

WEATHER
Tuesday generally fair; cooler;
increasing south to west winds.

The Oregon Statesman

The Statesman receives the leased
wire report of the Associated
Press, the greatest and most re-
liable press association in the
world.

SEVENTY-FIRST YEAR

SALEM, OREGON, TUESDAY MORNING, MARCH 29, 1921

PRICE: FIVE CENTS

RAILROAD WAGE CASE DISMISSED

Imprecable To Set Reasonable Rules Because of Diversified Duties of Employees Held.

103 ORIGINAL PARTIES DIMINISHED TO 67

Decision Allows Carriers and Workers to Still Negotiate

CHICAGO, Mar. 28.—The petition of four thousand employees on sixty-seven "short line" railroads for wages and working conditions identical with those on the trunk lines was dismissed by the railroad labor board today. The case was heard last fall on the request of fifteen unions.

Because of the diversified duties of the shortline employees, the board declared it was "impracticable to determine what reasonable rules shall be on the shortlines," and without a uniform classification of work, the board declared it could not undertake to determine reasonable wages.

Originally 103 carriers, employing from 25 to 400 men each were parties to the dispute. Ten electric lines were dismissed and 25 others applied the wage scales of the trunk lines. Under the decision, employees and carriers may still negotiate their own agreements on wages or working conditions, but the decision stipulated that it should not be considered as affecting "any wage increase now in effect nor any agreement regarding wages between any carrier and its employees."

MRS. MILLER TELLS STORY OF TRAGEDY

Circumstances Indicate That George J. Kuebler Lost Life Through Accident

A letter received from Mrs. Della Crowder Miller by a Salem friend appears to clear the circumstances attending the death of George J. Kuebler, her fiancé, who was president of the Mutual Life Insurance company, rated as a millionaire, and who lost his life by falling from one of his office windows on the tenth floor of the Life building in Chicago, Friday, March 18.

His death was instantaneous and the fall, from all indications, was purely accidental. Mr. Kuebler sometimes suffered fainting attacks from heart trouble and had been under the care of a physician receiving treatment for that trouble. It is believed one of these attacks came on as he stood near the window, causing his fall to the street below.

Mr. Kuebler was an attorney. He was a member of the Chicago Athletic club, of which he also was a resident. He was a member of the Hamilton club, the Chicago and the Illinois Bar associations, was a 32nd degree Mason and a Shriner. He was a writer of national note for insurance publications and moved in Chicago's best sets socially. At the time of his death it is said he had three big cases in the courts involving more than \$1,000,000.

Mrs. Miller, while in Salem, was dean of the public speaking department at Willamette university and was author and director of the historic pageant of Willamette University and the Northwest. She is now a resident of Chicago, living at the Elms hotel in Hyde park. It was not known when Mrs. Miller lived here that she also was wealthy. She lived modestly and entertained only her close friends.

The friendship between Mrs. Miller and Mr. Kuebler covered a period of years, but it was not until the last few months that they had thought of marriage. The wedding was to have taken place some time this year.

POLICE GAIN UPPER HAND IN GERMANY

Communist Movement To Seize Halle is Postponed—Officers Still Fear Craying Out of Plans.

ARRESTS WHOLESAL AMERICANS ARE HELD

Communications Are Cut to Check Agitation by Alleged Bolsheviks

HALLE, Germany, March 28.—Eisenstein is quiet and is under control of the police. Reports from Bitterfeld say authorities have suppressed the revolt. The only fighting has been near Sangerhausen, where a workmen's armored train was held up and several were killed and wounded.

The workmen still have the upper hand in Leuna, police showing no intention of attacking them for fear they will fulfill their threat to blow up big factories there.

At Halle, the situation is quiet, this being due, according to the police, to postponement of the communist plans, which provided for the capture of the surrounding towns first. The intention then was to march into Halle and gain control of the strategic and industrial center of the province. Police are not yet ready to say that the communist movement has failed, and are still nervous of the outlook. However, it is generally believed that the police are in a position to enforce the law.

Gatherings Prohibited.

Later in the day Halle was cut off from almost every line of communication except to Berlin, by the police, in an effort to check agitation by alleged Russian bolsheviks, said to be numerous here. No telephoning was permitted except in German. The streets were ordered cleared by 9 p. m. and no vehicles were permitted to go beyond the city limits.

Congregation in the streets of more than three persons was forbidden and there were wholesale arrests. The Associated Press correspondent, two other American reporters and one Englishman, who had been frequently investigated, were arrested for the second time while entering the security police administration headquarters, where they had been a number of times. They were sent to district police headquarters under guard and examined for three hours.

Reporters Are Questioned.

Their papers were scrutinized for suspected forgeries, their speech was examined for signs of the Russian accent, and their opinions were solicited to determine if they had radical sympathies. When they entered the room conversing in English, a respectfully uniformed sergeant with monocle, closely clipped hair and upturned moustache, called out sternly, "speak German here." The correspondents paid no attention to this order and a young officer appeared and said: "Follow me!"

"Who are you?" was asked, and he replied, tapping his chest, "Here I am, follow me."

The correspondents followed and were subjected to a cross-examination regarding other newspapermen reported to have made bolshevik speeches.

They were permitted to proceed when the German authorities finally were convinced they had no intention to act as agents of the enemy and that they were not bolshevik propagandists.

COBLENZ, March 28.—It took the 20 men of the American military police only a few minutes after their arrival at Montaudar to put down the disorders. They arrested the leader and confiscated communist literature.

LONDON, March 28.—A Berlin dispatch to the London Times says that in the Ruhr district Monday passed quietly. In Dueseldorf and neighboring towns the communists placarded the walls with a summons to a general strike, but there was no response except in Hamburg. The small industrial town of Mettmann is in the hands of the communists, estimated to number 500. The neighboring towns of Wueftrath and Welbert also have been occupied by communists.

Elsewhere the security police have the situation well in hand and it is expected a majority of the working people will resume work tomorrow.

PROHIBITION MEN MUST BE ACTUAL "DRYS"

Persons Too Recently Converted Not Acceptable to Superintendent Herwig

PORTLAND, Or., March 28.—Prohibition enforcement officers to be appointed for Oregon must be actual "drys" or their appointments will be classified by the Anti-Saloon league of Oregon as an unfriendly act upon the part of the person or persons responsible, according to W. J. Herwig, superintendent of the organization. Mr. Herwig gave out a statement today in which he declared that men who have been too recently converted to prohibition will not be acceptable to his organization. He said the success or failure of prohibition depends upon these officers.

"The officers of prohibition director United States marshal and district attorney are among those to be filled by appointment which have a vital connection with prohibition enforcement," said Herwig. "The appointment of men who are not in sympathy with prohibition to any of the offices mentioned above will be considered as an act inexcusably unfriendly to prohibition on the part of whoever is responsible for the appointment."

"Men who remained wet in the sunlight of past prohibition fights but who have gone dry under the shade of the political plum tree, are not sufficiently seasoned in prohibition principles to be entrusted with prohibition enforcement."

INCOME TAX OPINIONS ARE HANDED DOWN

Three Victories Won by Government in Decisions—Gain From Corporate Assets Affected.

RULINGS WILL AID TREASURY DEPARTMENT

Other Assessment Cases Advanced For Hearing, On April 11

WASHINGTON, March 28.—Three victories were won by the government today in the supreme court interpretation of the term "income" for the assessment of taxes under the income and excess profits acts.

The court held that any gain derived from corporation securities or corporate assets and any increase in the value of a capital investment, when realized, is taxable as income. The opinions were endorsed by the entire court.

Solicitor General Eriksen interpreted the opinions as upholding all the contentions of the government and said they would go far toward relieving the treasury department of inconveniences resulting from the multi-angled tax litigation facing it for the last year.

No estimate could be obtained as to the amount effected by the court's action.

Apparently with a view of early clearing the docket of all important tax questions, the court before recessing until April 11, advanced to that date hearings of arguments in the insurance dividend case, the corporations reorganization case and the inheritance tax case.

Key Case Decided.

The first case involves taxation of dividends applied as partial payment to insurance premiums, the second applies to stock received from the reorganization of a corporation—in this case the Du Pont Powder company, and the last whether inheritance taxes can be deducted from taxable income.

The "key case" selected for decision today, was the appeal brought by the Merchants Loan and Trust company, as trustee of the estate of Arthur Ryerson of Chicago, from decisions of Illinois courts upholding assessments levied by internal revenue officials on profits realized through sale of certain trust assets. Included in the trust fund were 9500 shares of stock in Joseph F. Ryerson & Son, a corporation which was valued at \$561,000 March 1, 1913, but which were sold in 1917 for \$1,280,000. Collection of the tax on the difference in value between March, 1913, and the date of sale, as income, was upheld by the court's decision.

Income Called Gain.

The word "income" was defined by the court in a case under the corporation excise tax act of 1909. Justice Clark said, "a gain derived from capital, from labor or for both."

"It is obvious that unless this definition be modified it rules the case at bar," the opinion said, "and notwithstanding the arguments heard we continue entirely satisfied with that definition. Since the fund so taxed was the amount realized from the sale of stock in 1917, less the capital investment as of March 1, 1913, it was palpable that it was a 'gain or profit' produced by 'or derived from' that investment and thereby becomes the 'realized gain' which has been repeatedly declared to be taxable income."

The opinion quickly dismissed a contention that the word "income" as used in the sixteenth constitutional amendment did not include gain realized by a single transaction but only profits realized by one engaged in buying and selling as a business.

"It is sufficient to say of this contention," the court ruled, "that no such distinction was recognized in the Civil War income tax or in the income tax of 1894. The argument which is pressed upon us fails to convince us that a construction should be adopted which would in a large measure defeat the purpose of the government."

"Plainly the gain we are considering was derived from the sale of personal property and very certainly the comprehensive last clause (in section 2) 'gains or profits and income from any source whatever,' must also include it. If the trustee is a taxable person within the meaning of the act."

Ryerson Estate Settled.

The reasoning used in the case of the Ryerson estate was held to cover the court's decision in the appeal brought by David M. Goodrich, of New York, involving taxation of profits on investment capital, except that in one transaction Mr. Goodrich showed a loss from the price he had paid for the securities. The ruling of the tax assessors that the value of March, 1913, which was below

MRS. OLIVER HARRIMAN, who has consented to have her famous figure of Christ, which has been called the world's finest, placed on exhibition. It was carved on a Florida bean by a convict who was executed and whose grave is unknown. The carving is characterized by experts as one of the rarest and finest works of art in the world.



MARION GIVEN AUTO RECEIPTS

Sum Apportioned to This County by Secretary of State \$30,508.20

ALL COUNTIES PARTAKE SALUTES AMERICANS

Highway Fund Gets Three-Fourths of Income Since Sept. 16, 1920

The sum of \$3,716,843.14 was yesterday distributed by the secretary of state's office to the state highway fund and to the county highway fund and to the county vehicle, operator, chauffeur and motor vehicle dealers' licenses from September 16, 1920, to March 15, 1921, inclusive.

During that period the total receipts, after deduction of refunds on account of duplications, was \$1,808,194.25. From this amount it subtracted \$91,259.11 representing the expense of administering the law under which the receipt and distribution of money is made.

Of the net amount of \$1,716,843.14, three-fourths goes to the state highway fund and one-fourth to the counties in proportion to the registrations received from residents of the respective counties.

To the highway fund goes a total of \$1,287,632.35, and the amount distributed to the 36 counties is \$429,210.79. Multnomah county receives a total of \$162,251.90, the largest amount apportioned to any county, and Lincoln county receives \$487.20, the smallest amount apportioned to any county.

Marion county receives \$39,508.20, the second highest amount in the state, and to the highway fund from Marion county receipts goes \$91,524.59. Polk county receives \$747.77 and to the highway fund from Polk county receipts goes \$22,424.33.

LUMBER MILL CLOSES DOWN 100 MEN OUT

Indefinite Cessation of Operations Is Announced To Spaulding Employees At Quitting Time Yesterday.

WAGE CONTROVERSY IN UNSETTLED STATE

Workers Say Move is Lock-out, Management Says Poor Market

The Salem sawmill of the Charles K. Spaulding Logging company has shut down indefinitely.

This was the notice given the mill's employees by the management at quitting time last night and is the latest development in a controversy that has been waged for several days between the management and the workers caused by an announcement that the minimum wage would be cut on April 1 from \$3.60 to \$2.

In the neighborhood of 100 employees are affected by the closing down of the mill. The saw and door factory and the river crew will continue operations.

Reasons Show Conflict.

Charles K. Spaulding said last night that the shut-down is due to this slump in the lumber business and lack of orders. On the other hand, Phillip Holden, an organizer for the timberworkers, declared last night that the move is a lockout.

A committee representing the workers yesterday proposed to Mr. Spaulding that the arbitration existing between him and the employees be allowed to go before the local arbitration board and it was asked that he make his reply by 5:30 o'clock last night. When asked for his answer Mr. Spaulding is said to have declared he would not take the arbitration board, neither to the local board nor to the state board of conciliation. The workers declare they have a paper signed by Mr. Spaulding about a year ago in which he agreed to arbitrate all disputes relating to hours and wages. They were unable to produce this last night, but say it will be produced today. The employees have called a meeting for tonight, but the action they expect to take could not be ascertained last night.

Lumber Demand Lacking.

Mr. Spaulding's assertion that the closing of the mill is due to lack of demand for lumber is supported by the general condition of the lumber business which is known to be slack throughout the country, with the announcement that the minimum wage would be cut to \$3 on April 1 O. J. Myers, local manager, said the company officials were by no means certain they could continue in operation even at that wage, but that to furnish employment the company would endeavor to go ahead even if it could no more than break even, also that an attempt would be made to operate eight hours daily. For some time the mill has been operating six hours daily, and the argument was made that an eight hour day at \$2 would be preferable for the employees rather than a six-hour day at 45 cents an hour, which is the rate on the \$3.60 basis.

Further, the management asserts that a \$2 wage would be a decrease of only about 25 per cent in pay as compared with war time figures, while the price of lumber on the same comparison has dropped 160 per cent. Manager Myers cited other mills in the state that have cut to \$2 and some others that have cut to \$2.50 as the minimum wage. Mr. Myers frankly said that \$2 might not be a sufficient wage for the ordinary man to live on, but averred the cut was an absolute necessity if the company made any attempt to continue operating.

One move of the Spaulding company, together with some other companies, was to withdraw from the Loyal Legion of Loggers and Lumbermen. This organization at a recent meeting in Portland refused to place the minimum wage at less than \$3.60 and as a result some of the mills withdrew from its membership.

Spaulding employees said last night that all they are contending for is a continuation of the present minimum of \$3.60.

Man Is Killed When Hit by Baseball Bat

BLACKSBURG, Va., March 28.—L. O. Sumner of Norfolk, at the Virginia Polytechnic Institute was almost instantly killed here when a baseball bat slipped from the hands of his friend, Otis Forbes, and struck him above the heart.

Forbes is prostrated.

American Consul Transmits Message

WASHINGTON, Mar. 28.—The American consul at Reval reported to the state department today that he had received and transmitted to the diplomatic representative of the soviet government, the communication of Secretary Hughes giving the administration's policy on trade with Russia.

Seven Enter Nation Races for April Tenth

LOS ANGELES, March 28.—Seven drivers will compete in national championship races to be held on the Los Angeles speedway April 10, the speedway association announced today. They are Ralph De Palma, Tommy Milton, Eddie Hearne, Rosco Saries, Jimmy Murphy, Eddie Pullen and Joe Thomas. Four preliminary heats of 25 miles each and a final of 50 miles will be run.

Former Washington Senator Has Stroke

WALLA WALLA, Wash., March 28.—Leiv Ankeny, ex-United States senator from Washington, suffered a stroke of paralysis at his home here today and his condition tonight was reported to be critical.

FATHER, SISTER AND OTHER RELATIVES OF SALEM WOMAN DIE WHEN AUTO TURNS OVER

Mr. and Mrs. R. J. Clary, 1530 State street, were informed by telegram yesterday of the death in an automobile accident near Astoria of Mrs. Clary's father, August Donnerberg of Portland, her sister, Mrs. Gladstone Dawson of Gearhart, Mrs. Dawson's husband and their 5-year-old daughter. Mr. Donnerberg was amaster plumber of Portland. Mr. Clary is agent in Salem for the Union Oil company. He and Mrs. Dawson left last night for Portland.

ASTORIA, Or., Mar. 28.—Four lives were lost near here today when an automobile carrying a party of six ran off the Columbia highway near here and dropped bottom up in a creek bottom.

The dead:
AUGUST DONNERBERG, 58, of Portland.
MRS. GLADSTONE DAWSON, 28, of Gearhart.
GLADSTONE DAWSON, 32, her husband.
NANCY DAWSON, 5, their daughter.
Dawson Dies From Injuries.

Dawson who had been driving, sustained a broken leg and internal injuries which resulted in his death a few hours after the accident. Mrs. Donnerberg who was riding with her husband, was painfully but not seriously hurt.

Dawson did not recover consciousness and no explanation was obtained as to the cause of the accident. Those who investigated were of the opinion that it was caused by a break in the steering gear.

Accident Seen By Motorists.

The accident was witnessed by two men who were following the Dawson car in another automobile. They rushed to the rescue and succeeded in raising the wrecked car from the creek bed in a few minutes, but Donnerberg and Nancy Dawson had been drowned and Mrs. Dawson crushed to death, while Dawson was unconscious.

Besides Mrs. Donnerberg the only one in the wrecked car who was found conscious was the 18-months-old son of the Dawsons, who had been thrown clear of the car and was uninjured.

MAN IS SHOT BY ROBBER THUGS

Reaches Hotel at The Dalles Wounded and Minus His Watch and \$300

THE DALLES, Or., March 28.—Carl Nelson, a contractor of Missoula, Mont., stumbled into a water front hotel here early today with a bullet wound in his chest and with story of having been shot and robbed by thugs.

Nelson said he was accosted Sunday night near the railroad depot by two men who relieved him of \$300 in currency and a watch. One of the robbers, he said, then deliberately shot him, and the two men, evidently thinking him dead, ran away. He said he lay where he had fallen through the night, but this morning regained enough strength to crawl to the hotel.

Week Awards Statesman Classified Ad Contest

Each week the Statesman will give three cash rewards for the best "stories" about Statesman Classified Ads. The awards will be announced each Tuesday morning; 1st reward, \$2.50; 2nd reward, \$1.50; 3rd reward, 1.00.

Contestants must see that their "stories" reach the Statesman office before Monday morning of each week in order to be considered.

Last Week's Awards.

A number of very interesting "stories" were received last week, and the judges have decided upon the following as the winners:

1st reward, \$2.50, Mrs. Grace Keuscher, 1535 North Church, Salem.

2nd reward, Miss Esther L. Thompson, route 8, box 67, Salem.

3rd reward, Miss Teddy Kirk, Indian school, Chemawa, Oregon.

Out of the large number of stories received, the judges have decided that the following should have complimentary mention and will be published in future issues.

1st, Rovena Eyre, 1190 Oak Street.

2nd, Miss Lula Koehmer, 295 South 27th street, Salem.

3rd, Evelyn White, box 412, Newport, Oregon.

The story winning first reward is published in full below; the others will be published in future issues of The Statesman. Watch for them.

CLASSIFIED ADVERTISING

How a Classified Ad Helped a Disheartened Woman

I have been wanting for a long time to tell you of the great joy a Statesman ad brought me. A few years ago my husband came home, and announced that he had purchased a bookcase. He has a habit of buying that way, when of course, I would sooner go along, and help select things.

It seems that a friend of his was going east, and after having spent months and months of his spare time building a bookcase he was willing to sacrifice (?) it

RENE VIVIANI REACHES U. S.

Will Confer With Harding on "Mission of Courtesy" Wednesday

Former Premier's Visit Has Nothing to do With War Debt It Is Said

NEW YORK, Mar. 28.—Former Premier Rene Viviani, envoy extraordinary of France to this country, arrived today on the steamship Lorraine, and will go to Washington tomorrow. He expects to confer Wednesday with President Harding, to whom he came "on a mission of courtesy."

A small reception committee went down the bay to meet the visitor and brought him back to Battery Park, where thousands had assembled. He was accompanied by Stephane Lauzanne, editor of the Paris newspaper, Le Matin.

He declined to discuss the official nature of his visit before having talked with President Harding.

"I have come to the United States," he said, "to pay to the President the respects of the government and the nation of France. In saluting the first and great citizen of the great American democracy, I salute also the great and noble people for whom France keeps her tender affection and eternal gratitude."

Marcel Knecht, director of the French information service here, said tonight the former premier's visit has nothing to do with France's war debt.

RIVER VICTIM RESIDED HERE

Peter A. Kufner, Who Lost Life in Umpqua, Son of Local Residents

Peter A. Kufner, who was drowned Saturday in the South Umpqua river near Riddle, when a boat in which he was riding overturned, is a son of Mr. and Mrs. Peter Kufner, residents of Salem, R. F. D. 7.

Young Kufner, who was 23 years old, was with two companions, Ted Farris and Joe Graham, attempting to locate some lost logs from their mill on a stream tributary to the Umpqua.

The reason given for the accident was that the boat was overloaded with logs. The boat was overturned, and Kufner was drowned.

NEW CHIEF OF STAFF OF ARMY WILL BE CHOSEN

Secretary Weeks Indicated Today That a New Chief of Staff of the Army to Succeed Major General Peyton C. March Would Be Selected Before Congress Convenes on April 11.

Completion of nominations for general officers is expected to be completed this week by the secretary. The list, it is understood, will be almost a duplicate of that sent congress by Former Secretary Baker, which failed of confirmation.

GREEKS GAIN MASTERY OF BAGDAD RAILWAY

KONSTANTINOPLE, March 28.—Kustaf has been evacuated by the Turks and the Greeks are masters of the Bagdad railway, and are continuing to advance toward Angora.

The Turkish communication announces the withdrawal of the Ottoman forces to new positions. The plan apparently is to keep the army intact and retreat into the depths of Anatolia, drawing the Greeks after it.

KANSAS EXHIBITORS BAR CLARA HAMON PICTURES

WICHITA, Kansas, March 28.—A resolution barring films in which Clara Smith Hamon appears from theaters controlled by the Kansas Exhibitors' association was adopted by the association today.