

CITY
EDITION

La Grande Evening Observer

THE WEATHER
OREGON: Unsettled tonight and
Tuesday, probably occasional rains
in the west portion. Colder in the
east portion tonight.

VOLUME XXV.

MEMBER ASSOCIATED PRESS

LA GRANDE, OREGON, WEDNESDAY, DECEMBER 29, 1926.

MEMBER ASSOCIATED PRESS

NUMBER 140

BUILDING IN
CITY IN YEAR
\$361,132.00Outranks Any Other Pe-
riod in Local History
Excepting 1924OUTLOOK BRIGHT
FOR NEW SEASONMany New Homes Built
Throughout La Grande,
Some Business Build-
ings Erected.

During the present year, there has been more building in La Grande than in any other year in its history excepting 1924, a check of the year's construction permits showed today. The books have not yet been closed and it is possible that the total may be even greater, but this morning the figure stood at \$361,132, compared with \$241,887 for 1925, an increase of \$119,245.

A major share of this year's construction has been dwellings, although several new business buildings were erected.

Indications are, contractors believe, that 1927 will also be a big year for building, especially if conditions remain unimpaired.

Only three months in 1925 bettered figures for the corresponding periods this year, March, May and September.

Figures for the two years by months follow:

	1925	1926
Jan.	\$ 8,440	\$ 21,726
Feb.	10,140	20,580
Mar.	56,300	43,805
Apr.	21,072	34,462
May	40,480	34,030
June	12,525	17,690
July	14,600	21,020
Aug.	21,225	37,630
Sept.	26,465	20,350
Oct.	11,450	69,205
Nov.	12,340	30,175
Dec.	5,940	19,920

\$241,887 1925
\$361,132 1926
December yet incomplete.

CITY DADS IN
LAST MEET OF
YEAR TONIGHT

The last commission meeting of the year, or rather of a two-year period during which Commissioners A. T. Hill, R. P. Landis and Charles Phayle have held office, is scheduled this evening at 7:10 o'clock in the city hall. This will be the Commission's last act as a city executive body, as the referees to seek reelection, as the referees to seek reelection, as the referees to seek reelection.

The first meeting of the new year, when Commissioners Hill, Phayle and Coburn will be sworn in for a two-year term, will be held Monday, Jan. 3. A city manager and municipal judge will also be appointed at that time in addition to organization of the commission.

Penney Company
Rewards Employees

The J. C. Penney company store here paid out approximately \$200 in bonuses and individual Christmas gifts to its employees this year, J. A. Tedford, manager of the store, announced.

The gifts were distributed Christmas Eve when the employees of the company enjoyed a Christmas tree at the store after working hours. Twenty-four employees, including some extra clerks, were there, and they exchanged presents among themselves besides receiving the gifts from the company.

The bonus given the employees is based on service, sales and satisfaction.

GOOD
ADVERTISING
MONEY

This is a week of inventories and not a few business men will "take stock" of their advertising and plan the expenditure for the coming year.

The intelligent merchant makes a definite advertising appropriation the expenditure of which will keep you informed about the advantages of doing business with him. In 1927, more than ever, he is going to eliminate freak and unknown methods propounded by smooth-talking salesmen. He will analyze his publicity problem and concentrate all or a majority of his money in the one medium where the reader-interest is highest, the reader-cost the lowest.

"Observer Advertising—A Merchandising Service"

Large Crowd to
Attend Legion's
Midnight ShowReserved Seats on Sale
Today at Glass Drugs
—Several Big Acts In-
cluded in Program.

Seats went on sale this morning at the Glass drug store for La Grande's first midnight matinee, which will be given at the Arcade theater New Year's eve, sponsored by the local post of the American Legion. All are urged to get their seats early as a large crowd is expected to attend.

Some of the best local talent available has been secured to take part in the show, which will start at 12 o'clock, sharp, Friday night and will be about two hours in length.

Several Big Acts
Jack Coleman, of Pendleton, Scotch comedian, who is well known to many La Grande people who were fortunate enough to see him in his one previous performance here, will be the main feature, although the several other acts are expected to go over big. Coleman, whose home is at Pendleton, was formerly on the Orpheum circuit and is said to be exceptionally good.

Besides two other interesting songs and dance acts, there will be a Charleston contest. The Spanish American War veterans organization here will provide a musical saw act, with Mr. Hale performing. Harris and his ukulele are expected to please as well as a one-act comedy entitled "The Weak Spot" and a comedy skit, "The Weak Spot" is under the direction of Elwood Gwilliams and the comedy skit is directed by Leal Russell. The local national guard company will furnish a wall scaling act, in addition to other attractions.

People are asked to arrange their New Year's eve parties so as to be able to attend the matinee, which starts just as the old year takes its leave and the new year steps in.

WATER TEST IS
BEST IN HISTORYLa Grande Supply Ranks
in Class A, State Board
of Health Reports

The city water La Grande is now drinking, coming from Beaver creek, is the nearest pure in the city's history, a test by the state board of health on a sample sent in a few days ago by City Manager W. C. Crowe reveals.

The water at that time was rated in class A, and the bacterial count showed but two to one cubic centimeter from the reservoir. It has not been necessary to use water from the city well for some time, as the flow from the Beaver creek system is ample for the municipality's needs.

Missing Man Beats
Bloodhounds Home

EUGENE, Ore., Dec. 29 (AP)—Harry Crawford, donkey engineer for the Penn Lumber company at Penn, who became lost in the mountains last Thursday, appeared at a farm house near the mouth of Wolf creek, 15 or 20 miles away, only a few minutes before two bloodhounds, brought from Hood River to track him, caught up with him.

Crawford had wandered through the mountains for more than three days, and was out three nights in the bitter cold. He was weak from exposure and lack of food. Crawford had left his home to gather Oregon grape vines for Christmas decorations. He lost his directions when a fog came up. The first two nights he built fires, but the third night his matches were so damp that he was unable to start a fire.

HE MUST REPENT

PORTLAND, Ore., Dec. 29 (AP)—As soon as Verne Carner, 19, convicted of assault and robbery, convinces the warden of the state penitentiary that he realizes that he "can't beat the law" and is repentant, he can ask the governor for release and Circuit Judge Rossman will approve it. Unless he repents he must serve a 10-year sentence. Judge Rossman made this condition in imposing sentence upon the youth. Carner maintained his innocence, though police said he confessed to them after his arrest.

JACKSON'S SHARE

MEDFORD, Ore., Dec. 29 (AP)—According to returns received this morning from Washington, D. C., Jackson county will receive \$1,151,262.71 from the Oregon-California tax refund bill. This is \$580.45 less than the claim submitted. The department of interior would not allow claims for missing homestead entries, upon which no final entry had been made.

GROCERY CO.
TO GO INTO
RETAIL LINEWholesale Firm Adopts
New Policy, Effective
on January 1CASH AND SERVICE
STORES PLANNEDOne to Open at Elgin Jan.
1, One Here on Jan. 15
—Others to Follow in
Future.

The La Grande Grocery company today announced a new policy, which will take effect Jan. 1, which includes the operation of retail stores to be known as "Service Grocers" and "Thrifty Grocers." The former will be service stores and the latter cash stores.

"It is our intention to have just enough retail stores to enable us to introduce new items which heretofore we have been able to do through our traveling salesmen, and to also give us an assurance of a certain amount of volume," the announcement of policy reads.

Two Stores to Open.
G. L. Larson, manager, this morning said that the company expects to open "Service Grocers No. 86" in the L. C. Smith building on Jan. 15 and "Thrifty Grocers No. 78" at Elgin on Jan. 1. At Elgin the company purchased the grocery department of the G. M. company.

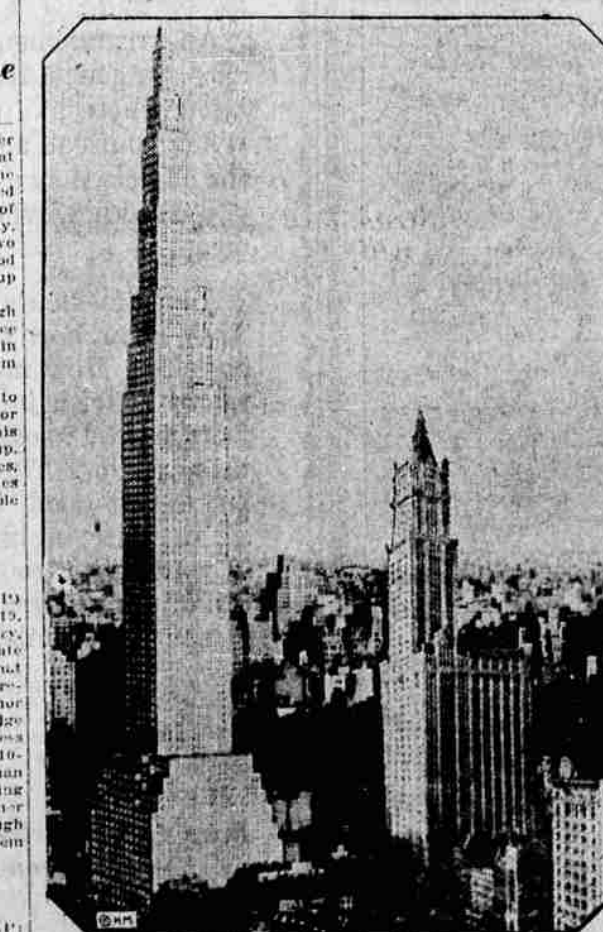
From time to time the firm will add more service and cash stores to its chain, which is to cover both Union and Willows counties, it is said.

Attending Meeting
Of State Teachers

Four Union county educators and E. A. Sayre, county school superintendent, are attending the State Teachers association convention in Portland this week. The four delegates from this county are J. T. Longfellow, Miss Marie Pollock and E. A. McChesney, of La Grande, and Roy Conklin, of Union.

Sayre will also attend the annual conference of county school superintendents in Salem, returning home about Jan. 5. His office is closed this week but will be opened Monday.

NEW YORK'S ANSWER TO DETROIT



This projected building, 1208 feet high, is to stand in West Forty-second street, New York, regaining for the metropolis the distinction of having the tallest structure in the world. It is to be 110 stories high. That's 226 feet more than the Eiffel Tower, for 48 years the world's tallest structure, 118 feet more than the Woolworth building, at present the highest office building, and 226 feet more than the Detroit Book Tower, which is to be 85 stories. In this picture the spire's altitude is compared with the Woolworth tower.

Flooded Areas
Hopeful; Skies
Clear of CloudsSituation Worst Along
Tennessee, Cumberland
and Ohio Rivers, with
6,000 Homeless.

NASHVILLE, Tenn., Dec. 29 (AP)—The most disastrous flood in the history of Nashville was predicted today by the weather bureau. The Cumberland river now at a 54.1 foot stage and already spread out over a large portion of the lower part of town, is expected to reach 55.5 or 56 feet, breaking all records.

MEMPHIS, Tenn., Dec. 29 (AP)—A forecast of generally clear skies today brought hope to the thousands in the south affected by floods.

The situation is most tense along the Tennessee, Cumberland, and Ohio rivers where more than 6,000 have been driven from their homes. The death list remained at 13 today, though reports from isolated sections indicated that this toll might be increased when full communication was established. Railroad officials would not predict any immediate relief for traffic. Some sections have no rail service.

Engineers in Memphis announced that the Mississippi was little more than five feet below flood stage and expressed fears that floods when the snows begin to melt in the headlands, would cause much destruction in the lower basin.

Appeal for Funds.
Several cities have issued appeals.

(Continued on Page Five)

Reorganization
Of State Board
Is Recommended

PORTLAND, Ore., Dec. 29 (AP)—Complete reorganization of the state board of education by legislative enactment; provision for free text books, with permission to select their text books independent of the state text book commission; and a text book commission composed only of residents in the districts over which the commission is to have text book authority—these are the principal resolutions adopted by the representative council of the Oregon State Teachers' association in annual session here.

H. E. Intew, superintendent of Pendleton schools, was elected vice president and Mrs. Susanne Homes Carter, superintendent of Jackson county schools, was advanced from vice presidency to the presidency, succeeding J. S. Sanders, president of the Monmouth normal school.

LOAN BILLION
DOLLARS TO
FOREIGNERSAmerican Dollars Contin-
ue to Pour into Euro-
pean CoffersPRIVATE CONCERNS
BORROW HEAVILYAmount of U. S. Money
Invested Both at Home
and Abroad in 1926 Is
\$7,000,000,000.

NEW YORK, Dec. 29 (By the Associated Press)—American dollars continued to pour into foreign and domestic investments at a record breaking rate in 1926. Capital flight in the form of bond and stock issues for governments, municipalities and corporate enterprises during the year approximated \$7,000,000,000, and final compilations may show that even this unprecedented total has been surpassed.

For the third year in succession foreign borrowings in the United States exceeded a billion dollars, although the total was slightly below last year's high record. More than half of this money went into productive enterprises, whose demands for the first time were greater than those of foreign governments.

Bond Prices Gain.

Illustrative of the broadening character of the investment market was a remarkable rise in the price of bonds to the highest level in more than a decade despite the enormous volume of new financing. Foreign obligations soared to heights which surpassed the most optimistic expectations of the underwriting bankers; some of the United States treasury issues commanded premiums as high as 10 per cent for the first time in many years and municipal corporation bonds sold at the best prices in their history.

The appreciation in the market value of bonds was the more significant because it took place in the face of a smaller volume of dealings. The turnover for the year was approximately \$3,000,000,000 compared with \$5,600,000,000 in 1925 and \$4,000,000,000 in 1924.

Progressive improvement marked the course of price movements throughout the year. Changes in the federal reserve discount rates caused temporary interruptions to the trend, but in the main fluctuations paralleled those of the preceding two years when prices worked up from their January lows to high levels in December.

Buying Little Disturbed.

A strong buying movement which was in progress at the beginning of the year was little disturbed by the January advance in the New York federal reserve rate from 3 1/2 to 4 per cent. As this demand began to taper off in the spring fresh impulse was provided by a reduction in the bank rate to 2 1/2 per cent. Then the redemptory charge was returned to 4 per cent in August, the market hesitated for a time until it was assured that there would be no further upward revision. Prices then started to swing toward higher levels again, with several surprisingly vigorous rallies developing from time to time as the year drew to a close.

In view of the steady rise in bond values over the past several years, the conviction has grown that variations in discount and money rates have been only transitory influences, in shaping the trend of prices. Among the more fundamental factors contributing

(Continued on Page 5)

COBB, SPEAKER
DID NOT BET,
WEST INSISTS

DETROIT, Dec. 29 (AP)—Fred O. West, Navin Field employee, mentioned as the man who placed alleged bets on the Detroit-Cleveland game of Sept. 25, 1919, that resulted in charges against Ty Cobb and Tris Speaker, issued a statement today denying that any money was bet on the game. The money involved in the transaction he declared, was bet on a horse race.

The baseball bet, according to West, was "Dutch" Leonard's idea. Leonard, he said, wanted to bet the money on Detroit against Cleveland but West, instead of placing the money on the game, bet it on the race, he says.

"When Ty Cobb, Tris Speaker and Joe Wood say they did not bet on the game of Sept. 25, 1919—the game between Detroit and Cleveland at Navin field—they are speaking the truth; they did not bet a cent. But neither did Dutch Leonard bet on the game."

"The money that figured in the case was bet on a horse and the horse won. The money that was given Joe Wood by me, and the certified check that Wood mailed to Leonard was the original bet, and the winnings. Cobb and Speaker had no money up."

State Plans to
Try Aimee and
Others JointlyNew Grand Jury Investi-
gation Scheduled for
Thursday to Pave Way,
The Times Says.

LOS ANGELES, Dec. 29 (AP)—The Times says it has learned from an authoritative source that a new grand jury investigation of the Aimee McPherson disappearance case will be opened here Thursday morning.

The newspaper declares the Los Angeles county grand jurors will be asked to return a joint indictment against the Angelus Temple evangelist and Kenneth G. Ormiston, her former radio operator, Mrs. Minnie Kennedy, her mother, and other defendants on criminal conspiracy charges. The step will be taken by the district attorney's office in order that all of the defendants may be tried jointly when their cases are set for trial in superior court.

The new grand jury investigation was ordered following new disclosures made to the district attorney's office by Mrs. Loraine Wisconsin Schaaf, confessed hoax perpetrator, and one of the evangelist's accusers.

To Summon Aimee.
Mrs. McPherson probably will be summoned before the inquest today.

Mrs. McPherson, her mother, and Mrs. Wisconsin face trial on a felony conspiracy complaint as the result of a preliminary hearing last October. Ormiston also was named in the charges, but he was a fugitive at the time of the hearing. He has since been indicted on criminal conspiracy charges and has indicated that he would seek a separate trial because of his absence from the preliminary examination.

It was announced that the entire affair would be taken before the county grand jury tomorrow.

CHARGES PERJURY

LOS ANGELES, Dec. 29 (AP)—The district attorney's office in a new investigation of the Aimee McPherson disappearance case announced here today that the conspiracy hearing of Mrs. McPherson and co-defendants recently in municipal court, "reeked with perjury." These disclosures, it was admitted, throw the whole affair back into the chaos of unsupported evidence which has characterized it from the first.

American Ship
Founders; 21 on
Vessel Perish

PARIS, Dec. 29 (AP)—A 100-ton steamer, the American ship Astoria, was found in the Black Sea near Kavarna, Bulgaria, with the loss of 21 lives. Only one passenger was saved, a Constantinople teacher. He committed suicide when he learned that his wife and three children had been drowned in the wreck.

Two American steamers named Astoria are listed by shipping registers. The only American vessel of that name in European waters, as shown by the records, is a steamer of 1211 tons which arrived at Liverpool on Dec. 3 from Philadelphia.

Strangler Is Busy;
Kills Three in K. C.

SEATTLE, Wash., Dec. 29 (AP)—Seattle police today announced that because of the similarity of three Kansas City murders the past two days and the killing of Mrs. Florence Ethel Monks here, finger prints of the Monks slayer are being sent east.

The same man is credited with the deaths of four Portland women and four California women, in Pacific coast and Kansas City murders, houses here "for rent" signs.

Description of the stranger are in the hands of eastern police.

Housewives of La Grande, Feeding
Birds, Appeal for More Assistance

With more snow on the ground than La Grande has experienced for some time an S. O. S. call reaches here asking that the people feed the birds. Housewives who have been feeding them find that with the ground completely covered with snow the birds are pecking each morning for bread, but because larger—more than they can find crumbs for—and ask that everyone help.

The number of birds here is large and varied. Some report having seen robins and other species, which usually are not to be seen at this season of the year. Perhaps they were fooled by the mild winter last year and decided that there was no need of going south. But they are all hungry, and seem to find life difficult, what with trying to find food when the ground is covered by a

FASHION NOTE



Two fingers below the knee is how far the dress is supposed to extend, according to a Parisian fashion note. Georgia Hale, of Hollywood, is shown demonstrating that her dress is O. K. when she is sitting down. The cameraman failed to take a picture of how short it was when she is erect.

1926 ALCOHOLIC
DEATH TOLL 468Twenty-Six Due to Holi-
day Liquor Swells To-
tal for the Year

NEW YORK, Dec. 29 (AP)—New York's Christmas alcoholic death toll rose to 26 today, while a stream of cases continued to pour into the city's hospitals.

Meanwhile, dry law advocates have rallied to the defense of the government in putting poisonous denaturants in alcohol—in an attempt to prevent diversion of industrial alcohol for beverage uses, which Dr. Charles Norris, medical examiner, was held responsible for the heavy death toll.

In Washington Assistant Secretary Andrews, while not apologizing for the use of wood alcohol as a denaturant, has announced that the government has ordered an inventory of all denatured alcohol preparatory to issuance of a new formula for industrial plants which will denature alcohol along more distasteful but less poisonous lines.

137 Cases.
Fourteen additional persons suffering from alcoholic poisoning were admitted to Bellevue hospital yesterday bringing to 137 the total cases reported in hospitals in Manhattan and the Bronx.

This number, health department officials said, could represent but a partial check, as many others undoubtedly had been taken to private sanitariums or had been treated.

(Continued on Page Five)

WAR SCARE
ON GRILL IN
WASHINGTONHouse Committee Ac-
cuses Navy of "Deceiv-
ing the Public"WILBUR REFUSES
TO GIVE RECORDSMcClintic, of Oklahoma,
Believes Affair was a
Ruse to Get Greater
Appropriations.

WASHINGTON, Dec. 29 (AP)—The Pacific "war scare" that figured in the Fall-Doherty trial has come under inquiry by the house naval committee and Representative McClintic, of Oklahoma, a democratic member, said today. Secretary Wilbur had refused to give the committee confidential navy reports bearing on the subject.

Specifically the Oklahoma representative disclosed the committee had requested the navy secretary to send it in confidence a report submitted by Admiral Gleaves while he was commander of the Asiatic fleet, dealing with "the belligerent attitude of Japan a few years ago."

Session Forfeited.
The committee action was taken in secret session, during consideration of Chairman Butler's proposal to build a new fleet of light cruisers to bring American naval strength up to a satisfactory ratio with that of Great Britain and Japan.

It was Admiral Gleaves' report that defense counsel in the Fall-Doherty trial sought without success to secure from the navy department in support of the contention that the Pearl Harbor oil contract was entered into by the Doherty oil interests under stress of a national emergency in the Pacific.

It will be remembered that this report had been made the excuse for the secrecy of disposing of one naval reserve oil lands and the construction of oil tanks in Hawaii, said McClintic. "It will also be remembered that after the recent trial of Mr. Fall and Mr. Doherty that one of the jurors gave out a statement in which the Japanese scare and this report were given as a justifiable reason for the verdict which exonerated them of any wrongdoing."

"I was advised some time ago by a high ranking officer in the navy that these so-called Japanese reports contained no information which would show a belligerent attitude on the part of Japan and that the department could not afford to allow any members of congress to see these reports for the reason that they would show the secret policy of the navy with respect to oil leases and the building of tanks was not justified."

See it as "Scare"
"In fact, these reports, according to information given me, mostly concern the killing of an American sailor and the finding of some oil on the water after the Japanese earthquake. It is shown by every person that Japan diplomatically an irresponsibly disposed of the case where the sailor was killed, according to the custom usually followed by other nations."

"In my opinion, this Japanese scare is now put forth for the purpose of exciting the citizenship of the U. S. so that pressure will be brought in favor of a new ship building policy costing \$400,000,000 or \$500,000,000. Notwithstanding there is already in agricultural sections of the U. S. I will gladly vote for such a policy provided it can

(Continued on Page Five)

NEWSBOY SLAIN
IN DUEL WITH
HIS PLAYMATE

PENDLETON, Ore., Dec. 29 (AP)—A verdict of accidental death was returned last night by a coroner's jury in the fatal shooting of James Lowmyer, 16-year-old newsboy, by Bob Moyer, 14, yesterday afternoon. In a spirit of fun the boys exchanged rifle shots with small caliber guns. Several shots were fired and the Lowmyer boy was hit in the heart at he stooped to reload. The boys were about 250 yards apart when they started firing.

Flooded Streams
Damage Bridges

EUGENE, Ore., Dec. 29 (AP)—Two county bridges were completely damaged as the result of the rise of the Siuslaw river during the past few days, due to melting snows, according to O. E. Crowe, county commissioner.

The high water lifted one end of a 70-foot span on the Siuslaw road three miles below Loraine toward Siuslaw falls. The stream washed out the pier and the bridge has fallen into the river.

Another 24-foot span on the Siuslaw near Alpha is also damaged, one end falling into the stream.