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COUNTY OFFICIAL PAPER

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INCOME TAX IS GOING TO FACE MANY PROBLEMS

President, Supreme Court and Others Have Designs on the Act - It May go Into Congress.

MAY PULL OUT OR MAY DIE

Five Cases Now Pending in Supreme Court—Wilson Wants Exemption of the Tax Lowered—McAdoo Wants Rates Decreased—Other Features Are Wanted Changed.

(United Press Correspondence.) WASHINGTON, D. C., Dec. 25.—The income tax law is in for a long, hard winter. The president, the supreme court, secretary of the Treasury McAdoo and any number of committees and factions in congress have designs on the act. It may appear strong and well in the spring, it may be crippled and it may be dead. The fate of the law and of the many amendments which are being planned, rests largely upon the supreme court's decision in the five cases pending. If the law comes through that ordeal whole, it must still pass into the hands of congress. President Wilson wants the exemptions of the tax lowered, and the surtax started at a lower figure and increased more rapidly than at present. Secretary McAdoo wants the rates of taxation on both individual and corporate incomes increased, the exemptions reduced from \$3000 to \$2000 for single persons and from \$4000 to \$3000 for married, and the surtax started at \$10,000 or \$15,000, instead of \$20,000. Many administration men in congress will seek to amend the law in conformity with these plans. Senator Owen wants the tax increased to fifty per cent on incomes of \$50,000 a year and up. Republicans are expected to introduce bills removing the "collection at the source" feature and possibly lightening the surtax. The income tax law became effective October 3, 1913, after a constitutional amendment for it had been ratified by three-fourths of the states. Most tax authorities favored it because it was to be the largest trial on this continent of a system designed to make tax dodging difficult. The administration liked it because it brought a revenue of \$80,000,000 a year. Now the administration wants to raise more revenue by this means and opponents of income taxation want to amend it to raise less. The present law provides an exemption up to \$3000 of income for single persons and \$4000 for married persons. One per cent is collected on incomes up to \$20,000, on amounts between that and \$50,000 an additional one per cent and further increases up to six per cent on incomes over \$50,000. It is this increase above one per cent, the surtax, which "collection at the source" is being fought. To prevent the hiding of incomes, the law ordered that all companies paying dividends on stocks and bonds deduct the amount of the tax and pay it to the government before they raid the dividends to the stock and bond holders. This is the "collection at the source" feature. There was an immediate wall when the tax first took effect, and several taxpayers took their cases into court. These have drifted down to the five now before the supreme court. In these five almost every provision of the law is attacked, and upon the decision of the court rests the constitutionality of all of these provisions. A decision is expected at any time, but it is possible the court will wait until Justice Lamar, now ill, returns to the bench, before making a decision. Congress is expected to go ahead with its amendments, if the court decision is not returned soon.

Christmas Greetings



Listen Children! Here is a Real Story From Santa Claus

(United Press Correspondence.) AT THE NORTH POLE. (Via Wireless.)—Dec. 24—Santa Claus was just coming out of the big silver barn where some of the Santa Claus children were putting a final gloss on the sleek brown coats of the hundred handsome reindeer in their roomy ivory stalls when the United Press man met him. "Hello, there," said Santa as he sat down in a big snow chair and went on polishing the armful of spunged harness he carried. "I'm glad to see you, although I am sort of busy. You see, I'll have to work pretty fast tonight if I'm going to get around to all the little boys and girls in the world. What can I do for you?" The reporter was surprised to find such a cheerful, busy, wonderful scene here at the North Pole, where everything is just a bleak, dreary field of snow and ice and leaden sky. He couldn't answer at once, he was so busy looking around at the mountains of presents everywhere. He was most of all interested in the little Santa Claus children, hundreds and hundreds of them, all looking like little pictures of their daddy, hopping and skipping busily about among the millions of dolls and hobbys, horses and tops and games and candy and everything imaginable, putting the proper name tags on every one and he really didn't see how they could do it. Then the gigantic silver barn, bigger than all the ordinary barns in the world put together, glittering there in the snowfields. It has to be that big you know, to hold Santa's big steel sleigh. The reporter could see part of the sleigh through one of the purple barn doors and it was so big that—why, just one of the hundreds of rivets that held it together was three times as long as four ten-year-old boys standing on top of each other's shoulders. And although it was the middle of winter at the North Pole, it wasn't so very

cold. The reporter asked Santa Claus about this. Santa laughed and called out in his great, gruff, hoarse voice: "Boreas! Oh, Boreas! Come here and tell this boy why it isn't cold at the North Pole today." And from somewhere, "way off there was the most terrible whistling and shrieking you ever heard and suddenly, down from the leaden sky dropped the biggest, fiercest-looking old man in flowing white robes that the reporter ever had seen. "This is my friend Boreas. The North Wind," said Santa Claus. "How do you do?" shrieked Boreas; and say, maybe his breath wasn't cold! "Didn't you know that I always have it warm enough for Santa Claus to do his day's work up here once a year? Didn't you know that I do that for him because he takes presents and messages for me to my children, the South Breeze, the East Wind and the Warm Spring Zephyr. I haven't seen them for hundreds of years and if it wasn't for old Santa I don't know what I'd do. What I do for him is little enough." And like little pictures of their daddy, hopping and skipping busily about among the millions of dolls and hobbys, horses and tops and games and candy and everything imaginable, putting the proper name tags on every one and he really didn't see how they could do it. Then the gigantic silver barn, bigger than all the ordinary barns in the world put together, glittering there in the snowfields. It has to be that big you know, to hold Santa's big steel sleigh. The reporter could see part of the sleigh through one of the purple barn doors and it was so big that—why, just one of the hundreds of rivets that held it together was three times as long as four ten-year-old boys standing on top of each other's shoulders. And although it was the middle of winter at the North Pole, it wasn't so very

CHRISTMAS HAS BEEN SPOILED FOR FORD'S PARTY IN WAR ZONE

ANOTHER ROW HAS RENT THE DELEGATES—SOLDIERS STILL IN TRENCHES. SEWART, Stockholm, Dec. 25.—On the day Ford hoped to have the soldiers out of the trenches, a fresh row rent the peace party. Governor Hannah quit, enraged, alleging that informal calls on Norwegian officials had been misrepresented. Judge Lindsey has obtained Ford's approval of a scheme for aiding war orphans. Other directors announced they will repudiate all the meetings regarding the ending of the war, declared his intention to proceed with the meetings. The news that Ford has called for America has dampened the ardor and spoiled the Christmas of the peace delegates.

Cornelison Acted Part of Santa at Tree Last Night

MISSIONARY AT TUTULLA TAKES PART OF GENIAL KRIS KIRKING. "Who is Santa Claus?" That was the question asked by hundreds last night when the old white-whiskered gentleman was directing the distribution of candy at the municipal Christmas tree. No one, save Jack Robinson and Santa himself knew. His identity had been an absolute secret and none could guess his every-day name, even though Mr. Robinson offered extra candy for the one guessing correctly. Santa almost gave himself away when he burst into song. He sang "A strange tongue and some of the children thought it was the language of the far northland. As a matter of fact he was singing in the Nes Perce tongue and these is only one white man in the community who can do that. Therefore, some went away satisfied that the genial old Kris Kringle was none other than Rev. J. M. Cornelison, the missionary at Tutulla, and that gentleman himself would not deny that he had acted the part of Santa when questioned this morning. The Brownies who acted as body-guard to Santa were little Misses Garnet Jack and Margaret McKeown and Masters Robby Fletcher and Donald McCook.

NEWS SUMMARY

General. Income tax is in for a hard winter. Christmas for Ford's peace party is spoiled. Soldiers remain in trenches. Local. Municipal celebration proved huge success. Christmas business exceptionally good. Movie news on Page 5.

Most of Germans Spend Christmas in The Trenches

EFFORTS OF THE EMPIRE ARE EXPENDED ON DEFENDERS OF FATHERLAND. BERLIN, Dec. 25.—Germany is spending its Christmas in the trenches. Every home in the Empire has its Christmas tree as usual, but its heart is out on the snow-covered front where the German soldiers are holding 2000 miles of lines against their allied enemies. Three-fourths of Germany's Christmas shopping has been done for the soldiers. For two months the field post has been struggling with tons on tons of Christmas packages, which have now arrived at the trenches. Delicacies Sent to Front. First went the mail for the soldiers in farthest Serbia and Russia, where at the end of the rail journey the packages had to be carried 100 and sometimes 200 miles over terrible roads and mountains. In the last few weeks the Christmas mail has taken preference over everything except ammunition. And such a Christmas mail! No home in richest Berlin will have as many delicacies as have been sent to the front. There was more caviar in the Christmas packages than will be eaten in German homes in the next three months. One store in Berlin alone sold enough delicacies for the soldiers to feed Berlin for two weeks. Tiny Trees Sent Out. Thousands of tiny but real Christmas trees with real candles have been sent out in packages 15 inches high. These will shed a cherry light on Christmas eve in thousands of bomb-proof shelters away out under the enemy's guns. Then there have been trainloads of warm woolen articles, such as sweaters, undershirt, mufflers, wristies, knee-warmers and chest protectors, tons of tobacco, cigars and cigarettes and liquors, to say nothing of mothers' own cakes and mothers' own knitting. For it seems as if all feminine Germany has been devoting itself during the last six months to knitting for the men at the front, and now for weeks feminine Germany has been baking, so that no soldier may be forgotten.

1ST MUNICIPAL XMAS TREE IS A GRAND SUCCESS

Crowd of Many Hundreds Gather Last Evening to Take Part in the Holiday Festivities. PROGRAM DELIGHTFUL TO ALL. Singing of Children is Feature—Drawn on Float Through Streets They Render Christmas Carols—Santa Claus Distributes Gifts to Little Ones. Pendleton's first municipal Christmas celebration was a success, a huge success. From the caroling of children choristers to the impressive appearance of Santa Claus in his electric-lighted "sleigh" it delighted the crowd of many hundreds who had gathered at the intersection of Main and Court streets to witness the festivities. There was not a hitch in the entire program. Even the weather gods, who, in the late afternoon had threatened to mar the evening with wind and rain, stayed their mischief during the celebration. The square at the intersection was densely packed with the throng that had gathered for the exercises and faces peered from the windows of every near-by building. There was no delay in starting the celebration. Shortly before seven o'clock, a big white float came down Main street bearing fifty white-robed children whose voices were raised in the beautiful Christmas carols. They had been splendidly trained by Miss Eleanor Vincent and Eugene Molitor and their clear young voices carried a message of Christmas cheer to many hearts. For a half hour their caroling continued through the streets and as they finally reached the big Christmas tree, twinkling with many colored lights, the large choir of the combined churches mounted the elevated platform and the musical program began. Hal Bishop, who directed the choir during the evening, opened the program with a trombone solo, "The Holy City," the choir sang several anthems, Walter Ross sang a beautiful tenor solo, Miss Olive Gwinn gave an appropriate dramatic reading, a quartet number was sung by Mrs. Ben L. Burroughs, Miss Edna Zimmerman, and Messrs. Bishop and Peters, a vocal selection was sung by Miss Mayree Snyder and, closing the program, a bevy of high school girls, dressed in domino costume and directed by Miss Cecil Boyd, danced a folk dance under the rosiest glow of the Christmas lights, their graceful movements being one of the prettier features of the evening. The program close just as the clock was striking 8 and from up Main street came the blast of horns announcing the approach of old Kris Kringle. All eyes turned in the direction of the sound and children fairly went into rapture at what they saw. Old Santa was riding in an illuminated "sleigh" which in reality was an auto completely encased in white. On projections in front stood two beautiful antlered deer, stuffed of course, but very lifelike in appearance. Each point of the antlers was tipped with a tiny incandescent light and the "sleigh" too was brilliantly illuminated. High in the back seat old Santa acknowledged the wild acclaim that greeted him with bows and salutes. Around him were four tiny Brownies who bore his coming with blasts of their horns. As driver Santa had Jack Robinson who was responsible for the beautiful conveyance in which the old gentleman made his appearance. Through the crowd the reindeers drew the sleigh, going north to Water and then returning to the tree. A hundred children, led by the white-robed choristers, followed close in the wake. As the car came to a stop by the Christmas tree, great boxes of candy and nuts were uncovered and quickly Santa's helpers began distributing it among the children. There was plenty for all and all were treated alike. Some fifteen hundred sacks of the confections were distributed among the little folks and there was candy left when the last had been supplied. It was near 9 o'clock when the crowd dispersed. All business had practically been suspended during the entertainment, all streets radiating from the tree had been roped off so that they were clear of all vehicles and half the population of the city had turned out to witness the festivities. In every detail the celebration was a success and high praise is being given the people who planned and executed it. Burma is exporting vehicles to the United States.

BUSINESS IS MOVING IN THE RIGHT DIRECTION

ACTIVITY IN AMERICA IS NOT ALTOGETHER DUE TO WAR IN EUROPE. CHICAGO, Dec. 25.—Evidences of business activity and growing prosperity manifest themselves on all sides. They find reflection in highly satisfactory railway and industrial corporation reports, higher prices for steel products, crude and refined petroleum and in practically all other commodities, the full employment of labor at high wages and in the higher rates of many dividend disbursements. How much of this is traceable to the war business and how much represents an expansion of domestic business is difficult to determine. There are reasons to believe that domestic business, independent of the stimulus received from the so-called war order business, has been overestimated. The fact remains, however, that even this domestic business is making progress in the right direction. Much Credit Still Unused. Individual deposit accounts continue to indicate a large amount of unused credit, a condition that would not exist were business generally as active as statistics of a superficial character are likely to lead one to believe. The volume of business with Europe is enormous, which is daily strengthening the American financial position, and if this continues long American business will find itself strongly fortified, but it is generally conceded that this cannot continue active unless the demand keeps up, and until domestic requirements are sufficient to replace the demand that is now so insistent from abroad the country cannot be said to be on a firm foundation for a long period of sustained prosperity. Stole Mackinaw, Alleged. Officer Nash this morning arrested Francis Maunle on a charge of stealing a mackinaw coat from Paul C. Martin. He is out on bail. Broke Boxer Seal. A man giving the name of Kelly and another giving the name of Dan Collins, were arrested today on a charge of breaking the seal of a boxer. They are being held in the city jail. Lost—'Merry Christmas' Sign. The electric "Merry Christmas" sign used at the municipal tree last evening was loaned to the committee by Guy Mallock, proprietor of the Pastime theater who had it made for his playhouse. He hung it over the entrance of his theater today.

GREETING SENT BY POET. Wiley Says Even Sorrow-Ridden Planet Has Passed to Smile. INDIANAPOLIS, Dec. 25.—James Whitcomb Wiley, who is in Florida for the winter, has sent the following Christmas message to the people of Indiana: "Christmas means love. We cannot picture it without seeing the spangled Christmas tree girt with faces of gleeful youngsters, glad parents and happy bodies returned home from town or far metropolis. It sounds like bells and crackling logs, and shouts of children. And even our old, round-shouldered, sorrow-ridden planet, with his eye knocked out on his cheek, pauses to smile from sea to sea, and love is everywhere rejuvenated."