

TAXATION SALVATION EXPUNDED

Reforms Patterned After Indiana Plans Urged By Governor's Committee—Special Session and Auto License Cut Favored—Would Woo New Capitol.

PORTLAND, Ore., July 18.—(AP)—Establishment of a tax regulatory system for the state for the purpose of reduction and retrenchment in the expenditure of public funds and the reduction of automobile license fees by one-third, was recommended today by the executive committee of the Oregon Taxpayers' Equalization and Conservation League.

The committee met here today at the request of Governor Meier and spent the entire day in outlining a plan of procedure and drafting a report to the governor. After the adoption of the resolution Governor Meier issued a statement saying that upon his return to Salem Monday he would begin sounding sentiment among the members of the state legislature with reference to the tax reduction program outlined by the committee here today.

"If I find the legislature agreeable to the plan, I shall convene them in a special session," the governor said.

Briefly, the program outlined by the committee was:

1. The calling of a special session of the legislature to meet at the pleasure of the governor to consider tax reform.
2. Giving the state tax commission, acting jointly with county tax commissions regulatory control over budgets, tax levies and proposed future bond issues of local taxing bodies.
3. The reduction of automobile license fees by one-third and the increasing of the present gasoline tax from four to five cents, effective July 1, 1932.
4. Calling upon all tax-levying bodies to retrench and cut expenditures to effect, if possible, a 20 per cent tax reduction.

The committee's plan for tax regulation was based upon the system in effect in Indiana, which was advocated by Governor Meyer when he called the tax committee together at Salem recently.

The Indiana plan provides for review of local budgets and levies by a state body upon appeal from a group of affected taxpayers. The state body has authority to approve or reduce the amounts of the levy, it was said.

The tax league's plan proposed that the state tax commission and the proposed county tax commissions should share jurisdiction over budgets in counties and should pass on budgets prepared by local tax-levying bodies. The county tax commission, consisting of three members, would be named by the governor. A majority vote of the joint commissions would decide the question at issue.

The modification of the Indiana plan was brought about by the apparently strong sentiment in the state for "home rule." The committee indicated it recognized that effective tax reduction might be hindered somewhat by constitutional limitations, but proposed no immediate constitutional changes. The committee expressed the opinion automobile owners were entitled to relief through reduction of license fees. The loss of revenue would be made up through a one-cent increase in the gasoline tax.

"I consider the program indorsed in the resolution as constructive and, if enacted, it will go far toward reducing local taxes," Governor Meier said in his statement.

"It is patterned after the Indiana plan but is made sufficiently modifiable to make it applicable and adaptable to Oregon conditions. Involved in the tax problem confronting us is not only the immediate relief to real property owners but also the future welfare of the state. Lower taxes will be necessary if we are to attract capital to develop our resources, expand our industries, add new industries and cause our state to progress generally.

"I wish to thank the executive committee for the time and work spent in connection with this matter. I appreciate the work and feel they have done a good service to the state."

Head Of Closed Bank



Associated Press Photo
Jacob Goldschmidt, one of Germany's leading financiers, who was managing director of the Darmstadt and National bank in Berlin the collapse of which added to Germany's financial troubles.

MILLION ASKED BY MOTHER ON FRAUD CHARGE

Portland Woman Alleges She Was Victim of Extortion Plot By Metropolitan Insurance Agents—Son Threatened With Prison.

PORTLAND, Ore., July 18.—(AP)—The Metropolitan Life Insurance company, C. H. Twiss and S. P. Spiering, its agents, were named defendants in a suit filed in circuit court here today by Mrs. A. Louise Wehlitz in which she asks damages aggregating \$1,051,500 for alleged attempted extortion.

The plaintiff is the mother of George H. Wehlitz, who prior to June 12, 1930, was employed as life insurance agent by the defendant company. On or about that date, the complaint recites, Twiss and Spiering, acting for themselves and the Metropolitan company, called on Mrs. Wehlitz at her home and wrongfully accused her son of embezzling \$5000 of company funds.

They told her, the plaintiff alleged, if she did not raise enough money to cover the alleged embezzlement they would have her son sent to the penitentiary. The complaint says the defendants knew the accusations were false and were made solely for the purpose of extorting money from Mrs. Wehlitz.

The threats of the defendants caused Mrs. Wehlitz to suffer nervous hysteria with the result she became an invalid and was forced to give up her employment. She asks \$50,000 general damages, \$1,000,000 punitive damages, and \$1,000,000 punitive damages.

GERMAN MISERS HIT BY DECREES

BERLIN, July 18.—(AP)—With Chancellor Brüning and Foreign Minister Curtius in Paris attempting to clear a way for a stream of international credit to slow back von Hindenburg tonight issued decrees designed to plug up some of the holes through which Germany's own capital has been leaking out of the country.

In a decree aimed at holders of foreign currencies, it was made compulsory that every holder of such currencies—or drafts, credits or claims in foreign currencies—declare them at the Reichsbank. Unless the Reichsbank agrees that the holder needs them for essential economic purposes, they will be converted by the Reichsbank into German marks at the official rate of exchange.

DEMOCRATS SEE 'GREAT VICTORY'

NEW YORK, July 18.—(AP)—James A. Farley, chairman of the New York Democratic state committee, issued a statement today declaring he had found on a tour of the country a "universal feeling that the Democratic party is on the eve of a great national victory." He had just returned from a tour of twenty states.

JOBS HELD MORE VITAL THAN TAXES

Oregon Labor Chief Warns Solons to Attend Special Session Unshackled, and Warns Against Present Hysteria for Reduction.

PORTLAND, Ore., July 18.—(AP)—Ben T. Osborne, executive secretary of the Oregon State Federation of Labor, today sent out letters to every member of the Oregon state legislature urging that they not agree to consider only tax legislation in the event a special session of the state legislature is called.

The letter said that unemployment "looms as the overwhelming problem" rather than taxation. Osborne warned the legislators against hasty tax legislation and said there was danger "hysteria" might deceive the people "into surrendering fundamental rights that have been established by our ancestors through generations of effort."

Return of employment, Osborne's letter said, would give workers money to spend and bring greater profits to all than would a 20 per cent tax reduction.

The letter urged every member of the legislature not to "go to a special session with your hands tied."

PHILLY BIDS FOR G.O.P. CONVENTION

WASHINGTON, July 18.—(AP)—Philadelphia opens the national convention bidding on Monday with an appeal to the Republicans to go there for their party meeting next year.

Mayor Mackey of Philadelphia with Senators Reed and Davis of Pennsylvania and a delegation of Philadelphia will lay the proposal before Chairman Fess of the Republican national commission.

2 DEAD, 3 HURT IN STAG CRASH

LA GRANDE, Ore., July 18.—(AP)—Two persons were killed and a third injured seriously in a collision today in the collision of an automobile and a westbound stage.

Louise Farris, La Grande, and Gerald C. Turner, 25, Medical Springs, were killed and Leonard Goble, Medical Springs, was injured. All were riding in the automobile driven by Miss Farris. None of the stage passengers was injured.

Reports of the accident said Miss Farris had passed another car and met the stage head-on.

FILM ROMEO NO GOOD AS HUSBAND

LOS ANGELES, July 18.—(AP)—The screen's perfect lover and his dashing smart lady, John Gilbert and Ina Claire, have failed to find in real life the beautiful fancies of love they enacted with such success in films.

Miss Claire, in a suit for divorce filed in superior court today, charged mental cruelty. The temperaments of the screen's stylized and his Don Juan did not make for happiness, the actress said.

Filing of the action brought to a definite close the romance that began in a sensational manner more than two years ago.

INVESTIGATE BEAUTY'S DEATH



Associated Press Photo
Officials were investigating the death of Mrs. Marion Day Berrien (inset), widow of a navy officer and former "Follies" actress, whose charred body was found on the sun porch of her fire-swept house in Forest Hills, N. Y. Police who went to guard the ruins stumbled on the body under a wicker porch set. The radio was playing when firemen answered the alarm.

FALL JOURNEYS HARBOR PLANS TO PRISON IN LOSE AGAIN TO AN AMBULANCE FRISCO LAWYER

Ex-Cabinet Officer Expected to Enter Call Today, After Spending Night at Ranch—Neighbors Cry as Drama Unfolds in Background.

EL PASO, Tex., July 18.—(AP)—Albert H. Fall, former secretary of the interior, began his journey to the New Mexico penitentiary at Santa Fe late today.

While his wife and daughters, weeping, and a group of friends stood near, he was assisted down the rear steps of his big red brick mansion and into an ambulance, which then left for his ranch at Three Rivers, N. M. It was believed he would spend the night there and continue to Santa Fe tomorrow.

Fall will serve a sentence of a year and a day on a conviction of accepting a bribe of \$100,000 from E. L. Doherty while a member of President Harding's cabinet.

Shortly before 6:00 o'clock, an ambulance turned into a driveway at the rear of the Fall house. A dozen photographers and reporters who had waited at the residence day and night for nearly a week, stood in silence.

A motorcycle policeman stopped his machine in the street outside of the driveway. In many windows of adjacent houses appeared faces of men, women and children, some of whom had been Fall's neighbors for twenty years and more. Others stood on curbs nearby. Many were crying.

Someone carried a few articles into the ambulance. An attendant sent with the ambulance arranged the pillows on the bed on which Fall was to lie. Mrs. Joseph Elliott, Fall's daughter, appeared on a small back porch with a handkerchief to her eyes. Then Fall appeared, leaning heavily on a cane and supported on each side by two men friends of the family.

He was dressed in pajamas, which gleamed white beneath a green smoking jacket. On his white hair was pressed a white hat. The big black felt in which he is most readily identified had been laid aside. Stepping down slowly, at last he reached the ambulance. He was lifted in, almost bodily, and laid on the bed.

Then the ambulance backed out of the driveway, and preceded by the policeman on his motorcycle, drove rapidly away.

LOS ANGELES, July 18.—(AP)—Gilbert Geiger, 18, suffered internal injuries tonight when the airplane he was flying collapsed as he made a sharp bank and fell 200 feet. Attendants at the hospital where he was taken said there was little hope for his recovery.

MENTALITY HOPES FOR OF 'MA' IS STABILITY UNDER FIRE OF EUROPE

Aimee's Mother Smilingly Passes Sanity Tests, and Enjoyed Them—Charged With Delusions, Wearing Short Dresses and Trying To Appear Young.

LOS ANGELES, July 18.—(AP)—Mrs. Minnie Kennedy, mother of Aimee Semple McPherson, the evangelist, late today weathered smilingly and with the compliments of psychiatrists an examination as to her mental condition.

The tests, occurring at the Hermosa Beach cottage where she retired after the initiation of proceedings to annul her recent marriage to Guy E. Hudson, were ordered by H. J. Gormley, secretary of the county lunacy commission, and resulted in the formal statement from Dr. Victor Parkin of Los Angeles, one of the examiners that "Mrs. Kennedy's condition at the present time does not warrant her being taken to the psychopathic ward."

Mrs. Kennedy, who relinquished her lingering claim to Hudson when Mrs. L. Margaret Newton Hudson filed a divorce action against him, received the psychiatrists in a new black gown with a marcel which she obtained for the occasion after she had been informed that the tests had been ordered. Present besides Dr. Parkin were Dr. J. O. Wilkey and G. L. Lindsay of Hermosa Beach; Gormley, and Mrs. Kennedy's attorney, Frank Lober. The Hermosa Beach physicians represented Mrs. Kennedy.

Dr. Parkin announced no continuation of the tests.

"I enjoyed the examination," Mrs. Kennedy said after the doctors had withdrawn. "The psychiatrists acted as gentlemen, and I had a very nice chat with them."

To which Lober added, "Mrs. Kennedy came through it beautifully."

Gormley said he ordered the examination after B. F. Clearwater, an officer of Angelus Temple, of which Mrs. McPherson is the head and with which Mrs. Kennedy was connected for years before an estrangement with her daughter, had submitted an affidavit claiming that he was examined for Mrs. Kennedy's own protection in seeking a test of her mental condition.

The affidavit claimed that Mrs. Kennedy is senile and childish, suffers lapses of memory, is subject to delusions of persecution, dresses fantastically and wears short dresses in an attempt to appear youthful and that "she is likely to be imposed on by designing and unscrupulous persons."

LOS ANGELES, July 18.—(AP)—Mrs. Minnie (Ma) Kennedy, who within the past week has gone from the heights of honeymoon joy to the depths of annulment proceedings was ordered examined by two psychiatrists by H. J. Gormley, county lunacy commission secretary, today.

An affidavit was filed with the commission by B. F. Clearwater, special Angelus Temple officer, who charged Mrs. Kennedy was "senile and afflicted with childish delusions." Gormley refused to issue a warrant until Mrs. Kennedy could be examined.

The secretary appointed Dr. E. H. Steel and Dr. Victor Parkin, Los Angeles psychiatrists, to examine Mrs. Kennedy at her Hermosa Beach cottage where she took refuge since filing her annulment action against G. Edward Hudson.

Clearwater charged Mrs. Kennedy "has lapses of memory in which she does not recognize her oldest friends. She has delusions of persecution and walks in the vicinity of her home accosting men on the street and telling them to move on."

MENTALITY HOPES FOR OF 'MA' IS STABILITY UNDER FIRE OF EUROPE

LONDON, July 18.—(AP)—Advices from Paris that France would attend a meeting of ministers of principal creditor nations and Germany Monday evening here tonight had apparently cleared the road for an international meeting of first importance.

Because of the hesitancy of the French government for the Monday meeting, it had been doubted whether the London conference on relief to Germany would be held, and the relief prevailed that, if it were held, its works would be impaired by the absence of French statesmen.

The apparent harmony which reigned over the discussions in Paris today occasioned some surprise here.

By Arno Bosch-Fleuret (Copyright, 1931, by the Associated Press)

PARIS, July 18.—(AP)—The obstacles in the way of French participation in the conference of major statesmen in London Monday were swept away today in conversations between the heads of the French and German governments.

Premier Laval decided, after discussing the German crisis with Chancellor Brüning and Foreign Minister Curtius, his separate negotiations with Germany were sufficiently advanced to remove the French objections to taking part in the London meeting.

The French decision remained in doubt until a communique was issued at the conclusion of the Franco-German conversations, and even then it was set forth indirectly in connection with a reference to a meeting tomorrow of the representatives of the powers that will be present at the British capital.

M. Laval made it clear he considered the atmosphere cordial during his talk with Herr Brüning and Chancellor Curtius and during the larger conference which followed and at which the way was opened for Franco-German cooperation in the future.

The French and the Germans were wholly frank, it was understood, the Germans setting forth the details of the crisis in their country and saying, in effect, "What is the world going to do about it?"

The result was many pleasant references, during the Franco-German conversations today, to cooperation between the two nations and vague mentions of political understanding, it was authoritatively reported.

There was an evident desire on both sides to avoid any clashes in Paris over prickly political questions, such as the guarantee of the Polish frontiers and Austro-German union, but the veiled references to these problems were understood by all participants.

The political aspects to the conference over Germany's financial state are expected to be put aside in one way or another by cooperation for the welfare of Europe, which will be decided upon between the French and Germans tomorrow. This would leave the financial problem to the London parleys.

WASHINGTON, July 18.—(AP)—A material modification of the French plan for a loan to Germany appeared certain tonight as trans-Atlantic discussions continued to pave the way for the seven powers conference in London on Monday.

The French proposal that such a loan be guaranteed by the United States, Great Britain and France is regarded here as wholly unacceptable, and Secretary Stimson has so informed the French premier.

Certain other conditions of the proposal, having to do in part with guarantees to be given by Germany herself, likewise are looked upon in Washington with skepticism.

Some hope of an effective agreement is seen, however, in the fact France actually is discussing real relief measures, the American representatives, Secretaries Stimson and Mellon, are expected to enter the London conference with confidence a compromise will be possible.

Some advices reaching governmental circles say the problem of Germany's salvation no longer centers entirely around an actual money advance, but turns rather upon an international accord which will restore confidence in German institutions. The American embassy in Berlin has reported that economic conditions already are improving, although they remain uncertain.

This situation greatly magnifies

(Continued on Page Six)

Today
Understands
Finance?
Infectious Idea.
Vatican City News.
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statement that "our farms
are thoroughly solvent," and that
there is better off than any
American industry."
says the farmers own forty
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