

TAX REFORM LAW IS PROPOSED; INQUIRY SOUGHT

Extensive reforms in the tax levying and collection system of the state are to be recommended to the governor by the commission appointed by him some little time ago. It is expected that these recommendations will, in turn, be submitted to the coming session of the legislature for its consideration and action. Included in the suggestions of the commission will be the enactment of an income tax law, the establishment of a gross business tax, and the readjustment of the property tax so that the whole system will be well coordinated and harmonious in operation and effect.

INVESTIGATION SOUGHT

It is not expected, however, that the commission will recommend that the coming session of the legislature put into statute form the various recommendations made. It is contended that the subject is too big for hasty action, and that basic data necessary for the enactment of fair and equitable legislation is not now available. Accordingly, it will be recommended that the legislature provide for the appointment of a commission by the governor, invested with adequate power and equipment, to make an exhaustive investigation into the problem and recommend to the 1923 session of the legislature such legislation and such forms as the information compiled would dictate.

Under the existing system in the state real property bears the brunt of governmental charges and there is no information available covering individual incomes, or business earnings in general, which would give any idea as to the aggregate taxable base that would be formed by them.

LOopholes ARE SEEN

It is pointed out, for instance, that there are many men in Portland and elsewhere throughout the state who own no real estate, or other property taxable, or at least reachable, under existing law, but who, nevertheless, have large incomes from their business, their profession or from their investible investments. Again it is pointed out that a business firm may have stock on hand assessed at \$1,000,000 at the time of assessment upon which amount alone taxes will be levied, while in fact the business will have on hand and turn over many times that amount during the course of the year upon which there will be no assessment or levy.

It is contended that these two sources of income, not now taxed so far as the state is concerned, in all probability would alone double or more than double the tax basis of the state and thus lift the present heavy burden borne by real property, now charged with more than 70 per cent of the entire governmental expense.

TO GAUGE INCOMES

The purpose of the proposed commission would be to ascertain the approximate aggregate income which could be fairly taxable within the state as a whole, and, also, to estimate the aggregate gross business done within the state during the year. With these two bases established, it would then be possible to take them, together with the assessed valuation of the real property of the state as a whole, and from the three work out what would be a fair and equitable rate of taxation to be put upon personal incomes, gross business done and real property owned in order to raise the amount of money needed annually for all purposes of government.

With this information in hand, it would be possible for the commission to draft a harmonious and comprehensive tax code bringing all three sources of revenue and any others available within its scope in an equitable and balanced manner, and to provide for the assessment, levy and collection of the tax.

EQUITABLE PLAN GOAL

It is contended by those who have been investigating the subject preliminary to the preparation of their report to the governor and the legislature—as it is in fact contended by all students of taxation—that every one enjoying the protections and benefits of government owes it as a fundamental duty of citizenship to bear a proportionate share of the cost of the government. If, for a long time, has been realized that the property owner is bearing the whole load, to all intents and purposes, while the non-property owner stands out from under even though he may be far more prosperous and more able to pay his share than the other.

It is the theory of the governor's commission that the legislature should equalize the burden so that it may be laid with even and proportionate weight

Inaugural Ball Will Be Resumed Night of March 4

Washington, Dec. 20.—(U. P.)—For the first time in a dozen years, Washington is to have its inaugural ball. The ball, which was a function of inauguration night, was banned by President Wilson eight years ago. The committee recently appointed to arrange for the inauguration of Senator Harding has decided on the resumption of the ball.

A feature of the Harding inauguration will be a mardi gras on Pennsylvania avenue. The street, according to plans, is to be divided into sections and one section assigned to each state. There sons and daughters of the respective states will frolic in mask and fancy dress.

GAMBLING IN WHEAT EVIL, SAYS REPORT

(Continued From Page One)

prices, and (7) change in credit conditions, "with the resulting disposition of wheat futures, to the extent of accumulating or maintaining value stocks" until conditions are stabilized.

WHEAT DECLINE IS LEAST

"Wheat has declined in price less than many commodities," the commission writes, "and less than most agricultural products, on the basis of wholesale prices."

"The decline in prices would appear to be in part due to country-wide and world-wide conditions.

"While the commission believes speculation in wheat futures is not an indispensable part of the marketing process and may sometimes be highly injurious, the commission is not in this respect passing upon the whole subject of future trading. Future contracts may have a legitimate use for hedging."

"It appears there is a large volume of future trading that is mere gambling and involves great economic waste. The remedy for this lies in congressional action to prevent trading which is essentially gambling."

MANIPULATION SEEN

On the subject of speculation the commission said: "Prices of wheat futures, the decline in which has been especially the subject of criticism, are susceptible of manipulation. Wide fluctuations in prices and large discounts of the future price below the cash price have prevailed. Wheat futures are not functioning well."

"The commission has not had the opportunity to obtain directly the figures which would determine conclusively whether large transactions in futures of a manipulative nature have occurred. It has sought, but has been unable to secure the cooperation of the officers and directors of the Chicago Board of Trade deemed necessary for the collection of pertinent information on this subject.

The limited evidence available does not indicate manipulation in wheat prices by large operators in futures, nor that the recent low average, or downward trend of wheat prices, has been due to speculation.

HARDSHIPS ON FARMERS

"The investigation developed, however, that there has been a decline in wheat prices before there were declines in the cost of producing it, causing 'great hardship' to farmers.

"Under the Lever act," continued the report, "the president has certain powers regarding the grain exchanges, which would make it possible for him to stop future trading in wheat. While evidence is not available that future trading is responsible for the decline in wheat prices, it does not appear that future trading is intended to reduce the price of wheat, or to deprive the farmer of a disputable service to the grain trade."

"A limitation on the volume of open speculative trades in wheat would probably tend to reduce the possibility of manipulative trading."

The report concludes with a severe criticism of "grain gambling," saying: "Without expressing an opinion on this subject, it appears that there is a large volume of future trading that is mere gambling and involves great economic waste. The remedy for this lies in congressional action to prevent trading which is essentially gambling."

Stayton Ships Many Christmas Trees

Albany, Or., Dec. 20.—Stayton, Or., has sent 15 carloads of Christmas trees to California. Eight of these were consigned to Oakland and eight to Los Angeles.

upon the shoulders of all, and it believes that its recommendations, if carried into well founded and written law, will accomplish this reform.

Seeing the Inside

"You can't judge a book by its binding nor a woman by her clothes."—Painless Parker.

You have to go below the surface to find the facts. The outside doesn't show much. In dentistry the X-Ray permits us to see the teeth roots. Many diseased conditions are thus found and then cured.

Perhaps an X-Ray picture of your teeth would tell you something you ought to know.

When you think of TEETH, think of PARKER.

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System

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SCRAPPING LEAGUE IS HARDING PLAN

By Raymond Clapper
Marion, Ohio, Dec. 20.—(U. P.)—Scrapping of the League of Nations, adoption of a resolution declaring formal peace with Germany and the calling of a world conference to organize a new association of nations, is the tentative program of President-elect Harding, it was understood here today.

His plan for an association of nations includes two basic features:

1—An international court, strictly judicial in nature, to administer a revised code of international law.

2—Frequent meetings of the association for conference over international problems not within jurisdiction of the court, delegates not being bound in advance.

Harding's first step in the organization of the association of nations probably will be a conference for redefinition of international law. The keystone of his plan is the international court with the conference to be organized on a loose basis after the fashion of the international "forum" suggested recently by Hiram Johnson.

The plan follows in a general way the campaign suggestions made by Harding in his speech of acceptance and his League of Nations speech August 23. It virtually ignores the Versailles treaty and the League of Nations.

It is likely that following adoption of the peace resolution informal negotiations will have to be entered into between Germany and the allied powers over claims presented by the United States, and should be held in some neutral country and other grievances.

The negotiations looking to a new association of nations will proceed through diplomatic channels and should be held under way within three or four months after Harding's inauguration, his advisers here predict.

CLARA HAMON RETURNING TO FACE JURORS

(Continued From Page One)

my hands, the battered face of me, after that night the bullet was fired. Had I shown these, everyone would believe my story. Will they believe, now that my bruises are almost healed?

"I want to tell you of that day and night—of that night he was shot. For 10 years—you know—we had been—he had dominated me. I hated him and yet I loved him. That day of November 21 we were to part for good.

"It was my decision and his. His wife was returning to him from Chicago. He had grown to be a power in money and politics. He had made him what he was, but I had no desire to remain with him and share in his glory.

PLAN MISCARRIES

"That day was to have been our last together. We had made up our minds to part. We had promised each other that not a thing should happen to mar the sanctity of the time. It was sacred for me because he was the only man in my life.

"The day passed. Instead of our being together as we had desired he was forced to run constantly to his office. Each time he came back to me he had more drink than before.

"Always in the past he had been able to achieve what you call 'carrying his liquor.' But as the day wore on and I got fiftful glimpses of him I became convinced that he was going crazy.

CONCEALS KNIFE

"I telephoned for some food. The negro porter—Bill—came with the food. At his heels rushed Mr. Hamon. I could not get him out.

"I got rid of the porter. I knew another terrible scene was coming.

"Mr. Hamon flung himself down on my bed. He was disgustingly intoxicated. He called me—he called me a terrible name. He wanted to know who I had been riding with.

"He knew the new—oh, how well, that never in 10 years—since I was 17—had I ever so much as raised my eyes to another man. And yet on that last day, he chose to pretend he was doubting me.

"His knife—Mr. Hamon's knife—fell out of his pocket as he lay on the bed. I don't know why—it must have been providence—I picked it up and concealed it on the table under a newspaper.

GRABS HER THROAT

"He got up from the bed. He grabbed me. His fingers went deep into my throat. I could not scream.

"He laughed that harsh, snarling laugh of his which he was careful not to give in public—but it was a laugh I knew well. . . . He watched me quietly for an instant, that beastly sneer on his lips. He lighted a cigar and then he said to me:

"I would as easy slit your throat as I draw on this cigar."

"He felt for his knife—the knife I had picked up and hidden under the paper. Then he reached for his watch-chain. Last Christmas I had given him a gold chain with a knife attached.

"This knife was gone. He leered at me foolishly for a moment. Then his face set in a way that's horrible to remember. He started to lunge toward me across the floor. His arms were outstretched and his fingers clutched the air grotesquely. Instinctively I reached behind me.

FATAL SHOT FIRED

On the window sill I felt my handbag. It was open. Inside my hand searched and found my gun.

"He had given me this gun himself not so long ago. . . . I leveled this gun at his head. I cried out for him to stop.

"There was a chair close to his left hand. He lifted his right hand suddenly and switched off the lights.

"The chair was swung over his head. I could see the movement faintly from the light reflected from the street arc. He rushed at me with the chair up. He struck down savagely at me.

"He struck me with the chair. As it came down the gun went off. It's true I had it in my hand and had it pointed at him. I swear to God I didn't pull the trigger."

Stockmen Fined for Making 'Moonshine'

Prineville, Dec. 20.—Joe Lister, prominent stockman of Paulina, arrested on the charge of making moonshine liquor, pleaded guilty and was fined \$300. Robert Balfour, arrested on a charge of bootlegging, was fined \$250.

DESPERATE SAFE ROBBER IS SLAIN IN GUN FIGHT



Frank Wagner, alias Dutch Frank.

FUGITIVE CONVICT KILLED BY POSSE

(Continued From Page One)

ear. He was dead when the officers reached him.

The body was turned over to Coroner Hughes.

D. English, owner of the building where Wagner was working, was immediately arrested on a charge of harboring a fugitive from justice. English showed the officers where Wagner had hidden some plunder. Six thousand five hundred and fifty dollars in Liberty bonds were recovered. The bonds belong to John M. Hidden and were stolen from the Scottsburg bank about three weeks ago.

OFFICER SET TO WATCH

More than a year ago Wagner robbed the safe in Walter Kallunki's store in this city. He was later arrested at St. Joseph, Mo., with Al Meadows and James Clergy, and brought back for trial. At the session of the circuit court on October 18, last year, Wagner made a complete confession of the robbery, saying he acted alone, and in a few days he was sentenced to 40 years in the penitentiary at Salem. His companions were sent back to prison to complete terms from which they had been released on parole.

After escaping from the penitentiary in September, Wagner eluded the officers for some time, but Warden Compton, thinking the fugitive would eventually come to Astoria, had an official here for some weeks. A few days ago Wagner was seen by the officer and Warden Compton organized a posse, led by himself, composed of Percy M. Varney, parole officer; E. C. Halley, principal keeper; Emery James, Robert Gibson, Louis Hubbard, John Davidson and Col. Worden, guards, and H. Christofferson and A. C. Schirmer, deputy sheriffs from Multnomah county.

WOMAN ARRESTED

The posse arrived Sunday morning and later in the day surrounded Wagner in the blacksmith shop near Warrenton. Late Sunday afternoon Anita Schroeder, alias Sherman, who was formerly a companion of Al Meadows, was taken into custody on suspicion of assisting in harboring Wagner. She is said to have been associating with him since his return to Astoria.

WAGNER TWICE ESCAPED FROM OREGON PRISON

Frank Wagner was sentenced to the state penitentiary in 1909 on a charge of burglary. After serving only four months and 10 days of a one-year sentence, he escaped. On April 27, 1912, he was arrested by Patrolman Potter for vagrancy. On April 30 he was sent to the penitentiary to serve his unexpired term.

Wagner was arrested on February 27, 1914, charged with half a dozen burglaries committed in a short time before. Among other crimes alleged to have been committed by Wagner were the notorious burglaries of the Kadafy hardware store and Shanhadar's. The safes in these two places, as in many others about this same time, were not blown, but were drilled and the doors pried off with a crowbar.

Burglaries committed by Wagner were sentenced to from two to five years in the state penitentiary. His next appearance was in Astoria, where he robbed Kallunki's store. He was later arrested in St. Joseph, Mo., on September 23, 1919.

He was sentenced to 40 years on Oct. 18, 1919, and escaped from Salem on September 21, 1920.

2 PRISONERS KILLED IN SINN FEIN RIOT

By Webb Miller
London, Dec. 20.—(U. P.)—Two deaths were reported today as resulting from the military's new policy of using Sinn Fein prisoners as hostages.

The prisoners were said to have been shot by soldiers near Cashel. The reason for the shooting was not announced. Sinn Feiners there were warned that troops hereafter will carry prisoners with them in all movements. Aside from this, there were minor instances of violence, none approaching the usual weekly disturbances to which Ireland has become accustomed in the last months.

Indications were that the attention of Sinn Feiners and troops alike was being diffused over a number of minor disagreements instead of being centered on one another.

Fatal Raid by Troops

London, Dec. 20.—(I. N. S.)—Two persons were killed during a raid by troops on the island of Arran, off the west coast of Scotland, today.

Reed College Like Deserted Village During Vacation

The Reed college campus today has the air of a deserted village. The dormitory is practically deserted, and only a few students are spending their two weeks' vacation at college. Students who traversed the continent to enter Reed are boosting their finances by washing windows at Reed, and a few of mechanical turn of mind are assisting in the conversion of the college heating plant into a coal burner.

The plant formerly burned oil, but the supply is fast running out, and the new arrangement will add another to Reed's athletic occupations—passing coal—which has been suggested as a substitute for gym work.

The faculty members, temporarily housed in the dormitory, will move to the new homes built for them by the board of regents, and other changes will be made in the campus arrangement.

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Lodge Appeals to State to Save Band Of Starving Elk

Salem, Dec. 20.—The governor's office is in receipt of a telegram this morning from Dr. Ben L. Norden, executive ruler of the Portland lodge of the Portland Elk club, appealing in behalf of the 3600 members of the Portland lodge for instant action on part of the state to prevent the starvation of a band of elk in Wallawa county.

A telephone call to the office of Captain A. E. Burghdoff, state game warden at Portland, brought the information that the state game commission had interested itself in the case and that an attempt was being made to save the band to the lower levels along the Snake river where there is believed to be sufficient grazing to carry the elk through the winter. If this expedient fails Captain Burghdoff stated a man will be sent into the Wallawa reserve to feed the elk. It is estimated, based on previous years' experience, that this latter plan will cost the state approximately \$2000 for the winter.

MISSION ROBBERED; CASHIER KILLED

New York, Dec. 20.—(I. N. S.)—Two bandits in a bold daylight raid on the Seamans Mission at 507 West street, shot and killed James Russell, the cashier, and escaped with \$400 today.

The robbers drew pistols when they entered the mission and told Russell to open the safe, but he refused.

One of the men fired and a bullet entered Russell's breast just below the heart. Russell fell mortally wounded and was dead when the police arrived.

Both bandits wore masks. The \$400 represented the receipts taken in at the mission since Saturday morning.

The mission is a home for aged sailors. In an effort to halt the unprecedented crime wave, the authorities continued their drive today to purge the city. Two hundred arrests were made.

Police raids have been made on cafes and restaurants from elaborate Broadway cabarets to the cheap east side coffee houses. All known criminals were picked up and taken to police headquarters. Only a few of the men arrested were detained however. Most of them were released after being questioned and warned to leave town.

Police Commissioner Enright said New York would be the most thoroughly policed city in America under the reorganized police system.

While the police were raiding for suspects, burglars broke into the home of Mrs. Cecile Sartoris, granddaughter of President Ulysses S. Grant, and stole a number of valuables, including jewelry, some gowns, cash and a watch that belonged to General Grant.

Hermiston Loading Facilities Increased

Hermiston, Dec. 20.—The O-W. R. & N. company has completed a long siding west of the depot which will give Hermiston much needed increased loading facilities. The company is also installing a cattle pen to improve livestock shipment conditions.

Oakland District Ships Many Turkeys

Oakland, Or., Dec. 20.—The turkey market is big in Oakland, Drain, Yoncalla and Oakland shipments amounting to 20 1/2 tons. Yoncalla's shipments were 9 tons and Elkton and Drain combined 18 tons. The birds are selling at 50 cents a pound.

U. S. Court Reopens

Washington, Dec. 20.—(I. N. S.)—The United States supreme court today reopened over the Christmas holidays until January 3.

Bureau of Aviation Is Recommended by Secretary Daniels

Washington, Dec. 20.—(U. P.)—Secretary Daniels today appeared before the house naval affairs committee to urge new legislation, including recommendations that the division of naval aviation be established as a bureau.

The secretary also was expected to recommend that years ago deserted from the navy before the United States entered the war, but who reenlisted later and rendered good service, be given a clean record.

London Bank Fails Because of Losses Of Long Standing

London, Dec. 20.—(I. N. S.)—Farrons bank, a national institution with 73 branches throughout the country, failed today. The headquarters were in Chesapeake and the bank was capitalized at 1,000,000 pounds sterling.

The board of trade issued a reassuring statement, saying that the failure had been caused by a series of trading losses extending over years and not by any unfavorable conditions in the present business situation.

Many Women Attend Gas Hearing About Quality at Seattle

Seattle, Wash., Dec. 20.—(U. P.)—With a large crowd of gas consumers present, among them many women, the public service commission's gas hearing opened at 10 a. m. today at the Press Club annex. The hearing will be continued today and tomorrow.

On the testimony offered at the hearing the commission will decide whether to allow the gas company to continue serving the lowered standard gas which it is giving to consumers now.

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BUY YOUR CHRISTMAS PIANO REED-FRENCH PIANO CO.

Save big money by selecting a used one, which we guarantee good as new—and a lot better than a brand new cheap one.

Select From World's Famous Makes

STEINWAY & SONS
CHICKERING & SONS
GRANDS AND UPRIGHTS
WEBER—A. B. CHASE
HARDMAN
W. W. KIMBALL
HUNTINGTON

RICCA & SONS
WERNER
A Beautiful SHUBERT—Like New
SMITH & BARNES
SCHILLING
AMPICO Reproducing Piano—Cannot Be Told From New
SAVE A LOT OF MONEY ON THIS

HAZELTON-WELTE MIGNON
Reproducing Electric Piano
Finest and Best Piano in Portland
A LOT OF FINE OLD PLAYERS
GOOD AS NEW ONES
PRICES ONE-HALF A NEW ONE

Any Piano may be returned, from one day to one year—Allowance every dollar you have paid credited on a new piano.

WALK to the big piano house, corner Washington and Twelfth streets, just outside the high rent shopping district. We save customers \$125 to \$250 on same quality piano asked elsewhere.

Every Piano Goes Through Our Factory Shop and Comes Out as Good as New
COME EARLY—A GREAT NUMBER TO SELECT FROM OPEN EVENINGS

Reed-French Piano Mfg. Co.

Broadway 750 Corner Washington and Twelfth St.

Thor Electric Washer

500,000 Women Use It.

There must be a reason. Demonstrated in your home; no obligation.

Swinging Wringer \$160
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Sold on Easy Terms

Electric Supplies and Service Co.
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BUY ELECTRIC GOODS FROM PEOPLE WHO KNOW

PEOPLES TODAY AND TOMORROW

Shirley Mason AS "THE LITTLE WANDERER"

THE ROMANCE OF A GIRL FROM NOWHERE

Comedy "BROKEN BUBBLES"
Pathe Review
Peoples Orchestra
Direction Britz

Coming Wednesday "MILESTONES"
Concert
Thursday, 3 P. M.
Peoples Orchestra