

turns in 1928 and 1929. The maximum penalty possible is 17 years imprison-

ment and \$50,000 fine.

The big gangster was acquitted on the one indictment charging attempt to evade and defeat taxes on a 1924 income. He was also acquitted of 170-

felony accounts on the second indictment, many of them duplications of the counts on which he was found guilty. The defendant smiled as the ver-

dict v as read by the clerk of the court. One of his attorneys, Albert Fink announced informally intention to file a motion for a new trial, and later withdrew the announcement.

Three felony counts on which Capone was convicted charged that his income was \$257,285 in 1925: \$195,676 in 1926; \$218,056 in 1927 and that he attempted to evade and defeat taxes on these incomes. The government did not ettempt to prove these exact amounts, however, and the court instructed the jury that it should tin Capone guilty if it determined that he earned merely a "tax-

able" income, or one over \$5,000 for each of the years in question. The trial ended in confusion,

with the government apparently more concerned over the jury's failure to convict Capone on 17 of the counts than the defense was with his conviction on five of the

charges. Judge Wilkerson after much discussion granted a request by the defense to argue their motion for and Tokyo directing the attention arrest of the judgement and set of China and Japan to their en-10 a. m., Tuesday as the time. The court at first denied the

motion point blank when Attorney "obviously improper" and there could be no argument about it. He said that unless the defense moved at once for a new trial he would pronounce sentence tonight. Fink persisted, however, and

the court then asked for "assur- ating itself with the council's disance that you have grounds for the motion

Corvallis Upsets Dope,

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day night, not by a tie score as

was the case last season, but by

One the first kickoff Salem re-

the ball, was downed behind his

own line for a safety making the

Schultze over the goal line for the

Woodrow Joslin, fullback for Corvallis Corvallis, shot a 30 yard pass to Pearl....

score 2 to 0 for Corvallis.

ter's town by a 23-6 count.

three yard line.



United States and Twelve Others Send Note to Japan and China

Plan to Make Briand Pact **Basis of Negotiations** In Manchurian row

GENEVA, Oct. 17-(AP)-The United States and 12 other nations agreed through their League of Nations council representatives

tonight to send a note to Nanking gagements under the Briand-Kellogg pact. Prentiss B. Gilbert, the Ameri-

Fink presented it, saying it was can spokesman, and the 12 council members who are not parties to the conflict in Manchuria, participated in this agreement. The step was taken to make the Briand-Kellogg pact, under

Beats Salem High 23-6

the night.

Salem high lost its hope for | touchdown from the 18 inch line.

state championship honors Satur- The try for point was unsuccessful

losing to Corvallis high in the lat- line for another touchdown in the

The Corvallis eleven played in- In the final period Salem opened

which the United States is associcussions, the bass of international action for mediating the trouble in the far east.

and Salem scoring was ended for

third quarter with a 10 yard run.

was in the final period.

"Holly" Huntington's men.

Lineaps:

Woodrow Joslin crossed the

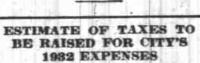


OVER ONE MILL

Change in Financing Fire Protection Principal

Item of Saving Salaries, Emergency Fund,

Parks, Incinerator in



1932 1981 Gen. bud. \$173,956 \$184,394 85,000 217,763 204,158 26,250 26,250

\$459,969 \$482,802 A tax reduction of slightly more

spired ball and took advantage of up with an aerial attack in a fu-every opportunity to further tile effort to score and it brought chances for victory. Salem play-further disaster when Schultze, ed mediocre ball and lacked the the Corvallis captain who started city of Salem in 1932 over those punch to gain a substantial lead as tackle and was later shifted of 1931 will be accomplished if the in the first half when Corvallis to end, intercepted a pass and tentative budget prepared by the stopped a scoring drive on the sprinted for a touchdown. This ways and means committee of the

Inability to solve the aerial ceived and Perrine, after fumbling tack or to get the jump on their opponents spelled defeat for Coach

councilmen under the provisions Salem of the city charter. .RE.... Scheibner While the general budget of the Schultze.... RT..... Coffee city has been raised from \$173, 956 to \$184,394 in the estimate

first touchdown of the game. Jos- Post...... RG..... Bennett lin converted the try for extra Batchelor C Sanford point as he did on each of the Flint..... LG...... Martin for 1932, the tentative budget in-



Members Predict

Intangibles Cause

PEACE PACTS Tax Reduction Due In Salem and State

Change of Linen Now Completed Mill Ownership

A joint meeting of the directors of the Oregon Linen mills and the Salem Linen mills was held Saturday afternoon at which details were concluded effecting the reorganization of the old Oregon company under the new corporate form of the Salem Linen mills. John Veatch of Portland was in attendance.

The new company is operating steadily with new automatic looms fast being put into service.

NATIONAL CREDIT DIRECTORS MEET For Slashing

A reduction of 31/2 mills in the state tax levy is in sight for taxes payable in 1932. NEW YORK, Oct. 17-(AP)-The huge national credit corpora-Last year's levy was 6.5 mills. tion suggested by President Hoov-For next year the tax commission er to thaw out frozen bank credestimates that 3 mills on propits took definite form today as erty will be sufficient to provide the 12 directors, hastily assembled funds which together with those

held their first meeting. from other taxes and other sour-George M. Reynolds, Chicago ces will pay the current expenses banker, was chosen chairman of of the state government, the the board of directors. He is amount required for the chairman of the executive com- mentary school tax and mittee of the billion dollar Con- amount under the millage laws Japanese railway guards and Chintinental Illinois Bank and Trust for the support of the higher edcompany. ucational institutions.

Mortimer N. Buckner, who headed the committee appointed road tax levy by the last legislalittle more than a week ago to form the corporation, was elected ture, the expected dropping this president. Mr. Buckner is presiyear of one-half mill levy by the dent of the New York clearing veteran's aid commission, and the house association, which embraces application of receipts from the leading Wall street banks with new state income, excise and intangibles taxes to the reduction aggregate resources of \$9,000,-

of general property tax. The 000.000. The 12 directors - one from each federal reserve district-met amount required from the state property tax, exclusive of the eleat the New York federal reserve mentary 1930 levy to not more bank and were in constant session throughout the day, save for a by the state tax commission and brief interruption for lunch.

modern world, owe its amazing progress. He was the greatest inventor of all time and principally because he devoted himself to creating useful things. Without them the rapid advancement of commerce and industry would not have been possible.

Edison did not invent the tele-INTERVENTION IN phone and typewriter, but his improvements made these inventions successes. Half the Portland cement produced in America is made in Edison kilns. He invented the phonograph, the stock ticker, motion pictures, street car, mimeograph, storage battery and that Aladdin's lamp-the in-**Opponents of Intangibles** candescent light-and has a thousand odd patents to his name.

His was the first bold conception of the application of elec trical energy for all purposes, particularly for power, light and heat. The machinery for making his inventions. The vacuum bulb which we call an electric globe and which Edison was the first to nake, is also used in the rectifier for changing alternating current electricity in the giant power houses which dot the cities of the world and for distributing it was developed from a multitude of to direct current, or the reverse, and it is also the radiotron, the foundation of radio, which picks up silent electrical waves and transforms them into sounds. Edison's genius-he called it hard work-was wholly self-de-(Turn to page 2, col. 1)

TWO, CLAIM OUTSIDE HELP NOT

Three Mills Will be Enough Next Year, Commission

TOKYO, Oct. 17-(AP)-The Japanese foreign office declared tonight Japan and China, left to Dropping Market Road Levy themselves, would settle their difand aid of Income and ficulties peaceably, thus intimating if war developed from the Manchurian situation the interference of the rest of the world could be blamed.

Officialdom sought a formula for the future, pointing out the army's freedom of cabinet control and is uncompromising stand against outside interference would place the government in a perplexing position should the league order Japanese troops to leave Manchuria,

The troops took over strategic southern Manchurian centers a month ago after a clash between the ese soldiers convinced Japanese officials the lives and properties This is made possible through of their nationals were endanger-the dropping of a one-mill market ed. China has appealed to the league of nations, charging Japan with violation of international obligations.

Hartman To Be Speaker Monday

L. W. Hartman, president o the Portland chamber of comthan \$1.250,000 in the 1931 levy. merce, will address the Salem These estimates have been made chamber of commerce luncheon In addition to the selection of are contingent upon the uphold- 'Relationship of Silver to the officers; the meeting was given ing of the intangibles tax low by Economic Welfare on the Pacific

would have killed most men of his age quickly.

More than two years ago he suffered a severe attack of pneumonia. He conquered this ailment and returned to his work, but his friends believed it had a permanently weakening effect. On August 1 of this year he collapsed suddenly in his home and the eyes of the world were turned

oon the 15-acre estate, Glenmont, where the aged inventor lay fill. Dr. Hubert S. Howe said the collapse was traceable directly to a curtailment of diet to relieve gastric ulcers. Edison also was suffering from diabetes, Bright's disease and uremic poisoning.

The pronouncement of death was made by Dr. Hubert S. Howe, Mr. Edison's personal physician, at 3:24 a. m., and transmitted at Arthur Walsh at 3:37 a. m.

With Mr. Edison when he died were his wife, Mrs. Mina Miller Edison, his six children, Dr. Howe.

and two nurses. The petition of George Hobson Dr. Howe had been at Mr. Ediof Multnomah county and E. S. son's bedside for the past 48 Porter of Marion county, in hours.

which they seek to intervene on The announcement of death, the side of the state in the suit given to the Press by Mr. Walsh, filed by Maude B. Greene and vice president of the Thomas Ediothers, involving the constituson industries, said: tionality of the 1931 intangibles

"Thomas Alva Edison quietly tax law, met strong- resistance passed away at 24 minutes after when arguments were heard by Judge Hill in the Marion county 3 a. m., Oct. 18, 1931." Signed: Dr. Hubert S. Howe. Although physicians said he

circuit court Saturday. Sidney Graham, attorney for probably never would be out of the plaintiffs who are attacking the intangibles tax act, declared danger, he amazed them by his quick rally. Sick as he was, he that it was likely that a new comstill displayed his love of science plaint would be filed as the issue apparently was becoming becloudby questioning a matter of time. ed by the addition of new conten-He had for the first time refused tions. Judge Hill intimated that to eat on that day, a fact which (Turn to page 2, col. 8)

CASE IS OPPOSED

Tax Fight Move of

Realty Owners

(Turn to page 2, col. 8)

NEEDED, DECLARED Pupils Insist They Will go to Stayton High; Plan is Told

Parents Will Take Turns Transporting 18 From Outside Districts; New Angle Springs up in Bus Route Squabble

CTAYTON, Oct. 17-The 18 high school students who live in territory not served by Stayton's changed bus route D will attend Stayton school anyway.

This was revealed here tonight when another page was written on the school bus transportation drama which has revolved about Stayton's hauling pupils from sections in which other districts claimed it O.

fect attendance at the Stayton schools Stayton agreed to abandon a

About a dozen farmers from the North Santiam and West Stayton bus into disputed territory when Sections met with the Stayton Li- school boards from there, Jefferons club and chamber of commerce son, Turner and Aumsville met in the city hall here tonight. The out the situation which had asvisitors informed that their chil- sumed proportions of a legal batdren are most anxious to come to the. The settlement was reached the Stayton school and are deter- after the other three districts said mined to attend here even if they they would sign agreement not to have to walk. Parents declared that the chil-

was transgressing.

contest Stayton's claim for mimbursement for tultion and transportation.

dren would continue in the high Through the controversy, the school here, the parents to take Stayton district has held that the turns in hauling them to a Stay-

17,500 Fire eqp. Bonds, prtg., int St. rprs.

than one mill for expenses of the ouncil is accepted by the latter

ody when it meets tomorrow night. Sitting with the 14 aldermen will be the 14 special budget committee members named by the

'Relationship of Silver to the ton school bus in territory defin-Economic Welfare on the Pacific Coast". Mr. Hartman is past pres-ident of the Portland shipping pupils. This section method is the section method is a stay-club, consul for Papame in Ore. This section method is stay-boundary board failed to grant a hearing before it ruled on the transportation routes for 1931, and that it had a legal right to oppoint as he did on each of the succeeding two Corvallis touch-downs. In the second quarter the Cher-ians made a determined drived a determined drived drived drived drived drived a determined drived drite drived drived drived through the forward wall for a W. JoJshn F Weisser