

THE WEATHER

Probably rain, cooler west, increasing cloudiness and cooler east portion; moderate westerly winds.

The Oregon Statesman

SALEM, OREGON, SATURDAY MORNING, MAY 8, 1920.

The Statesman receives the leased wire report of the Associated Press, the greatest and most reliable press association in the world.

PRICE: FIVE CENTS

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 monies 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 person. The jury would have the board consist of incumbents in state offices already existing."

Open Market Recommended

It is recommended that the state be returned to the open market for its bonds by selling them directly from municipalities or school districts, eliminating the middleman. Methods of bookkeeping that have existed in the treasurer's office for years are criticized by the jury on the basis of the auditors' reports. The fact that there was no indictment or charge of a criminal nature was not a surprise. The jury stated that the report might not be final but it is understood any further inquiry will be relative to minor details. The report amounts to a criticism of the existing system, more than of the state treasurer himself, though it is declared that bonds which were not yet in existence were sold by Morris Brothers, Inc., to Mr. Hoff, at an exorbitant profit.

Some Profits Unknown

"In addition thereto," says the report, "Mr. Hoff purchased from Morris Brothers, Inc., at a cost to the state of \$155,263.55 city of Ontario saving gold bonds, city of Rainier refunding gold bonds, city of Rainier refunding bonds, city of Seilo electric light and water bonds. The last mentioned bonds have been paid for at the commencement of our examination, but had not been delivered to the state treasurer; however, they are now in the possession of Mr. Hoff as treasurer of the state, having been delivered to him pending our investigation. The auditors' reports advise that various securities were held by the state treasurer as collateral pending delivery of the aforesaid bonds. We are not advised what said bonds had referred to cost Morris Brothers, Inc., nor were we acquainted with Morris' Brothers' profit thereon."

Rose Festival Officials Will Be in Salem Monday

Directors of the Portland Rose festival, including Eric V. Hauser, president of the Rose Festival association will be guests of the Salem Commercial club at the Monday noon luncheon. Having heard of the interest manifested by the Salem Commercial club and the Cherrians the Portland men are coming down to talk things over in detail.

Yakima School Directors Fix Teachers Salaries

YAKIMA, Wash., May 7.—Yakima county school directors, meeting here today adopted a schedule of salaries for teachers and agreed to an effort to have it uniformly adopted throughout the county, thus ending the competition that now exists, and a result of which about of teachers and breaking of their contracts with school boards. The schedule adopted provides that first year teachers shall receive \$1150 to \$1300, depending on preparation; grade teachers of experience \$1300 to \$1500 and high school teachers \$1500 to \$1800.

FARMERS MUST HAVE ACCESS TO FINANCE

PRESIDENT MUNN URGES SPEEDING FOOD PRODUCTION

Capitalization of Misfortunes of Rural Folk Created Nonpartisan League, He Aves

M. D. Munn, president of the national dairy council, who was in the city yesterday, is a firm believer 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 the result of an unscrupulous and skillful man who capitalized the misfortunes of farmers. "The remedy," he said, "is to be found 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."

PRINT PAPER FINDING FILED

Department of Justice Will Take Such Action As Is Warranted

WASHINGTON, D. C., May 7.—The picture of the country press, which includes the little four-page paper from back home, fighting with its back to the wall and almost ready to go under because of the print paper shortage was presented to a senate investigating committee today by Cortland Smith, of New York, president of the American Press association.

Along with his picture of the troubles of the country editor, Mr. Smith made the direct charge that the print paper market had been cornered and that the print paper interests had conspired to regulate production so that prices might continue to mount. In the face of this situation, he frankly declared there was little hope for the small town papers and 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 allege 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 thorough examination by the commission representing the year 1920.

Urge Merchants to Attend San Francisco Convention

PORTLAND, May 7.—Through the efforts of Fred Harris, membership secretary of the National Retail Dry Goods association, who visited Portland today, a representative number of merchants from this city and the chief cities of Oregon will be urged to attend the association's convention at San Francisco June 2 and 3. Z. Sweet on behalf of the cloak and suit houses and C. B. Dinsmore, have been chosen a committee to round up the Oregon delegates. Dinsmore represents the department stores.

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FAMOUS OX SELLS HERE AT \$10,500

Gertie's Poppy's St. Mawes, From Doerfler Farm, Is Auctioned to Thomas Moran of Dungeness, Wash

REGISTERED JERSEYS GO AT HIGH FIGURES

Silver Chimes Gwendola and Other Blooded Beauties Change Hands

The Jersey jubilee was brought to a close yesterday 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.

Over 600 prospective 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. Suddell of Holsey, E. A. Rhoten, livestock editor of the Pacific Homestead, was sales manager.

SOCIALIST TO ENTER CONTEST

Convention Is Called to Select Presidential Candidates

NEW YORK, May 7.—The Socialist party of America will enter the 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 platform and perfect the party machinery for the "big fight" of 1920. Two hundred regular delegates from all parts of the country augmented by "fraternal" delegates from "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 attached 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 "gag" legislation which socialists claim has been generously oppressive to the exercise of free speech, free press and free assembly.

ALL CLASSES HELPING ARMY

This Is Special Day for Salvationists and Doughnuts Will Be Sold

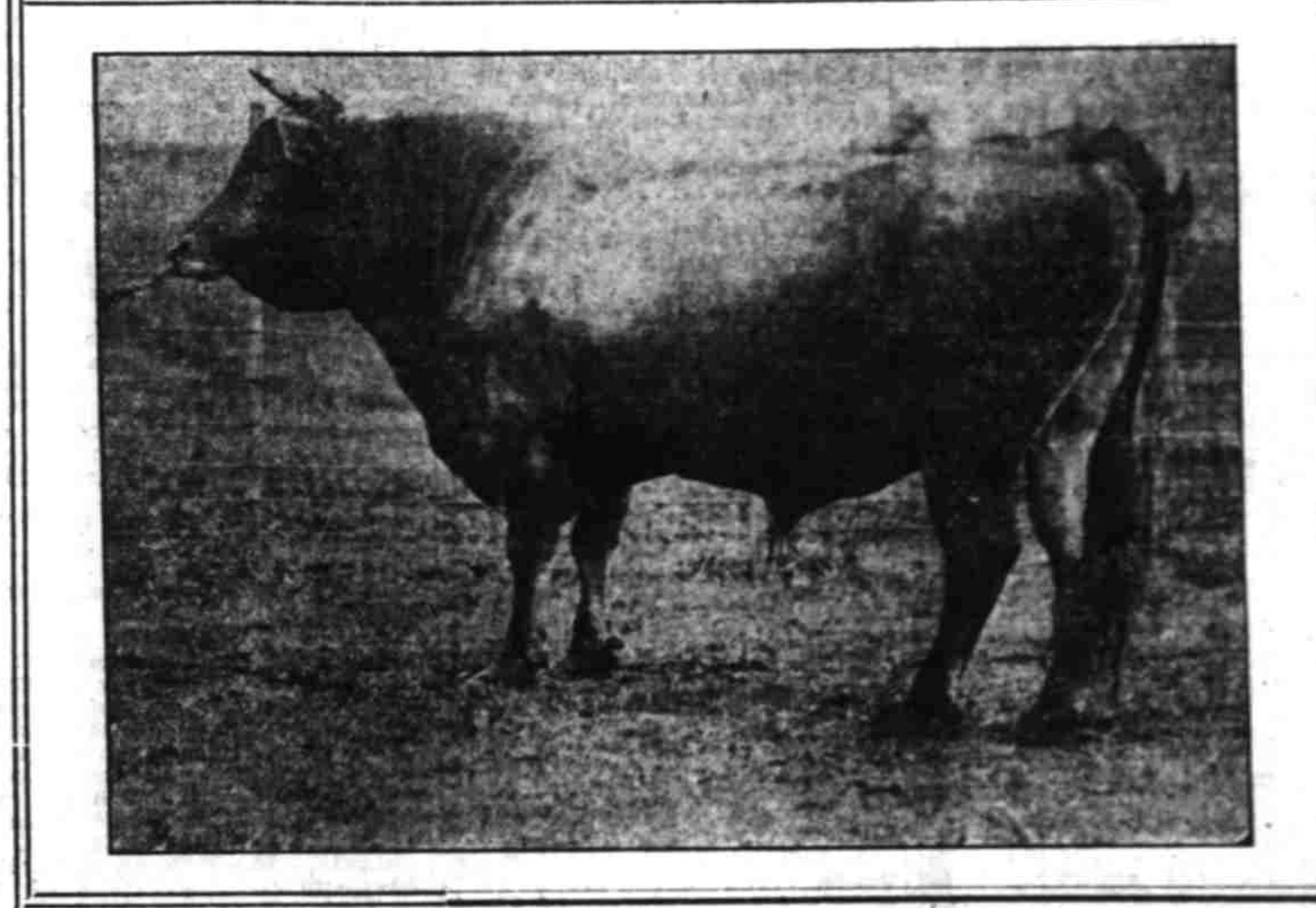
This will be Salvation Army day in Salem. Ketties will be stationed at three of the principal street corners, into which friends of this benevolent organization may drop their contributions.

A Salvation Army service booth will be stationed at the intersection of State and Liberty streets where doughnuts and coffee will be served in exchange for such a donation as the recipient may care to make toward the completion of Salem's quota.

New Mexico Newspaper Reduces Cost of Living

ALBUQUERQUE, N. M., May 7.—The Morning Journal has purchased 20,000 pounds of beet sugar which will be placed on sale next Tuesday morning at 15 cents a pound. Only fifty cents worth will be sold to each person. Sugar is now retailing here at 22 to 25 cents a pound.

GERTIE'S POPPY'S ST MAWES, registered Jersey bull that was sold at fair grounds auction yesterday by E. A. Doerfler of Silverton to Thomas Moran of Dungeness, Wash., for \$10,500. A total of 25 blooded Jerseys changed hands at fancy prices and 19 of them from the Doerfler farm went at an average of \$1445. The sale was a culmination of the Oregon Jersey Jubilee.



BUTTE WITNESS CREATES STIR

Has Medal Said To Have Been Issued to Gun Men at Centralia

BUTTE, Mont., May 7.—Five members of the I. W. W. who admitted they were not citizens of the United States testified at the corner's inquest in the death of Thomas Manning, who died from wounds received in the strike riot of April 21. Otta Hailia, one of the witnesses had in his possession an I. W. W. badge which he said was issued to members of the organization who took part in the armistice day shooting in Centralia, Wash. He stated he had bought the medal.

WATSON ADMITS MURDER OF SEVEN

Alleged to Have Confessed Murder of Agnes Wilson Alberta

LOS ANGELES, May 7.—Two additional murders were admitted today by James P. Watson, during a closely guarded conference held in the office of Thomas Lee Woolwine, district attorney, according to stories in the Los Angeles morning papers will print tomorrow. Mr. Woolwine declined tonight to make any statement as to what transpired at the conference. The newspapers, however, claimed to have obtained the information from a county official present when Watson was reported to have made the admissions.

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

SEATTLE, Wash., May 7.—Track teams of the University of Oregon and University of Washington will clash at University field here tomorrow in what sport followers expect will be one of the closest and hardest fought meets of the conference season. It will also be the last appearance of the Washington squad on the home field this year.

Member Parliament Wears Overalls in House Commons

LONDON, May 7.—Major General John Roberty Prettyman-Newman, member of parliament for the Finchley division of Middlesex, who announced that he would wear overalls in the house of commons, carried out his threat this afternoon.

Portland Gun Experts Are Called in Coos Murder Case

MARSHFIELD, Ore., May 7.—Expert gunsmiths have been brought from Portland by the prosecution in the Harold Howell murder case to testify regarding the bullet taken from the body of Lillian Lenthold. The bullet is said to bear peculiar scratches and it was held at the previous trials that these marks could only be made on a bullet fired from the gun owned by the Howell boy, which was originally a .22, but which had been rebored to shoot a 25 caliber bullet. The experts will testify about the marks on the bullets. The defense has declared it will show that there are several other rebored guns in the country besides the one owned by Howell.

HUNGER STRIKERS RELEASED

LONDON, May 7.—Fifty hunger strikers were released from the Wormwood Scrubs prison today.

PROFITEERING IN FOODSTUFFS

Government Able to Feed Army Man on 49 Cents Day Says Wood

NEW YORK, May 7.—There is no question that profiteering in foodstuffs is general in some sections of the country, General Leonard Wood said here today.

County Taxpayers League Meets at Court House Today

The Marion County Taxpayers league has called a special meeting today at the courthouse at 10 o'clock to hear statements from candidates as to their position on matters of importance at the coming primary election on May 21, and taxpayers and citizens generally are invited to be present.

Two Killed, One Injured in Valley Logging Camp

HILLSBORO, Ore., May 7.—The coroner was notified today of an accident which occurred late yesterday in a logging camp in the mountains west of here, whereby two men were killed and one injured by a rebounding log which was being felled. The dead: Lester Ridge, 29, 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 6:20 a. m. with a May morning breakfast on the campus. Breakfast will be served to all comers by the college Y. W. C. A. at very nominal cost between the hours of 8:20 and 9:30.

Salem-Dallas Paving Is Ordered to Stop

Paving on the Salem-Dallas highway will be stopped at Reekvahl, upon an order issued yesterday by the state highway commission. Work will not be resumed until the Polk county court provides for grading that section of the Pacific highway from Monmouth south along the route established by the commission.

REBELS BEGIN MARCH ON MEXICO CITY

Carranza Government Tottling 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 Carranza government at Mexico City is tottering while 200,000 Sonora revolutionists have begun their southern sweep toward the nation's capital. Teodoro R. Beltram, commercial agent here for the revolutionists, declared today. From Juarez comes the report that the isthmus of Tehuantepec in the state of Oaxaca; Oaxaca, the capital city; Cordoba, Vera Cruz and Aguascalientes, have fallen into the hands of the revolutionists, according to an announcement tonight by General Jose Gonzalo Escobar, commander of the Juarez military district.

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Landis Attacks Federal Reserve Bank Salaries

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Report of Labor Shortage in Sawmills Is Denied

PORTLAND, Ore., May 7.—Officers here from the Western Pine Manufacturers' association today made a denial of the report which they were informed was in circulation in the middle west to the effect that a shortage of labor exists in sawmills in Oregon and Washington.

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Such drastic action was decided on at a special meeting of the commission in Portland yesterday morning, following the return of Chairman S. Benson and Commissioner E. E. Kiddle, who have been inspecting the work north from the California line.