

# IONE PROCLAIMER

Published Every Friday

IONE ..... OREGON

## EVENTS OF THE DAY

### Newsy Items Gathered from All Parts of the World.

Less Important but Not Less Interesting Happenings from Points Outside the State.

Five men and 68 horses were burned to death in a Duluth fire.

The millionaire son of Cyrus Field is clerk in a lodging house.

Harriman is ill and has gone to Vienna to consult a physician.

New York is experiencing a record breaking cold wave for June.

President Reyes, of Colombia, has resigned rather than face a revolution.

Taft may visit President Diaz this fall. The two presidents plan to meet at the border.

A burglar in Prussia has secured damages because he broke a leg while robbing a house.

One of the trials of Indian railway men is set forth in a report telling of a train striking a wild elephant.

Cuba refuses to assume a share of the Spanish debt incurred when the islands gained their independence.

A new dirigible balloon built in France has made two successful flights, each time carrying nine passengers.

The French budget for 1910 shows a deficit of \$21,800,000.

A prospector has been shot in the mountains of Arizona by Mexicans.

The government is investigating the charges that meat inspectors are lax in their duties.

In his closing address to the jury in the Calhoun case Heney talked 12 hours and was still not tired.

A steamer has just arrived at Seattle from Alaska with six and a half tons of gold, valued at \$3,200,000.

Japanese, who claim to be agents for the Tokio government, are endeavoring to secure oil lands in California.

Hawaiian Japanese have preferred charges against the sheriff who made the recent raids, alleging burglary.

Chicago surgeons have successfully grafted a section of bone from the leg of a lamb into the right leg of a man.

By a traffic agreement between the Milwaukee and Harriman roads the former can enter Portland on the O. R. & N. lines.

The largest amphitheater in the world is to be erected at Chicago. The huge structure will have seats for 45,000 and with the site will cost \$3,000,000.

Morse, the convicted bank wrecker, says he will repay every dollar he owes.

Cardinal Gibbons warns women to be careful about taking up woman suffrage.

An amendment to the Illinois primary law may restore Harrison to power in Chicago.

The Japanese government treats the Hawaiian incident lightly and puts the blame on agitators.

A British steamer was fired on by a Russian warship for approaching too near the czar's yacht.

Ten persons in Austria took shelter from a storm in a barn and it was struck by lightning and all killed.

Los Angeles police declare that thousands of young girls have been shanghaied from Pacific coast cities and taken to China to live a life of slavery.

As a result of the observance of the battle of Bunker Hill, 65 persons were treated at hospitals for injuries and as many more received treatment at home. Fireworks and toy pistols were the cause.

The first victim of excessive heat for this year was reported from El Centro, Cal.

After six months of hard work under eight fathoms of water six bags of first-class mail have been recovered from the wreck of the Panama steamship Finance.

A feud at Meadville, Miss., resulted in two deaths and two fatal injuries.

Two big Eastern steel plants have ordered a 10 per cent increase in wages of employees.

Two Missouri towns were wrecked by a tornado and three persons killed and a score injured.

California wholesale people are making a desperate effort to secure the Klamath Falls trade.

An eminent Holland physician says American physicians give too much of their time to politics.

## JAP EDITOR APPEALS.

### Wants Mikado to Interfere in Labor Trouble in Hawaii

Honolulu, June 22.—In an editorial appearing in today's issue of the Nippu Jiji, the organ of the leaders of the Japanese strike movement, an appeal for interference in the Hawaiian strike situation is made to the Japanese government. The article alleged that the Japanese have been accorded unfair treatment by the courts and by the Federal and territorial officials of the islands.

The Jiji has supported the leaders of the higher wage movement ever since the strike of the Japanese sugar plantation hands was called. The offices of the paper were searched on June 11, and numerous papers were seized by the territorial authorities which, it is alleged, contained evidence of a widespread conspiracy among the Japanese on the islands.

Y. Soga, editor of the Jiji, was indicted twice by the territorial grand jury, following the seizure, once on a charge of conspiracy to incite riot and once on a charge of conspiracy to commit murder. He was released on furnishing \$2,250 bail bonds to cover both indictments.

The efforts of certain of the Japanese to give the Hawaiian situation an international aspect are apparently concentrating here, as evidenced by the Jiji's special to the Japanese government.

## HIGH DUTIES TO BE MET.

### Canadian Manufacturers Plan Measures of Retaliation.

Ottawa, June 22.—Canadian manufacturers declare the American tariff revision will force Canada to make some radical changes in her customs tariffs also. That the adoption in its present form of the Aldrich tariff bill must result probably in a widening of the British preferential tariff by Canada is the opinion freely expressed by the officers of the tariff department of the Canadian Manufacturers' association, who are now here on business with the government.

That important tariff changes will be announced next spring is the opinion held by many, but the extent of them is depending much on the developments at Washington. There may be no general increase as affecting the importation into Canada of American commodities, although in many lines it will be vigorously urged, but a widening of the British preference at least is already being pressed upon the government and plans are being laid for more actively and aggressively agitating such a policy.

## END IS NOT YET IN SIGHT.

### Hopes for Early Adjournment of Congress Disappointed.

Washington, June 22.—Although the senate made much progress during the week in considering the tariff bill, the date of the final vote is as indefinite as it was a week ago.

The possibility of sending the bill back to the house by July 1 is now considered remote. The discussion of a duty on hides will occupy the senate for possible a day or two. The wood pulp amendment offered by the finance committee, which practically doubles the duty on wood pulp, will then be taken up.

After these two schedules have been disposed of it is understood the tax on corporations, proposed by President Taft, will occupy the attention of the senate for several days. The lumber schedule and the rates on pig and scrap iron and wire nails remain to be disposed of.

The question of free cotton bagging and ties and binding twine are certain to result in an interesting discussion.

## Peary May Be At Pole.

Washington, June 22.—Friends of Commander Robert Edwin Peary, who left last July for the frozen North, said today they believed Peary, by this time, has planted the Stars and Stripes at the North Pole. No news has been received from Peary since he left Etah, North Greenland, August 17, 1908, for a dash as far into the ice bound seas as his vessel would carry him before being frozen in. If he has been successful the news of his discovery will not reach a point of telegraphic communication until August or September.

## Hard Storm Hits Gulf.

New Orleans, June 22.—A severe storm passed over the Mississippi coast today. The waters of the gulf reached a height of from 3 to 5 feet above the normal tide inflow. A number of steamboats were beached and property along the shore was damaged.

## Big Floods on Isthmus.

Panama, June 22.—Heavy rains throughout the past week have caused great floods all over the isthmus, and in many places the crops are ruined. The Chagres river has overrun its banks, but without damaging the canal.

## 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,

## Bonilla May Lead Revolt.

New Orleans, June 17.—Dispatches received by local business houses say that La Ceiba and the Northern coast provinces of Honduras are in open revolt and have sent emissaries to New Orleans to persuade Manuel Bonilla to return and take possession of the government. Davillas has applied to the United States, and the United States gunboat Paducah is patrolling Ceiba harbor to prevent sanguinary outbreaks. General Bonilla is in New Orleans now. He denies that there is anything significant in his departure.

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 Spreckles 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 upon 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 unremovable 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 \$25,000 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.

## 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.

## Piles of Gold on Show.

Seattle, June 19.—The Alaska building at the Alaska-Yukon-Pacific exposition will open its gold exhibit today, with a display of \$400,000 worth of dust, nuggets and bars. In a few days dust and nuggets valued at \$500,000 now on the way from Alaska will be added and the United States assay office and various Alaska miners have promised enough gold to make the yellow pile worth \$1,500,000. In the exhibit already assembled is Jafet Lindenberg's \$3,000 Nome nugget, the largest ever found in Alaska.

## 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 servants and a servant. The bandits escaped.