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M'ADOO QUILTS RESIGNATION IS ACCEPTED

Affectionate Letters Pass Between Wilson and Son-in-Law as Treasury Head Decides to Quit

RECOUPING PERSONAL FORTUNE IS OBJECT

Burdens Held by Democratic Atlas Likely to Be Divided in Future

WASHINGTON, Nov. 22.—William Gibbs McAdoo, secretary of the treasury, director general of railroads and often discussed as one of the presidential possibilities of 1920, has resigned his office to return to private business.

President Wilson has accepted his resignation. Mr. McAdoo will give up the treasury portfolio as soon as a successor has been selected. He wished to lay down his work as director general of railroads by January 1, but will remain if the president has not then chosen a successor.

Upon the secretary of the treasury, whoever he may be, will devolve the task of financing the nation through the transition period of war to peace, which probably will include at least two more liberty loans and possibly a further revision of the system of war taxation.

Letters between President Wilson and Mr. McAdoo, made public today, with the announcement of the resignation, give Mr. McAdoo's reasons for leaving the cabinet solely as a necessity for replenishing his personal fortune and express the president's deep regret at losing his son-in-law from his official family.

The following letters were made public with the announcement:

Mr. McAdoo's letter of resignation, dated November 14, follows:

"Dear Mr. President: "Now, that an armistice has been signed and peace is assured, I feel at liberty to advise you of my desire to return, as soon as possible, to private life.

"I have been conscious for some time of the necessity for this step, but of course, I could not consider it while the country was at war.

"For almost six years I have worked incessantly under the pressure of great responsibilities. Their exacting nature have drawn heavily upon my strength. The inadequate compensation allowed by law to cabinet officers (as you know I receive no compensation as director general of railroads, and the very burdensome cost of living in Washington have so depleted my personal resources that I am obliged to reckon with the facts of the situation.

"I do not wish to convey the impression that there is any actual impairment of my health, because such is not the fact. As a result of long overwork I need a reasonable period of rest to replenish my energy. But more than this I must, for the sake of my family, get back to private life, to retrieve my personal fortune.

"I cannot secure the required rest nor the opportunity to look after my long-neglected private affairs unless I am relieved of my present responsibilities.

"I am anxious to have my retirement effected with the least possible inconvenience to yourself and to the public service, but it would, I think, be wise to accept my resignation now as secretary of the treasury, to become effective upon the appointment and qualification of my successor so that he may have the opportunity and advantage of participating promptly in the formulation of the policies that should govern the future work of the treasury. I would suggest that my resignation as director general of railroads become effective January 1, 1919, or upon the appointment of my successor.

"I hope you will understand, Mr. President, that I will permit nothing but the most imperative demands to force my withdrawal from the public service. Always, I shall cherish as the greatest honor of my career the opportunity you have so generously given me to serve the country under your leadership in these epochal times.

"Affectionately yours, "W. G. McAdoo."

The president's letter of acceptance, dated November 21, follows:

"My Dear Mr. Secretary: "I was not unprepared for your letter of the 14th because you had more than once, of course, discussed with me the circumstances which have long made it a serious personal sacrifice for you to remain in office. I know that only your high and exacting sense of duty had kept you there until the immediate tasks of war should be over. But I am none the less distressed, I shall not allow our intimate personal relations to deprive me of the pleasure of saying that in my judgment the country

\$500,000,000 IS CUT MADE FROM GREAT TAX BILL

Luxury Taxes Are Decided on for a Parity by Senate Finance Body

TOBACCO ALSO LOWER

Chewing Gum Rate Goes Down; Photo Films, Candies in List

WASHINGTON, Nov. 22.—Reductions aggregating \$500,000,000 in the yield from the new war revenue bill were made today by the senate finance committee in revising the measure downward to the \$6,000,000,000 total for 1919 proposed by Secretary McAdoo. The decrease was confined principally to the tobacco, luxury, semi-luxury and other special and excise schedules.

Among the more important decisions today were the elimination of the luxury schedule proposed in the house bill, levying 20 per cent on costly articles of clothing and other merchandise and estimated to raise \$184,795,000, elimination of the house tax of two cents a gallon on gasoline, estimated to yield \$40,000,000; reduction from 10 to 5 per cent on about \$200,000,000 in revenue in rates on many articles classed as semi-luxuries and a reduction of about one half in the house rates on tobacco, a cut of about \$54,000,000 in revenue.

The committee deferred decision on the plan, suggested by Secretary McAdoo and specifically presented yesterday by Chairman Simmons, for incorporating in the measure specific rates for 1920 taxation, by which the total revenue yield would be limited to \$4,000,000,000. Republican members still vigorously oppose legislation for 1920 and the committee decided to pass that question temporarily. Tomorrow it will resume revision of the miscellaneous taxes with a view to cutting off another \$500,000,000 necessary to reduce the whole to six billion dollars.

Considering the excise or semi-luxury schedules today the committee reduced from 10 to 5 per cent the house rates on the following articles: Piano players, phonographs, photographic films, candy, portable electric fans, thermos bottles, slot machines and toilet soaps and powders. The chewing gum rate was cut from 4 to 3 per cent; that on hunting and bowie knives from 10 to 10 per cent; on firearms and ammunition from 25 to 10 per cent, and on sculpture, paintings and statuary from 10 to 5 per cent.

Ten per cent taxes imposed in the house bill on bathing suits and photographs or reproductions were entirely eliminated and that of 10 per cent on fur and wool articles made applicable to fur manufacturers only. In the excise schedule no change was made in the 5 per cent sales tax on automobiles, tires and accessories nor in the 10 per cent rate on sports.

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John Ryan and William Potter, Quit Air Work

WASHINGTON, Nov. 22.—Resignation of John Ryan, second assistant secretary of war and director of air service, and of William C. Potter, his chief assistant was announced today by Secretary Baker. Both Mr. Ryan and Mr. Potter desire to return to their private business as quickly as possible, but Mr. Baker said they had consented to remain at their posts until the rush of aircraft demobilization is over and later to give the department the benefit of their experience whenever necessary.

After the retirement of Mr. Ryan and Mr. Potter, the offices they now hold will not be filled immediately if at all. It appears unnecessary to officials now that a director should be named in Mr. Ryan's place. There is no longer a production problem to be handled as the war is over and operation is naturally a military function. It was said that pending reorganization of the army and war department on a peace basis, recommendations for which will be laid before congress next month by Secretary Baker, it is not possible to arrange for the permanent aircraft establishment of the army.

Mr. Ryan, who was president of the Anaconda Copper company, was called up by President Wilson to take charge of the aircraft production last May after charges of delay and inefficiency in the senate. Mr. Ryan resigned his private connections to become chairman of the aircraft board and director of production.

Three months later he was made second assistant secretary of war and director of air service.

Mr. Potter, who is a banker, mining engineer, railroad man and former general manager of the American Smelting and Refining company, was called to assist Mr. Ryan in the task of getting the aircraft production program into full swing.

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SALEM MAY BE PUT ON AIR ROUTE

War Department Official Asks Landing Place for Proposed Flight From Sacramento to Seattle.

FAIR GROUNDS ARE FOUND TOO LIMITED

Smooth Tract of Forty Acres Is Needed Where Planes Come to Earth

Airplane mail service between Salem and other coast cities is very likely to be an established fact in the future of a local landing field can be found.

Following receipt of a telegram from Lieutenant Col. Emmons stationed at Mather field, Sacramento, Calif., asking for information concerning a suitable landing place near the city for the government's proposed flight from Sacramento to Seattle, Mayor Keyes wired him suggesting the state fair grounds. A reply yesterday said the race track would not be broad enough, so the matter was immediately looked into further and several possible locations were found, chief among them one on the Turner road.

Specifications for the ground are given in the following telegram sent Wednesday by Lieutenant Colonel Emmons:

"The war department is contemplating an airplane flight from Sacramento to Seattle. Please advise immediately whether there is a landing place in your vicinity of at least 40 acres of level land free from all ground and overhead obstructions and in such condition that an automobile can travel over any part of it at a speed of 20 miles an hour. If affirmative please mail map at once showing its exact location."

It is surmised by Mayor Keyes from the telegram and a letter also sent him that the government is planning to utilize the planes now on the California aviation fields for carrying swift mail. If they should stop in Salem it would be an added though small step in this means of establishing fast communication with other points along the route. Although mail sent by its means is costly, it is a great saving over telegrams and long distance telephone service and messages may be transmitted in a few hours time.

The great difficulty encountered in looking for the field is in finding one that is smooth enough. Almost all of the large tracts of land near Salem are plowed up and are in a condition which would not permit an automobile to travel 20 miles an hour over them. This, however, could be remedied.

Berkeley Will Have Fast Team Against Oregonians

BERKELEY, Cal., Nov. 22.—For the first time since it discarded the Rugby game and returned to American football, the University of California will have a team, none of whose members had unlearned the British style when it lines up tomorrow for its annual game against the University of Oregon.

For three years the Oregonians have ridden rough shod over the Californians on the gridiron owing to the latter's unfamiliarity with the game. The last of the Rugby players went out with last year's California graduating class. Last year the score was 21 to 0 in favor of the Oregonians, while the year previous they rolled up 39 points to California's blank.

With a team grounded in the fundamentals of the American game the Californians not only expect to score and to make a close contest, but are cherishing hopes of recording a victory. These hopes are based on the fact that, man for man, the Californians outweigh the Northwesters and for the reason that they count on knowing as much football.

The Californians have shown an admirable defense against line plays but are considered vulnerable against open attack. Under the circumstances it is expected that Oregon will resort to end runs and forward passes. The gate receipts will be donated to war work.

KIECKHEFER UNDEFEATED.

CHICAGO, Nov. 22.—"Angie" Kieckhefer, world's champion three-cushion billiardist, successfully defeated Robert Canefax, former champion, in their three-night match, 150 to 106, in 147 innings. Kieckhefer now has defended the title successfully five times since he won the championship last February. Canefax won tonight's closing frame, 54 to 50, in sixty five innings, but he was far behind as a result of the two preceding blocks.

Senator Returns From Washington For Brief Period

United States Senator McNary returned to Salem shortly before 10 o'clock last night over the Southern Pacific, and will be here an indefinite period, depending upon the dispatch with which Fred W. Mulkey qualifies for the short term senatorship and resigns, according to his announcement prior to the election. His resignation is to be followed by the re-appointment of Senator McNary to complete the short term prior to beginning the long term to which he was elected on November 5.

Senator McNary was worn out with many days of travel upon his arrival last night and requested to be spared an interview of length. The senator commented, however, on the fact that Republicans all over the country are elated at the results of the election and the prospect of Republican leadership during the period of reconstruction.

"The outlook is one of optimism, to say the least," said Senator McNary. "With the Republican party holding the bigger end in congress there will be an opportunity for some needed legislation and prospects are growing better for a Republican administration after the election of 1920."

Senator McNary said he was surprised to hear yesterday afternoon of the resignation of Secretary McAdoo and thinks the actual purpose of the cabinet member in quitting official life at this time may not be clearly seen.

The senator still carries a lame hand and suffers some other physical inconveniences due to an automobile accident in Washington several weeks ago.

FREIGHT LINE ON RIVER MAY COME TO LIFE

Renewal of Water Transportation Between Salem and Portland Urged

FINANCING IS PROBLEM

Merchants to Be Asked to Aid; Spaulding Offers Site for Dock

Renewal of steamboat communication between Salem and Portland was proposed last night at a meeting at the Salem Commercial club at which C. K. Spaulding, of the Spaulding Logging company, and Captain Exson of Woodburn were present to propose plans for financing the service.

A larger gathering of merchants and manufacturers is to be called within a short time to consider the purchase of a boat, which would principally cater to the trade between Wheatland and Salem, lost with the discontinuance of the run of the Oregon City Transportation company. Captain Exson has agreed to secure half of the necessary funds in Portland if local men will raise the other half or a little more than that.

During the discussion last night H. O. White mentioned the disadvantages of the present boat landing and Mr. Spaulding volunteered to give to Salem a better location of the city will build a wharf there. This met with an expression of approval from those present, as also did the mill owners offer to take shares in the purchase of a boat. He maintained that the controlling interest in the vessel should be among the Salem merchants so that they would be assured that the boat would not be moved away to another river.

"We don't want to run a passenger line with flunkies and food," he said. "The merchants should back it up and must not depend upon the fishermen and captain to get the business. We must feed it with freight right here. Our company used to ship in great quantities of material on the boats in the past and we are going to do it again when conditions are normal. So are other firms."

Captain Exson mentioned the Gramona as a possible purchase at a cost around \$15,000, but Mr. Spaulding was of the opinion that another slightly smaller vessel could be secured barely paid expenses or even lost money, the latter declared, it would be a valuable factor in establishing more advantageous freight rates and would be worth money to the community, though this not appear in actual profits from operation.

Southern free trade leaders in Washington now hasten to say that they never had any intention of fixing the price of cotton. We suspected it all along.—American Economist.

FRAME-UP IN MOONEY CASE NOW ALLEGED

United States Investigator Files Exhaustive Report With Secretary of Labor, Indicating Corruption.

STARTLING FACTS OF DISHONESTY ASSERTED

Officials Accused of "Facts" Which May Rock California to Base

SAN FRANCISCO, Nov. 22.—Definite statements that the prosecution of Thomas J. Mooney, under sentence of death, and other defendants in the preparedness day bomb explosion cases, was tainted with manufactured evidence, were made in a report published here today. The report was addressed to Secretary of Labor William B. Wilson and bore the signature of John B. Densmore, director general of employment for the United States. Densmore did not deny today making the report, but declined to comment on it and said it should be issued officially from Washington.

Alleged corruption was mentioned by the report as involving a number of persons and as having existed in cases of national interest, such as the notorious San Francisco graft case in 1907; a civil case involving millions and other recent criminal cases. Present and former public officials were mentioned in the report.

AMERICAN BOYS GETTING READY TO COME HOME

Movement in Direction of United States Already Begun in Camps

CONSTRUCTION STOPS

Civil Population of Bruges Shows Deep Bitterness Toward Germans

(By The Associated Press) HEADQUARTERS OF THE AMERICAN FIRST ARMY, Nov. 22.—(5 p. m.)—While as an effective military force the American army remains intact, the homeward movement has already begun. Construction of all kinds has been stopped and contracts and deliveries cancelled where possible and the men whose services have been in these and other lines of activity are either en route to ports or plans for their embarkation are under way.

The first to go will be the sick and the convalescent wounded. These will be sent home with the greatest possible expedition. Certain divisions exhausted by replacement drafts until only the skeletons remain are also going home.

One of the biggest of the present problems is the land transport to the seaports. With the coming of winter the French need almost the entire capacity of their railroads to distribute fuel, food and other supplies throughout the country. This will delay the transportation of the American supplies.

LONDON, Nov. 22.—Field Marshal Haig's communication dealing with the progress of the British army of occupation issued this evening:

"Yesterday evening our advanced detachments occupied Namur and crossed the Meuse south of the town. Today the march has been continued along the whole front.

"Our troops have reached the line of the River Ourthe and are approaching Ardennes and Ambresin. "Hundreds of German guns and a number of machine guns and trench mortars passed into our possession in the course of our advance yesterday."

(By The Associated Press) BRUGES, Nov. 22.—The civil population of Bruges is much more bitter toward the Germans than the soldiers who have fought them for more than four years. Terms of bitter hate and a demand of revenge come from civilians alone; the soldiers grin soberly.

The correspondent entered a cigar store when an old lady sold him a villainous cheroot, a relic of Germany.

(Continued on page 2).

Nation-Wide Prohibition To Be Drastic Is Plan

COLUMBUS, O., Nov. 22.—The drastic features of a federal prohibition enforcement law on which dry leaders will insist on congress enacting in case the federal amendment is ratified by the states, was outlined today by Wayne B. Wheeler, national council for the Anti-Saloon League, to state anti-saloon league supporters and dry workers at the conclusion of the world-wide prohibition conference here.

The proposed bill provides for a federal prohibition law enforcement commission under the collector of internal revenue with special officers scattered throughout the nation.

Near-beer will come under the ban if the proposed law is enacted. A definition of alcoholic liquors, the sale and manufacture of which will be prohibited, is to mean distilled malt vinous, spirituous and alcoholic liquors. Near-beer it is said, will be caught both under the "malt and alcoholic" stipulations.

No person will be permitted to have liquor in his possession unless it has been acquired legally, and to be acquired legally it must be obtained under a special permit issued by the federal enforcement officers or by state enforcement officers, even alcohol used for sacramental and medicinal purposes must be obtained with permits, the manufacturer, seller and buyer belong on the same plane.

The fine arts must obey the same rules as to permits and any of the alcohol used in them must not be potable.

The law also is to contain an injunction feature to deal with "speakeasies." Under this provision, the operator of a "speak-easy," once convicted and injunction obtained against his further operation, would be liable to imprisonment for contempt.

Mr. Wheeler said he expected enough states to ratify the federal amendment by next March to make it effective, and that the proposed enforcement bill will be offered in congress just as soon as the amendment becomes operative.

PERSHING IS IN LUXEMBURG WITH TROOPS

Wild Scenes Enacted as Yank General and Men Enter Capital City of the Little Duchy on Hun Border.

TOWN JOY-CRAZED AS RELIEVED OF TEUTONS

Friendly Proclamation Issued by American General to the Residents

LUXEMBURG, Thursday, Nov. 21.—General Pershing entered the city of Luxembourg this afternoon ahead of his troops. The American commander and his staff drove into the capital in automobiles. The general was greeted by thousands of cheering Luxemburgers and with the blowing of sirens and the ringing of church bells.

The eighteenth infantry of the first division were the first American troops to enter the city.

The Americans were greeted by thousands of civilians, who lined all the streets through which the troops marched. School children tossed flowers in their pathway and each soldier was presented with a bouquet of chrysanthemums.

Brigadier General Parker's visit to Premier Emil Reuter and his presentation to the members of the cabinet brought the assurance that the government was in thorough accord with the Americans. There was evident a spirit of heartfelt relief that the Germans had gone. It was arranged that the ministers of state and the municipal authorities should continue their functions, the American's part in affairs being nothing more than to make of Luxembourg a link in the lines of communication and to stand prepared to maintain order.

When the Germans left the city of Luxembourg General Parker stood on an embankment watching them. A German general, mounted on a big white horse, far below but not many blocks distant, viewed the same movement. The troops filed past the German commander rapidly, the men apparently being in the best of humor. A band was playing and the scene resembled peace time maneuvers rather than the movements of war. The discipline of the men was not broken enough to interfere with the keeping up of a military march, but it was evident that the spirit of the Germans was far from that which make for war.

The people of Luxembourg made elaborate preparations to receive the Americans. Almost every building flew the Luxembourg flag, with here and there an American banner and every once in a while a picture of President Wilson could be seen, almost always coupled with that of Marshal Foch.

Some 40 societies had made plans to participate in the parade of the Americans and late Wednesday a band was heard in a last rehearsal of the music it expected to play today.

General Pershing issued this proclamation shortly after entry of the Americans:

"After the four years of violation of your territory the grand duchy of Luxembourg has happily been liberated. Your liberation from German occupation has been demanded of the invaders by the armies of the Americans and the allies as one of the conditions of the present armistice. It becomes necessary now for the American troops to pass through the grand duchy of Luxembourg and to establish and maintain there for a certain time their lines of communication.

"The American troops have come into the grand duchy of Luxembourg as friends and shall rigorously conduct themselves according to international law. Their presence, which shall not be prolonged more than shall be strictly necessary, should not be for your hardship. The functioning of your government and your institutions shall not be interfered with in any manner. Your life and your occupations shall not be molested. Your persons and your welfare shall be respected.

"It will be necessary for the American army to use certain things, railroads, telegraphs and telephones and perhaps other public establishments for the needs of lodging and transport; furthermore, the commodities which become necessary for us shall be paid for after just estimates. "It is presumed you will not permit any acts of aggression against the American army or give any information or aid to its enemy. You will always conform to the instructions that the American commander, for the safety of his troops and your proper protection may give."

THE WEATHER

Saturday probably rain west, fair east portion; fresh easterly winds.