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MELLON URGES REDUCTION OF SURTAX RATES

Amount Must Either Be Lowered or Tax Eliminated, He Asserts

JACKSON, Miss., May 6.—A lowering of the maximum surtax rates and a radical reduction in rates or the elimination of the federal and state tax "in all probability will be recommended to the house ways and means committee by the treasury next fall," Secretary Mellon today declared in an address before members of the Mississippi Bankers' association.

The secretary said that while it would not be appropriate for him to set forth a "definite program" until the treasury makes its recommendations to the committee in the light of income then available, he felt sure that "the margin of surplus" would be ample for these reforms.

Must Be Reasonable
The levy of an income tax, at proper rates, is a fair and economically sound means of raising the immense revenues required for the operation of the government, Secretary Mellon asserted.

"But the tax must not be levied at rates so high as to hamper business, slacken initiative, distort investment and encourage avoidance of the tax.

"If the position of the income tax is to be made secure, we must preserve its essential integrity. We must give to the country a law which closes the most obvious doors of escape from taxation without at the same time exposing the tax to complicated provisions unworkable in stopping tax avoidance.

"Our present laws have many of these defects.

In attempting reform of the law, two courses are open, the secretary pointed out.

The treasury, he said, has frequently recommended to congress the adoption of a constitutional amendment restricting further issue of tax exempt securities. This, however, cannot be counted on for the present, he added.

Must Aid Capital
"Personally I feel that this is the strongest possible test of whether it is really desired to make wealth bear its share of the tax burden," he explained. "All that is necessary is to close the door and thereby cut off this inviting avenue of escape from taxation."

"Since this is not now possible," he continued, "there is consequently no immediate remedy for the situation within the power of congress, except a readjustment of surtaxes on a basis that will attract capital back into productive business and keep it from exhausting itself in tax exempt securities or from taking advantage of the many other methods of investment by which taxes are avoided."

PLAY ATTRACTION TO MANY TUESDAY

"The Village Photographer," a one act play, written by Arthur L. Rice, pastor of the Presbyterian church of Klamath Falls, was presented in the church last night to a packed house, who appreciated the efforts expended by the young people of the church and Rev. Rice in the production of the play.

MILL FIRE MAY STOP WORK ON COUNTY SCHOOL

Destruction of the Modoc Pine company mill at Asgrove may alter plans for enlarging the county school at Chiloquin, County School Superintendent Fred Peterson said today.

"It has been contemplated to build additional room onto the Chiloquin school," the superintendent pointed out. "The addition was to take care of the demand for school facilities, brought about by the large lumbering population in that section.

"With the burning of the Modoc mill, the families dependent upon the mill will probably move away and the congested conditions at the school will be alleviated. I do not know what will be done about the proposed improvement, but if there is no need for it the school board would hesitate to authorize it."

POLAND TERRORIST ACTIVITY STARTS

WARSAW, Poland, May 6.—Terrorist activity alleged to be organized and directed by communists is being renewed in Poland.

From the Bielowiska Puszcza, the former Russian crown forests, comes a story of murder and pillage by a band of armed men who left "receipts" in the pillaged houses signed "the white Russian communist party."

The gang killed a policeman, the head brewer and a forest keeper and wounded four other persons.

BONANZA WOMAN IS EXONERATED

Grand Jury Fails to Find True Bill Against Mrs. J. T. Heuston

A partial report of the grand jury yesterday freed Mrs. J. T. Heuston of Bonanza on a charge of perjury. A not true bill was returned in the case as well as a not true bill freeing Gus Jordan on a charge of assault with a dangerous weapon. Three secret indictments were returned.

Mrs. Heuston was arrested last February on a charge of swearing before the county clerk that Marie Bradshaw, daughter of Mr. and Mrs. A. W. Bradshaw, was over eighteen years of age. Miss Bradshaw, who was said to be under 13 years of age, was later married to Frank Partridge without the consent of her parents.

Jordan was charged with assaulting John Collman, Klamath rancher, with a bay knife. He has been in jail for several months pending the consideration of his case by the grand jury.

TO BUILD CARS

PORTLAND, Ore., May 6.—Private advice were received here today by the Portland Telegram from New York that the receiver of the Chicago, Milwaukee and St. Paul railway system will shortly order 6,500 new freight cars. Construction of these cars will require several million feet of fir lumber which will be obtained in western Washington and Oregon, the Telegram says.

FUGITIVE TAKES SHOT AT POLICE IN HOTEL ROOM

SEATTLE, May 6.—Shots were exchanged in a hotel room here early today when department of justice agents arrested "Col." Dimsman P. Gsadi, who represented himself as a former commander of the New York police reserve air force.

He had been sought for more than four years, though no reason was given for his detention. Officers searched Gsadi's baggage and found a railroad ticket to Philadelphia.

OIL PROMOTER CONVICTED BY FEDERAL JURY

Client of Senator Wheeler of Montana Goes to Penitentiary

GREAT FALLS, Mont., May 6.—Gordon Campbell was sentenced to two years in Leavenworth, Kansas federal penitentiary and to pay a fine of one thousand dollars by Judge George M. Bourquin after he was found guilty by a jury in district court here this morning of using the mails to defraud and fraudulent oil promotion. He was found not guilty of the sixth count in the indictment which alleged conspiracy.

Mr. Campbell employed United States Senator B. K. Wheeler of this state as his attorney at \$10,000 a year following the latter's election to the senate in 1922. Senator Wheeler last month was acquitted by a federal jury here of having represented Mr. Campbell before the interior department after his election.

The jury reached its verdict in the Campbell case at 9:30 last night after having deliberated 29 hours and it was opened in court at ten o'clock this morning.

Campbell is under indictment in the District of Columbia jointly with Senator Wheeler and E. S. Booth, former solicitor of the interior department, charged with conspiracy to procure federal land by fraud.

RUM CHASERS OFF ON BIG OFFENSIVE

NEW YORK, May 6.—Twenty-one boats of the United States coast guard teamed out of Clifton Bay, Staten Island base, this morning, bound for rum row to open an offensive which will seek to sweep the liquor armada off the Atlantic seaboard by June 1.

Six of the dry navy's speediest cutters led the force, the Seneca, Red Wing, Gresham, Yamcray, Manhattan and Achmet. Behind them were fifteen smaller craft, converted submarine chasers and patrol boats, all liberally sprinkled with guns and most of them capable of high speed.

MEDFORD TO BUILD NEW HIGH SCHOOL

MEDFORD, Ore., May 6.—By a vote of 675 for, to 155 against, the property owners of Medford voted a bond issue of \$185,000 to erect a new high school in the city. The fifteenth of May a second election will be held to choose the site for the building, the voters being given a choice between the Holly street and the Pacific and Eastern locations.

HOLD OFF CITIZENS AND BLOW OPEN BIG SAFE IN TOWN BANK

HARTFORD CITY, Ind., May 9.—Holding off citizens for more than an hour with gun fire, bank robbers today blew open the safe at the Eaton State bank, obtained \$2300 and escaped.

Seven charges of explosives were used, according to reports received here, wrecking the bank safe. Citizens who rushed from their beds to the scene were driven back by gun fire. The firing continued at intervals for more than an hour.

MOTHERS' DAY WILL BE OBSERVED MAY 8

Mother's Day, which falls on Sunday, May 10, will be observed in the rooms of the Central school on Friday, May 8, at which time all mothers of children in the building are invited to attend the short program of observance.

FIREMEN KILLED IN ATLANTA BLAZE

Upper Floor Collapses and Men Are Buried Under Bales of Cotton

ATLANTA, Ga., May 6.—Six firemen were killed and four injured here early today when the upper floor of a building in which they were fighting fire collapsed, the men being buried beneath bales of cotton that had been stored in the second floor.

The building was a two-story brick structure used for storing cotton. The firemen were fighting the blaze from the ground floor when the roof and upper floor fell in, sending them down beneath a weight of cotton bales.

Captain C. O. Bone and Lieutenant R. L. Dennard, were among those killed.

Four other firemen, P. M. Wilson, L. M. Smith, E. S. Konkle and C. C. King were dead when their bodies were taken from the ruins.

AIRPLANE DASH TO NORTH POLE STARTING TODAY

Captain Amundsen to Hop Off on Perilous Flight From Norway

STOCKHOLM, Sweden, May 6.—The weather prospects at Spitzbergen are reported excellent for the forthcoming attempt by Captain Raold Amundsen's expedition to reach the north pole by airplane.

Both the airplanes will be flown northward today, following the two expedition steamers, Fram and Hobby, which yesterday left for the intended hopping off point on Dances Island.

A dispatch from Oslo, Norway, last night, said the dash for the pole of the Amundsen planes might possibly start this (Wednesday) afternoon at four o'clock from Dances Island on the northwestern coast of Spitzbergen.

The first plane is to be piloted by Lieutenant Relsar Larsen, with Amundsen as passenger and the second by Oscar Omdal, with Lincoln Ellsworth, an American engineer as navigator.

The planes have a speed of more than 90 miles an hour, making it possible, the explorers believe, to reach the pole in about eight hours. The distance is roughly 650 miles.

If possible Captain Amundsen and his companions will make a landing at the pole and attempt to locate its exact position. If this is not found practicable the aviators plan to drop a Norwegian flag in the approximate vicinity.

Expect to Land
The Oslo dispatch said the planes might land several times during the trip and for this reason they might not return to Spitzbergen for several days. The planes will fly 100 meters apart at an altitude of 500 meters, keeping in touch by wireless throughout the trip.

UNION PACIFIC WILL NOT COME TO THIS COUNTY

Reasons for Refusal to Extend or Join Hill Lines Are Given

PORTLAND, Ore., May 6.—Reasons for the unwillingness of the Union Pacific system to extend its Central Oregon line from Burns to Bend and from Bend to Klamath Falls or to join the Northern lines in building southerly from Bend are shown in a statement received in Portland from Carl Gray, president of the Union Pacific.

The chief objection of the Union Pacific to invading the Southern Pacific's domain in Central Oregon is that no opportunity is afforded the Union Pacific to have joint use of the Eugene-Klamath Falls cut-off as a means of serving the traffic needs of the upper Willamette valley.

According to Gray's statement, the interstate commerce commissioner who last year heard testimony in the case involving the petition of the Oregon public service commission for an order requiring the Union Pacific to build the east-to-west line across the state, correctly found that without giving the Eugene-Klamath Falls cut-off there would be insufficient traffic to justify the construction of a line from Burns via Bend to a connection with the cut-off.

LEGION TO FURNISH PULMOTOR FOR CITY

Several deaths by drowning during the past few years might well have been averted had a pulmotor been available at the right time and in view of this public necessity, the American Legion, post No. 8, at a meeting last night decided to raise funds for purchase of the pulmotor.

A committee consisting of O. D. Mathews, Fen Waite and Fire Chief Keith K. Ambrose was appointed to buy the pulmotor. It was suggested that the pulmotor be kept in the fire station and that one member of the fire force be trained to use it at every emergency.

CHARGE MAYOR WITH LIBELING OPPONENT

KELSO, Wash., May 6.—Mayor A. Ruffe Todd was arrested today on a warrant charging criminal libel, issued on information filed by Prosecuting Attorney Hite Imus. The charges were based on a handbill circulated to advertise a meeting called by Mayor Todd. The handbill was alleged to have made damaging references to certain of the mayor's opponents in his controversy with the city council.

The warrant was issued late yesterday but service was delayed. It was said, to permit Mayor Todd to attend a council meeting last night.

When the council convened last night the chamber was packed with spectators. A resolution adopted at the Todd meeting which called for resignation of six councilmen and the city attorney was read by Fred Rawson, but no official action was taken.

COOLIDGE TO MAKE BIG ECONOMY CUT

WASHINGTON, May 6.—President Coolidge's drive for economy in federal expenditures will result in another substantial cut in the annual budget. He hopes the reduction will be as great as \$3,000,000,000, making total estimates to be submitted to the next congress around \$2,000,000,000.

CHILD DROWNS IN IRRIGATION DITCH

BEND, Ore., May 6.—Lois Shaver, 18 months old daughter of Mr. and Mrs. Roy Shaver of Tumaio was drowned in an irrigation ditch late yesterday.

No water was found in the child's lungs according to the physician who made an examination. He said it probably died from fright when it fell into the ditch. The father is a carpenter in Bend and the family recently moved out on the ranch while he continued to work in Bend.

PLANS COMPLETE FOR CELEBRATION OF ELKS AFFAIR

All Klamath Falls Elks must wear their Western Stetsons a week before Elks Western Night celebration of May 14, 15 and 16, according to C. S. Currin, Exalted Ruler. C. H. Underwood and Currin spent yesterday soliciting merchants of Klamath Falls for merchandise with which to conduct the country stores and "lucky wheels." All funds obtained through the celebration will go into a general benefit fund which will provide many a family with food and hours of pleasure with the returns of the three days observance.

Tom Watters has been appointed to take charge of the gambling and will dispense kooky soda pop over the bar as he pulls in the ducats and hard earned shekels. W. W. McNeely will be in charge of the Den of Iniquity as the dance hall will be known. C. S. Currin will hold sway over the country store and forget the manner in which he dispenses milk of magnesia and pills and hornswoggle the tightest tightwad into taking home a ham or a sack of flour for the baby.

Keith Ambrose has been given a post as "General bouncer" and sergeant-at-arms. C. H. Underwood is general chairman of the entire affair.

All Elks possessing Western togs will be arrayed during the three days festivities according to one of the officers of the organization. On the Stetson hatbands to be worn will be printed the dates of the Western nights, May 14, 15 and 16. Remember!

GUIDE MAPS OF KLAMATH READY

20,000 Run Off in First Edition This Morning, Says Lynn Sabin

First issue of the Klamath county guide and road map was off of the press late this afternoon with more than 20,000 run off the press in the first number. They will be ready for distribution from the chamber of commerce within the next few days, according to the chamber secretary.

The road map and divisions of the county have been brought up to date, and for the convenience of the tourist, the difference in roads has been marked on the map on the first page, in dark green and red lines. Various markings designate the oil and gas stations, hotels, fish streams and their ratings, lakes, summer resorts and particularly beautiful scenic spots. This is the first time that Klamath county has possessed such an up-to-the-minute map of any kind that could be distributed without extra markings and explanations.

According to Secretary Lynn Sabin of the chamber, under whose auspices the map was put out, the guides will be sent to various hotels, garages, chambers of commerce and other distributing bureaus up and down the coast for use this summer. They will also be ready for distribution among the hotels, garages and public places in Klamath Falls.

USED CAR DEALERS CHANGE MANAGERS

Associated auto dealers of Klamath Falls last night decided to transfer their joint used car exchange to the used car lot at Eighth and Main where A. C. Panzer will be in charge as manager. Local dealers will in no way be associated with the used car lot at Eighth and Pine streets, where Hoagland and Coggins are in charge.

This decision to transfer the used car business to the control of Mr. Panzer came as a result of the announced intention of Hoagland and Panzer to ship in used cars from outside points.

MARSHFIELD, Ore., May 6.—

Fire today at noon destroyed the Doune apartment house No. 1, the residence of Sara Wilson adjoining, and the Coos Hay Auto Wrecking plant, which was on the first floor of the apartment building.

Occupants lost all their personal belongings and are homeless but there were no casualties. The loss was estimated at \$20,000.

ROUTE OF HILL LINES TO K. F. IS CLARIFIED

Oregon Trunk Holds Paralleling of S. P. Justified by Tonnage

Further information received here today from Portland outlines in detail the two routes from Bend to Klamath Falls, proposed by the Oregon Trunk railroad in their petition to the interstate commerce commission for permit to build.

The formal application to the interstate commerce commission for a certificate of convenience and necessity, which would grant the Hill lines permission to build, has been made. Charles H. Carey, counsel for the Great Northern and vice-president of the Oregon Trunk, announced.

A single line is to be constructed from the present terminus of the Oregon Trunk railway at Bend to Skookum, formerly known as Odell, on the Southern Pacific railway's Eugene-Klamath Falls line. This line will be 65 miles long. At Skookum the road will branch off along one of two possible routes to Klamath Falls. One route would cross the Southern Pacific at Skookum and parallel the latter line to a point north of upper Klamath lake.

Instead of taking the course of the Southern Pacific to the east of upper Klamath lake that line would run along the west bank of the lake, entering Klamath Falls from a slightly northwestern direction.

Other Branch Outlined

The other branch from Skookum would take a southeasterly direction to the Sycan river and cross the Sprague river at a point several miles east of the town of Sprague River. That route would continue south from the Sprague river to Bonanza and then would turn due west to Klamath Falls, touching the town of Olene.

For a short distance in the vicinity of Beatty, Oregon, and Sprague River the eastern branch would parallel the proposed line of the Oregon-California & Eastern railway, which has been projected by R. E. Strahorn.

The length of the western branch from Skookum to Klamath Falls would be 82 miles and the eastern line slightly more than 100 miles. When completed the distance over the Oregon Trunk railway from Fallbridge, Wash., where it leaves the parent road, the Spokane, Portland & Seattle, to Klamath Falls over the route to the west of upper Klamath lake would be approximately 295 miles.

Stand of Timber Large

While the western branch of the proposed new road would parallel the Southern Pacific for a great distance, Vice-President Carey pointed out that it would not necessarily be competitive. The country to be served has perhaps the largest stand of virgin pine timber in the world, and there is sufficient tonnage for both roads, he declared. He estimated the timber resources of the country between Bend and Klamath Falls at 40,000,000,000 feet.

Representatives of the Shevlin-Hixon interests of Minneapolis, which have a large mill at Bend, recently stated here in Washington that another and larger mill would be constructed at Klamath Falls. Other lumber concerns are expected to follow in the erection of mills along the proposed extension.

Vice-President Carey also was eager to have it understood that both the Great Northern and Northern Pacific railroads, as joint owners of the Spokane, Portland & Seattle railway, which owns the Oregon Trunk railway, are equally interested in the construction of the extensions.

- ◆ CITIZEN STOOLPIGONES ◆
- ◆ NEW YORK, May 6.—Citi-
- ◆ zens who inform the federal
- ◆ authorities of liquor smuggling
- ◆ activities leading to the con-
- ◆ viction of bootleggers under
- ◆ the customs law will receive
- ◆ 25 per cent of the fines impos-
- ◆ ed and of the money obtained
- ◆ through the sale of seized
- ◆ boats, Edward Barnes, assis-
- ◆ tant solicitor to the collector
- ◆ of the port announced today.