

HOTEL PLANS ARE NEARING COMPLETION

So Declares Mrs. J. F. Phy in Announcement Issued Today

SAYS WORK WILL BEGIN IN SPRING

Modern, Adequate Structure to Be Erected on Foley Corner by Portland Contractors.

Following an announcement that was made about two months ago the proprietors of the Foley hotel have today declared that a new hotel modern in every respect and one that will compare favorably with other fine hotels in the state, will be built during the coming spring.

"As heretofore announced a new hotel will be built on the Foley corner," Mrs. J. F. Phy declared.

"Contractors Tranchell and Parolus of Portland, have inspected the property and as soon as plans and estimates are completed, they will be in La Grande to complete the contract.

"The razing of the present building and reconstruction will begin sometime in the early spring," she continued. "Plans will call for a new and modern structure, and a sketch of the building will be available for publication in the newspaper in the near future."

The Foley hotel was remodeled a few years ago and an addition was built on the work involving several thousand dollars. However, the demands are so great that a new and larger structure is necessary, the proprietors believe.

LEGION CORPS WILL REMODEL THE REX HALL

Members of the American Legion drum corps have been appointed on a committee to assist in the remodeling and the redecoration of the Rex hall, and will gather at the hall Sunday morning at 8 o'clock to start work.

The legion post has taken over the management of the hall and all legion activities will be held there, including regular meetings of the legion post and the ladies' auxiliary and the practice of the drum corps.

For more than a year a remodeling job has been conducted to the hall, making it necessary to refinish the floor for dancing. Saturday night will be the last night for skating there.

The Eagles lodge has donated its hall for a dance to be given by the legion next Wednesday night.

State Exams Will Be Held Jan. 20, 21

Eighth grade state examinations in Union county will be Thursday and Friday, Jan. 20 and 21. A. A. Sayre, county school superintendent, announced. Questions have already been received at his office from Salem and will be sent to the rural schools so as to be there in plenty of time for the examinations.

Sufficient copies will be sent to each teacher so that the entire class may write on the examination, but the manuscripts are to be sent to the county school superintendent's office except from those pupils who have previously taken the state examination and failed, although each teacher is asked to grade the papers and send the results to the superintendent's office.

Lists of reading circle books are also being sent out to the rural school teachers. These lists are available at the superintendent's office if they have not yet been received.

THE LOST IS FOUND

Things that are lost can usually be found if Want Ads are used conscientiously. Most people are homes by nature and are glad to return items they pick up if they can find out who the owner is.

A black traveling bag was lost the other night on the highway near Alsea. The owner advertised for it immediately in The Observer classified columns. It was returned to The Observer office yesterday morning by the finder who had read the advertisement every where throughout the entire Grande Ronde Valley.

Girls Ready To Battle Sextet From Wallowa

Strength of Opponents Unknown—Tigers Invade Enterprise and Joseph.

The girls' basketball sextet of the La Grande high school will begin its season Saturday facing the Wallowa team on the local gym floor at 8 o'clock. Following this beginning about 9 o'clock, the Tiger babes will play the Union second team.

Forecasts as to the outcome of the girls' game are difficult to make since neither team has been in action as yet this year. However, the Wallowa girls are to play Elgin tonight and when they arrive here tomorrow, will have at least one game in experience over the local six.

"I can promise that my girls will make the game an exciting one," said Miss Ruth Johnson, coach. "They have been working hard for the last few weeks and have had especially stiff workouts for the past five days. They are all in good condition and I know they will put up a fight."

The lineup will be: Cochran and Stange, centers; Campbell and Courtney, forwards; Reynolds and Nelson, guards; Graze, Durand and Ansell will be ready to go into the game if necessary.

Local enthusiasts are eager that the girls retain the title of Eastern Oregon champions, which they won last year at the end of an undefeated season.

Both Enterprise and Joseph are said to be strong teams and the trip is expected to be a severe test for the local team.

Coach Ian MacKenzie is taking eight players with him.

Those going are: Lyman, center; Newlin and Zundel, forwards; Berry and Hanks, guards; Stalcup, McCorkle and Stoddard, spares.

The lineup for the second team game tomorrow night with Union follows: Brand, center and captain; Wolfe and Braden, forwards; Baker and Smith, guards; Tom and Cleland, Wallstager, Boyen and Merrill, spares. Owen Richelleu will be coach.

Thrift Grocery Stores Opened Wallowa, Elgin

J. G. Snodgrass, district manager of the La Grande Grocery company which recently announced its intentions to install "Thrift" stores in Union and Wallowa counties, has just returned from Wallowa where he supervised the opening of Thrift Grocers No. 31 on Jan. 10. This is the first store of this type to operate at Wallowa.

Another store was opened at Elgin Jan. 1 and plans for the opening of others in La Grande and other Union and Wallowa county towns are being worked out.

Harr, whose headquarters are at Oakland, Cal., arrived here from Harrison, Penn., where he attended the annual conference of the Hockensbury company.

Barthelmess' Wife Is Given Divorce

PARIS, Jan. 13 (AP)—Mary Caldwell Hay, American film actress, has been granted a divorce from Richard Barthelmess. It was announced today on the ground of her husband's "injurious attitude" in closing the door of their home upon her.

California Woman Granted Divorce

PARIS, Jan. 14 (AP)—Mrs. Elizabeth Wentmore Harrison, of Berkeley, Cal., has been granted a divorce from Francis Burton Harrison, former governor general of the Philippine Islands.

Struttin' Sam Struts His Stuff Before Large Audience at Arcade

A Review Pretty circus girls, effective costumes, pleasing novelties and Struttin' Sam himself combined last night to entertain a large audience at the Arcade theater when the musical show, "Struttin' Sam from the Musical Show," was presented by Arthur Hockwald.

Despite the filmy garb of the dark-eyed chorus and the wringing dances, Tom Harrison Struttin' Sam won the majority of the applause. His comedy stood out from the rest and when he strutted his stuff the rest of the high-browed strutters just naturally had to be satisfied until he left the stage.

Margaret Johnson, announced on the program as the black Galli

DRY AGENTS ARREST 1,279 DURING YEAR

William S. Levens Reports His Activities to Governor Patterson

184 STILLS SEIZED BY HIS OFFICERS

Liquor and Mash Destroyed in 1926 Totaled 89,473 Gallons—42 Cars Confiscated.

STATE HOUSE SALEM, Ore., Jan. 14 (AP)—Pines totaling \$295,645.99 were assessed against prohibition law violators hauled by the prohibition department during the two years from Jan. 1, 1925, to Dec. 31, 1926. This is shown in the biennial report of William S. Levens, made public today by Governor Patterson.

The number of arrests made totaled 1,279, number of stills seized 184, jail sentences imposed 40,945 days, cars seized for confiscation 42 and liquor and mash destroyed totaled 89,473 gallons.

Levens stated that the activity covered in his report is only that which is to be credited to his department. Independent of the prohibition department he says sheriffs and district attorneys made an even bigger showing which will be covered in a report to be prepared by Levens in a few days.

Has Cash Balance Expenditures of the department for the two years totaled \$88,291.41 and receipts \$101,280.63, leaving a balance of \$12,989.22 at the end of 1926. The largest item of expense was \$64,282.01 for wages and expenses of the prohibition commissioner and his agents.

The main items of receipts were the appropriation of \$59,000 a year from the money collected from fines.

As a comparison of the activity between the two years the following figures are shown: 462 arrests were made in 1925 and 817 in 1926; 74 stills seized in 1925 and 119 in 1926; fines of \$77,768.59 assessed in 1925 and \$127,877.49 in 1926; jail sentences of 14,694 days in 1925 and 25,551 in 1926; 21 cars seized each year; liquor and mash destroyed in 1925 was 25,846 gallons and in 1926, 63,627 gallons.

WESTERN HOTEL MANAGER HERE

Louis D. Barr, western manager for the Hockensbury hotel system, is being installed in the Sommer hotel building, next door to the Lavender Lunch, back of the Wilson and Kelly Millinery shop.

The place is being put in by Mrs. Bertha Schwebke and Elizabeth Steward and Ruth McLeod will be operators. Miss Wilma Smith will be an apprentice in the shop.

Carpenters and painters are busy working on the place this week and plans are to open for business by the last of next week.

Four booths are being installed and the most modern plumbing and electric fixtures are being put in. The shop will be finished in gray and apple green.

Both Mrs. Steward and Mrs. McLeod are well known here, both having recently been connected with the Fashion beauty shop here and previous to that time having worked in the Colonial beauty shop.

Everything in the line of beauty work will be done at the shop, except permanent waving.

Yes, Governor, All Babies Rise Early

STATE HOUSE, SALEM, Ore., Jan. 14 (AP)—Governor Patterson arrived early at the capitol this morning. Representative Miller of Umatilla was already at his desk.

"I notice," said Patterson to Miller as they shook hands, "that we fellows who make our beds from the soil set around earlier than the city boys."

"You bet we do," said Miller. "You know," the governor went on, "I've always been an early riser—never could sleep late mornings. My mother often told me that when I was a baby I woke up early every morning."

"That's no distinction, governor," a legislative attaché butted in. "My experience is that all babies wake up early, also they are likely to awake at midnight, or any other time of night."

The governor turned the conversation to other subjects.

WASHINGTON, Jan. 14 (AP)—Carrying \$512,901,000 for various government agencies, the independent offices appropriation bill was passed today by the house and sent to the senate.

FRANK SMITH TO FIGHT FOR SENATE SEAT

Illinois Man Will Demand Oath in Recognition of "State's Right"

HOLDS TWO SETS OF CREDENTIALS

Plans to Carry Battle to Washington Early Next Week; Wants Impartial Hearing.

CHICAGO, Jan. 14 (AP)—Colonel Frank L. Smith has accepted appointment by Governor Len Small to complete the term of the late William B. McKinley and will demand the oath of a United States senator in recognition of his own. "Constitutional rights and the sovereignty of the state of Illinois."

"Undiscouraged and conscientiously unafraid" despite the turmoil over his seating, the republican senator-designate and senator-elect for the following long term announced last night that he will go to Washington early next week and carry the fight to the senate.

"Subsequently to taking the oath, I shall conform to whatever inquiry procedure is prescribed by the usual practice of the senate in such cases, asking only a full and impartial hearing," said Colonel Smith, who is being opposed on the basis of contributions to his primary campaign funds from public utilities heads over whom he has served as chairman of the state commerce commission.

The whole question, he declared, is whether the senate shall, acting as court, decide arbitrarily and without hearing to set aside both the constitutional rights of a duly elected senator and of a sovereign state.

Colonel Smith holds two sets of credentials to the senate, but he made the point that those involved at this time are not predicated on election, but are by virtue of the constitutional authority vested in the government of a sovereign state."

He said that precedents of 140 years affirm his right to a seat under the circumstances and he recalled that as early as the constitutional convention, over which George Washington presided, precedents of congress prior to their taking oath was rejected as dangerous.

Administration Bills Due Soon

Early in the coming week some of the bills designed to put into effect the policies of government are to become effective. When it reaches Secretary of State Root, however, it is virtually certain that before drawing any warrants under the measure he will refer it to Attorney General Van Winkle for an opinion.

Administration Bills Due

Woolgrowers Meet in Pendleton, Ore.

PENDLETON, Jan. 14 (AP)—Finance, legislation, predatory animals, sheep disease, protective tariff, forest reserves and grazing fees are the prominent factors confronting the sheep man today, declared K. G. Warner, president of the Oregon Wool Growers' association in opening the thirtieth annual convention here this morning.

Pendleton, Jan. 14 (AP)—The thirtieth annual convention of the Oregon Wool Growers association is being held in Pendleton today. In the neighborhood of 200 growers from all sections of the state have arrived here to attend the meeting which starts at 10 o'clock.

Many important matters are to come before the convention pertaining to the wool industry. Grazing fees, and rates are important items. A heavy list of prominent speakers has been arranged by the local committee.

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WASHINGTON, Jan. 14 (AP)—Farm relief legislation has advanced to the semi-final stage in the house and it remains only for the rules committee of that body to decide the time for a decision.

The winner of the long struggle in the committee elimination contest is the McNary-Haugen bill carrying the controversial equalization fee, and the manner in which it was voted upon yesterday by the house agriculture committee indicates a bitter fight when it reaches a vote in the house itself.

The committee voted 12 to 8 to report the measure, but party lines parted with four republicans joining as many democrats in opposition and eight republicans to five democrats supporting it. That many members want a quick showdown, however, was seen in instructions given Chairman Haugen to ask the rules committee to set aside an early date for a house vote.

The fight is expected to center around the equalization fee which would be levied on basic farm commodities to take care of surpluses. Among those in favor of the fee are southern democrats, but they do not want it imposed on cotton for two years, holding the industry could not stand such a levy until that time.

Aswell Against Bill

One southern member, Representative Aswell, of Louisiana, ranked in democrat on the agriculture committee who voted against reporting the McNary-Haugen bill, said such a fee would tax cotton from \$19 to \$10.50 a bale at the gin and the board set up to levy the tax would have only three members from the cotton states.

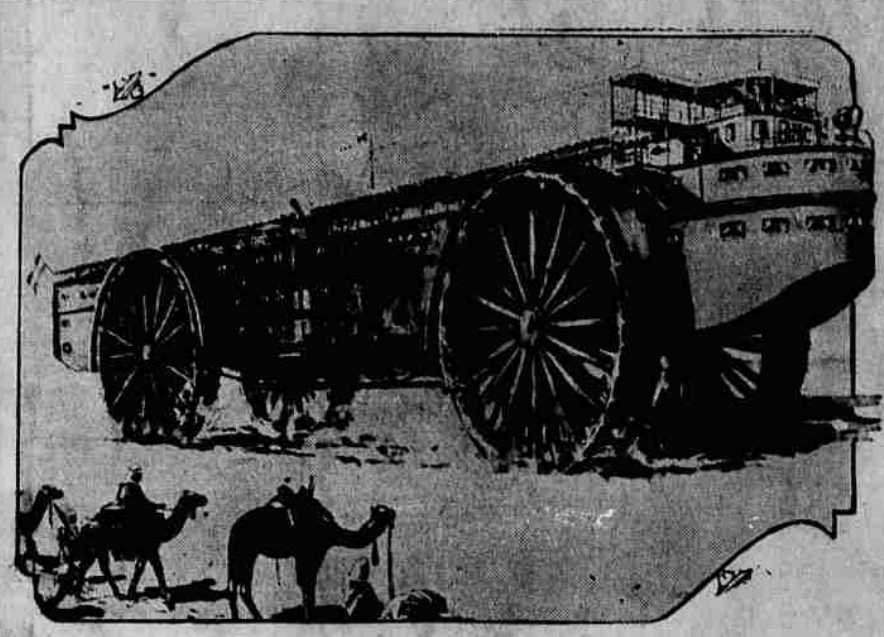
"The cotton growers can draw their own conclusion," he added.

Representative Fulmer, democrat, South Carolina, voted to support the bill, but in so doing he said he reserved the right to fight to postpone involving the fee against cotton.

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GREYHOUND OF THE SAHARA



A real ship of the desert is this mechanical behemoth, as pictured by its inventor, Johann C. Bishoff, of Kiel, Germany. An incline of its size may be gained by comparison with the camels whose chief competitor Bishoff hopes it will become. It is to be 300 feet long, will accommodate 300 passengers and fifty tons of cargo, and on its 40-foot wheels will be driven over the sands by gasoline engines at about 20 miles an hour.

ADMINISTRATION BILLS DUE SOON

Governor Patterson's Recommendations to Be Offered Next Week

STATE HOUSE SALEM, Ore., Jan. 14 (AP)—With at least 15 members of the senate pledged to support it, the joint resolution to increase the per diem pay of the members of the legislature from \$2 to \$3 a day, thereby increasing the cost of a 40-day session by \$18,000 is expected to pass early the coming week.

The measure yesterday passed the house where it was manipulated through so smoothly that several members when questioned about it today did not even know it had passed. It is now in the resolution committee of the senate.

Being a resolution it does not require the signature of the governor to become effective. When it reaches Secretary of State Root, however, it is virtually certain that before drawing any warrants under the measure he will refer it to Attorney General Van Winkle for an opinion.

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"The cotton growers can draw their own conclusion," he added.

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Accusing Lita Of Seeking Gold Primarily

NEW YORK, Jan. 14 (AP)—Charles Chaplin, film comedian, who is being sued for divorce by his wife, Lita Grey Chaplin, arrived today from Chicago and reported that he would "fight to the bitter end" for his children.

He was greeted by a small army of newspaper men and camera men to whom he refused to make any statement other than a denial of the charges, which he characterized as "ridiculous."

"The whole affair was instigated by her family," Chaplin said. "My children are not in the hands of respectable people. They are after money and not the children. I will never give up the attempt to gain the custody of my sons."

Being a resolution it does not require the signature of the governor to become effective. When it reaches Secretary of State Root, however, it is virtually certain that before drawing any warrants under the measure he will refer it to Attorney General Van Winkle for an opinion.

Soviet Russia Preparing For 'Probable' War

MOSCOW, Jan. 14 (AP)—Clement Voroshiloff, successor to Leon Trotsky as head of the red army, has joined the chorus of "warriors" in Soviet Russia.

Echoing the gloomy forebodings of Nikolai Bukharin, of the communist executive, Voroshiloff said today that soviet Russia must prepare vigorously for possible war.

"All the countries surrounding us, backed up England, are preparing energetically to attack us," he said. "We must militarize our whole population especially the working classes and we must conduct an active campaign in our newspapers to prepare the people for the struggle."

While the war scare is found largely among the masses, important communist officials do not hesitate to express their anxiety over Europe's intentions, while the soviet press is inclined to see bellicose tendencies everywhere.

Beery, Zazu Pitts Hurt in Explosion

HOLLYWOOD, Jan. 14 (AP)—Wallace Berry, film actor, and Zazu Pitts, actress, were taken to the studio hospital here today after a scheduled explosion in a battle scene in Calhoun pass had developed more concussion than was expected. Physicians said they were suffering slightly from shock but were uninjured.

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RAIL MERGER IS NEAR COMPLETION

Consolidation Will Result in System of 28,000 Miles of Road

ST. PAUL, Jan. 14 (AP)—A dream of railroad consolidation envisioned by James J. Hill, "the empire builder," 26 years ago, was a step nearer realization today.

Ralph Budd, president of the Great Northern Railway announced here that plans are "progressing" for the merger of the Great Northern, Northern Pacific and Chicago Burlington and Quincy. Such a consolidation would embrace a system of 28,000 miles.

Details of the plan are being worked out in conference of the rail officials and their legal advisers and may be ready for presentation to the interstate commerce commission within 30 days. Governors of the states through which the roads operate will be advised of the plans before they are turned over to the commission.

Seems Sure Things

According to Budd, only "unforeseen problems" in his opinion, could prevent completion of the plan within three months.

Howard Elliott, chairman of the Northern Pacific, in a statement issued in New York, said that a joint "consolidation committee" of the three roads has been working on the subject for six years.

NEW YORK, Jan. 14 (AP)—The gigantic Northwest railway merger involving the Northern Pacific, Great Northern and Chicago Burlington and Quincy systems, will be effected through the formation of a new holding company, which will lease the constituent, it was learned today.

Messages From Hankow Altered, Report Declares

SHANGHAI, Jan. 14 (AP)—A wireless message from Hankow today asserted news dispatches were being altered there before transmission by local authorities "to convey a totally wrong impression." It added that the situation was quiet.

HONG KONG, Jan. 14 (AP)—The American gunboat Helena has left for Shanghai.

Dispatches say the Chinese workers in the hospital for insane at Canton which is in charge of an American doctor, are manifesting strike tendencies.

AMERICAN MAN BEST DRESSED CLOTHIERS SAY

NEW YORK, Jan. 14 (AP)—The American man is hailed by the makers of fashion as rapidly becoming the best dressed in the world.

The International Association of Clothing Designers and the National Association of Retail Clothiers and Finishers in their joint style forecast for spring not only agree that the men of America are showing an inclination for sartorial splendor, but also say that the American of today wishes to acquire large and diversified wardrobes, containing garments for business, dress and sports wear.

The young man who wishes to be dressed correctly this spring, say these style arbiters, will wear two-button sack coats of slender line and square shoulders with the pockets and buttons placed higher than heretofore. Waist coats will be single breasted with longer cuffs and trousers will have wide points.

"Yellow Ticket" Case Nears Jury

PORTLAND, Ore., Jan. 14 (AP)—The "yellow ticket" case probably will be in the hands of Circuit Judge John H. Stevenson for decision before night.

Arguments were started by Deputy District Attorney George Mowbray this morning. His statement was chiefly that the state has proved its case.

At the conclusion of arguments Judge Stevenson will take the case. There is no jury.

U.S.-MEXICO FIRES STILL SMOULDERING

Developments in Situation Believed to Hinge on Washington

COOLIDGE POLICY RECEIVES SUPPORT

New Jersey Representative Declares America "Cannot and Will Not Stand Idly By."

WASHINGTON, Jan. 14 (AP)—Congressional discussion of the Mexican Niangua tangle swung back today to the concern of the American government over communist aims in Latin-American and to the possibility of a break with Mexico over her land and oil laws.

MEXICO CITY, Jan. 14 (AP)—Developments in the situation between the U. S. and Mexico now are believed to hinge on possible action by the Washington government. Among the possibilities seen here are the withdrawal of the American ambassador and the lifting of the embargo on shipment of arms into Mexico from the United States.

Secretary Kellogg's declaration regarding communistic activities in Mexico aimed at the United States has drawn retorts from two high sources—Anso Serna, the Mexican foreign secretary, and Richard Trevino, secretary general of the regional confederation of labor, the dominant labor group in this country.

The foreign secretary asserted that Kellogg's statement before the foreign relations committee of the American senate did not prove the charge that Mexico was attempting to establish a bolshevik hegemony in Latin-America.

Deny Charges

As for denials taken by foreign organizations, nobody could hold Mexico responsible, he said, but it was necessary "energetically to reject those charges against the Mexican government, especially regarding