

Railroads Reach Peak Prosperity According Report

WASHINGTON, Sept. 30.—(United News)—Arrival of the railroads at the peak of prosperity with earnings mounting on every report, has focused attention again on that section of the transportation act of 1920, which requires that the carriers turn over to the government half of their earnings above six per cent.

During the first seven months of this year, the class one railroads had a net operating income of \$611,831,532, giving every indication of going well over a billion dollars before the year is over, since the heavy fall business was not included in that figure.

Although the "recapture" clause of the transportation act has been in effect six years, railroads have paid the government \$6,618,049.13. Many more millions of dollars are due, but how many has never been estimated.

Payments to date have come from small railroads and with reservations. No large road has paid anything despite the fact that many of them are believed to have earned the six per cent as interpreted by the commission.

Out of this situation is brewing one of the biggest legal battles the country has ever seen, the groundwork of which was laid recently by a comparatively insignificant case before the interstate commerce commission, in which a decision should come this winter. It will go finally before the supreme court, whatever the commission decides.

PERSONALS

Mr. and Mrs. Lindsey Sismore, accompanied by Mrs. John Orth, all of the Fort Klamath country, spent yesterday in Klamath Falls visiting with friends and shopping in Klamath Falls.

Alc Barnes, formerly employed at night clerk with the White Pelican hotel, was in Klamath Falls for a short time yesterday from Pine Ridge, where he is spending several months. According to friends of Barnes, he is rapidly improving in health.

Dr. Grant Skinner of Bend, and Dr. P. Woerner, also of Bend, are here for the remainder of the week visiting with Dr. E. Dietzsch of Klamath Falls. Dr. Dietzsch formerly resided in Bend. Mrs. Skinner accompanied her husband and Dr. Woerner south.

Miss Evelyn Probst will be hostess on Saturday evening at her home on 737 North Ninth street to members of the Letter club composed of Klamath county high school girls who have been awarded letters for various activities during their high school career. Officers for the coming year will be elected at Miss Probst's home.

M. L. Ryckman of the state game commission, is here on business for the remainder of the week and a guest in the White Pelican hotel while in southern Oregon territory.

DEVIL'S FOOD CAKE

Two cups of light brown sugar and a heaping tablespoon butter. Cream these together and add yolks of two eggs without beating, one-half cup sour milk, two squares of chocolate melted in one-half cup boiling water, two teaspoons vanilla, one level teaspoon soda, two cups sifted flour. Add white of one egg beaten stiff.



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DAUGHERTY SCORES AS DEFENSE OPENS

(Continued from Page One)

personal investigation of the claim, Williams said.

United States Attorney Emory H. Buckner, cross examining Williams, attacked the witness because the files to which he had access were not used. Buckner made the failure to use these files the center of his attack. He brought out that Williams had said he had no knowledge of the attempt of the metal company stockholders to hold the transfer of the assets in 1918 from German stockholders.

The checks which were turned over to Merton, aggregating \$6,500,000, representing payment of his claim in behalf of the American Metal company, were sent for at the treasury by Williams, he admitted on the stand.

"And when they reached me I sent them in to Colonel Miller," he added.

"That was not an unusual procedure," Colonel William Rand, counsel for Miller, asked.

"No."

"Was the American Metal company claim by Merton expedited?"

"Yes."

"And you have no apologies to make in regard to expediting the claim?"

"No."

Asked why he had not given Miller the \$514,000 in liberty bonds, which also were turned over to Merton, Williams said "they were deposited in Riggs and company to save insurance and also because the National City bank of New York, the Riggs correspondent, preferred it should be done in this way, they stated in a letter."

Williams was still on the stand when court adjourned and will be the first witness Friday morning when the defense resumes.

Guard Murderers To Hang Nov. 5, Decrees Court

SALEM, Sept. 30.—(United News)—James Willos and Ellsworth Kelley, convicted murderers of Milton Holman and John Sweeney, prison guards killed in the prison break of August, 1925, were re-sentenced to hang Friday, November 5, when they appeared before Circuit Judge Kelly here Thursday.

Their only possibility of escaping the gallows now would be through an appeal to the United States supreme court, or intervention of the governor, neither of which is likely.

WOMAN FOUND GUILTY OF LIQUOR VIOLATION

Molly Love, Klamath Falls woman who was among those netted in the raid August 27, was found guilty of sale of intoxicating liquor by a jury of six Klamath Falls business men shortly after 4 o'clock yesterday afternoon.

Frank Carr entered a plea of not guilty before Justice Emmitt at 1:30 o'clock yesterday afternoon and his trial was set for October 4. Monday. Carr is at liberty on \$500 property bond.

Arkansas River Threatens to Go On Big Rampage

FORT SMITH, Ark., Sept. 30.—(United News)—With rivers threatening a flood hundreds of farmers in Arkansas and Poteau river bottoms tonight were flying to higher levels.

The Arkansas and Poteau rivers which meet here have been swollen to overflowing by the unprecedented rainfall in the lowlands, which yet continues unabated. Warnings were sent out late today saying the flood was inevitable.

It was predicted by weather bureau officials that the menaced area, whose flood stage is 22 feet, would reach a stage of 24 feet to 25 feet by Friday morning. The flood will confine itself to the territory at the mouth of the Neosho river about 150 miles west, to a point down the stream 55 miles east of Fort Smith. Showers for the menaced area are predicted for tomorrow. During the last three days the average of rainfall has been five inches. The corn and cotton crops are threatened.

SAYS SENATE DRY MAJORITY IS REDUCED

LOS ANGELES, Sept. 30.—(United News)—The large dry majority in the senate will not be reduced although there are 25 senate chairs to be filled with indications that eight of the present candidates would be wet. Mrs. L. L. Yost, director of legislation of the W. C. T. U., told that body in convention here.

Head State Banks Must Keep Office In City of Salem

SALEM, Sept. 30.—(United News)—Frank E. Bramwell, state superintendent of banks, Thursday was directed in a writ of mandamus issued by Circuit Judge Skipworth, to return the main office of the state banking department to Salem.

The mandamus was issued as a result of a suit brought by George Putnam, Salem publisher, against Bramwell, whom he charged with moving the banking department to Portland, in violation of state law.

Putnam charged that Bramwell was maintaining a branch office in Salem merely as a subterfuge. Both his contentions were upheld by the court order, which declared "the superintendent of banks has practically moved his office 'bag and baggage' from the city of Salem to the city of Portland and this in violation of the statute."

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Another Witness In Hall Murder Case Discovered

JERSEY CITY, N. J., Sept. 30.—(United News)—Disclosure Thursday night that Henry L. Dickman, former New Jersey state trooper, had sworn that after working upon the Hall-Mills murder case alone for several months he was paid a large

sum of money to leave New Jersey nearly four years ago, is declared by investigators to overshadow every other development since the arrest of the four members of the Stevens family, charged with the crime.

Dickman's testimony contains statements even more important than the testimony of Mrs. Jane Gibson, the famous "pig woman," who identified Mrs. Hall and two other of the suspects, State Sena-

tor Alex Simpson, special prosecutor, admitted.

Dickman is the man who continued to work alone upon the mystery after the grand jury failed to bring indictments in November, 1923. He continued his investigation until April, 1923, when he suddenly vanished with two months' pay unclaimed. Recently Dickman was located in a military prison in California and transferred east at the request of Governor Moore.

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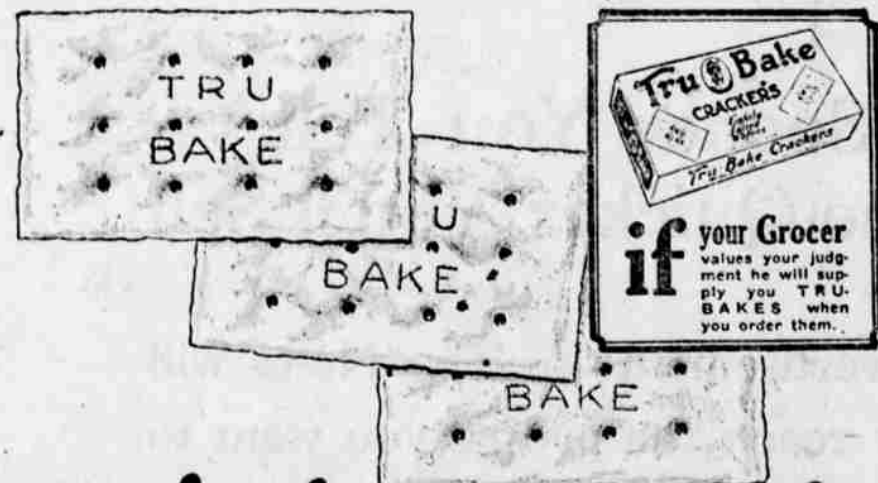
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