Urges Legislature to With-

New Training School

draw Quarter Mill Ap-

propriation and Build

DER ROAD PROGRESS

Recommends Cottage Plan

Instead of Present

One

In a special message to the

legislature yesterday afternoon

Governor Olcott recommended

that a law possed a number of

years ago appropriating \$520,000

bienfally for highway construction

be repealed, and that \$300,000 of

it be utilized in the construction

of "boys' training school which

would be a credit to the state.'

The remainder, he suggested, if

not needed for any other pur-

pose, "could be left untouched to

lessen the tax burdens of the peo-

measage at a joint session of both

houses at the house chamber a

2:30 celock, and in his opening

remarks expressed regret that the

publicity given his announcement

of a special message had created

the impression that there was

Funds Needed

In making a request for the

appea! for the law, the executive

explained at the time of its en

actment, the state was not com

mitted to any definite highway

the people "have given over-

whelming sanction to the Oregon

policy of financing good road im-

of bonds which are to be realized

and that a withdrawal of the ap

ships on the highway program.

propriation would work no hard-

Extracts from the message fol

"My proposal to meet and over-

come the training school difficul

ver the estimated needs.

Would Repeal Boad Tax Levy

pooks a provision for the annual

system of state highway financ-

ing enacted before the present

sed their belief that automobile

struction of the state roads

for the immense service already

der our plan of financing it will

be very well if the direct prop-

returned to the general fund

erty tax of one-fourth of a mill

the year 1921. For the coming

biennium, on the same basis, it

would amount to over \$520,000

importance compared to the im-

mense good it may now do if

that road levy. By such repeal

a fund of over half a million of

to this legislature under the six

could be left untouched to lessen

the tax burdens of the people.

dollars would be made available

diverted into other channels.

have expres-

'something spectacular on

Governor delivered

SEVENTIETH YEAR

SALEM, OREGON, TUESDAY MORNING, JANUARY 18, 1921

SERVICE MEN LOAN FUND IS PROVIDED

Referendum Measure by Dennis Would Benefit Oregon Men of World, Civil and Spanish Wars

THIRTY MILLIONS AVAILABLE NOW

Will be Referred at Next Election If It Is Passed

Approximately \$20,000,000 im mediately and more as the state's property valuation should increase would be made available as a loan fund to men who served in the United States army, navy or marine corps between April 6, 1917, and November 11, 1918, also to all other qualified to be members of the American Legion, to veterans of the civil war and of the Spanish-American war, by a referendum measure which Senator Dennis of Union county will intro-

This would be known as the Oregon veterans' loan fund. The measure is in the form of a joint esolution to refer a proposed constitutional amendment to the people for their judgment at the next election, whether it be a special or a general election.

The measure would add article XI-c to the constitution. Notwithstanding other limitations conained in the constitution, it provides that the credit of the state may be loaned and indebtedness incurred to an amount not exceeding 3 per cent of the assessed property valuation of the state to affair. create a fund to be loaned to the honorable discharge from the ser-

The act would authorize the issuing of bonds of the state to the Ilfinois, who is reported to be ssessed property valuation of the state is now about \$1,000,000,000. which would make the available money for loan under the act about \$30,000,000 at the present

The proceeds of the bond sales would be turned into the state treasury and credited to the veterans' loan fund, and administered by the state land board.

Beneficiaries under the act it would be required thhat the of attorney general. oan be secured by a first mortgage upon real estate in an amount not exceeding 75 per cent of the assessed value of the real estate, but such amount could be reduced by statue. No person would be entitled to make a second application for a loan with his first loan unpaid.

To prepare an argument for the election pahphlet in favor of the measure the resolution calls for the appointment of a special com-

INSPECTORS KILLED WHEN BOMB EXPLODES NEW SYSTEM

SEVERAL TAXI EMPLOYES ARE INJURED

Company Found Bombs in Two Cabs Ten Days Ago-Chauffeurs Are on Strike

PHILADELPHIA, Jan. 17 .- P H. Dean and George McKee, inspectors, were killed tonight when a bomb exploded in the garage of he Quaker City Taxicab company Several other employes were in jured slightly.

Chauffeurs have been on strike for several weeks. About ten days ago bombs were found in two cabs of the company. One cab was demolished but no one was injured. Several cabs have been stolen and wrecked.

The two men were examining car which had just come in and Dean picked up a cylindrical obect. The driver shouted a warning and jumped back in time to scape injury, as it exploded. The police have arrested 16

INIUGURAL PLANS MADE

East Portico of Capital to Be Seat of Simple Ceremony

MARION, Ohio, Jan. 17 .- Final plans for the simple ceremony on the east portico of the capitol, which will mark the lpauguration of W. G. Harding as president, were virtually approved today as the result of conference between president-elect and Elliott Woods, superintendent of the capitol building and grounds.

Mr. Woods came to tell Mr Harding that the inaugural committees had acquiesced to his proposals that the east steps of sent to a plan for the erection of a small platform on the steps from which the inaugural address but it would be merely a small Mr. Harding continued his cab-

general, and Charles D. Hilles of

Neither Mr. Lowden nor Mr Hills would comment on their of opinion on cabinet selections existed between him and Harry M would be allowed to borrow not to Daugherty of Columbus, regarded exceed \$5000 at any one time, and as a likely recipient of the post

KLAN OFFERS REWARD.

ATLANTA, Ga., Jan. 17 .- A night by Colonel William J. Simthe arrest and conviction of "any or in connection with any pur-

pose or movement not sanctioned

advisory.

Honolulu Cloudburst

valley back of Honolulu following unprecedented rains of the past few weeks caused damages estimated by officials at \$250,000. A few small houses in the suburbs of Honolulu were swept bodily

Four persons were drowned, acording to an unverified report. The Royal Grove district of Wa:kiki was flooded and when the waters subsided a coating of mud several inches deep was left over streets and lawns.

ELECTION CHANGE VOTED.

According to proponents of attack excerpts from a very in- from statements made by long to polls and vote for negro candisulting letter you have written us distance by the Eugene principal dates for minor offices merely bewhich he later contradicted. The cause they are interested in the Why try to bolster up your matter concerned the eligibility of presidential race, whereas, if the members the game commission cates reached as much as \$100.- state would otherwise be put to cause by these attacks? Or why a member of the Eugene football state elections were held separate- five members and both commis- 000 outstanding, the bond broker in maintaining a large number of

NEW PHEZ MANAGER ALSO MADE PRESIDENT

C. M. MIALL ASKS FOR SUP-PORT OF PEOPLE

Officers and Directors Chosen to Head Reorganization of Local Plant

Salem. Ore., Jan. 17, 1921 To the Editor of The Oregon Statesman, Salem, Oregen. Two weeks ago I was appoint-

d general manager of the Phez Company, and I have today been elected its president, with a board interests that, in recognition of holdups in 60 days. the company's industrial importance to the state of Oregon, have in the past financed the enterprise to an extent far beyond the limits institled by any expectation of individual gain.

arrangements have placed upon my shoulders the responsibility for the continued exstence of the company, and that once having been rendered possible, the delineation of plans assuring its future success.

"May I be permitted to say to the well-wishers of this valuable and far reaching enterprise that, without the support and the forebearance of all whose interests may be thereby affected, the efforts of myself, of those working with me, and those whom ? have been selected to represent, are entirely foredoomed to failure. Let me say further that when I need self-sacrifice here and there I shall unhesitatingly ask for it, and confidently expect to receive

Intervening between the pres ent situation and the improved achieved, there lie very many serious and complex difficulties. is a pleasure to find myself able board has authority only over the to state that those difficulties would have been greater, and our present hopes of ultimate success unjustified, had it not been for of control direct supervision of the unselfish and entirely volunliberal a measure have poured their personal fortunes into the foundations of this enterprise." Yours very truly,

—C. M. MIALL,

> The above letter is given a prominent place, because, in the opinion of the writer, it is deserving of that consideration. The objects sought to be worked out the affairs of that company in such shape that it will again be the outstanding factor in the stabilizing of the fruit industry of

> hearts of all of our people. A large part of our permanent and assured prosperity depends upon this. The writer thinks he can sure to Mr. Miall every possible

district. New Board of Directors At the annual meeting of the directors was chosen:

people of Salem and the Salem

C. M. Miall, general manager The Phez Company, Salem, Dre

Chas. A. Hart, member Carey & Kerr, attorneys at law, Portland, Dre. Prescott W. Cookingham. torney for Ladd & Tilton Bank, Portland, Ore.

C. W. Lamping, vicepresident Northwestern National Bank Portland, Oregon. John H. McNary, attorney-at

Law, Salem, Oregon. New Officers Elected

C. M. Miall, president; Chas. A. Hart, vice president; John H. McNary, treasurer; Prescott W. Cookingham; C. L. Lamping; W. L. Phillips, secretary.

GAME MEASURES BRING HARMONY Would Extend Hunting

Commission Meeting Fails to Disrupt Agreement Reached in Portland

nent of the state fish and game actions several weeks ago, which have been introduced in the legslature will go before the two houses and doubtless have a very

decisive approval in both. One of the bills provides for a eparate fish commission, one a enarate game commission and the hird regulates fishing in Rogue

October. The avowed purpose is the fish and game committee of to prevent the election of local ne- the house today to safeguard the

By provision of the bills the

FARM GIRL BECOMES

HOLDUPS BAITED WITH TEAR

Young Woman Acts as Lure for Fifty Chicago Holdups Occuring in Sixty Days

CHICAGO, Jan. 17 .- Mrs. Cieo

chief weapons." she was quoted as saying, "but I also carried a little pearl-handled revolver." Mrs. Hurtzman said she married to Kurt Hurtzman two months ago and then left the farm

"I acted as a lure. Kurt and I would rent a room in a fashionable district. When I met a prosperous looking person, I mans aged to force a tear. I told him was lost and wanted to find al certain address. When' he explained that it was only a few doors distant, I smiled, and generally he would volunteer to accompany me.

When the number was reached with me-or brought forth, the pistol. In either case, I look him into the room where Kurt took his It was simple. imes we held up five or six persons a day. It made me wonder some future date to have why I spent 22 years on a farm, it was so easy.

until four detectives waited for them at a room they had rented.

Spanish Speaking Delegates financing program, but that since Threaten to Withdraw From Federation

threats of a bolt from the Pan-American Federation of Labor conference by the Spanish speakthe Salem district, is near to the stormy morning ression, the possible defection hinging on the de-

co-operation on the part of all the Santo Domingan delegates to antion, started a heated argument icy of the United States was bitterly criticized by the Dominican, from automobile license fees and Salvadorean and Mexican dele-

Senor Solana of Salvador The Dominican Colombian delegates asserted lat-

ed with the technical refusal of elected by the board of directors: [Mr. Gompers to abide in detail by ederation was prevalent among he Spanish delegates.

Privileges to Boys

agreements reached by contending not issued to boys under that age. The few miles of road that sum relatives or guardians.

Proposed Bill Would

PANICKY SITUATION CREATED IN VIENNA

CAUSE CONCERN

ituation in Vienna;

It is reported that there have een large withdrawals of money from the banks and a decided exedus of those classes of the population directly threatened has

ing out of the postal strike, the SALARY OF POLICE character of the testimony be fore the fair price conterence last week, and the steady fall in the value of the crown all have served to bring the population to a high state of nervousness. The Mrs. F. H. Spears and Hencrown has fallen 100 points in

Associations of former army of ficers, numbering about 30,000 have been mobilized as police auxiliaries.

sulted in the wholesalers and agrarians uniting and declaring that it is useless to hope for a reduction in the cost of necessities under present conditions. plying to this statement, Herr Eldersch, second president of the national assembly, declares that prices must come down, no matter what the result.

stupefaction over the cost of living," said Herr Eldersch. "If the day of judgment must come, let enth police official was expressed it come now. Economic conditions by a number of the members of will force us to join Germany."

turer for Six O'Clock Club

are to have the privilege of hear- Gesner, W. Eberhard, H. Savage Oregonian, at the First M. E. son concerning the American oc- that the people of the state of Club and the club extends a cor-Oregon have adopted and have dial invitation to members of the given overwhelming sanction to Oregon legislature and the public generally to be present and hear

tained by eminent educators. Page as a member of the library

tional guests arrive they can pro-

FIRE STAFF APPOINTED

PRICE: FIVE CENTS

Opposition to Additional Members of Force Strong -Motion to Buy Motor Cycle and Side Car Passes

MATRON INCREASED

ry Myers New Members of Library Board

The second meeting of the 1921

city council was held last night. and a number of problems laid over from the former meeting were given consideration, chief among which were the election of members to the fire and police departments. In his letter of recommendations, Chief of Police Verdun Mofflit requested that an additional man be added to the police force. Strong opposition to the added expense of the sevthe council and the matter was deferred until another meeting. A motion for the city to purchase a motor cycle and side car, was finally passed after a rather heat-ed discussion as to the advisability of the expenditure. Several of the aldermen being strongly in favor of keeping, as they said, within the budget limitation, and fearing the heavy outlay at the be-ginning, opposed both the pur-chase of the motor cycle and increased police force.

The unanimous election of O. F. Victor, Elmer White, William Porter, Clyde Ellis and Ralph Davis as patrolmen and of Miller Haden as traffic officer, took place. The regular firemen elected for

Roy Knighton and W. Edwar Three ordinances were pres ices of the Salem Six O'Clock Alderman Edward Schunke, all of which were declared emergen-

The motion of Alderman J.

This evening Editor Piper will Mayor Halvorsen appointed Mrs. address his auditors upon some F. H. Spears to fill the vacance personal impressions of two na- and Henry Myers was appointed to tional convent'ons. Mr. Piper at- take the place of Paul Wallace as

The annual report of Health Of

committee.

The report of the city recorder shows the municipal bonds paid and cancelled during the year 1920 were \$59,050.00; charter by the club to serve at least 150 act bonds issued \$47,677.10; unpersons at supper and if addi-paid \$30,342.13 and Bancroft act

which are sorely pressed for adequate funds. "This one-fourth of a mill road PAPER MILL PROBE URGED IN MEASURE BY SENATOR DENNIS

Immediate investigation of all paper mills operating in Oregon by the federal trades commission is demanded in a joint memorial which will be introduced in the state senate today by Senator Bruce Dennis of Union county. The memorial was adopted at the Oregon newspaper conference at Eugene January 15.

The memorial points out that every user of paper mill products is suffering from what is apparently an unjust and abnormal price of paper, and that paper mill products are produced in Oregon and on the Pacific coast in very large quantities. It is believed the investigation demanded may result for the consumers and that the product may be sold at a price that will net the mill operators "a fair rather than

A copy of the memorial, if adopted, will be sent to the federal trades commission and to each member of congress

(Continued on page 6) "SHOWDOWN" PROMISED TO SALEM STUDENTS BY EUGENE HIGH SCHOOL

Claiming that their time was let the public know that on ac too much occupied with beginning count of your attitude neither of the new term to give attention to these schools will have athletic the demand of the Salem high relations with you?" chool for an explanation of the charges contained in the letter of ed in the Portland Oregonian was the Eugene principal, but that af- an extract from the letter sent by ter their 'regular school duties" Mr. Nelson asking why it was had been attended they would that they did not reply to the let-oblige the Salem school with a ter of the Salem student council. howdown," was a letter signed after having waited over a week both G. E. Finnerty, principal for such a reply. of the Eugene high school, and E. principal of the local school. The nothing to be ashamed of should tions with Salem without giving over to the student council imficient grounds for such action.

by Mr. Nelson yesterday follows: mean a letter written by Mr. Nelas these duties are attended to statements be made in a signed gro candidates. will give you for your press was misunderstanding arising

Carleton, city superintendent son yesterday said that "he was a addressed to J. C. Nelson, surprised that a school which had C. Nelson, surprised that a school which had eply brands as "insulting" the so resent that another school etter of Mr. Nelson. This letter wished to have certain facts another step in the controversy brought to light." It also seems which followed a letter from the that the Salem school makes a ingene principal severing rela- practice of turning such matter; what the local school felt was suf- mediately on receipt no matter letter which was received "insulting letter" is understood to We have just read your fresh son, who is a member of the state we must attend to the regu- the members of the state associaschool duties first. As soon tion, he would require that all have the 'showdown'. letter. The cause for the letter

PROPOSED IN VINTON BILL

amhill Senator's Measure Would Make Board of Control Budget Commission for State

ALL ESTIMATES UNDER EYE. IS INTENTION

Appropriation Provided in Measure to Carry Act Into Effect

Following out a recommendaion made by Governor Olcott in is message to the legislatury Senator W. T. Vinton of Yambill will today introduce a bill constituting the state board of control as the budget commission of he state.

The effect of the measure, it is urged, would be to make the present method of presenting to the legislature estimates of financial needs of state departments and institutions more truly a budget system. The estimates for several years have been placed before the legislature and the ways and means committee in budget form. At present the

estimates of the 10 state insti-

all matters relating to the prep- tary action of the men who in so aration of the estimates of all acthe capitol be made the scene of tivities, both public and private, the event. He also sought con- supported wholly or in part by state money. The board would have authority to revise, increase or decrease, by majority vote, the will be delivered. It was agreed estimates submitted for its perthat the platform would be built, usal, and make recommendations to the ensuing session of the legislature whatever amounts it may determine as necessary for the

> employ other clerical or techni-Heads of the several state departments would be required to submit their estimates to the er with estimates of their prob-Also it would require that persons file them with the board on or before October 1 of the evennumbered years, and the same reindividuals, corporations or asso-

would be named by the board and

authority would be extended to

porations, intending to present | gon appropriation requests at the leg-Not later than November 10 of each even-numbered year the submission to the secretary of state, who would have it compiled

clations, including municipal cor-

data, ready for distribution among The recommendations of the budget commission would not be considered final by the legisla-

ture, but merely informative and To carry out the provisions of the act during the biennial period embraced between January 1 1921, and December 31, 1922, the bill would appropriate \$6000

Sweeps Property Away

cloudburst today in the Palolo

LITTLE ROCK, Ark., Jan. 1 election to the second Tuesday in

NOTORIOUS BANDIT ASKS REPEAL

OR SMILE

patra Hurtzman, 23, who until wo months ago had spent her life niking cows, feeding chickens and helping run a farrı near Wichita Fails. Texas, tonight was quoted by the police as confessing that she was the woman bandir who of directors representative of the had played the leading part in 59

> "A smile or a tear were my ACT WOULD NOT HIN. to come up here with him,

'His health failed, he lost his job, became too fond of whiskey then fell in with thieves, and she said. "We decided to become bandits

either persuaded him to enter The Hurtzman's evaded arres

lay of Samuel Gompers, in direct-

Gomper's reply that he desired to has become the foundation and yesterday, the following board of modify the text of the telegram as the clared itself in favor of evacua- this plan of financing is a sucin which the Latin-American pol-

> clared that his delegation would abandon the congress unless Mr. Gompers immediately sent the

er that they would act likewise. Although the trouble originat-

in the future, to come to the rebe issued hunting licenses and which are sorely pressed for adepanied by parent or guardian, if made by the State Tax commisand they are prohibited from hunting on land not owned by

Affect Bond Houses

To place bond houses under the fish commission would have three quire that when interim certifi- turns in decreasing the cost the an exorbitant profit." on Albany and The Dalles and Salem was not a party.

""" in member of the sions would be appointed by the would be required to notify the governor.

""" corporation commissioner.

THREATS OF WORKING MEN

Associations of Former Army Of-OF ROAD TAX ficers Numbering 30,000 Act as Police Auxiliaries

VIENNA, Jan. 17 .- The threat of the working men to take things into their own hands January 20 has created a decidedly panicky

The recent demonstrations grow

the last five days.

The price conference has

The people are in a state

Among incidents tending to increase the tension was the seizure today by the workmen's councils of 126 cannon and other military materials.

Editor of Oregonian is Lecprovements through the issuance

brotherhood organization havuals of all denominations and of state highway program, that it nightly meetings during the fall, of good fellowship and comrade. Giesy that the city fulfill their ob A supper is served at a cess and has more than justified itself is plainly demonstrated by bers of the club or not, beginning the fact that in 1920 the receipts shortly after 6 o'clock, and after streets, was passed. supper those present are entergascline tax give a large surplus

tended both the Republican con- a member of the board. vention in Chicago which nominthe Democratic convention at San mitted and accepted. owners should pay for the con- xious to possess knowledge along political lines that they may through their license money, and faithfully and efficiently disthe automobile owners are wil-charge their duties and ling and glad to do it in return tions.

ated President-elect Harding and ficer Dr. R. E. Pomeroy was sub-Annual reports of City Treas urer Rice and City Recorder Race terest and instruct citizens au- were submitted to the council and referred to the ways and means

(Continued on page 6)