

# MILLIONS IN TAXES MISSING

## NORRIS SEEKS TO REINSTATE INSURGENTS

Nebraska Senator Moves That Ladd Be Restored To Chairmanship of Lands Committee.

Washington, March 9.—With most of the democrats voting present, the senate today elected Senator Stanfield, republican, Oregon, as chairman of the committee of public lands and surveys in place of Senator Ladd of North Dakota, who was read out of the republican party.

The vote was Stanfield 36; Ladd 13; Jones, New Mexico, democrat 27.

Washington, Mar. 9.—A move to restore the LaFollette insurgents to their old committee rank was made today in the senate by Senator Norris, republican, Nebraska.

He offered a formal motion to substitute the name of Senator Ladd of North Dakota, one of the insurgents, for that of Senator Stanfield of Oregon as chairman of the public lands committee.

Some of the democrats objected to a straight-out vote between Senators Ladd and Stanfield to the exclusion of a democratic candidate, Senator Harrison, democrat, Mississippi, telling the republican leaders that democratic senators had no desire to "enter the republican family row." A long and complicated discussion followed.

A suggestion that the democrats nominate Senator Pittman of Nevada for chairman of the committee was objected to by Mr. Pittman, who said he did not want to be chairman of a republican committee.

Senator Robinson of Arkansas, the democratic leader, subscribed to the position taken by Senator Harrison. He said the republicans had the majority and should be permitted to organize the senate but he added that if they showed inability to do so, the authority might have to act.

Summarizing his position, Senator Norris said that "no self-constituted purification committee" of the senate had any right or authority to pass upon who was or was not a republican. He declared Senator Ladd had been nominated and elected as a republican in North Dakota and that he should not be deprived of his committee rank.

Defending the action of the republican organization, Senator Ernst, republican, Kentucky, declared that the republican party of Senator LaFollette of Wisconsin, as a republican and his retention as chairman of an important committee is deeply prejudicial to the republican party.

Reading from the LaFollette campaign text book, Senator Ernst declared it said "that millions of voters had lost confidence in both major parties," and demanded the right to vote for an "honest man."

## MARSHAL NEILAN AND STRANGER IN BRAWL

Calver City, Cal., March 9.—Calver City police early this morning were called to a boulevard cafe here to quell a disturbance said by eye witnesses to have started between Marshall Neilan, motion picture director, and an unidentified man who was dancing with Blanche Sweet, film actress and Neilan's wife.

According to witnesses the fight started when the stranger struck Neilan after the director had objected to the manner in which he accompanied Miss Sweet over the dance floor.

## SAYS CONGRESS FAILS NATION'S WAR HEROES

Washington, March 9.—Failure of congress to enact legislation establishing a medical corps in the veterans' bureau and its action in fixing next June 30 as the limit of time within which disabled veterans may enter vocational training "is a repudiation of the nation's pledge to its defenders," declared a statement issued today by Frank J. Irwin, national commander of the Disabled American Veterans. The statement said "further weakening of the unsatisfactory medical division is inevitable" as a result of the failure of the bill passed by the house.

## TACNA-ARICA PLISISCITE IS ORDERED

President Coolidge, As Arbitrator, Hands Down Award In Dispute of Peru and Chile.

Washington, March 9.—A plebiscite to determine the question of sovereignty over Tacna-Arica was ordered in an award handed down today by President Coolidge in the controversy between Chile and Peru.

The award was handed the Peruvian and Chilean ambassadors at the White House today by the president. Conditions of the plebiscite will be in accordance with some of the contentions of each of the nations party to it. The decision would provide for a fair election to represent the people's wishes.

A brief semi-official summary of the decision is:

### Decision Clean Cut.

The opinion as awarded is not wholly favorable to either party but it is in no sense a compromise. It is a clean cut decision on the merits of each of the three questions submitted to the arbitrator.

The first question, plebiscite or no plebiscite, is decided in favor of Chile's contentions that the ultimate disposition of Tacna and Arica should be determined by popular vote.

The second question, namely, the conditions of the plebiscite, involve the determination of a number of important matters, such as the qualifications of voters and the supervision of the plebiscite. Some of these matters are decided in accordance with contentions made by Chile; others in accordance with contentions made at one time or another by Peru. All are decided in the interest of a free and fair election, which will truly represent the will of the people of Tacna and Arica.

## BATTLE FLEETS PREPARING FOR STRENGTH TEST

Aboard U. S. S. Seattle at Sea, off the West Coast of Mexico, Mar. 9.—(By Associated Press.)—Today two great battle fleets, involving one hundred and nine warships of the American navy are in the zone of possible combat in a great war game. Fifty-two of the vessels are in the blue fleet. Their problem is the defense of the Pacific coast against attack by the powerful enemy black fleet.

The great black fleet of 57 vessels, the main defense of which is nine dreadnaughts, one cruiser, 29 destroyers, aircraft and mine sweepers, is a vastly superior enemy. Its mission is the invasion of the Pacific coast. Whether it is to shell cities or establish bases operations is a question for the defensive blue force to determine.

Today real action starts in scouting work and preparation for battle by the new scout cruisers and the "S" type submarines. It is the first time that the new cruisers and the new type submarines have been engaged in maneuvers, and naval experts are watching their work with keen interest.

There are eight of the new cruisers with the blue fleet and one with the black force. These cruisers are the fastest American warcraft afloat, being capable of scouting 35 knots an hour.

## COUSIN OF KAISER DEAD

Dresden, Germany, March 9.—(By Associated Press.)—Prince Friedrich Wilhelm of Prussia, second cousin of the former kaiser, died in a sanitarium at Weisachbach today. He was the youngest son of Prince Albrecht, regent of Brunswick and was 45 years old.

In 1918, he married Princess Agatha of Baden, one of the beauties of the Foudard court, who with four daughters, survives him.

## Chamber Opposes School Site Sale In Luncheon Vote

Without a dissenting vote, the Salem chamber of commerce this noon went on record in favor of having the city of Salem retain the Washington school grounds. Dr. E. E. Fisher, who presided at the meeting, announced that the school board will be notified of the action taken by the chamber. The board meets tomorrow night, and has announced that bids for the building and site will be opened at that time.

Oscar M. Smith, former secretary-treasurer of the Portland Ad Club, and prominent in Portland chamber of commerce activities, was the main speaker at the luncheon. His address was given preparatory to the chamber membership drive which is to be staged Thursday and Friday of this week. Each present member of the chamber is expected to secure two additional members during the drive. Salem at present has the fourth largest chamber of commerce in the state, according to the speaker. Portland has the second largest organization in the United States, judging on a per capita basis.

"You have no apologies to make in asking a man to join your chamber of commerce," said Mr. Smith. "You are really conferring an honor upon him. Every man really owes it to himself to support this chamber. None can prosper unless he gives into the community something in return for what he takes from it."

"We've heard a lot about your organization down in Portland," the membership drive will get under way Wednesday evening, when a dinner will be given at the chamber of commerce rooms. At the meeting each worker who desires to have a running mate to work with him will get paired with some other member of the club.

## BIDS NOT ASKED ON TEAPOT DOME LEASE, IS CLAIM

Cheyenne, Wyo., March 9.—(By Associated Press.)—Edward C. Finney, assistant secretary of the interior department and the first witness called by the government here today in its suit to annul the oil lease granted to the Mammoth Oil company, testified that he was not informed by Albert B. Fall, former secretary of the interior, of the signing of the Teapot dome lease until several days after it had been in effect.

Previously he had testified that under the custom prevailing in the department leases relating to government reserves had been submitted to him for approval.

Finney said that advertisements for competitive bids on the Teapot lease had not been made.

Under examination by Owen C. Roberts, special government counsel associated with Alcee Pomerene, Mr. Finney said that Fall had issued an office memorandum requesting employees of the interior department not to give out details of the contract. Later this contract was made public after a resolution requesting information concerning it had been introduced in the senate by Senator Kendrick, Wyo.

## COMMITTEE APPROVES NOMINATION OF FECHET

Washington, Mar. 9.—The nomination of Lieutenant Colonel James E. Fechet to succeed Brigadier General William E. Mitchell as assistant chief of the military service, was approved today by the senate military committee.

The action was taken after Secretary Weeks had explained to the committee the controversy that recently developed about General Mitchell. Chairman Wadsworth said he knew of no opposition to the nomination.

## Stock Salesman Held Accused of Mulcting Illiterate by Fraud

Charged with mulcting an illiterate, unable to read, of \$5000 in a mining stock deal, Burt Laird, said to be salesman for a number of fox farms in this county, was arrested by Sheriff Bower today on a warrant from Colfax, Wash. The alleged mining stock deal, the warrant states, took place at Colfax in June, 1923.

According to the warrant Laird represented to Cochrane that the Delaware Mining company at Beker, Oregon, was a going concern, that had \$1,000,000 worth of ore yarded out and that stock was worth \$15 a unit. Laird, states the warrant, told Cochrane that a widow woman had 2000 units of the stock which he could buy for \$10 a unit, that the stock was then worth \$15 a unit and that he had arranged for purchase of the 2000 units, stating he knew two other persons who were to take 500 units each, and he planned to keep 500 units himself.

Cochrane, states the warrant, gave Laird his negotiable promissory note for \$5000 to cover the deal on the 500 units. It is alleged that Cochrane was unable to read and that Laird filled in the name of his brother Ellis Laird, on the promissory note.

Grand larceny is the charge filed against Laird. Laird was apprehended not long ago on a warrant from Hood River county. It was alleged at that time that he had been arrested for speeding in Hood River county and gave the justice a check which was returned not paid for want of funds. When arrested by officers here Laird explained that he must have written the check on the wrong bank. He was allowed to write to Hood River officials in regard to the matter. As far as known no answer has yet been received to this letter.

## GOVERNOR'S WIFE PASSES ILLNESS LONG

Mrs. Laura Pierce Succumbs Early Sunday; Visited Capitol Only Once In Two Years.

Mrs. Walter M. Pierce, wife of Governor Pierce, died at the family home here Sunday at 9 o'clock a. m., after an illness of more than two years. She was 54 years old. Mrs. Pierce's death had been expected many times since the inauguration of Governor Pierce in January, 1923, and her attendance at the inaugural ceremonies was the only appearance she has ever been able to make to the state house since her husband has occupied the executive chair.

The funeral will be held Tuesday afternoon at 3 o'clock at the First Presbyterian church of this city with Rev. Ward Willis Long officiating. Interment will be in City View cemetery.

The pall bearers will be E. E. Bragg, member of the state industrial accident commission; Jefferson Myers, former state treasurer; Milton L. Miller; Will Moore, state insurance commissioner; R. J. Hendricks, publisher of the Oregon Statesman; and Johnson S. Smith, former warden of the state penitentiary.

State officials will be closed for the funeral during the afternoon.

Laura M. Pierce was born in what is now Wheeler county, near Monument, in central Oregon, May 30, 1871. Her parents were pioneers, her father, Peter Rudlo, crossing the plains in '49 to the coast. Her mother came in '52. In early girlhood she moved with her parents to Milson, Oregon, where she attended the public schools. Her parents moved to Walla Walla in 1887. She graduated at Whitman college in the class of '91, preparing herself then for a teaching, and graduated from the Ellensburg state normal school in the class of '92.

She was married to Walter M. Pierce in September, 1893, and moved to Pendleton, where her husband was then county clerk of Umatilla county. She lived in Pendleton, where four of her children were born, until 1907, moving then to the Grand Ronde valley, where she and her husband lived until he was elected governor in November, 1922, since which time she has been a resident of Salem, Oregon.

She was the mother of five children—Lloyd B. Pierce, age 30, the only son, who went as a volunteer and served nearly two years in the World war; her oldest daughter, Mrs. Lucille Hall, lives in Salem and is the wife of Harold Hall; her second daughter, Helen Wilson, is the wife of Ray Wilson, a research chemist in the employ of the Western Electric company, N. Y. York city; her third daughter, Edith Pierce is now a junior in the University of Oregon at Eugene, and her young daughter, Lorraine, is a senior in the Salem high school. She also reared Clara Pierce, daughter of her husband by a former marriage.

There are three grandsons. There are three older sisters and

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## KLAMATH FALLS BLIZZARD SWEEP

Klamath Falls, Or., March 9.—A driving blizzard started here early this morning and has been continuing without interruption. The city and surrounding hills are blanketed with snow, and the local forecast is for a continuance of the storm throughout the day.

After a sunny, spring-like day yesterday with corner-lot baseball dominating, the youngsters today got out their sleds to carry them to and from school.

Medford, Or., March 9.—With snow in the foothills and rain in the valley, Medford is experiencing a return to winter weather today after last week's warmth and sunshine. Government experts arrived Saturday to prepare for the smelting season which is expected to begin about the middle of the month.

## GOVERNOR'S WIFE DEAD



Mrs. Walter M. Pierce

## HOUSE AND TWO OFFICES ROBBED HERE LAST NIGHT

Burglars again made a raid on Salem last night and struck at three points, though there is no evidence that all the jobs were by the same gang.

C. E. Bowen, 1070 North Fifth street, was the only serious loser. His house was entered some time last night, about \$12 in cash was taken and the house ransacked thoroughly. Entrance was through the rear door while the family was absent.

The Salem Foundry company was entered through a rear door and articles in the safe, which had been left unlocked, were disturbed. About 25 cents in pennies was the sum total of the loot.

The Oregon Gravel company's offices on North Front street were entered through the front door. Seventy-five cents in money and \$2 in stamps were taken. Entrance was gained by removing the glass in the front door and turning the night latch.

At the foundry company's offices it is believed there is a possibility of obtaining finger prints.

## MAN FALLS UNDER TRAIN; LOSES LEG

Earl Ishmeal, special worker of the Southern Pacific railway, had his left leg severed from his body when he fell under a moving train at Turner at 6:30 this morning. Ishmeal was a signal worker at Jefferson, and was coming north on train No. 16. The train had slowed down at Turner, and was moving at a speed of about 8 miles an hour, according to witnesses who saw the accident. As Ishmeal attempted to jump from the moving train he slipped and fell, his leg crossing the rail and being completely crushed by the passing wheels.

He was rushed to Salem on the same train where the stub of his leg was amputated and dressed at the Deaconess hospital. Late this morning he was reported to be resting easily.

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## ALLOWANCES MADE BIG CORPORATIONS DECLARED TOO HIGH

Couzens Investigating Commission Report Says War Amortization Allowances to United States and Aluminum Concerns Grossly Padded; Mellon Interests Involved

Washington, March 9.—Evidence designed to show that the federal government has lost millions of dollars in taxes through war amortization allowances to the United States Steel corporation, the Aluminum Company of America and hundreds of other companies, is contained in official transcripts of hearings filed with the senate by the Couzens investigating commission.

Counsel and engineers for the committee contended that an amortization allowance of \$55,063,312 to the United States Steel corporation, was \$27,926,014 in excess of what it should have been and that there was involved a difference of tax of \$21,478,513. This case has not been closed, however.

An over-allowance of at least \$6,500,000 to the Aluminum company of America on the amortization total of \$15,589,614 was alleged by counsel and the engineers.

A loss of some \$50,000,000 in taxes from the various copper companies also was alleged because of the failure of the treasury department to extend to the years 1917 and 1918 a system of revaluation ordered recently by Secretary Mellon.

L. C. Manson, counsel for the committee, said with reference to the steel corporation case that there was no uniformity of treatment in the determination of amortization. "It depends very largely," he said, "on the personal views of the engineer who happened to make the investigation."

Complaint also was made by Mr. Manson that amortization allowances were made without sufficient investigation.

With respect to the Aluminum company of America, Mr. Manson disclosed that the company first had put in a claim for \$6,852,547, based on a flat 25 per cent of expenditures for war time extensions but that this had been rejected because the basis of computation did not meet with the requirements of the law. Then the company countered with a revised claim for \$18,268,435, on which an allowance of \$15,589,614 was made. The amount of tax involved was not made clear in the record.

Reference was made in the testimony to Secretary Mellon's connection with this company, members of the committee saying that it had been their understanding that the cases of companies with which he was connected had been settled before he took office. Mr. Manson said that was not the case.

Washington, March 9.—A charge that the internal revenue bureau tried to "discipline" him through assessment for additional taxes because of revelations made in the senate investigation was made today in the senate by Senator Couzens, republican, Michigan.

A letter from Commissioner Black, read into the record by the senator, indicated a desire by the bureau to re-open the senator's taxes paid 1919 on the sale of Ford Motor Car company stock, on the ground that there had been a larger under-valuation.

Since the statute of limitation would run against a re-assessment after March 15, the senator was asked to sign a waiver, which he refused to do.

"This is the discipline proposed to be administered to the senator from Michigan," Senator Couzens said, "because he has not been a regular and because he has persisted in endeavoring to eliminate rottenness in governmental departments."

## MOTOR VEHICLE THEFT ACT CONSTITUTIONAL

Washington, March 9.—The national motor vehicle theft act was declared valid and constitutional today by the supreme court. The court also held that in seeking conviction under the act it was not necessary to prove that the person prosecuted knew he had come into the possession of a stolen motor car.