

SEVENTY-FIRST YEAR

SALEM, OREGON, SUNDAY MORNING, MARCH 5, 1922

PRICE: FIVE CENTS

PERMITS HELD UP BY ACTION OF TREASURY

Federal Prohibition Chief Says Fleischmann Company Diverted Much Grain Alcohol.

LIQUID HELD PENDING FINDINGS OF AGENTS

Total of 249,515 Gallons Said to Have Been Taken from Legal Uses

WASHINGTON, March 4.—Internal Revenue Commissioner Haynes revoking the Industrial Alcohol permits of the Fleischmann company, Inc., of New York of 11 of its agencies were suspended until Tuesday, tonight by Internal Revenue Commissioner Blair.

Mr. Blair's action was taken with the approval of Secretary Mellon, upon the request of counsel for the Fleischmann company for an appeal from the hearing on his case held in Philadelphia before S. F. Rutter, former associate federal prohibition director for Pennsylvania. Upon Mr. Rutter's recommendation Mr. Haynes issued the re-voation orders.

Decision Awaited. A final decision will be reached Tuesday, Mr. Blair said, at the conclusion of the hearing which he will conduct himself but meanwhile the whole matter is to be held in abeyance. Orders for the seizure of alcohol in Fleischmann agencies are being held up, the company agreeing not to dispose of any alcohol pending the determination of the proceedings.

Decision to grant the Fleischmann company an appeal from the orders revoking its alcohol permits was reached at a conference late today.

Company May Appeal. Secretary Mellon was understood to take the position that in view of the importance of the case the company was entitled to an appeal, as the original hearing had not been conducted before Commissioner Haynes or an actual deputy. High officials stated that Mr. Haynes was in complete accord with the decision.

Date for the final hearing was set at a conference between Mr. Blair and counsel for the company.

Veas Quantity Missing. Quantities of industrial alcohol diverted to non-medical purposes by Fleischmann agencies during the past year, revealed in testimony before the hearing held by Mr. Rutter, were made public tonight by prohibition headquarters.

At New York out of 77,000 gallons of industrial alcohol handled, 42,000 gallons were said to have been diverted; at Brooklyn 338,000 gallons were handled and 133,000 gallons diverted; in New Jersey 168,000 gallons handled, 5,000 diverted and in Bridgeport, Conn., 65,900 gallons handled and 69,515 diverted, or a total of 249,515 gallons.

Three Warrants Issued. CINCINNATI, Ohio, March 4.—A third warrant resulting from investigations of alleged illegal liquor operations in Cincinnati was issued today by United States Commissioner Thomas Gregory today, naming Fred Kaucher, said to be an official of the Fleischmann Distilling company, Riverside, Ohio and Anthony Schmidt, Cincinnati truckman and charge they with having conspired together to divert 108 barrels of whiskey, withdrawn from the Fleischmann company's distillery warehouse in January, 1922.

DID THEY WORK? THEY DID

There really are a number of students in Salem who are going through the same school of hard knocks in order to get an education that many of the successful men of Salem did.

Dr. Carl Gregg Doney says he has students at the university who are working their way and who have been willing to do any kind of work, from shining shoes up to that fine gymnasium known as sawing wood. And many of these students he feels assured, will be among the leading men of their communities the coming generation.

Ninety-nine per cent of the successful men of Salem today knew nothing but the hardest work during their boyhood days, and the same per cent came from the farm. And then the same per cent worked their way through school or college.

DR. H. C. EPLEY
Peddling milk all over Salem and helping to milk 14 cows for a dairy was one of the means by

HERO'S WIDOW ANSWERS CALL OF DISTRESS IN NEAR EAST



MRS. BETTY M'CREERY, whose aviator husband, Lieut. Sydney F. McCreery, was killed in the world war, has accepted a call from Constantinople to engage in relief work among the starving population of Central Anatolia. She is a graduate nurse, and her duties will be those of a sanitation and medical inspector.

WOODBURN VOTERS IN FAVOR OF UNION SCHOOL PROJECT

The people of Woodburn voted yesterday by a vote of 84 to 24, to turn over the Woodburn high school and property free of debt to the proposed union high school district, which will include Woodburn and 29 surrounding districts.

Following a course as required by law, the Woodburn people first voted to include their high school in the district. The next step is for the school voters in the 29

DELAY IN BONUS PAYMENTS EXPLAINED BY SECRETARY

Now that the initial batch of bonus checks has been distributed, the state bonus commission is being swamped by a flood of mail, telegraph and telephone queries: "How soon will I get my bonus," according to Captain H. C. Brumbaugh, secretary of the commission.

"It seems," said Captain Brumbaugh, "that a large number of applicants think all they have to do is to mail their application to the commission and that the check will be sent them the next day. Few realize the work involved in checking and verifying claims of the bonus law and other laws governing the audit of claims against the state. The filing of the initial application is merely the first step in the process of establishing the eligibility

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USE OF DOPE HELD MENACE BY OFFICIALS

Governors of Oregon and Washington Meet With Authorities in Effort to Curb Evil.

PRESIDENT IS URGED TO AID IN CAMPAIGN

Portland Session of Executives Marks Fight Against Narcotics

PORTLAND, March 4.—A campaign directed against narcotics, was launched at the conference of governors today, called by Governor Olcott of the state.

Assembled in the council chambers were Governor Olcott of Oregon and Governor Hart of Washington, as well as the representatives of Governor Stephens of California and Governor Davis of Idaho.

Many in Attendance. In addition there were in attendance federal, state, county and city officials, as well as club women and many citizens.

Resolutions were adopted covering all phases of the situation. A delegation of representatives of western officials and citizens will be organized, it was decided, to travel to Washington and in person appear before representatives in congress to urge the enactment of laws which will hit at the manufacture of narcotics, importation and exportation to and from the United States and shipment in bond through the United States by other countries.

Memorial Addressed. A memorial was addressed to President Harding and Secretary of State Hughes, as well as to congress, urging that some action be taken whereby the universal unlawful sale of narcotics can be halted.

New Road Requested by County Court of Polk

DALLAS, Or., March 4.—(Special to The Statesman).—A resolution signed by two members of the Polk county court was passed at the monthly meeting of the court held Wednesday in which the court asks the state highway commission to designate a market road from the corner of the Clantfield ranch in the northwestern part of Polk county at the intersection of the Dallas-Ballston highway with the Dallas-Buell road, thence west by way of the upper Salt Creek schoolhouse to the T. S. Brown ranch on to Mill creek, Buell and continuing west to Wallace bridge over the Yamhill river. This route will connect Polk county with the state highway leading to the Tillamook coast towns when the road is completed.

The road has been sought after for some time by the Dallas Commercial club and has also been looked favorably on by the members of the county court.

AGED ELECTRICAL WORKER Killed by High Voltage

CHEWELAH, Wash., March 3.—John F. Diedrich, 65 years old, superintendent of the municipal light and water plant, was electrocuted today when he came in contact with a high tension wire while working with a street lamp. He was standing on a short ladder when the accident happened.

Diedrich came to this district when a young man. Thirty-one years ago he installed the first telephone system here. He sold it a number of years ago and for the past 10 years he had been superintendent of the electric plant. He is survived by a widow and four sons.

Consolidation of Phone Companies is Proposed

Interstate commerce commission finance docket No. 2215, relating to the proposed lease and consolidation of the properties of the Northwestern Long Distance Telephone company with those of the Pacific Telephone & Telegraph company, has been assigned to the department of public works of the state of Washington and the public service commission of Oregon for joint hearing at Olympia, on Thursday, March 9. This is a joint petition brought by the two companies, requesting the approval of a certain proposed contract and has been referred to the Washington and Oregon commissions for the taking of testimony.

ELECTORATE TO VOTE MAY 19 ON QUESTION OF MAKING HEAD OF POLICE FORCE APPOINTIVE

NEW JOB TO BE FILLED IN FEW DAYS

State Board of Control Will Appoint Secretary for Budget Commission

Under the provisions of an act passed by the last legislature the board of control will shortly name a secretary of the new budget commission. This commission is composed of members of the board of control, being the governor, secretary of state and state treasurer, who receive no additional compensation for the work.

The law covering the new budget plan was recommended to the legislature by Governor Olcott in his message. It provides that every department, institution or state function whatever must present its wants to the budget commission before they are submitted to the legislature, and that commission shall examine into these wants and reports its budget to the legislature. Heretofore a budget has been submitted to each succeeding session for several years, but under the old budget law no authority was given to trim, except to the board of control in connection with the state institutions. It will now be possible for the commission to pass upon the demands of every state function before it goes to the legislature.

This new law is supposed to give an opportunity to practice real economy in connection with the budget as it gives authority to the board to act upon the various demands of the state departments.

No definite decision has been reached as to the prospective secretary but it is understood a number of names are under consideration, and that final decision will be made by Governor L. P. Harney. Members of the board consider the position one of utmost importance in the future economies of state administration.

SALESMEN MEET FOR BANQUET

President of American Industrial Corporation Host at Marion Hotel

Tax League is Formed For Washington State

YAKIMA, Wash., March 4.—Organization of a state tax league to carry on a campaign for reduction of governmental costs within the state and for revision of the taxation system was urged in the meeting here today of the realty dealers of the state. The state tax investigation committee, appointed by Governor L. P. Harney, met with the realty men and the discussions were largely of taxation questions. The meeting closed tonight with a banquet.

Texas Governor Warned To Avoid Riot District

AUSTIN, Tex., March 4.—A letter received by Governor Neff today threatening him with a coat of tar and feathers if he ever visited Mexico again. The letter was dated at Fort Worth and signed "The Gun Club."

COAST GALES SUBSIDES

ASTORIA, Ore., March 4.—After attaining a rate of 76 miles an hour at sea, the southerly gale subsided today. North Head reported a southwest wind blowing at an 11-mile rate. While the rain last night and this morning was from the south it was interspersed with hail and snow flurries and there were also a few sharp flashes of lightning.

BELFAST OFFICERS SHOT

BELFAST, March 4.—A deliberate attempt to murder two policemen was made tonight at the junction of Union and Donegal streets. One of the policemen was wounded. The assailants escaped.

DIVORCES AHEAD

DALLAS, Ore., March 4.—(Special to The Statesman).—County Clerk Floyd D. Moore reports that for the past week the number of divorce actions filed with him has been greater than the number of marriage licenses issued.

HOP SALES AGREED TO UNTIL 1926

A. M. Jerman Contracts 230,000 Pounds With Loewi Company of New York

Hop contracts involving the delivery within the next five years of 230,000 pounds of hops were filed for record yesterday in the Marion county recorder's office. The contracts were between A. M. Jerman, who lives about nine miles north of Salem on what is known as the South Prairie, and the hop firm of Hugo V. Loewi, Inc., of New York.

The contract calls for delivery at Hopmore of 20,000 pounds of prime cluster hops in 1923 at the rate of 16 cents a pound. Also the same number of pounds at 15 cents a pound for the years 1924, 1925 and 1926. The contract calls for the delivery of a total of 80,000 pounds of cluster hops. The same parties contracted for delivery of 30,000 pounds of fuggle hops each year for the years 1922, 1923, 1924, 1925 and 1926. For this year, the price is 18 cents and the same for 1923. For 1924 delivery, and for 1925 and 1926, the price is 16 cents a pound.

Among councilmen and many others, it is felt that the credit as to how the city's affairs are handled is passed up to the aldermen and mayor. In other words, the council is responsible for the administration, but as the law now stands the chief of police is entirely independent of the city administration, except that the policemen he wants must receive the approval of the city council.

The city charter cannot be changed except by a majority vote. The ordinance will provide that at the May 19 election, the people of the city may have an opportunity to vote on the question.

THE WEATHER

Occasional rain; strong southerly winds.

BEAN PRESENTS PLATFORM FOR GUBERNATORIAL RACE

Radical changes in the system of administering state governmental affairs, including a non-salaried advisory cabinet to take the place of all boards and commissions, are advocated by Louis E. Bean of Eugene in his platform as a candidate for governor. Mr. Bean's platform is presented to

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the people of the state in today's issue of morning papers. Also he advocates as one of his proposed reforms a state income tax.

Mr. Bean would repeal all laws creating state commissions. The non-salaried cabinet of business men which he would see created in lieu of the commissions he would have appointed by the governor and confirmed by the state senate.

His platform follows in full: Retrenchment Held Necessary. "I favor more efficient business administration, for greater economy in public expenditure, and for a substantial reduction of taxes. I am against any form of invisible government and the people will find me a positive governor, unequivocally standing for economy and retrenchment in public expenditures.

Following is my platform: "I favor the repeal of all laws creating all state commissions and the enactment in lieu thereof of a statute authorizing the appointment by the governor of a non-salaried cabinet of business men, seven in number, to be confirmed by the senate, and to work in an advisory capacity. To this cabinet would be entrusted the duties and powers now in-

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GRAIN BROKERS ARE UPHELD IN DEBATE RESULT

Portland Head of Wheat Growers' Association is Defeated by Eastern Economist.

MUCH INTEREST AROUSED IN NEBRASKA DISCUSSION

Keen Arguments are Provided in Event Staged by Growers' Groups

LEXINGTON, Neb., March 4.—J. Ralph Pickell, Chicago economist and financial writer, tonight defeated George J. Jewett of Portland, Ore., president of the Northwest Wheat Growers' association, in their debate on whether speculation is a menace to the marketing of grain.

The judges of the debate voted two to one in favor of Mr. Pickell, Charles J. Brand of Pittsburgh and Judge I. J. Nisley of Dawson county, Neb., voting for Dr. Pickell and William Harvey of Kansas voting for Mr. Jewett.

Debate Arouses Interest. Whether speculation is a menace to the orderly marketing of grain was debated here tonight before a large audience of farmers by George J. Jewett, Portland, Ore., representing growers in the northwestern states; and J. Ralph Pickell, Chicago economist and financial writer.

Mr. Pickell argued that speculation in grain was a menace, but that it was a distinct benefit. Mr. Jewett took the opposite or positive side of the question.

Mr. Jewett, after declaring that the term "speculation" as applied to the marketing of grain meant nothing but "gambling" and a violent denunciation of grain gambling.

Monte Carlo Excelled. "We find the gambling operations as carried on in the Chicago board of trade to be so extensive as to override the notorious gambling at Monte Carlo," he declared. "The ability to deal in that which one does not possess provides opportunity for those whose interests are diametrically opposed to the wheat market, to carry on their operations so they have, to a high degree, the ability to establish, and manipulate prices.

Actual operation of the laws of supply and demand are nullified or modified by speculative gambling, Mr. Jewett said. "To whatever extent speculation succeeds, the man producing the grain and the man consuming the grain, are at the mercy of the whim or caprice of the manipulators," he declared.

Methods Unfair. "We contend that at present one of the greatest menaces of all to the marketing of grain is the fact that speculation, commonly called gambling, has placed the power to control and manipulate prices in the hands of those whose interests are not to create a condition where a fair and proper price may be placed upon the commodity."

Mr. Jewett attacked the arguments of advocates of speculative marketing. They claim, he de-

LOUIS E. BEAN



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County Y. M. C. A. Workers to Meet This Afternoon

This afternoon at 3 o'clock, in the offices of the Salem Waterworks, a conference will be held under the auspices of the Marion county Y. M. C. A. of young men from all parts of the county interested in Hi Y work.

The conference is especially for young men in Y. M. C. A. work and those in attendance will include leaders from all parts of the county.

John H. Rudd, secretary of the county Y work, will speak on "Why a Hi Y Club." A. E. Yount of Portland, interstate secretary of the Y. M. C. A., will talk on "The Importance of Leadership."

The meeting is promoted by Edwin Socolofsky.

Another Dallas Bank Adds Department for Savings

DALLAS, Ore., March 4.—(Special to The Statesman).—Following in the footsteps of the Dallas National bank which a week ago decided to add a savings department to its regular banking business the Dallas City bank has also decided to take this step and as soon as the necessary materials and supplies can be secured this institution will also be in a position to take care of this department. The Dallas National bank expects to have its new department in operation by April 1 and it is likely that the Dallas City bank will also be ready by that time.

Wool is Sold

YAKIMA, Wash., March 4.—Closing of contracts for 235,000 pounds of Yakima wool at prices ranging from 22 1/4 to 22 cents per pound was announced today. Practically all of it goes to Portland or Boston.