

CITY EDITION Daily average net paid circulation for month ending January 31, 1925 6548

Capital Journal

PROBABLY RAIN Tonight and Friday. Moderate easterly winds. Local: max. 41; min. 35; rain, none; river, 5.4, falling; atmos. cloudy; wind, northeast.

FORTY-SEVENTH YEAR No. 43

SALEM, OREGON, THURSDAY, FEBRUARY 19, 1925

PRICE THREE CENTS ON TRAINS AND NEWS STANDS FIVE CENTS

MOVIE BILL CAUSES CLASH

REPEAL OF INHERITANCE TAX FAVORED

President Declares For Gradual Withdrawal of Federal Government From Inheritance Tax.

Washington, Feb. 19.—Gradual withdrawal of the federal government from the inheritance tax field and greater economy in tax collection were recommended for public consideration by President Coolidge in an address at the opening session today of the National Tax Association's national inheritance and estate tax conference.

The president condemned the present federal inheritance tax, amounting in its highest bracket to 40 per cent, declaring that in some instances it, with the estate duties, "closely approaches, if it is not actually, confiscation."

"If we are to adopt socialism, it should be presented to the people of this country as socialism, and not under the guise of a law to collect revenue," he said.

"Establishment of 'economy in the income revenue,' is an equal necessity with economy in outgo of revenue, Mr. Coolidge said, adding that the first field for the practice of economy in inheritance tax collections laws is state cooperation.

Declaring there is competition between states to reach inheritance tax revenue.

(Continued on Page Nine)

REAFFIRMS EXTENSION OF OREGON TRUNK

Portland, Feb. 19.—President Charles Donnelly of the Northern Pacific railroad, in a statement here today, reaffirmed the intention of his company, together with the Great Northern railway, to build southerly from Bend, in central Oregon, to Klamath Falls, Oregon, as soon as the interstate commerce commission determines the losses in the controversy involving the construction of rail lines through interior Oregon.

The indications at present are that the lumbering industry in the vicinity of Klamath Falls will undergo, in the comparatively near future, a very considerable expansion. How soon this will take place is uncertain, because there is believed, some division of sentiment among the leaders of that industry as to whether it is not now expanding too rapidly.

"But, however, this may be our purpose in building into this territory was to supply its transportation needs, and, speaking for the Northern Pacific, I do not hesitate to say that our line will be extended whenever it shall be made to appear that the available traffic will yield a return on the capital investment required for its extension."

RY STOOLO PIGEON LIKELY TO RECOVER

Portland, Ore., Feb. 19.—J. A. Yacovile, "Handsome Hans," has a 50-50 chance to survive the bullet wounds in his lungs, received Tuesday when he was attempting to arrest a couple of alleged bootleggers, said his physicians today. A fear that pneumonia might develop was expressed. Widespread interest in the battle that "Handsome Hans" is making for life was evidenced today, especially in underworld circles where his operations have been the cause of considerable consternation in recent months.

LEGISLATURE FIGURING ON EXTRA LEVY

State's Financial Snarl Still Untangled—Where Million Needed Is To Come From Is Unknown

The legislature has not yet extricated itself from the state's financial snarl in which it became entangled as soon as it reached Salem 39 days ago. Although tomorrow is normally the last day of the session, new revenue bills have not been introduced. While many of the appropriation bills will probably be introduced in the house today, some are yet hanging fire. Notably the normal school policy has not been decided on.

To meet the financial emergency the presiding officers of the two houses and other leaders of the legislature have practically decided that the session must levy upon the people an additional one mill tax levy above the 1.5-mill levy by the tax commission last December. It is believed this can be done legally. The question is whether Governor Pierce will approve the bill. But if he vetoes it, upon him rests the responsibility of holding the legislature in session over the normal period, for that is what will happen if the revenue bills are not drafted, introduced and enacted into law by tomorrow night.

There is a double reason for making the one mill levy. One is that given above, and the other is to get the state on an even keel with respect to the 6 per cent tax limitation amendment. The December tax levy was about a million dollars short of what it could have been under the 6 per cent limit, so if the levy is not now made up to the limit there will be lacking a sufficient basis next year for the annual levy, and so on indefinitely.

The ways and means committee and the governor are still sticking to their plan for a cigarette tax, and may extend it to include cigars. A 20 per cent instead of a 10 per cent tax on cigars is now talked. The reason for this is to get away from the proposed increase in the insurance tax. A delegation of insurance men appeared before the committee last night and protested against the increase.

JUDGE KINNEY'S PORTRAIT HUNG

A portrait of the late Robert Grouch Kinney, a member of the first Oregon territorial legislature and constitutional assembly, was presented to the State of Oregon this morning by relatives, Chief Justice McBride making the presentation speech. Governor Walter M. Pierce accepted for the state.

Justice McBride explained that Kinney came to Oregon in 1847 and was a legislative and constitutional leader. Senator Kinney is a daughter-in-law of the pioneer lawmaker. Little Edna Walker, a granddaughter, unveiled the portrait at the joint session ceremony held in the house.

Joe Knowles, who gained considerable publicity a few years ago from his outdoor habits of living on the bounties of nature, painted the picture.

OLDS, WORTMAN STORE SOLD TO SCHLESINGER

San Francisco, Feb. 19.—Lee Schlesinger, retail manager of the City of Paris Drygoods company, his father, E. F. Schlesinger, head of the May department store in Los Angeles and his brother Richard Schlesinger of San Francisco, have taken over the department store of Olds, Wortman and King in Portland, Oregon. It was announced here today by Lee Schlesinger. The two younger Schlesingers will be in active charge of the Portland store.

Congress Acts to Prevent Demoting of General Mitchell

Washington, Feb. 19.—The house aircraft committee in a statement today by Representative Perkins, republican, New Jersey, placed itself on record as having received yesterday from what it regarded as "reliable sources," a report that "Brigadier General Mitchell, assistant army air chief, had been summoned to the White House today to be reprimanded by President Coolidge.

The information he said, did not come from General Mitchell. The fact that the general was not summoned to the White House today, he added, gave him no reason to change "my opinion as to the credibility of the report."

In an effort to forestall any disciplinary action in such cases as that of General Mitchell, Representative Laguardia, republican, New York introduced resolutions today to prevent any army, navy or marine corps officer from being "transferred, demoted, reprimanded, disciplined, or otherwise punished" on account of testimony before any congressional committee or during a period when his testimony is required.

ASKS CUT IN GRAZING FEES

Washington, Feb. 19.—Reduction or cancellation of the grazing fees on national forests was demanded in the senate today by Senator Ashurst, democrat, Arizona, who criticized treatment of the industry by the department of agriculture as "indifferent and ignorant."

Senator Ashurst declared the industry faced extermination as a result of injustices deliberately imposed by the government. He charged the department of agriculture had a "deliberate lobby seeking the defeat of bills in congress aimed to relieve cattle growers."

Resolutions adopted by the Arizona Cattle Growers association asking a reduction in grazing fees and repeal of a ruling forcing removal of fences of the public domain were read by the senator.

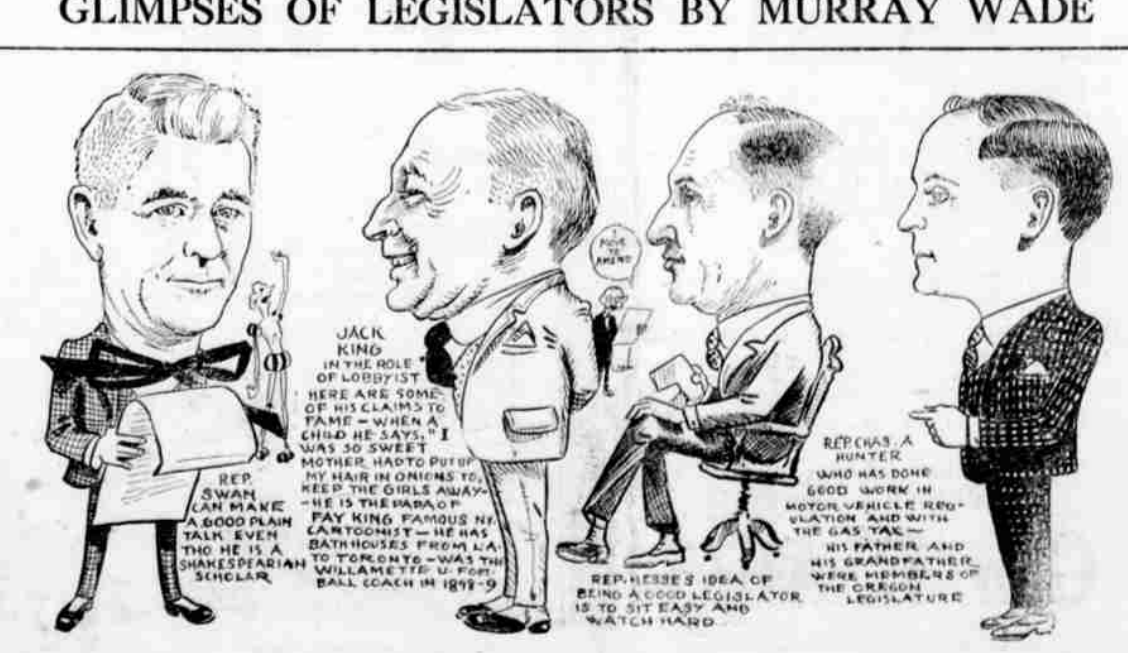
\$50,000 JOB OFFERED TO SECRETARY HUGHES

Chicago, Feb. 19.—Charles Evans Hughes, secretary of state, may have waiting for him when he returns March a more lucrative position.

BURKE CLEARED OF ALL CHARGES

Washington, Feb. 19.—Charles H. Burke, commissioner of Indian affairs, was exonerated by a house sub-committee today of charges of maladministration preferred against him by Hugh Murphy, former judge of Oklahoma county, Oklahoma.

GLIMPSSES OF LEGISLATORS BY MURRAY WADE



BATTLESHIP PLACED ABOVE AIR POWER

Coolidge Accepts Navy Theory That Warship Rules Supreme at Sea; Mitchell To Be Demoted

Washington, Feb. 19.—Definite acceptance by President Coolidge of the navy department theory that air power can never supersede battleship supremacy at sea is implied if not stated, in his announced \$39,000,000 naval construction program for the present and ensuing fiscal years, now before congress.

This was disclosed in the publication today of the report of the navy general board, acting as a special board of inquiry by the president's direction, on the relative military value of aircraft, submarines, and battleships, along with a statement by the executive showing a basis of the appropriations he has forwarded to congress. While the president made "no" direct reference to the board's findings, his statement shows acceptance in principle, but on a modified scale, of the board's recommendations as to the priority and nature of new construction for the navy.

The board recommended immediate modernization of six of the older battleships as the first requirement for the navy. The president in his program for modernization without gun elevation, cut this number to three ships and eliminated another recommendation of the board for modernization of seven other battleships "as soon as possible."

SOUTH PROTESTS TAXES ON OLEO

Washington, Feb. 19.—The protest of southern states against proposed legislation by western dairy states to increase taxes on oleomargarine, a cotton oil substitute for butter, was heard again today in the senate.

The states particularly mentioned were Wisconsin, California, Idaho, Indiana, Missouri, Nebraska, Ohio, Oregon and Utah. Southern senators declared that if the west persisted in such legislation, the south would take similar steps against western products.

A telegram from Governor Moore of Idaho, put into the record by Senator Gooding, said a tax bill passed yesterday by the Idaho house appeared to him "too radical."

Aircraft Chief To Be Demoted For Criticizing Policies



PIERCE DENIES NEGOTIATIONS ON FISH BILL

Governor Pierce this morning denied that there are any negotiations going on between his office and members of the legislature relative to senate bill 94, which would take the power of appointing members of the state fish commission out of his hands and vest it in the board of control.

The bill is on the house calendar for today, but reports are current that it would be tabled pending the outcome of negotiations with the governor which would effect a compromise.

The compromise proposal is that a bill should be drafted in which the members of the fish commission should be named. The proposal suggests the names of F. P. Kendall, present chairman of the commission, Commissioner Eakin, an appointee of the governor, and Jefferson Myers, former state treasurer and the selection of the chief executive for a berth on the board of control.

INCOME TAX COLLECTION BILL PASSES HOUSE

House bill 449, providing for the collection of unpaid 1924 income taxes, was passed unanimously by the house this morning. The bill was introduced by the committee on assessment and taxation. It is virtually a re-enactment of the repealed state income tax law, but will apply only on the unpaid taxes of 1924 and then so long of existence. The bill will be hurried over to the senate for action.

SENATE KILLS BILL TO SLICE CLACKAMAS

Effort To Enlarge Multnomah Defeated After Spirited Debate Full of Personalities.

The Staples bill for the annexation of part of Clackamas county was killed by indefinite postponement in the senate today. This was an adoption of the majority report of the committee on counties, signed by Dunn and Tooze. The minority report, favoring passage of the bill was signed by Clark.

The debate was replete with personalities. Those voting for the bill were Banks, Casner, Clark, Hall, Magladry, Ritner and Staples.

Senator Staples, who introduced the bill, declared if the question were left to the people of the area involved 95 per cent of them would vote for it. He declared that part of Clackamas county is really a suburb of Portland.

Senator Tooze dramatically moved that the courtesy of the senate be extended to a large group of students from West Linn.

CALL ON PIERCE FOR REPORT ON CORPORATIONS

Failure of Governor Pierce to respond to the demand made in house resolution No. 11, calling upon him to make public the report of the special committee he appointed nearly a year ago to investigate reports of irregularities in the conduct of the corporation commissioner's office, this morning moved Speaker Hurdick to address a letter of the governor asking what he proposed to do in regard to the resolution. The letter, signed and delivered to the governor last Saturday.

Months ago when reports were current of the misuse of funds of the corporation department by employees of that department Governor Pierce appointed a committee to investigate the reports and submit their findings. The investigation was made, hearings held, testimony taken and a report, together with findings and a transcript of the evidence were submitted to the governor. They were never made public, and nothing had since been heard of them until the introduction of the house resolution demanding that they be made public.

NAME NEUNER U. S. ATTORNEY

Portland, Ore., Feb. 19.—A special dispatch to the Portland Telegram from Washington today says: "Senators McNary and Stanford today in writing joined in a recommendation to the president that he appoint George Neuner, Jr., of Roseburg, United States district attorney for Oregon. It is expected that the president will concur in the recommendation and send in Neuner's nomination to the senate this week. A favorable report by the senate judiciary committee and speedy confirmation by the senate are expected to follow."

AMITY DEFEATS YAMHILL

Amity high school defeated Yamhill by a score of 17 to 15 at the Amity floor last night. The tilt, which was hard fought every minute of the time, was played before a crowd which packed the building. Leslie Sparks, freshman coach at Willamette, refereed the game and called many fouls on each side. The two teams play again Friday night at Yamhill.

\$2,000 IN POT TO KILL FILM BILL ALLEGED

Obscene Pictures Flayed In House Which Delayed Action For Printed Amended Bill.

By HARRY N. CRAIN The moving picture war broke in the house this morning when Representative King moved for the adoption of his minority report to kill by indefinite postponement Representative Tucker's substitute for house bill 409, which came out of the committee of health and public morals with a "do pass" recommendation signed by four members of the committee.

Since yesterday morning the forces favoring this measure and those seeking to kill it, including a strong lobby, have been maneuvering about to strengthen their positions. House bill 409 was on the calendar for yesterday morning, but when it was reached in the regular order of business Tucker asked that it be laid on the table while he prepared some amendments. Later in the day with the amendments prepared the bill was taken from the table and referred back to the committee. The amendments needed to repair the technical defects in the original and to provide sufficient revenue to make the censor board self-supporting and financially able to function were so numerous that the majority of the committee decided that it would be best to bring in a substitute measure.

The first substitute to be decided upon corrected the defects of the original bill, but it also added

POTTER FAVORS SPLIT SESSION OF LEGISLATURE

"My experience in this session of the legislature has opened my eyes to the faults of the present system," said Representative Potter of Lane county in an address before the Marion-Polk County Realtors this noon, in which he pleaded for support of a measure providing for two separate sessions of the legislature, with 20 days allowed to elapse between sessions.

"At present it is impossible to sift out, analyze and understand the great numbers of bills which are introduced in one session, especially when so many are introduced during the last few days of that session. Under such conditions the tendency of the legislators is to act, not upon his judgment, but upon his impulse," he stated. "It is important that these matters be thoroughly digested before they are voted on." Even in the case of emergencies hasty actions may bring about a worse result than the evil which it seeks to avoid, the speaker maintained.

Mr. Potter took a severe rap at the present manner of enforcing the present state prohibition law. "It is a great mistake to appoint one officer to enforce one law," he said. "Each law should be kept on exactly the same footing as every other law. When we begin to resort to hysterical methods in law enforcement we are creating dangerous grounds. I believe the record of this state in enforcing the prohibition law during the past two years is proof of the fact."

EDDY BILL TO CHANGE SCHOOL COURSES KILLED

The Eddy bill for a change in the course of study in high school of the state and specifying certain required subjects was indefinitely postponed by the house this morning. An unfavorable report was brought in by the house reviser of laws committee. No opposition was voiced against the report.