen to the occasion and ordered a favorable report on a composite bill that includes the best points of several measures that have been introduced. The proposed law also has the approval of treasury officials and will be passed before this session adjourns. Without going into the legal verbiage of the proposed act, it may be said that it will enable the farmers to work up their waste products into denatured alcohol, without all the expensive paraphernalia and red tape necessary in dealing with the big distilling houses.

GIFT HAS FLAW.

Rockefeller's Donation Will Not Reach Most Worthy Colleges.

CHICAGO, Feb. 9.—President A. W. Harris, of Northwestern University last night in commenting on the donation of John D. Rockefeller to the general Education Board, for the purpose of promoting the cause of education throughout the country found one serious objection to the system of the board in handing out the money.

"The colleges that need the money most cannot afford to have it because of the condition which must be complied with to get it," said President Harris. "For instance, Beloit was offered \$200,000 by the board as one third of an endowment on condition that the college would raise the other two thirds, \$400,000. This Beloit found impossible and consequently could obtain only \$50,000 of the amount. The college that can raise two thirds of such an endowment is not the college that needs the money most."

TELEPHONE MERGER.

CHICAGO, Feb. 9.—The incorporation of a number of telephone companies which will furnish long distance connection with the Independent Telephone lines was announced yesterday. The compromise which will enter the merger are the Chicago, Milwaukee and Northern Long Distance Company, the Chicago, Indiana and Eastern Telephone Company, and the Chicago, St. Louis and Western Long Distance Telephone Company. The general offices will be located in Chicago.

CALLS IT INJUSTICE

Governor Hits Measure Proposed by Congress.

WOULD HURT OREGON

Law to Keep Timber Lands and Sell Timber Would Check State's Growth.

MESSAGE TO LEGISLATURE

Special Message Sent by Chamberlain Calling Attention of Law Makers to Dangers Lurking in Bill Before Congress.

SALEM, Ore., Feb. 9.—In a special message to the legislature late yesterday, Governor Chamberlain pointed out the bad effects that would be experienced by Oregon if the congressional proposal to retain title to timber lands and sell only the timber were carried out. The message follows:

"Gentlemen of the Senate and House of Representatives—I note in the dispatches of yesterday that the Senate committee on public lands in the Congress of the United States reported favorably on the 6th inst., a bill repealing the timber and stone act and providing that in the future the government shall retain title to its timber lands and sell only the timber at not less than its appraised value. The committee have incorporated an amendment, proposed by Senator Fulton, that 25 per cent of the money derived from the sale of public lands shall be paid to the counties in which the sales are made. If my understanding of the committee's report is correct, the government intends to retain title to all the timber lands in the state, whether they be situated within the federal reserves or not, and that the concession to the counties in which the lands are situated of 25 per cent of the money derived from the sale of the timber is intended to reimburse said counties for taxes which they might ultimately collect should this timber land pass into private ownership, as under the bill reported the title to all timber land remains in the government, and hence the land itself cannot be taxed.

"Already 11,569,848 acres of land have been practically withdrawn from settlement and cultivation by being placed within federal reserves; this covers at least one-fifth in area of the territory of the state. It is impossible to tell how much more of the state's territory is to be withdrawn from settlement, sale and cultivation by this proposed new law. In case it is enacted by congress. It may be equal, if not greater in acreage than is now included in federal reserves. Without questioning the advisability of repealing or amending the timber and stone act, but leaving this question entirely to the discretion and judgment of the Congress of the United States, I deem it my duty to call your attention to the great injustice that is being done to Oregon and its advancement commercially and industrially by this proposed legislation, super-added to the arbitrary course of the federal authorities in placing millions of acres within federal reserves.

"It is impossible to tell what great injustice may be done the state by this new act, and I suggest that a ringing protest be made by your distinguished body against the passage of any act by Congress which will re-

tain in the government title to the timber lands of the state, not already included within forest reserves. Whatever is done in the premises ought to be done promptly, and Oregon ought not to submit longer to having the most valuable of its resources placed in such condition as not only to retard but absolutely to prevent the development of the state. If it be necessary to amend or repeal the timber and stone act, to prevent fraud, certainly some means can be adopted to give our people, acting in good faith, title to lands situated within the state and subject to its jurisdiction. Respectfully submitted,

"GEO. E. CHAMBERLAIN,

"Governor."

In accordance with the message he sent into the two branches of the legislature yesterday afternoon, requesting that a joint memorial be addressed to the federal government and congress, protesting against the repeal of the timber and stone act, Governor Chamberlain last night sent a dispatch to Congress, in which he sounds a vigorous protest against such action on the ground that it would be ruinous to Oregon's interests, in view of the fact that there are now available over 60,000 acres of base lands upon which to make indemnity selections, and asks instead that the act be amended so as to prevent frauds. The full text of the governor's dispatch to congress follows:

"Withdrawal of timber lands from sale and sale of timber by governments ruinous to Oregon. Amend stone and timber act so as to prevent frauds, but I protest against withdrawal of lands from sale and selling timber by government. Cost to state as follows: First, denuded land worthless; second, 75 per cent of proceeds timber goes to reclamation projects outside of state; third, Oregon has 60,000 acres base for indemnity selection selling at \$7.50 per acre. Will be worthless if timber lands withdrawn from sale. Fourth, retards settlement and development."

READS LIKE NOVEL.

Romantic History of Mysterious Hermit Once a German Officer.

CHICAGO, Feb. 9.—The remarkable history of Henry Scholkes Helwig, mysterious hermit of Hammond, Ind., was revealed in part yesterday at the inquest over his body, which was found frozen stark Thursday night in his little hut.

Helwig was 60 years old, wealthy and reported to be of aristocratic German lineage.

It developed at the inquest that Helwig, when he was an officer in the France-Prussian war, was charged with a breach of discipline in taking the command of a column from superior officer during an engagement in which the Prussian had been routed. Later they rallied under his command, but he was court martialed and sentenced to be shot. While imprisoned in a fortress he was pardoned by King Frederick.

Broken hearted, he fled to South America and became a soldier of fortune in several revolutions. He left Brazil fifteen years ago and came to New Orleans, later settling in Hammond, Ind., where he refused to talk to anyone save a crony called Holtz. He had plenty of money and corresponded regularly with his relatives in Germany, but he refused to return there.

ELIMINATE DANGEROUS MAN.

Insanity Does Not Save California Murderer from Gallows.

SAN FRANCISCO, Feb. 9.—That a man can be adjudged insane and still be held responsible for his acts was the ruling made by the state Supreme Court yesterday in the case of the people against Frank Willard, who was found guilty of murder in the first degree for having killed J. H. Smith, sheriff of Mendocino county, December 23, 1905. When the judge was signing the commitment of Willard to the insane asylum, the latter jumped to his feet and declared angrily that he was not insane. He started to run from the courtroom and the sheriff started after him. Willard turned around deliberately and shot the official dead. As a result of the decision of the Supreme Court Willard must be sentenced to death.

DEFENSE IN DOUBT

Counsel for Thaw Will Probably Enter Will.

JEROME WILL DECIDE

Course of Defense Depends Upon Actions of Prosecuting Attorney.

MRS. THAW WILL LEAVE STAND

Objection Raised by Prosecuting Attorney Jerome Changes Plan Laid Down By Counsel for Thaw and Next Move Undecided.

NEW YORK, Feb. 9.—Doubt and speculation exist tonight as to what course the defense will take in the case of Harry Thaw when the trial resumed Monday. When the court adjourned Friday it was the intention of Delmas again to have Mrs. Thaw continue the narration of the story upon which the prisoner's life may depend.

Jerome had dramatically protested against any further "defamation of the dead" just before the Friday adjournment was taken and had been upheld by Judge Fitzgerald in the contention for a "broader foundation" for the insanity plea should be laid before more "loose tattle of the Tenderloin" should be placed upon the records.

The district attorney's reference was to a question Delmas put to Mrs. Thaw, as to whether she and her husband had discussed together the "fate of other girls at the hands of Stanford White."

The court's ruling that the insanity of the defendant is not yet sufficiently established to admit of bringing in further details of his wife's testimony may result in a temporary change in the line of evidence.

The course to be pursued Monday depends greatly upon the attitude of Jerome who declared he could have offered legitimate objection to Mrs. Thaw's testimony at the very outset on the ground that the alleged insanity of the defendant had not been established, but had refrained from so doing because of the fact that he knew the testimony as to her revelations to Harry Thaw must come sometime.

If Jerome persists Monday in his objections to the line of examination, indicated by Delmas' question as to the stories concerning young women other than the wife of the defendant, the prosecuting officer may be asked temporarily to excuse Mrs. Thaw to permit the introduction of evidence in accordance with Justice Fitzgerald's ruling.

As Mr. Jerome will probably be glad of a delay, before he takes up the difficult task of cross examining the young wife, he is expected to consent to the plan.

In that event, Delmas' first attempt will be to get in as evidence Harry Thaw's will, which was ruled out Friday because of many interlineations, which had not been sufficiently proven. Justice Fitzgerald held that the will must be shown to have been in its present condition when it was signed.

Delmas is very anxious to have the will go in evidence, believing it will go further than any other documentary proof he can produce to show the effect of Evelyn Nesbit's story of her

treatment at the hands of Stanford White, on the mind of the defendant.

Although the counsel deny that the information is altogether accurate, it leaked out today that one of the provisions in Harry Thaw's will is the setting aside of the sum of \$50,000 for the prosecution of all persons who may be concerned, in case of the death of the testator by violence. The probable investigator of this anticipated act of violence is said to be revealed in the provision. Another paragraph, it is reported, made provision for the benefit of a young woman who, the will declared, had suffered ill treatment at the hands of the dead man, similar to that of Thaw's wife. Reports even go so far as to say that the names of White's alleged victims are included in the clause of the will relating to this subject.

Thaw's will also made provision for Howard Nesbit, Evelyn's brother, who, it has been reported, would take the stand in opposition to his sister.

Young Nesbit is in constant attendance at the trial in company with Stanford White's secretary, but has never gone near the group of Thaw's relatives. The rest of Thaw's property was to go to his wife.

Delmas, it is said, may call to the stand Monday, an attorney from Pittsburgh who will be asked as to the interlineations made in the will and it is expected to prove that they were put there at the time the testament was signed.

Falling to show that each one of the interlineations can be remembered by the witness, Delmas will offer a codicil to the will which is in the defendant's own hand writing without interlineations. It is not definitely known whether all the references to Stanford White are in the codicil, but is known that some of them are.

Evelyn Thaw also signed the will on the night of their wedding and it is believed in it she carried out her previous stipulation that none of her relatives save her brother should have any of his money. Several of Thaw's unusual and disconnected letters, introduced in the evidence, have frequently referred to his determination that Evelyn's mother should not have any share in his property whatsoever. In the event of his wife's death the property should revert to the William Thaw estate. If finally admitted in evidence, Delmas then may ask to recall Mrs. Thaw to finish her narrative. Thaw's counsel does not like the idea of the interruption to her story continuing over any considerable duration of time. Should Jerome again protest, several alienists employed by the defense, other than Wiley, will be placed on the stand. They will be shown Thaw's letters to his lawyer and his wife, and then be confronted by a hypothetical question embracing the wife's story of her experiences with Stanford White and other details surrounding the case, and ultimately, the shooting of White on Madison Square Garden roof. Attorneys for the defense will have a broader foundation for a hypothetical question when its next alienist is put on the stand, and do not anticipate a repetition of the disaster of the first day.

It was said tonight that District Attorney Jerome's cross examination of Mrs. Thaw will be brief. The district attorney, being barred by the rules of evidence from attempting to controvert any of the things Mrs. Thaw says she told her husband, will confine himself to finding out if she told Harry Thaw all the story she repeated on the witness stand.

MURDERER BECOMES RICH.

Italian Flees to America and Accumulates Fortune.

LONDON, Feb. 9.—A dispatch to the Telegraph from Milan says that the authorities revealed the whereabouts of the Florentine whose name is not given, but who was sentenced some years ago to penal servitude for life for the murder of two soldiers. The men escaped and could not be traced. His name now appears in a list of those injured in the San Francisco disaster. It is said that he has lived in San Francisco for some time and has accumulated a fortune. His extradition will be asked.