

BITTER FIGHT ON BONDS TAXATION TO BE RESUMED

State House, Salem, Feb. 21.—The bitter fight which has raged throughout the session over taxation of bonds of other states and foreign countries, is due to be revived through the introduction of a resolution which will leave the question to a vote of the people at the special election next June.

The agitation for such a law originated with Yamhill county bankers and farmers, its provisions being included in a bill introduced by Senators Vinton and Ryan. The bill received the unanimous endorsement of the committee on assessment and taxation, and no doubt would have passed both houses had it not been for the early appearance of the biggest opposition lobby of the session, which has been constantly in the house. The bill was twice referred to the committee, and twice has been before the senate for final passage, but each time it has failed to pass by one vote. Intense feeling has developed and charges that improper methods have been used to secure its defeat are freely made.

Delegations of business men and farmers from up state counties declare that these securities are now taxable but assessors fail to place them on the roll and bond houses falsely advertise them as free from taxation. They demand a penalty for those who seek to evade taxation on such property and argue that if it was taxed then land taxes would be much lighter.

They assert that millions of dollars are leaving the state monthly through investment in this class of securities and that funds for farm loans and bridge development are vanishing. Country bankers who are heavily indebted to Portland and San Francisco institutions intimate that they have been coerced into opposing the bill and are daily appearing at the state house to ask that something be done which will stop the drain on their savings deposits through the wholesale purchase of foreign bonds bearing higher rates of interest than they can afford to pay. Labor leaders are throwing their strength with farmers and country business men in an effort to stop this drain on the financial resources of the state and if the resolution to submit these questions to the people is blocked by the bond house lobby they promise to assist in initiating such a measure.

Business Men of Coos and Curry Criticize Portland

Request of merchants and business men of Coos and Curry counties to trade with "markets to the south (California) until such time as this section of the state shall become linked to Portland by a system of adequate highways," is embodied in a series of resolutions adopted by the Gold Beach chamber of commerce which further censures "members of the Portland press and the Oregonian in particular," for their adverse attitude on the Roosevelt highway.

The attitude of the Gold Beach chamber, as set forth in the resolutions, is that the southwest section of the state has been consistently neglected by the state highway commission in the construction of good roads with the result that that section is more or less isolated from the rest of the state, which condition would be overcome by the legislative appropriation for the Roosevelt highway.

The resolutions further charge Portland interests with being fearful of loss of prestige as far as tourist traffic is concerned should any such tourist highway be built in the state that does not begin and end in Portland.

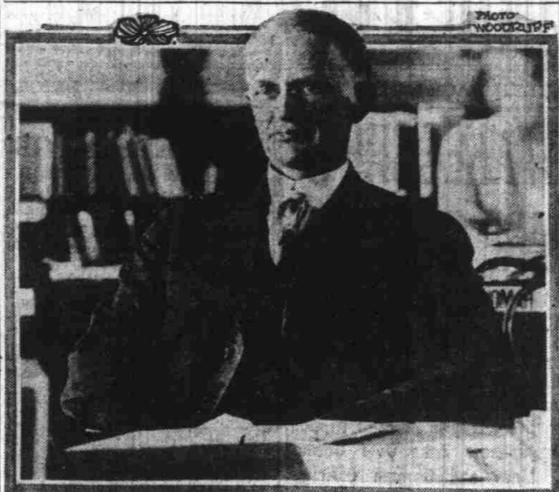
O. A. C. Co-Eds Hold Their Annual Ball

Oregon Agricultural College, Corvallis, Feb. 21.—Part of the campus frolic Saturday afternoon in their annual costume ball. The coeds were divided into two groups, one of which had the privilege of dressing up to represent male partners for the younger freshman women. Costumes were varied and original, representing everything from trim sailor "gobs" to blanketed Indians. Edith Ballif, Portland, was chairman of the entertainment committee, and Ruth Rosebraugh, Salem, served as chairman of the social committee.

Telephone Company Will Not Cut Its Help Before March

Salem, Feb. 21.—Replying to the request of the public service commission that no action be taken toward a reduction of their working force before March 1, by which time it is expected that the new rate order will have been handed down, the Pacific Telephone company, in a letter received by the commission this morning, gives assurance that the wishes of the commission in this matter will be respected and that no final disposition of its forces will be made until before February 28.

SENATOR C. J. EDWARDS



Senator Edwards represents the counties of Lincoln, Tillamook, Washington and Yamhill in the state senate.

TENURE PROTEST ENTERS JOURNAL

State House, Salem, Feb. 21.—In spite of the objection of Senators Banks and Moser, upheld by a substantial majority of the upper house, a protest against the legality of the procedure by which house bill 349—the teachers' tenure bill—was passed by the legislature, was entered in the senate journal this morning by Senators Hume and Thomas.

The protest of Hume and Thomas alleged that the house rules requiring that bills be printed and on the desks of the members for three days before taking final action had not been complied with in the passage of the tenure bill, and that the measure was therefore illegal.

MEETS OPPOSITION

To this protest Senator Banks objected on the ground that there was no provision for spreading such a protest on the records of the senate.

Replying to this point of order, Hume read senate rule 34, referring to protests and the manner of entering the same on the senate records.

This rule, Banks insisted, applied only to protests entered in explanation of a vote.

Senator Moser insisted that there was no occasion for entering the protest, declaring that the house record would speak for itself and that if the bill in question was not legally passed the records would show without cluttering up the records with protests.

ASK FOR ROLL CALL

When President Ritter ruled that consent of the senate was necessary to enter the protest on the journal over the objections raised Hume moved that the senate give its consent thereto.

Only 11 members stood by Hume and Thomas, while 18 were opposed. Using the roll call as a pretext, both Hume and Thomas took occasion to read into the records the protest in explanation of their vote.

Representatives Lynn and Richards joined with Senators Hume and Thomas in the protest, copies of which have been sent to the governor for his consideration.

HOUSTON PASSES 'BUCK' TO M'ADOO

By J. Bart Campbell

Washington, Feb. 21.—(I. N. S.)—Full responsibility for loans, credits and advances made by the treasury department to European governments was placed on former Secretary of the Treasury William G. McAdoo by Secretary of the Treasury David F. Houston, today when he reappeared before the senate judiciary committee.

Houston declared McAdoo "must have been laboring under a misapprehension" when he stated recently he had opposed the establishment of further foreign loans or credits during his incumbency of the office of secretary of the treasury.

NO LOANS MADE

No loans had been made for any new purposes, all advances having been for war purposes as defined by the law, according to Houston.

Recent utterances by McAdoo, Houston said, indicated the ex-secretary was under the impression that the United States had established new credits to the allies.

"This is not a reality," Houston said. "We have only paid out money on credits already established."

Houston and Senator Reed clashed on the question "when did the war end?"

Houston said the war did not end so far as this country was concerned, until the president had issued a peace proclamation. He submitted a memorandum from the state department, received last Friday, declaring that the United States was still at war.

FRANCE GETS \$200,000,000

That France had asked and received an additional credit of \$200,000,000 from the treasury department in April, 1919, was disclosed before the committee today by Nicholas Kelley, assistant secretary of the treasury, in charge of foreign loans. France desired this sum, Kelley said, to cover outstanding commitments to the United States and Great Britain.

Kelley said France wanted \$24,000,000 to cover British claims against the French government, but decided later that only \$18,000,000 was necessary. The United States had advanced the \$18,000,000, leaving a credit of \$50,000,000 from which France is seeking to obtain \$21,000,000.

WHY DID U. S. PAY?

"Why did the United States pay France's debts after the fighting had ceased?" Senator Reed questioned, opening a controversy with Kelley and deploring Kelley's testimony as unsatisfactory. Kelley also stated the United States had financed return of Czechoslovak troops from Siberia.

A million dollars had been set aside, he said, to pay the shipping board for the return of invalid Czech troops, but had not been paid as the Czech government and the shipping board had not been able to agree on their accounts.

HOUSTON SAYS NO LOANS TO FOREIGNERS PLANNED

Washington, Feb. 21.—(I. N. S.)—David F. Houston, secretary of the treasury, today told the senate committee filled by William Randolph Hearst to prevent further loans of money by the United States to foreign governments, that there exists no reason for an injunction against establishment of further credits, as there has been no intention to grant them. Secretary Houston, he indicated that the purpose in his report submitted to congress last December.

No credits have been established since April 1, 1920, Houston stated. Counsel for Houston made this the basis of the argument today before the district supreme court against the granting of the injunction asked.

William H. DeFord, counsel for William Randolph Hearst, asked that the court exercise the same power it had exercised in granting an injunction, upon petition of Mr. Hearst, to prevent the sale of ships by the shipping board at a low value.

"There is no difference whatsoever in principle between that case and this," declared DeFord, in referring to the shipping injunction.

"There is, however, one difference between them, namely, that the disposition of the public funds, which the secretary admits he is about to make and which he admits that he will be restrained from making, is more clearly a usurpation of authority than was the proposed disposition of ships of the United States which this court enjoined the shipping board from making."

"I submit the issues of law in this case for the decision of this court in the full confidence that it will as fearlessly and justly exercise its equitable powers in this case as it did in the case of the shipping board, alike indifferent to the prestige of officials and the pressure of public opinion."

Birthday Will Be Subject

"Rotary's Sixteenth Birthday" will be the subject of addresses before Rotarians Tuesday noon at the Benson hotel by Nelson G. Pike, governor of the Northwest Rotary district, Charles E. Cochran and J. C. English. W. A. Robb of the Western Union company will speak on "Time and How to Get More of It."

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REAPPORTIONMENT PLAN IS AGREED ON

State House, Salem, Feb. 21.—Legislative reapportionment in a form which Senator Jay Upton characterizes as "the puny result of a magnificent plan," will probably go through the houses without much squabbling, if the warring factions come out of a noon conference today with tempers unruined.

Balked in the senate by the refusal of Senator Smith to stand pat on the original bill now on the calendar in the house and facing certain defeat should any attempt be made to change the senate classification President Ritter, Representatives Burdick, Gallagher and Senators Eddy and Thomas and Representative Kay have been shifting the map about ever Sunday. Apparently they have established a base for conference of the senate and house leaders to be held prior to 2 o'clock this afternoon, when the reapportionment bill will be made a special order in the senate.

WILL SOOTHE SENATORS

By this compromise there will be no changes attempted in the present status of the senatorial districts, which will hold Smith in line and at the same time assuage the anger of Senators Thomas, Eddy, Lachmund and LaFollette.

It is planned to take one representative from Marion, one from Linn and to abolish the joint districts of Clackamas and Multnomah and of Douglas and Jackson. This will give four representatives for transplanting.

The Twenty-first district of Crook, Deschutes, Grant, Jefferson, Klamath and Lake, which now has two representatives, will be given an additional man, making its quota three.

Malheur county will be given a representative all its own in addition to being a joint district with Harney and Malheur.

Multnomah will be given the representative taken from the joint Clackamas and Multnomah district.

Harney and Grant counties will be put in a joint district.

UPFOR STANDS PAT

Senator Eddy says this morning that if the elimination of the Douglas-Jackson representative district will bring harmony he will not fight the proposed plan. While Senator Upton, who wanted his senatorial district switched around so that he would not have to go down into Klamath county to wage war each election time, says that maybe "half a loaf is better than none," and he will stand pat.

The reapportionment bill has been made a special order in the senate for 2 o'clock. In the meantime the leaders will get together and reach a definite agreement if possible. If they can the bill will go through the senate and strike a snag some place along the line there will be no reapportionment.

Bill to Aid Traders in China Called Up

Washington, Feb. 21.—(WASHINGTON BUREAU OF THE JOURNAL)—The Dyer bill, to authorize incorporation of companies in the China trade, was called up in the house today. Its purpose is to place American firms upon an equality with others operating in China and relieve them from the excess profits tax. Passage by the house is expected.

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OVERTURFF RAIL BILL IS PASSED BY LOWER HOUSE

State House, Salem, Feb. 21.—Physical connection of existing and competing lines of railroads, their construction, or the prevention of their construction by the public service commission under certificates of public necessity and convenience, was indorsed by the house this morning when it passed the Overturff bill placing this subject under the jurisdiction of that commission.

The passage of the bill was opposed by Korell, Richards and Davey, who contended that the bill placed unwarranted and dangerous power in the hands of the commission. Korell insisted that such a law would defeat the purpose intended for roads could not be forced to make large investments of capital when the returns would not justify.

Speaker Bean asked Korell if it was not a fact that had the law been in force the two lines up the Deschutes would never have been built but that both lines could have been constructed under order of the commission.

Overturff stated that during the past year \$1,300,000 freight on lumber had been paid on shipments out of Bend alone. He said that one line up the Deschutes had cost \$1,000,000, the other \$1,500,000, and that because of this vast expenditure the companies, as soon as they emerged from the Deschutes, had entered into common trackage agreements, and would not now make needed extensions, while the entire Central Oregon country went without transportation. The house also giggered back on its prior action, reconsidered and passed Senator Vinton's bill providing that insane patients, citizens of other states, be committed to an asylum, could be transported by the asylum authorities to their home states and turned over to the authorities there.

Mrs. Peete Asserts She Will Not Put Up Insanity Claim

Los Angeles, Feb. 21.—(I. N. S.)—Mrs. Louise Peete, sentenced to life imprisonment for the murder of Jacob C. Denton, maintained her much-discussed stoical poise in the courtroom during her nerve-racking trial because she was indignant at "gross lies" told by prosecution witnesses, according to her own statement today.

Mrs. Peete was quoted as asserting she will not permit an insanity plea to be made in her behalf in event she is given a new trial by the district court of appeals. She said she was against the insanity plea principally because it would admit she killed Denton.

Judge Bean to Hear Argument on Suits Against Ship Board

Should Federal Judge R. S. Bean take the same stand this morning as Federal Judge C. E. Wolverton did last Monday, four suits against the Emergency Fleet corporation will be dismissed. One suit is brought by the Pacific Marine Iron works and three by Supple-Ballin Shipbuilding corporation. Last Monday Judge Wolverton held that the fleet corporation was an arm of the government, and therefore, could not be sued for more than \$10,000 in the regular courts. Claims exceeding \$10,000 must be presented in the court of claims, he said. Following Judge Wolverton's decision effort was made to bring up one of the cases before Judge Bean, but he would not hear it. The attorney later procured special permission from Judge Bean to be heard Monday morning.

Harding in Favor of Payne Tariff Bill

Washington, Feb. 21.—(U. P.)—Virtual reenactment of the Payne-Aldrich law as an emergency tariff early in the coming special session of congress has been approved tentatively by President-elect Harding. Chairman Fordney of the house ways and means committee said today on his return from a conference at St. Augustine.

"President-elect Harding was in perfect accord with the program I suggested," said Fordney.

Other points in the program which Fordney said Harding tentatively approved are:

Revision of revenue laws following enactment of the emergency tariff and then framing of a permanent tariff.

The plan is to have the emergency tariff on the statute books by May 15, a little more than a month after the special session of congress is scheduled to begin.

Agreement between the Republican senate and house conferees on the Fordney bill, providing for acceptance of senate amendments by the house, was reached today.

This means that the bill probably will be expedited and sent to the president in a few days.

The agreement will be submitted to the full membership of the conference committee, including the Democrats, late today and Senator Penrose predicted that it would be finally adopted.

New Reductions in Prices of Crude Oil Are Just Announced

Pittsburg, Pa., Feb. 21.—(I. N. S.)—The Joseph Steep Purchasing agency announced further crude oil price reductions today. Pennsylvania is cut 50 cents to \$2.25. The following three grades are cut 25 cents, the new prices being: Cabell, \$1.96; Somerset heavy, \$1.75; Somerset light, \$2. Ragland is cut 15 cents to \$1. New prices are in effect immediately.

WASHINGTON WILL BE PAID HONORS

Washington's birthday anniversary will be celebrated in Portland Tuesday as a legal holiday, the banks and government offices being closed for the day.

Schools will hold no regular class work, but in accordance with the state law which provides that an hour and one-half shall be devoted to some patriotic observance of the day, programs will be held in all schools from 9 to 10:30 a. m., dealing with the life of George Washington. These programs have been planned by the respective principals and consist of appropriate songs, plays and recitations. At Beaverton school, walnuts will be planted that have descended from the original Mount Vernon walnut tree.

There will be no postal deliveries except for perishable parcel post matter. One parcel post window in the central and main postoffices will be open from 8 a. m. until noon. The regular holiday collections will be made only from 9 to 10:30 a. m.

Portland council No. 678, Knights of Columbus, will hold a Washington program in their assembly hall at 364 Taylor street, Tuesday night. Hall S. Lusk, assistant United States attorney, will be the principal speaker, and Charles J. Lair will preside. The Knights of Columbus band, the Cecilian Women's quartet, Miss Douglas O'Donnell, soprano, and Edward Moschofsky, harpist, will furnish music. No admission will be charged.

Legs operated by compressed air have been designed to quickly lift airplanes from the ground and enable them to fly at once by the power of their propellers.

CENSORSHIP BILL DIES IN SENATE

State House, Salem, Feb. 21.—Patrons of movie houses in Oregon will continue to receive their entertainment straight without any dilution administered by a board of censors.

The senate this morning indefinitely postponed house bill 173 by Childs and Fletcher, which would have created a board of movie censors, with only six senators—Eberhard, Gill, Hall, Jones, Nickelsen and Upton—protesting against the summary execution of the measure.

The bill came into the senate on an committee. Senator Eddy, chairman of the adverse report by the revision of laws committee, explained that the bill as drafted was not workable, although several members of the committee approved of the general principles embodied in the measure. No one spoke in defense of the bill.

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