

SEVENTY-FIFTH YEAR

SALEM, OREGON, SUNDAY MORNING, DECEMBER 13, 1925

PIERCE SEES TAX SURPLUS IN 1927

Governor Believes Receipts Will Pass Estimate by Half Million

INCOME FIGURES LOW

Surplus of \$780 More Likely He Declares, Citing Illustrations to Support Contentions

Instead of having a deficit of approximately \$380,000 on January 1, 1927, as estimated by Sam A. Koser, secretary of state, at the time of adopting the tax levy for the year, 1926, there will be a surplus of \$780.82, according to a statement issued here yesterday by Governor Pierce.

"I agree with the other members of the state tax commission," read the governor's statement, "that the amount of revenue to be raised for state purposes for the year 1926, within the six per cent limitation amendment, should be fixed at \$2,038,341.27, which is a six per cent increase in this item over the amount raised for the year 1925.

"Object, however, to the estimated receipts from all sources during 1926 being estimated at \$1,450,000. I believe that this estimate will be exceeded by more than \$500,000. Every year during the past five years the receipts have been under-estimated, often by many thousands of dollars.

"One year ago the state tax commission estimated the receipts for 1925 at \$1,900,000. The state actually collected \$2,299,675.49. It is fair to assume that with the increase in population and business within the state, there will be an increase over the amount collected in 1925 of 10 per cent, except in income tax, from which source during 1925 the state derived \$753,194.51. It is safe to estimate that there will be collected in 1926 from this source approximately \$1,000,000.

"From fees for regulating public utilities here was collected in 1925 the amount of \$36,330. The law has been in operation only about six months. We will collect from this source in 1926 the amount of \$72,000."

Receipts estimated by the governor in his statement follow:

During 1925 the total collections from all sources, not including income tax or fees for regulating public utilities \$1,510,130.98.

During 1925 the total collections from all sources, not including tax or fees for regulating public utilities	\$1,510,130.98
Ten per cent increase for 1926	151,013.09
Delinquent income tax	100,000.00
Additional funds from public utilities	72,700.00
Estimated receipts from titling tax and tobacco tax which I expect the people to sustain at the 1926 election	125,000.00

Total estimated receipts

.....\$1,958,844.07

"This would leave a balance in the state treasury on January 1, 1927, of \$780.81," continued the statement. "Instead of a deficit there will be a surplus of the latter amount if the people at the election in 1926 vote in favor of the tobacco tax and the so-called titling tax, which will take 10 per cent from all self sustaining commissions.

"These laws would go into effect immediately after the election and the estimate of \$125,000 from these sources is decidedly low.

"In this connection it should be remembered that there was a deficit of almost \$500,000 in the state treasury when I became governor."

MEN CHAINED TO DECKS FOUR ON GUARD CUTTER HELD FOR ESCAPE

NEW YORK, Dec. 12.—(By Associated Press.)—Four members of the coast guard cutter Seneca, who had been chained between decks all week were released today as the cutter steamed out of the harbor for patrol duty off Rum Row.

They had been chained after the escape Sunday of John Lovins, who with the four men and another member of the crew had been arrested in connection with the William D. Dwyer \$25,000,000 liquor conspiracy.

AGED MAN DROWNS KETTLE FALLS, Wash., Dec. 12.—(AP.)—Frank Day, 75, was drowned when he drove his automobile off the ferry into the Columbia river.

SAFETY TEST IS FATAL

DEMONSTRATION OF BANK DEVICE ENDS IN DEATH

TRIBUNE, Kans., Dec. 12.—(By Associated Press.)—One man is dead and another wounded as the result of a demonstration to citizens here last night of a new device for bank vaults.

William Liggett, cashier of the First National bank, had just shown how the device would enable him to get out of a vault if robbers locked him inside, when the pistol he carried to make the demonstration realistic was discharged.

Benjamin F. Brown, vice president of the First National bank was fatally wounded by one shot and Clement L. Wilson, president of the Kansas State bank of Tribune, was wounded in the leg. Brown died today.

REDUCTION OF SHIPS ON COAST BRINGS PROTESTS

PLAN OF GOVERNMENT TO REMOVE VESSELS HIT

Progress of Northwest Shipping Would Be Greatly Hampered By Change

WASHINGTON, Dec. 12.—(By Associated Press.)—Protests were made today to President Coolidge and Chairman O'Connor of the shipping board by Senator Jones, republican, Washington, against the war department plan to take over as army transports two of the five passenger cargo ships operated by the Admiral Oriental line from Seattle to the Far East.

In this letter to the president the chairman of the senate committee said it had been brought to his attention that Colonel H. C. Smith, chief coordinator for the government property under the budget, had made a preemptory demand upon the shipping board to turn over the two ships to the war department within four days.

"I cannot conceive of any action that would be more disastrous or cause more apprehension upon the part of the people of the northwest than this action," Senator Jones wrote. "These ships are on regular runs, developing commercial business between the northwest and the orient. To take two of them off diminishes the service by almost half.

"The building up of our commerce in time of peace, it seems to me is of far greater importance than furnishing exceptional transportation service for the army. There are many merchant ships tied up in the harbors of this country that could soon be fitted up for transports for the army and serve it well in time of peace.

"I want to appeal to you as earnestly as I possibly can in the interest of the northwest, in the interest of the development of commerce, and in the interest of an American merchant marine to see that this request is withdrawn."

Writing to chairman O'Connor Senator Jones expressed earnest hope that the shipping board would take the same course on this request that it did in refusing a war department request some time ago that two ships from the Pan-America line be turned over to it for use as transports.

Colonel Smith in a letter to the board made public today referred to the proposed sale of the Admiral Oriental line and said he believed two of its ships should be transferred to the war department rather than turned over to private citizens.

TWO ROBBED AT TURNER

ARMED THUG ESCAPES UNHURT, BOOTY IS SMALL

A lone gunman, identity unknown, yesterday held up R. C. Harris, of Turner, a section foreman, as he sat in the section house writing. At gun point he forced Mr. Harris to look on while he ransacked the premises and fled with \$18.30, mostly in Mexican money, according to reports.

At 6:30 o'clock that night, Dorris Barnett was held up on her way home from work and robbed of 75 cents. The thefts are believed to have been made by the same man, later said to have been seen sinking out of town.

ENTIRE FAMILY SLAIN

MAN, WIFE AND 6-YEAR-OLD SON MURDERED IN HOME

GENEVA, Ill., Dec. 12.—(By Associated Press.)—Henry W. Jecko, 55, a teller in the Batavia National bank, his wife, Eva, and their six-year-old son Ralph, were found apparently murdered at their farm home here tonight.

TAX BILL EXPECTED TO PASS UNCHANGED

No Radical Amendments Will Be Necessary, House Sponsors Believe

WORK STARTS MONDAY

More Than 20 Hours of Debate Places Matter Firmly Before House; General Endorsement Given

WASHINGTON, Dec. 12.—(By Associated Press.)—The \$325,000,000 tax reduction bill reached the test stage in the house today and on Monday some of its major provisions will be taken up for approval.

More than 20 hours of debate on the measure this week developed general endorsement from both democrats and republicans but the bill faces at least a dozen amendments, which will be offered next week on vital points.

Sponsors of the measure, which was framed by the ways and means committee, predicted today, however, that it would be approved by the house before the end of next week and practically without change.

The non-partisan character of the bill has won support for it during the long debate from both sides of the chamber.

Scattering opposition appeared to be proposed from 50 per cent reductions in the maximum surtax and inheritance tax rates. Fights against these two and the tax board provisions are expected to constitute the most serious opposition when the bill is taken up Monday for amendments.

The opposition apparently is not organized on party lines against any of the provisions and representative Green, republican, Iowa, chairman of the ways and means committee, and Representative Garner of Texas, ranking democrat on the committee were prepared tonight to lead the fight for complete approval of the compromise measure.

Debate was intensified today by another attack on the movement instituted by the Texas and Iowa tax clubs for repeal of the federal inheritance tax levy.

Representative Conally, democrat, Texas, charged that the clubs had been organized in the two states by the American Bankers' league, which he said had been repudiated by the American Bankers' association "for the purpose of intimidating the heads of the ways and means committee, Chairman Green of Iowa and Representative Garner of Texas."

The league hoped, he declared, eventually, to destroy all inheritance tax laws, both federal and state.

(Continued on page 4.)

SKULL INJURY, DRY RAID INQUIRY ASKED

CLUBOWNER IS BEATEN OR STRUCK BY AUTOMOBILE

Complete Investigation of Injuries Received by Klamath Falls Man Is Ordered

Governor Pierce has sent telegrams to Klamath Falls demanding a complete investigation by the grand jury there of the circumstances attending the injury of Frank Pecholt, proprietor of a country club, who either was set upon and beaten by state prohibition agents or was run down by an automobile driven by some unidentified person.

Mrs. Pecholt, wife of the victim, has indicated that her husband was beaten by prohibition officers. She has also complained that following her husband's injuries he was thrown in jail, and did not receive proper medical treatment. Reports received at the capitol indicated that Mr. Pecholt's condition was slightly improved and that he has a chance of recovery.

KLAMATH FALLS, Ore., Dec. 12.

William Cole, one of the state prohibition officers who is alleged to have been one of the trio implicated in the arrest of Pecholt, in which the latter sustained a fractured skull, returned to Klamath Falls today and announced his desire to appear before the grand jury which convenes Monday.

Cole was relieved of his star following the Pecholt incident and left the county shortly after. The three officers still insist they did not hit Pecholt over the head, but that his injury resulted from running in front of a heavy automobile when they were attempting to arrest him.

LEWIS IS AGAIN VICTOR

SALEM WELTERWEIGHT WINS FROM STOLZ AT BEND

BEND, Or., Dec. 12.—Frankie Lewis of Salem, welterweight, won from Earl Stolz of Bend in a 10-round main event tonight.

Fred Greenlee of Bend and Frankie Doyle of Pendleton went six rounds to a draw, as did George Dugan and Jack Donnelly, both of Bend, in four rounds. Scotty Cruikshank, Bend, won on a technical knockout in the second round of his four round go with Knockout Brown, Prineville.

DRIVER IS ACQUITTED

BELLINGHAM, Wash., Dec. 12.

A jury in superior court tonight acquitted Earl Gadbos, Seattle postal clerk, of a charge of driving an automobile while intoxicated. Gadbos lost control of his car while rounding a curve north of Bellingham October 18 and struck R. B. Beadner, who was seriously injured.

KELLEY AND WILLOS TO SEEK WRIT FOR APPEAL

COUNSEL FOR TWO CONVICTS ANNOUNCES NEXT MOVE

Supreme Court Will be Petitioned on Same Grounds as in Murray Case

Will R. King, Portland attorney, announced Saturday that he would appear before members of the state supreme court within the next two weeks and request a certificate of probable cause for appeal to the high court in the cases of Ellsworth Kelley and James Willos, who are under death sentence for the part they played in the break at the Oregon state penitentiary here on August 12.

The court yesterday issued a certificate of probable cause in the case of Tom Murray, who also was involved in the prison break. Under the decree of the lower court Murray was to have been hanged December 18. The executions of Kelley and Willos were fixed by the circuit court for January 8.

In requesting a certificate of probable cause in the Kelley and Willos cases Attorney King will allege errors of law in the lower court, and will contend that they cannot be legally hanged until they have served out their present terms in the state penitentiary.

The transcript of evidence, bill of exceptions and exhibits in the case of Tom Murray, convict, who is under death sentence for the murder of John Sweeney, prison guard, were filed in the state supreme court here Saturday.

A certificate of probable cause for appeal of the Murray case to the supreme court was signed Friday by Chief Justice McBride and Justices Bean and Rand. It probably will be several months before the issues in the case are made up and the arguments are set by the court.

In the meantime Murray will remain in the state penitentiary where he is serving a term of 20 years for bank robbery committed in Lane county.

RICH ORE VEIN FOUND

HIGH LEAD STRIKE IS MADE IN MINE NEAR BOISE

BOISE, Idaho, Dec. 12.—(By Associated Press.)—A strike of high grade lead ore, assaying \$205 to the ton at the old McCarty mine, located eight miles northeast of Boise on Shaw mountain was reported here today.

Old time miners of Boise and vicinity are jubilant over the strike which has revealed a six foot vein of high grade ore. McCarthy mine was owned by Mrs. McCarthy, and in the early days of southern Idaho, mining was one of the heaviest gold producing of the state. The property is now owned by Scott Anderson of Boise. The strike was made within two feet of the spot where gold mining operations had been abandoned years ago.

WASHINGTON IS GAY AT ANNUAL MEETING

Large Company of Notables Attends Convention of Grid Club Members

PUBLIC MEN 'GRILLED'

Washington, D. C. Newspaper Correspondents "Pan" National Characters and Affairs at Gathering

WASHINGTON, Dec. 12.—(By Associated Press.)—The Gridiron club of Washington newspaper correspondents, giving their "grilled" public men and affairs at home and abroad for the amusement of a large company of notables headed by President Coolidge.

The entertainment had distinctly a congressional flavor, designed to fit in with the reassembling of congress, but in addition to domestic affairs, the Gridironers found time to have some fun with the foreign debt situation, the Karolyi case and other topics of the day's news.

The usual distinguished company of officials, diplomats, business and industrial captains, men of affairs, newspaper correspondents and authors enjoyed the fun. Vice president Dawes found himself likened to Macheth. He made the boast that the senators opposed the revision of the senate rules would "squawk and gibber in their leather seats" ere he was done. The vice president found himself portrayed in song as well to the air of "All Alone," he was pictured as leading the fight to put an end to all senate "bunk."

One of the picturesque events was the Revolt of the Marionettes. Four in number, they entered the hall to the cadence of "The March of the Toys." Beginning a discussion of ventriloquism, they declared Colonel William Mitchell was no ventriloquist, because he could not control his voice. Senator Borah of Idaho, on the other hand, was described as a ventriloquist, because "he speaks with many voices." One marionette recalled that during the French war deat negotiations Senator Reed Smeot of Utah was inclined to put his feet on the conference table.

"Why didn't the French leave some cash in our counting table?" asked one marionette. "Because," came the prompt response, "the senator's feet were in the way."

Recognizing criticisms of Secretary Wilbur, three members dressed as sailors, declared as drums rumbled that bed-time stories never made the navy great, but urged their guests not to divulge the confidence to the Secretary or he would send them to far-off Guam.

A new method was employed by the club in introducing distinguished guests. Two members, one in a "hick" costume and carrying a carpet bag, posing as a new congressman, and the other in a cutaway and high silk hat as a new senator, asked permission to see the leaders in public life and guests were asked to stand when their names were called. The congressman evidenced surprise when advised that Senator William M. Butler and Frank W. Stearns, personal friends of the president, were carpenters and had carried tools into the executive offices. His inquiries resulted in Herbert Hoover, secretary of commerce, being asked to arise also. Then he was told that Senator Butler and Mr. Stearns saw Mr. Hoover grab the patent office and the bureau of mines and that they decided to nail down the White House for Mr. Coolidge before he got that too.

Attention also was given to the supposed presidential aspirations of other distinguished guests, including Nicholas Longworth, the new speaker of the house, who, with Vice President Dawes, Owen D. Young and George Ade, was one of the speakers of the evening.

The Mitchell court martial showed immediate uncertainty whether the Colonel or the war department was on trial. It developed that the Colonel was charged with "parking overtime in the newspapers."

WOMAN, 47, SUICIDES ASTORIA, Ore., Dec. 12.—Mrs. Ella Lentz, 47, of this city committed suicide tonight at her home at third and Duane streets, by slashing her throat with a razor. Ill health is given as the cause for the act. She is survived by her widower and a 10-year-old daughter by a former marriage.

PRESIDENT ELECTED BONNERS FERRY, Idaho, Dec. 12.—(AP.)—J. C. White of Coeur d'Alene was elected president of the North Idaho chamber of commerce.

PUSSY WILLOWS SEEN

THE DALLES, Ore., Dec. 12.

(By Associated Press.)—Pussy willows, harbinger of spring have burst from their buds in The Dalles, despite the fact that the official arrival of winter is still more than a week away. Thousands of these furry buds are reported out by Mill Creek residents. Lilac buds are said to be near the bursting point. Garden peas planted two weeks ago have sprouted and tulip bulbs, supposed to hibernate through the winter, are pushing through the ground. An apple tree in the yard of a resident here has blossoms on it. Unusually balmy weather has brought about this unique reversal of seasons.

LIQUOR SHIP SAID TO HAVE EVADED CUTTERS

LARGE SHIPMENTS OF HOLIDAY BOOZE SAID LANDED

Speed Boats Declared to Have Been Used to Break Coast Guard Blockade

BALTIMORE, Md., Dec. 12.—(By Associated Press.)—Liquor from the Atlantic rum fleet reported to be shifting its position from the New Jersey coast to a point 12 miles off Ocean City, Md., was believed by newspaper investigators to have been landed at two points along Maryland's ocean and bay coast line last night and early today.

The Baltimore Evening News quoted what it considered reliable information to the effect that a cargo of holiday liquor had been landed during the night on Miller Island, 10 miles from the city limits of Baltimore, from a speed boat which slipped around Cape Charles and up the more than 200 mile stretch of Chesapeake Bay. At Miller Island, the evening news related representatives of 14 bootleggers met the rum craft and purchased its cargo in less than an hour, the boat being under way on the return, trip to the fleet before dawn.

At a point near Ocean City, the Salisbury (Maryland) Evening Times said its investigators had determined that six truckloads of liquor had been landed, apparently destined for Philadelphia. A messenger had been sent post haste after the truck fleet, the Evening Times said, to divert its return route when it was discovered that a prohibition enforcement patrol had been along the Maryland coast.

Prohibition agents of the Baltimore unit denied that a successful landing had been made near this city.

HUSBAND TRAILS PAIR

MONT MILLER CHARGED WITH TRANSPORTING WOMAN

Revelation of the tragic crossing of human paths led to the arrest last night of Mont Miller, 2063 State street, who is said to have transported a woman from Saskatchewan, Canada, to Salem.

Oscar Hancox, husband of the woman in the case arrived in Salem last night after having trailed the couple 1800 miles from Saskatchewan. Last night he put up as a sleeper at the city jail. Tonight he trailed the couple to an apartment they are said to have occupied together.

But the woman fainted, it is said, and in looking after her, Miller got away. Hancox rushed to the station; his wife was left there in care of Mrs. Shanks, police matron, and a warrant was issued for Miller's arrest. He was apprehended at his home immediately by Officers W. O. Edwards and Smart.

Miller was put duly away in the city bastille, but before he was escorted to the door, Hancox flew at him, and it was only with interference from the police that he was able to be stopped. The woman, with her three-year old son, was left in the care of Mrs. Shanks. Hancox was locked up for the night with the sleepers.

A tragic story is half unveiled in the incident. The tale of a marriage in England. A journey to Canada where friends were not known. A life of hardship on a Canadian ranch. Martial difficulties.

All bound up in the report—Mont Miller, 2063 State street, arrested and held for investigation.

CHINESE MUST HANG BUTTE, Mont., Dec. 12.—Louis Wong, 20 year old Chinese today was sentenced to be hanged February 5, 1926, for the murder of Pete Pavlic, rooming house keeper here last April.

AMERICAN BANKERS AND SOVIET MEETS

American Press Representatives Are Barred From Thursday Conference

SIGNIFICANCE IS SEEN

Gathering Its First Outspoken Recognition by American Finance of Importance of Soviet Trade

NEW YORK, Dec. 12.—(By Associated Press.)—American bankers and Russian industrialists gathered at a banquet at the Bankers' club in New York on Thursday and, in view of the commercial crisis of Russia, the meeting of bankers and Russian business men took on unwonted significance.

Absolute secrecy, however, surrounded the progress so far as American newspaper representatives were concerned but the Russian semi-official news agency was able to obtain some of the details which were forwarded to Moscow and published there.

Though information was refused to the American representatives, as the banquet was declared to be of a private nature, The Associated Press instructed its Moscow bureau to send back to the United States the account of the dinner as made public in Russia, and is thus able to present an outline of the proceedings.

"The most significant indication of the increasing importance of Soviet American trade," says the cabled account from Moscow, "was a banquet today (Thursday) at which Reeve Schley, vice president of the Chase National bank entertained officials of the most important American financial and industrial concerns.

"Nominally the banquet celebrated the awarding of prizes to American manufacturers whose automobiles successfully participated in the soviet road endurance tests last summer.

"Actually, the real significance of today's events greatly exceeded this incidental circumstance. The banquet was the first outspoken recognition by American finance and industry of the importance of Soviet trade and the stability of the soviet government.

"The Chase National bank, which showed the earliest initiative in financing the soviet title syndicate's purchases of American cotton and which largely and profitably participated in these and other soviet commerce in the last two years, took this occasion to express confidence of American manufacturers, in this way promoting increased trade with the soviet union.

"Mr. Schley, who presided, spoke of the economic progress of the soviet union in the last two years in overcoming the effects of war, blockade and famine. He described a visit which he made to the soviet union last summer, when he was greatly impressed with the general order and especially the excellent conditions of the railways.

"Charles M. Schwab, chairman of the board of directors of the Bethlehem Steel corporation, expressed satisfaction over the fact that Russia was again trading with America. Mr. Schwab said that the Bethlehem Steel corporation had sold much steel in Russia before the war, and hoped to sell more in the future. American manufacturers, he declared, welcomed business with the soviet trading organizations and he expressed confidence that the economic and commercial relations between the United States and Russia would develop greatly, despite all obstacles.

"Paul Zieve, president of the Amtorg Trading corporation (the soviet purchasing agency at New York) spoke with reference to the recent development of Soviet-American commerce, and described the future possibilities of increased trade.

"Prizes were awarded to soviet manufacturers whose automobiles

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THE TRAIL OF THE LONESOME PINE (IN SIX CHAPTERS)



NEW FEATURE STARTS

FIRST STORY OF WESTERN SHERIFFS APPEARS

In section 2, page 6 of this morning's Statesman will be found the first story of the series, "The Arizona Sheriff." These stories, each one complete in itself, are written by Major Grover F. Easton, otherwise known as "the deputy from Yavapai county."

The stories are well written, brim full of humor, and portray the west, not as it was but as it is today. One of these articles will appear in The Statesman each day.