Oregon Statesman

SEVENTIETH YEAR

GRAND JURY RECOMMENDS **NEW BOARD**

State Treasurer Hoff Censured for Certain Transactions, but System Mainly Target of Inquisitors

BONDS NOT EXISTING BOUGHT BY OFFICIAL

Elimination of Middleman in Security Deals Is Urged in Report

Recommending that a board of at least three members be created by the legislature to invest state moneys in securities is one of the recommendations in the report of the Marion county grand jury on its investigation into bond transactions made between the office of State Treasurer O. P. Hoff and the firm of Morris Brothers of Portland. The report says the right to invest bonds should not be left to any individual The jury would have the card consist of incumbents in state offices already existing.

State Treasurer Hoff is censured or buying from Morris Brothers at an exorbitant profit to the bondng firm, though delivery of the onds was secured by collateral securities. Reference is made particuarly to \$100,000 in water bonds of the town of Reedsport which were

Open Market Recommended It is recommended that the state into the open market for its bonds

es or school districts, eliminating Methods of bookkeeping that have

nt or charge of a criminal nature as not a surprise. The jury stated at the report might not be final at it is understood any further inally will be relative to minor de-The report amounts to a critiof the existing system more han of the state treasurer himself. ugh it is declared that bonds hich were not yet inexistence were ld by Morris Brothers, Inc., to Mr.

off, at an exorbitant profit. The report sets forth that State urer Hoff purchased from Mor-Brothers, Inc., exclusive of spe-\$1,988,147.03, making a gross prof-ranted." to Morris Brothers of \$84,076.09.

Some Profits Unknown "In addition thereto," says the re-"Mr. Hoff purchased from Mor-Brothers, Inc., at a cost to the state of \$155,263.55 city of Ontario ing gold bonds, city of Rainier erment gold bonds, city of Rainrefunding bonds, city of Scio elecby the state treasurer as col- sents the department stores. ral, pending delivery of the aforeconds. We are not advised at said bonds last referred to cost Rose Festival Officials orris Brothers, Inc., nor were we uainted with Morris' Brothers'

offit thereon." recommending the creation of oard whose duty it would be to the investments of the state's mey in bonds in comment and recendations to the governor, the ly says, "The right to invest the report. "A man may be ever so t and yet if he lacks business men as sometimes is the case ong public officials—he is liable misled into making poor in-

Excessive Profits Deplored The state for the purpose of ining the money constituting the

(Continued on page 4.)

FARMERS MUST HAVE

PRESIDENT MUNN URGES SPEED-ING FOOD PRODUCTION

Capitalization of Misfortunes of Rural Folk Created Nonpartisan League, He Ave.s

M. D. Munn, president of the national dairy council, who was in the city yesterday, is a firm believer Gertie's Poppy's St. Mawes, in speeding up the production of food. To do this, he said, more money must be made available to the dairymen and grain farmers of this country.

"The nation's food supply is now threatened.' he said. "The national wheat crop is one-third short and dairy products are falling away short of the increase in population."

Mr. Munn pleads for the co-operation of bankers in solving the farmer's problems.

Referring to the Nonpartisan league, he said this organization is Silver Chimes Gwendola and the result of an unscrupulous and skillful man who capitalized the misfortunes of farmers.

"The remedy," he said, "is to be tound in rendering the farmers the necessary assistance to market their products successfully and also to help them overcome whatever wrongs and difficulties they may now be suffering.

Mr. Munn attended the Jersey jubilee which ended in this city on Thursday night.

bonds that were not yet in existence Department of Justice Will Take Such Action As Is Warranted

WASHINGTON, D. C., May 7. sold to the state treasurer by Morris The picture of the country press, production. The bidding was brisk from the start on several of the finer paper from back home, fighting with records exist of bond transactions its back to the wall and almost head amounted to \$31,555. The 19, firm a profit of \$84,076.09 and that there were other transactions on which the jury did not ascertain the profit to the brokers.

The back to the wall and almost head amounted to \$31,555. The 19 Jerseys from the Doerfler herd total-day by Cortland Smith, of New York, president of the American Profit to the Jersey bringing the limit to the limit to

Along with his picture of the Gertie's Poppy's St. Mawes. He is antroubles of the country editor, Mr. most 5 years old and was sold for Smith made the direct charge that \$10,500 to Thomas M. Moran of Dunlying them directly from municipalthe print paper market had been cornered and that the print paper interests had conspired to regulate prodisted in the treasurer's office for duction so that prices might continue leafs are criticized by the jury on tion, he frankly declared there was The fact that there was no indictand that unless quick relief was provided half of them would be wiped out of existence.

> While other witnesses had charged that the market had been cornered, Mr. Smith, whose association largely supplies the country press, was the first to alledge a conspiracy to regulate output and price.

The federal trade commission's findings in its investigation of the news print paper situation were sent today to the department of justice.

Chairman Murdock would not discuss the report further than to say he believed it embraced the details of a transactions", from January v. thorough examination by the com-1919. to March 15, 1920. bonds of mission representatives. At the dehe par value of \$1,106,629.09, at a partment of justice it was said the to the state of \$1.172,223.12. report was being studied "with a which bonds cost Morris Brothers view to taking such action as it war-

Urge Merchants to Attend San Francisco Convention

PORTLAND, May 7-Through the efforts of Fred Harris, membership secretary of the National Retail drylight and water bonds. The last goods association, who visited Porttioned bonds have been paid for land today, a representative number the commencement of our examin- of merchants from this city and the n, but had not been delivered to chief cities of Oregon will be urged state treasurer; however, they to attend the association's convention now in the possession of Mr. Hoff at San Francisco June 2 and 3. Z. treasurer of the state, having Swett on behalf of the cloak and suit delivered to him pending our houses and C. B. Dinsmore, have been stigation. The auditors' report- chosen a committee to round up the bes that various securities were Oregon delegates. Dinsmore repre-

Will Be in Salem Monday

Directors of the Portland Rose festival, including Eric V. Hanser, president of the Rose Festival association ten-year term in the Atlanta, Go., will be guests of the Salem Commer- penitentiary for violation of theescial club at the Monday noon luncheon. Having heard of the interest ney of the state in bonds should left to no individual person," says club and the Cherrians the Portland Seymour Stetdman, Chicago attor men are coming down to talk things over in detail.

Yakima School Directors Fix Teachers Salaries

YAKIMA, Wash., May 7.—Yakima obligations of its own agencies county school directors, meeting act in the Jefferson City, Mo., fedfough bond dealers at excessive here today adopted a schedule of saleral prison, is mentioned favorably.

The report says.

The interest of socialists centers in It should be remembered that the effort to have it uniformly adopted the platform to be adopted by the New Mexico Newspaper nous counties, school districts and throughout the county, thus ending convention. Because of the activities palities are but agencies of the the competition that now exists, and of members of the communist party and the state, as principal, has a result of which has been an unpre- which sprang from the old left wing rects interest in each and all of cedented shifting about of teachers of the socialists, great care will be and breaking of Ineir contracts with school boards. The schedule adopted school boards. The school boards is the school boards. The school boards of beet sugar which will be placed on sale next Tuesday morning at 15 cents a pound. Only school boards is the school boards. The school boards of beet sugar which will be placed on sale next Tuesday morning at 15 cents a pound. Only school boards is the school boards. The school boards of beet sugar which will be placed on sale next Tuesday morning at 15 cents a pound. Only school boards is the school boards. The school boards is the school boards of beet sugar which will be placed on sale next Tuesday morning at 15 cents a pound. Only school boards is the school boards. The school boards is the school boards of beet sugar which will be placed on sale next Tuesday morning at 15 cents a pound. Only school boards is the school boards of the com
This evening will witness the provides the school boards of the com
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This evening and breaking of their contracts with exercised in presenting the principles The Morning Journal has purchased by Howell. pending on preparation, grade teach of principles" and a "party program" person. Sugar is now retailing here strikers were released from the high school teachers \$1300 to \$1500 and of principles" and a "party program" person. Sugar is now retailing here strikers were released from the work north from the California music under the direction of Prof. at 22 to 25 cents a pound.

Wormwood Scrubbs prison today.

ACCESS TO FINANCE FAMOUS OX **SELLS HERE** AT \$10,500

From Doerfler Farm, Is Auctioned to Thomas Moran of Dungerness, Wash

REGISTERED JERSEYS **GO AT HIGH FIGURES**

Other Blooded Beauties Change Hands

The Jersey jubilee was brought to close yesteday by the sale of 25 registered Jerseys, the highest priced animal going at \$10,500. Nineteen of these fine specimens of the Jersey kind were from the Frank Doerfler herd and six were from the Fox Bros. farm. Both of these Jersey specialists live near Silverton.

These animals were sold at public auction at the state fair groundns, the sale commencing at 1 o'clock yesterday.

Over 600 prospecttive buyers were present. A number came from British Columbia, Washington and Idaho. The auctioneers were Col. J. W. Hughes of Forest Grove and Col. Ben T. Sudtell of Holsey, E. A. Rhoten, livestock editor of the Pacific Homestead, was sales manager.

The Jerseys put up for sale, were all in the register of merit class. They were bred for beauty as well as for recognized standard type and large

price was from the Doerfler farm. This sire is known by the name,

geness, Wash. Silver Chimes Gwendola, a beautiful Jersey cow, was purchased by C.

B. McCully of Aumsville. Gwendola Rosaire will make home on the farm of L. P. Lardon, east of Salem. Gwendola Rosanre so captivated Mr. Lardon's eye that he was induced to pay \$2050 for her.

ENTER CONTEST

Convention Is Called to Select Presidential Condidates

NEW YORK, May 7.—The Socialist party of America will enter the ALL CLASSES presidential campaign tomorrow with the opening here of its national convention, called to select candidates for president and vice-president of the United States, adopt a national chinery for the "big fight of 1920."

Two hundred regular delegates from all parts of the country augmented by "fraternal delegates" "sympathetic" international bodies of organized labor, will go into session at 10 o'clock. From that time until the convention closes, some time late next week, socialist forces will be made ready for battle. Unusual emphasis has been at-

tached to this year's convention by socialist leaders because of attacks on the party's attitude during the war, ousting of the entire socialist delegation from the New York legislature, a refusal of the house of representatives to seat Victor L. Berger. elected after his conviction for "violation of the espionage act. and legislation which socialists claim has been generously oppressive to the exercise of free speech free press and free assemblage.

Eugene V. Debbs, now serving pionage law during the war, will be named to head the socialist ticket, according to the virtually unanimous Seymour Stetdman, Chicago attor-

ney and general counsel of the party. and Scott Nearing, formerly professor of economics at the University of Pennsylvania and University of Toledo, are the "favorites" for nomination as candidates for vice-president. although Mrs. Kate Richards O'Hare of Kansas City, now serving a sentence for violation of the espionage

The interest of socialists centers in

The sale was a culmination of the Oregon Jersey Jubilee.

Has Medal Said To Have Been Alleged to Have Confessed Government Able to Feed Issued to Gun Men at Centralia

members of the organization who ence. took part in the armistice day shoot- claimed to have obtained the inforing in Centralia, Wash. He stated he mation from a county official pres- County Taxpayers' League had bought the medal. Several of the witnesses testified have made the admissions. that they received from \$6 to \$12 a These two alleged murders bring

a day for six hours.

J. K. O'Rourke for the crowd tto dis-

stout looking man who wore a dark berta, Canada. suit" led the mine guards and commanaded them to fire into the crowd. Acting Coroner John Doran adjourned the inquest this afternoon until 10 o'clock Monday morning.

HELPING ARMY

tionists and Doughnuts Will Be Sold

This will be Salvation Army day at three of the principal street cor- taken place in deep, cold water. ners, into which friends of this betheir contributions.

A Salvation Army service booth will be stationed at the intersection Rose or one who was known to the of State and Liberty streets where officers only as "Eleanor." doughnuts and coffee will be served

freely by all classes. A single subscription of \$50 was received yes- but later had them join him in Seatterday from one man.

On the other hand, one aged woman who is a paralytic and speechless, cheerfully gave 25 cents. The solicitors who have been canvassing districts where the more impoverished people live, report that some tamilies now living in Salem are in distress. Yet these same families are trying their utmost to help the Salvation Army at this time.

One of the women solicitors, a clerk in a dry goods store, found a mother trying to sweep her porch. but her physical strength was not equal to the task. She swept the scratches and it was held at the preporch for the housewife, who then expressed her thanks by contributing \$2 to the campaign.

ALBUQUERGUE, N. M., May 7.

WATSON ADMITS **CREATES STIR MURDER OF SEVEN**

TERTIE'S FOPPY'S ST MAWES, relistered Jersey bull that was sold at fair grounds auction yesterday by F. A. Douttler of silverion to Thomas Moran of

at fancy prices and 19 of them from the Dierfler farm went at an average of \$1445.

Dungeness, Wash., for \$10,500. A to al of 25 blended Jerseys changed hands

Murder of Agnes Wilson Alberta

ner's inquest in the death of Thomas the office of Thomas Lee Woolwine; said here today. Manning, who died from wounds re- district attorney, according to stories medal, which he said was issued to as to what transpired at the confer- you have to pay in civil life." The newspapers however. ent when Watson was reported to

day while working in the mines. The to a total of seven the slayings re-

One of those said to have been named today by Watson as dying by be present. Halmar Alvin, a striker, said a his hands was Agnes Wilson of Al-

He was quoted as saying "he could not remember" the name of another woman whose murder he was alleged to have admitted.

Each of them, however, he is said to have told the officials, he had taken for a boat ride on Lake Washington, near Seattle, where each was

Four of the five women Watson is said to have admitted drowning-Bertha Goodnich, Beatrice Andre-wartha, Agnes Wilson and the one whose name he "could not remember"-met death in Lake Washingplatform and perfect the party ma- This Is Special Day for Salva- ton, according to admissions credited to him. The fifth, Ance M. Ludvigson, he is said to have confessed drowning in a river in Idaho.

Mrs. Gertrude Wilson, Mrs. Emily J. the home field this year.

with a young son when in 1917 at Washington collegians. The final re- in a logging camp in the mountains in exchange for such a donation as the recipient may care to make tomarried her, using the name of meet, in the opinion of Coach Ed- killed and one injured by a reboundward the completion of Salem's James P. Watson, under which he was indicted here for murder. He Contributions are now being made left her and the boy on a farm in the Hood canal region in July, 1917. Member Parliament Wears tle, it is alleged. Nothing has been heard of either.

Portland Gun Experts Are Called in Coos Murder Case

pert gunsmiths have been brought his threat this afternoon. from Portland by the prosecution in the Harold Howell murder case to testify regarding the bullet taken Salem-Dallas Paving from the body of Lillian Leuthold. The bullet is said to bear peculiar vious trials that these marks could in the country besides the one owned

PROFITEERING IN FOODSTUFFS Landis Attacks Federal

Army Man on 49 Cents Day Says Wood

BUTTE, Mont., May 7. - Five LOS ANGELES, May 7.-Two ad- NEW YORK, May 7.-There is no in charge of the bank's mailing demembers of the I. W. W. who admit- ditional murders were admitted to- question that profiteering in food- partment, appeared in court to plead ted they were not cittizens of the day by James P. Watson, during a stuffs is general in some sections of guilty to padding his departmental United States testified at the coro- closely guarded conference held in the country, General Leonard Wood pay rolls.

"We are still able to feed a man in ceived \$30 a week. ceived in the strike riot of April 21. the Los Angeles morning papers will the army for 49 cents a day very "That's an outrage." Judge Landis
Otta Haltia, one of the witnesses print tomorrow. Mr. Woolwine de- well," he added. "These figures are declared. "Here is a man, manager had in his possession an I. W. W. clined tonight to make any statement inconsistent with the prices which of a department that has more than

Meets at Court House Today

The Marion County Taxpayers strike was called for a wage of \$7 puted to Watson, who has confessed league has called a special meeting the murder of Nina Lee Deloney, and today if the courthouse at 10 o'clock \$35,000. Dick Tarbuk testified he was a who is alleged to have confessed the to hear statements from candidates member of the I. W. W. and shouted murders of four others of the score as to their position on matters of to the men on Anaconda road to or more women he is said to have importance at the coming primary "stick" despite commands of Sheriff "married." and citizens generally are invited to Report of Labor Shortage

It will be the first general political gatherin of the primary campaign and the league, through its executive committee, composed of R. P. Boise, Isadore Greenbaum, S. L. Endicott. Joseph' Baker and E. M. Croisan has sent out a statement to taxpayers of they were informed was in circulathe country, with the names of the tion in the middle west to the effect fourteen candidates and their slo- that a shortage of labor exists in gans, and asked for a straw ballot sawmills in Oregon and Washington. to indicate the choice of the taxpay- According to the statement mills ers among the candidates, which will here are well supplied with help at be made public.

U. of O. and U. of W. Teams Clash at Seattle Today

SEATTLE, Wash., May 7 .- Track When asked why the body of none leams of the University of Oregon of them was ever recovered, he is and University of Washington will said to have responded that bodies clash at University field here tomorn Salem. Kettles will be stationed seldom were found when death had row in what sport followers expect will be one of the closest and hard-Officials were said to incline to the est fought meets of the conference Two Killed, One Injured nevolent organization may drop belief that the one whose name he season. It will also be the last ap-"cooled not remember" was either pearance of the Washington squad on

Oregon's team numbers several unknown athletes, and it is this un-Mrs. Gertrude Wilson was a widow known element that is worrying cident which occurred late yesterday munson, of Washington.

Overalls in House Commons

LONDON, May 7 .- Major General John Roberty Prettyman-Newman, member of parliament for the Finchley division of Middlesev, who announced that he would wear overalls MARSHFIELD, Ore., May 7 .- Ex- in the house of commons, carried out

Is Ordered to Stop 5:30

Paving on the Salem-Dallas highonly be made on a bullet fired from way will be stopped at Rickreall, and Willamette. the gun owned by the Howell boy, upon an order issued yesterday by moniously discard their green caps which was originally a .22, but which the state highway commission. Work at 2 p. m. The freshman-sophomore had been rebored to shoot a .25 call- will not be resumed until the Polk tug-o-war across the mill race will ber bullet. The experts will testify county court provides for grading follow immediately at about 2:30. about the marks on the bullets. The that section of the Pacific highway One of the larger events of the day Reduces Cost of Living defense has declared it will show that from Monmouth south along the will be the baseball game between here are several other rebored guns route established by the commission. Multnomah club and Willamette on Such drastic action was decided Sweetland field at 3 o'clock. on at a special meeting of the com-

REBELS BEGIN MARCH ON **MEXICO CITY**

Carranza Government Tottering and 200,000 Sonora Troops Have Started on Their Southern Sweep

MORE STATES JOIN REVOLUTIONISTS

General Jose Escobar Now Commander of Juarez Military Post

EL PASO, May 7 .- The Carranna government at Mexico City is tottering while 200,000 Sonora revolutionists have begun their southern sweep toward the nation's capital, Teodula R. Beltram, commercial agent here for the revolutionists, declared to

From Juarez comes the report that the isthmus of Tehuantepec in the state of Oaxaca; Oaxaca, the capital city; Cordoba, Vera Cruz and Agambara, Guanajuato, have fallen into the hands of the revolutionists, according to an announcement tonight by General Jose Gonzalo Escobar, commaander of the Juarez military district.

Reserve Bank Salaries

CHICAGO, May 7.—Judge Kene-saw Mountain Landis attacked salaries paid by the Chicago Federal Reserve bank today when Homer B. Whitehead, manager of publicity and

Whitehead told the court he re-60 men in it. The salary is a disgrace. I want the cashier of the bank

brought into this court to explain why this man is not better paid." Sterling B. Kramer, cashier of the bank, was summoned. In response to questioning by the judge Mr. Kramer said his salary was \$10,000 a year and that of the governor of the bank,

Judge Landis deferred sentence on Whitehead unttil May 13.

In Sawmills Is Denied

PORTLAND, Or., May 7,-Offiers here from the Western Pine made a denial of the report which present. The statement said in part: "To the best of our knowledge there is nowhere in the northwest such a shortage of sawmill help as reported in Minnesota and adjoining states. Milis here are running to capacity, fully manned, and it seems unfortunate that misinformation of this character should be disseminated to the detriment of the individual workingman who may be deceived

in Valley Logging Camp

HILLSBORO, Ore., May 7. - The coroner was notified today of an acing log which was being felled. The dead: Lester Ridge, 20, of Beaverton, Ore.; William Lane, 28. Charles Crimican, 30, was the man injured.

Important Festival Events Willamette Program Today

Today is the real day of the Willamette May Festival.

The day of pleasure will commence at 6:30 a. m. with a May morning breakfast on the campus. Breakfast will be served to all comers by the coilege Y. W. C. A. at very nominal cost between the hours of 6:29 and

The tennis tournament comes at 10 between the University of Oregon

This evening will witness the pro