

RAILROAD NOW SURE

Deschutes Right of Way Approved by Secretary Ballinger.

PROVIDES JOINT USE OF TRACKS

Protest of Power Company Fails and Harriman Has Accepted Condition About Dam Site.

Washington, June 19.—Secretary Ballinger will not reconsider his recent decision dismissing the protest of the Deschutes Power & Development company against granting right of way up the Deschutes river to the proposed railroad. He today denied a motion for review of that decision, which motion was filed by the above-named company. Simultaneously he approved all remaining maps of location filed by E. H. Harriman's Deschutes Railroad company, as well as maps of the Oregon Trunk line, which also sought a right of way through the Deschutes canyon.

This action removes the last government obstacle in the way of construction of these two roads, it having previously been agreed by both companies to use the same right of way through narrow portions of the canyon which will not accommodate two tracks.

The secretary's action today put an end to all protest against railroad right of way by private parties, and, if they hereafter seek to interfere with railroad construction, they must do so through the Oregon courts.

The right of way contemplates construction at water grade. The railway company agreed to elevate the tracks if in the future it becomes necessary to do so to avoid interference with any irrigation work the government may build along this river. The railroad company has accepted this stipulation.

CANADA TAKES POWER.

Claims Right to Fix Rail Rates Across Boundary.

Ottawa, Ont., June 19.—The Canadian Railway commission ruled today that it had jurisdiction over the rates charged on through traffic originating in Canada and destined to a point in the United States, or originating in the United States and destined for Canada.

The ruling was made in the case of an application by the Dawson board of trade for an order declaring that rates charged by the White Pass & Yukon railway were too high. The railway carries traffic by boat to Skagway and by rail across part of Alaska to Dawson, traversing both American and Canadian territory. No decision on the rate question was rendered, but the railway was ordered to file a schedule of its through freight tariffs for approval or modification.

If the ruling is sustained on appeal, all through traffic across the United States and Canadian international boundary line will be under the jurisdiction of the Canadian railway commission.

IN WARLIKE MOOD.

Tokio Papers Make Most of Strike Difficulty in Hawaii.

Tokio, June 19.—Special dispatches from San Francisco to Japanese newspapers are so worded as to indicate that conditions obtaining in the Hawaiian islands, growing out of the Japanese sugar plantation strike, are extremely serious. They declare that the Japanese on the mainland, as well as those in the islands, are deeply incensed over the treatment accorded their countrymen by the Hawaiian planters, and they say that relations are strained almost to the breaking point.

The publication of these inflammatory dispatches is again arousing an anti-American feeling among the Japanese lower classes. The sensationalist papers are seizing the opportunity of commenting editorially in a manner calculated to increase this feeling of hostility.

Thugs Make Odd Mistake.

Montgomery, Ala., June 19.—A second attempt was made late last night to do bodily harm to detectives of the Law and Order league, who have gathered evidence against dealers in soft drinks. The detectives arrived in the city last night from Nashville, where they were rushed after being attacked here last week. Last night a son of Deputy Sheriff Harry McCord was called away from the jail and severely beaten before the thugs realized their mistake. Deputy Sheriff McCord is in search of his son's assailants.

Russian Thugs Slay Six.

Kiev, Russia, June 19.—A band of armed men who visited today the estate of a local landholder and were refused a large sum of money, shot the landowner, his mother, three peasants and a servant. The bandits escaped.

WILL PAY RICHLY.

Taft's Plan Would Yield Government \$50,000,000 a Year.

Washington, June 18.—President Taft's plan for taxing the earnings of corporations is broader than generally understood in congressional circles and it will, if enacted into a law, yield a revenue far in excess of the \$25,000,000 estimate given by the president in his special message.

As interpreted by many persons who come forward with objections to the scheme, the plan is to tax only such portion of the earnings as remain after all expenses of operation, maintenance and fixed charges, including interest on bonds, have been deducted from the gross earnings of the corporation. The tax, however, is to be upon the net earnings before the interest on bonds has been deducted. Otherwise, it is pointed out, the tax would be reduced substantially to a dividend basis, which was what the president himself did have in mind originally.

First, a dividend tax, then a tax on earnings available for dividends, and finally a tax on all earnings in excess of expenses of maintenance and operation, were the successive steps in the evolution of the idea which Attorney General Wickersham, following a long conference with the president this afternoon, is putting into form for submission.

The bonded debt side of the matter was fully gone into by the president and his advisers. The \$25,000,000 estimate of revenue to be yielded by the tax was based on figures supplied to the secretary by an expert at the president's request, but they were based on the original proposition of a dividend tax. The yield from the tax as now proposed will double that at least and perhaps go considerably beyond. These facts were obtained today from a member of the administration who has taken a leading part in working out details of the plan.

JAP SPIRITS FALL.

Shower of New Indictments Depress Hawaiian Strikers.

Honolulu, June 18.—Following the indictments of several of the Japanese strike leaders Friday last, the territorial grand jury returned additional indictments today against Y. Soga, F. Makino, M. Negoro, K. Kawamura, Y. Takaka and Yanashira, for conspiracy to commit murder and to incite others to crime.

An indictment for assault was found against Sugawa, who is accused of attempting to collect funds for the strikers by violence.

In addition to these indictments, 13 of the striking Japanese at the Wai-pahu plantation were indicted for an assault upon a police officer and rioting. In view of the vigorous action of the authorities, the strikers are much depressed.

The replevin suit brought to recover the papers seized in the office of the Jiji by High Sheriff Henry was dismissed.

Japanese Consul Uyeno is investigating the alleged destruction of the safe of Editor Soga, which was broken open by the authorities.

Forty-five delegates from the Japanese union on the island of Hawaii, representing 9,000 laborers, have just completed a session lasting four days and nights. They resolved not to strike, nor help the Oahu strikers, but to present a statement of their demands and trust to the fairness of the planters.

They ask for a 10-hour day at \$1, for time and a half pay for overtime and Sunday work and for quarters equal to those of the Spaniards and Portuguese. These demands will be presented to the Planters' association Monday.

Old Soldiers to Quit.

Los Angeles, Cal., June 18.—One hundred and fifty inmates of the Soldiers' home at Sawtelle say tonight that they will leave the institution the day on which their pension money is available because of the scarcity of food on the tables of the institution. Other grievances are stated, but short rations is the principal one. Governor T. J. Cochran, of the home, says he is willing to admit that the food supply at the home is low, but the appropriation for the home has been cut down and the number of inmates increased.

Von Buelow Makes Reply.

Berlin, June 18.—Chancellor von Buelow in the reichstag today attacked the tactics employed by the clerical party against him. They had even dared, he said, to accuse him of disloyalty to the emperor and infidelity to the German-Austrian alliance and they had considered it necessary to sever their social relations with him. "It never occurred to me," said the chancellor, "to exclude any one from social relations because of differences of political opinions."

Jefferson Brings Much Gold.

Seattle, June 18.—The steamer Jefferson sailed from Juneau, Alaska, yesterday with \$2,850,000 in gold, the largest amount that ever came out of the north on a single steamer.

ADVICE TO CONGRESS

Taft Favors Corporation Tax and Income Tax.

AMENDMENT TO CONSTITUTION

Urges Senate to Adopt Provision as House Has Already Done in Tariff Bill.

Washington, June 17.—President Taft yesterday sent the following message to congress:

"To the Senate and House of Representatives—It is the constitutional duty of the president, from time to time, to present to the consideration of congress such measures as he shall judge necessary and expedient.

"In my inaugural address, immediately preceding this present extraordinary session of congress, I invited attention to the necessity for a revision of the tariff at this session, and stated the principles upon which I thought the revision should be effected. I referred to the then rapidly increasing deficit, and pointed out the obligation on the part of the framers of the tariff bill to arrange duties so as to secure an adequate income, and suggested that if it was not possible to do so by import duties, new kinds of taxation must be adopted, and among them I recommended a graduated inheritance tax as correct in principle and as certain and easy of collection.

"The house of representatives has adopted the suggestion and has provided in the bill it passed for the collection of such a tax. In the senate, the action of its finance committee and the course of the debate indicate that it may not agree to this provision, and it is now proposed to make up the deficit by the imposition of a general income tax, in form and substance almost exactly the same character as that which, in the case of Pollock vs. Farmers' Loan & Trust company, 157 U. S. 429, was held by the Supreme court to be a direct tax, and therefore not within the power of the Federal government to impose unless apportioned among the states according to population.

"This new proposal, which I did not discuss in my inaugural address or my message at the opening of the present session, makes it appropriate for me to submit to congress certain additional recommendations.

"The decision of the Supreme court in the income tax cases deprives the national government of a power which, by reason of previous decisions of the court, it was generally supposed the government had. It is undoubtedly a power the national government ought to have. It might be indispensable to the nation's life in great crises.

"Although I have not considered a constitutional amendment as necessary to the exercise of certain phases of this power, a mature consideration has satisfied me that an amendment is the only proper course for its establishment to its full extent. I therefore recommend to the congress that both houses, by a two-thirds vote, shall propose an amendment to the constitution conferring the power to levy an income tax upon the national government without apportionment among the states in proportion to population.

"This course is much to be preferred to the one proposed, of re-enacting a law once judicially declared to be unconstitutional. For congress to assume that the court will reverse itself and to enact legislation on such assumption will not strengthen popular confidence in the stability of the judicial construction of the constitution. It is much wiser policy to accept the constitution and remedy the defect in due and regular course.

"Again, it is clear that by the enactment of the proposed law, the congress will not be bringing money into the treasury to meet the present deficiency, but by putting on the statute book a law already there and never repealed will simply be suggesting to the executive officers of the government their possible duty to invoke litigation.

"If the court should maintain its former view, no tax would be collected at all. If it should ultimately reverse itself, still no taxes would have been collected until after protracted delay.

"It is said the difficulty and delay in securing the approval of three-fourths of the states will destroy all chance of adopting the amendment. Of course,

Strike in Plate Trade.

Pittsburg, June 17.—More than 10,000 skilled workmen, members of the Amalgamated Association of Iron, Steel and Tin Workers, employed by the American Sheet and Tin Plate company, will quit work June 30, at which time the open shop order of the company becomes effective. Many unskilled workmen will also be affected. The decision to take this action followed a special convention held here. In the Pittsburg district a majority of the mills of American Sheet and Tin Plate company are non-union.

no one can speak with certainty upon this point, but I have become convinced that a great majority of the people of this country are in favor of vesting the national government with power to levy an income tax.

"Second, the decision in the Pollock case left power in the national government to levy an excise tax which accomplishes the same purpose as a corporation income tax, and is free from certain objections urged to the proposed income tax measure.

"I therefore recommend an amendment to the tariff bill imposing upon all corporations and joint stock companies for profit, except national banks, otherwise taxed, savings banks and building and loan societies, an income tax measured by 2 per cent of the net income of such corporations. This is an excise tax upon the privilege of doing business as an artificial entity and of freedom from a general partnership liability enjoyed by those who own the stock.

"I am informed that a 2 per cent tax of this character would bring into the treasury of the United States not less than \$25,000,000.

"The decision of the Supreme court in the case of the Sprackles Sugar Refining company against McClain seems clearly to establish the fact that such a tax as this is an excise tax upon privilege, and not a direct tax on property, and is within the Federal power without apportionment according to population.

"The tax on net income is preferable to one proportionate to a percentage of the gross receipts, because it is a tax upon success and not failure. It imposes a burden at the source of the income at a time when the employer is well able to pay and when collection is easy.

"Another merit of this tax is the Federal supervision which must be exercised in order to make the law effective over the annual accounts and business transactions of all corporations. While the faculty of assuming a corporate form has been of the utmost utility in the business world, it is also true that substantially all of the abuses and all of the evils which have aroused the public to the necessity of reform will be made possible by the use of this very faculty.

"If now, by a perfectly legitimate and effective system of taxation, we are incidentally able to possess the government and the stockholders and the public of the knowledge of the real business transactions and the gains and profits of every corporation in the country, we have made a long step toward that supervisory control of corporations which may prevent a further abuse of power.

"I recommend then, first, the adoption of a joint resolution by two-thirds of both houses, proposing to the states an amendment to the constitution granting to the Federal government the right to levy and collect an income tax, without apportionment among the states, according to population; and second, the enactment as part of the pending revenue measure, either as a substitute for or an addition to, the inheritance tax, of an excise tax upon all corporations, measured by 2 per cent of their net income."

OFFERED HUMAN SACRIFICE.

Russian Police Probe Sect That Worships Blood-Stained Idol.

St. Petersburg, June 16.—Dispatches from Perm, European Russia, say the local police have begun an investigation into the sect of the Crimson God, the members of which are accused of human sacrifices and other horrible practices.

Repeated disappearances of persons in the district where the sect dwells throw suspicion on the organization, which worships a red wooden idol, colored, it is said, with human blood.

The police have located a secret grave containing the mutilated body of a man supposed to have been sacrificed, and they expect to find others.

The rural region, of which Perm is the center, is a breeding ground for many fanatical cults. It is a meeting place for the pagan tribes of Asia, as well as of persons who flee from Russia on account of religious persecution. Refugees of this type have lived for centuries in the dense forests of the district, and their beliefs have developed along the most fanatical lines.

Tax Unearned Increase.

Berlin, June 16.—The reichstag re-assembled today. Among the official communications laid before the house was one from the government concerning the proposal to tax the unearned increase in real estate values. The government has decided that it is inexpedient to do this for imperial purposes, inasmuch as there are seemingly unsurmountable difficulties in the way of an equitable adjustment of the taxes on city and county values, but it approves as just the taxing of the unearned increase for local purposes.

Hadley Turns Down Fair.

Kansas City, June 17.—Governor Hadley today vetoed the bill providing for an expenditure of \$20,000 for a Missouri exhibit at the Seattle fair. The governor said the state needed the money more for educating its citizens and for the poor.

OREGON STATE ITEMS OF INTEREST

NEW LAWS OPERATIVE.

Important Measures Passed by Special Session of Legislature.

Salem—The laws passed by the special session of the legislature and not bearing the emergency clause became effective Tuesday morning, June 15. These include some important enactments, notably Chapter 2, "An act to provide hotels and lodging houses with fire escapes, ropes and other appliances;" chapter 5, "An act requiring the doors of public buildings to open outward;" chapter 6, "An act to provide for codifying the laws of the state of Oregon;" chapter 9, "An act to appropriate money for the Eastern Oregon Agricultural Experiment station;" chapter 10, "An act for the protection of ducks;" chapter 11, "An act to prohibit night hunting of deer, limiting the number killed and prohibiting the sale thereof;" chapter 12, "An act to prohibit the use of fire, flashlights, etc., on duck ponds;" chapter 13, "An act to provide for the protection of elk and to prohibit the sale of same."

Chapter 1 makes an appropriation for the expenses of the special session; chapter 3 is the asylum appropriation bill, which carries the emergency clause; chapter 4 is the higher curricula board act, which also carries the emergency clause; chapter 7 is an act to reimburse George H. Small for land purchased by him and canceled by the state; chapter 8 is an act to appropriate money for improvements at the insane asylum, penitentiary and other state institutions, and went into effect immediately under the operation of the emergency clause.

DELEGATES ARE NAMED.

Governor Selects Citizens to Attend Trans-Mississippi Congress.

Salem—Governor Benson has appointed the following citizens of Oregon delegates to the Trans-Mississippi Development congress, to be held at Denver, August 16 to 21:

H. L. Corbett, E. W. Wright, W. C. McBride, Henry Hahn, A. H. Devras, I. N. Fleischner, J. B. Eddy, Sig Sichel, John F. Carroll, Julius Meier, H. C. Wortman, Edward J. Failing, Portland; W. H. Sheusloff, Clifford W. Brown, Salem; U. S. Laughary, Dallas; Herman Wise, Astoria; John H. Hartog, Eugene; E. L. Smith, Hood River; W. L. Thompson, Pendleton; Walter M. Pierce, La Grande; J. H. Bobbin, Joseph; W. A. Messner, Independence; A. H. Miller, Medford; Alex. Martin, Jr., Klamath Falls; F. P. Light, Lakeview; G. A. Barrett, Athena; Jesse Edwards, Newberg; W. H. Ragadale, Moro; F. A. Soufert, The Dalles; Phillip Knowles, Dufur; Asa B. Thompson, Echo; T. J. Donnelly, Baker City; Herman Rothchild, North Powder; Ger Small, Baker City; Clark Wood, Weston; A. C. Marsters, Roseburg; Warren Freed, Gardiner; W. G. Gilstrap, Eugene; F. W. Waters, Salem; G. V. Johnson, Corvallis; Alex. McNair, Tillamook; W. T. Schofield, Astoria; G. C. Huntley, Oregon City; J. A. LaCoe, Canyon City; T. C. Taylor, Pendleton; L. A. Wright, Union; Walter L. Toose, Falls City; John D. O'Neil, Central Point; Percy R. Kelly, Albany; W. T. Macey, Minnville; Ed Radcliffe, Langlois; N. Wheaton, The Dalles; Dr. Frank Klutner, Heppner; A. W. Hope, Vale; S. A. Kendall, Roseburg; I. J. Simpson, North Bend; E. H. Flagg, St. Helens; H. L. Truax, Grants Pass; Charles H. Fisher, Eugene.

New Deaf Mute School.

Salem—The board of trustees of the deaf mute school opened the bids for the erection of new buildings for the institution in North Salem. Southwick & Herrick, of Salem, were the lowest bidders, their price being \$56,844.90, and the concern will be awarded the contract. The other bids went up to over \$79,000. The buildings will be finished by December 1. There will be a main building 172x105, with a white pressed brick front; a dormitory 90x45 and a boiler house 37x37. The new home of the institution is on the Oregon Electric and the company will build a new station near the school.

College Catalogue Out.

University of Oregon, Eugene—The university of Oregon catalogue, with announcements for 1909-10, has just been published. It contains a complete synopsis of the work done in the university and of that which is required for entrance; gives a list of the instructors and students, outlines the equipment of the different colleges, and tells of the life of the students in their different branches of activity.

Strike Reported Near Gates.

Albany—President R. F. Shier, of the Black Eagle Mining & Milling company, has left for the mines near Gates. He reported that he had just received word of a rich strike of copper ore. The ore is a cuprite, consisting of 80 per cent copper, with some gold and silver, and he claims will assay at \$200 per ton.

FARMERS WANT RAILROAD.

Believe Umatilla County Trolley Line Would Help Shippers.

Pendleton—Believing that with an independent electric railroad extending across the wheat belt of Umatilla county and connecting with the boats on the Upper Columbia river they would be able to sell their wheat to better advantage, the farmers of the county are again talking of building the proposed line. Though no plans have yet been worked out, the proposition is to be fully discussed at a meeting of the County Farmers' union, which is to be held in this city June 26.

Two plans for the building of the road have so far been proposed. One is for the farmers to build and operate the line themselves, while the other is to induce someone who is in the railroad building business to construct it. If undertaken, this will be the second co-operative movement fostered by the Farmer union, the building of a string of warehouses in the northern part of the county being the first.

Would Arouse Interest.

Salem—Governor Benson has appointed John H. Lewis, state engineer, Jay Bowerman, president of the state senate, C. N. McArthur, speaker of the house, F. S. Stanley, of the Portland chamber of commerce, and Tom Richardson, of the Portland Commercial club, as an executive committee of five to arouse interest in the National Irrigation congress at Spokane on August 9 to 14. It is the purpose of this committee to interest commercial clubs and other organizations entitled to representation at the congress. Governor Benson will soon announce the names of the twenty honorary delegates from the state at large. Commercial organizations, county courts, incorporated cities and irrigation companies are all entitled to representation. It is the purpose of the executive committee to arouse state wide interest in the Spokane congress to the end that Oregon may have the largest and most representative delegation in attendance. The committee will hold a meeting in a few days when it will organize and adopt plans for its work.

Sumpter Extension Announced.

Sumpter—That the Sumpter Valley railroad will be extended to the Thomas ranch, and perhaps to Susanville, this summer is announced practically officially. The route will not be from Austin to Prairie City, as has been planned for some months, but will be down the middle fork of the John Day river, a distance of 22 or 23 miles.

Congress Committee Named.

Salem—Governor Benson has appointed C. N. McArthur, State Engineer Lewis, Fred S. Stanley, Jay Bowerman and Tom Richardson as a committee to work up enthusiasm for the National Irrigation congress to be held at Spokane from August 9 to 14.

PORTLAND MARKETS.

Wheat—Bluestem milling, \$1.30@1.35; club, \$1.20@1.22½; valley, \$1.17. Corn—Whole, \$35 per ton; cracked, \$36. Barley—Feed, \$34@35 per ton. Oats—No. 1 white, \$41@42 per ton. Hay—Timothy, Willamette valley, \$17@20 per ton. Eastern Oregon, \$20 @23. Fruits—Apples, \$1@2.50 per box; strawberries, \$1@2 per crate; cherries, \$1@1.25 per box; gooseberries, 5c per pound. Potatoes—\$2@2.25 per hundred. Vegetables—Asparagus, 75c@90c per dozen; lettuce, head, 25c per dozen; onions, 12½@15c per dozen; parsley, 35c per dozen; peas, 5c@6c per pound; radishes, 15c per dozen; rhubarb, 3c@3½c per pound. Butter—City creamery, extras, 26½c; fancy outside creamery, 25@26½c; store, 18c. Butter fat prices average 1½ cents per pound under regular butter prices. Eggs—Oregon ranch, 24@25c. Poultry—Hens, 14@14½c; springs, 18 @20c; roosters, 8 @9c; ducks, young, 17@18c; geese, 10@11c; turkeys, 18@20c; squabs, \$2@2.25 per dozen. Pork—Fancy, 10c per pound. Veal—Extras, 8@8½c; ordinary, 7c; heavy, 6c. Hops—1909 contracts, 18@14c; 1908 crop, 9@10c; 1907 crop, 5@5½c; 1906 crop, 2@2½c. Wool—Eastern Oregon, 17@22½c; valley, fine, 23c; coarse, 21c; mohair, choice, 24@25c. Cattle—Steers, top, \$4.75; fair to good, 4.25@4.50; common, \$4@4.25; cows, top, \$4; fair, \$3.50@3.75; common to medium, \$2.50@3; calves, top, \$5@5.50; heavy, \$3.50@4; bulls and stags, \$2.75@3.25; common to medium, \$2@2.50. Hogs—Best, \$8@8.15; fair to good, \$7.50@7.75; stockers, \$6@6.50; China fats, \$6.75@7. Sheep—Top wethers, \$4; fair to good, \$3.50@3.75 ewes, ½c less on all grades; yearlings, best, \$4.15; fair to good, \$3.75@4; spring lambs, \$4.75 @5.25.