SEVENTY-SECOND YEAR

SALEM, OREGON, SUNDAY MORNING, DECEMBER 31, 1922

PRICE: FIVE CENTS

# COUNTY BUDGET IS APPROVED

Plan for Settlement of Ger- house during the coming session Submitted by British Representative.

MORATORIUM URGED

Possibility of Deadlock Paris Feared-Result Not Forecasted

LONDON, Dec. 30. - (By the Associated Press). - Out of the mass of unconfirmed rumors concerning reparations settlements, an authoritative statement came today from official circles that for final and complete settlement of Germany's war obligations. Concession Limit Reached

After the breakdown of the al- state. lied premiers' discussions on December 11, it was hoped in Downing street that the French attitude would change to agree with that of the British government. The last fortnight, however, has shown even greater separation between the policies of the two governments.

As a result the British premier yesterday submitted to his cabinet a plan which, it is stated, marks the limit in British concessions. Last Minute Rush Prevails In its broad principles the plan

is said to be as follows: First, any reparations program final one, which will put a definite end to the wrangling of the last three years and give an opportunity for the general economic reconstruction of Europe.

Moratorium Needed Second, a moratorium for Germany is essential for a period of counter in the state department. from two to four years in which time Germany must balance her budget, stabilize the mark and 000 license for motor vehicles undergo general financial reform will be issued during the year under allied supervision, but not 1923. On the last working day of under allied receivership.

Third, reductions of the repar-£2,500,000,000, which if not at the state department. Motor forthcoming after Germany is giv- vehicle licenses for the year 1922 ter Senator Smoot's statement, all returning from the Bastrop celeen a fair chance of make good her aggregated 134,413, or a gain of senators uniting in expediting obligations, will be obtained by 15,798 over the year 1921. an ascending scale of economic penalties.

: Deadlock Possible secretary of state last night is be subject to arrest and prosecutaken by the British as full sup- tion. port of their stand, and, while the recommendation for a non-political board of experts to fix the hour congestion in the motor vereparations is not new, the British hicle department, it may be more consider that his statement places than a week before some of the France in an isolated position.

to consider the possibilty of a More than 100 persons in quest deadlock at Paris, for such a re- of 1923 licenses were lined up in sult would be regarded as disastrous. The allied representatives when the state department openmust agree among themselves for, ed for business this morning. The it is pointed out, there is no hope applicants increased in numbers to 67,000 men. The present of assistance from America.

British May Retire mission is not expected to obtain definite results which could possibly have a beneficial effect upon Paris negotiations by January 15, when the temporary moratorium for Germany ends and the original reparations schedule of 1921 involving the payment of £100,-000,000 annually is again effective, not mentioning the overdue payments which would bring Germany's present indebtedness to Great Britain alone to a total of £158,000,000. Should no agreement be reach-

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## THE WEATHER OREGON: Sunday, fair.

LOCAL WEATHER (Saturday) Maximum temperature, 52. Minimum temperature, 45.

River, 11.8 above normal; falling. Rainfall, .71. Atmosphere, cloudy.

# STATE HOUSE TO OPERATE RESTAURANT

Protests of Salem Food Dispensers Unavailing-Legislature Gives Approval

A restaurant will be conducted in the basement of the state many's War Debt to Be of the legislature, despite the protests of persons engaged in that business in Salem.

A committee of restaurant owners conferred with the secretary of state yesterday and offered objection to the proposed feeding of legislators and their employes FOR CRIPPLED NATION on the grounds of unfair compe-

The secretary of state informed his audience that in installing the restaurant in the basement of the capitol he merely had followed the instructions of the legislature. Copies of a resolution directing the installation of the restaurant were placed in the hands of the remonstrators. The resolution was adopted at the 1919 session of the legislature, and the restaurant was installed prior to the 1921 meeting of the Premier Bonar Law would go to lawmakers. It has been enlarged Paris Monday with a new plan recently and will now accommodate 75 persons at a sitting.

It is operated as a concession, and not at the expense of the

in Motor Department-42,100 Apply

A total of 42,100 applications for 1923 motor vehicle licenses had been received at the offices of the secretary of state last night Of these, more than 900 applications were received over the

It was estimated by the secretary of state that more than 150, the year 1921 a total of 54,071 applications for 1922 motor veations to total approximately hicle licenses had been received

The secretary of state announced last night that motor vehicle British official circles discount owners who have applied for reports from Paris that the their licenses, although they may French have formed definite, un- not have been received, will not his resolution to create a special changeable plans to be enforced be molested by the traffic officers. against the Germans beginning Owners of cars who have not rules with a view to checking fumade application for licenses and ture filibusters. persist in operating their mach-The speech of the American ines after midnight tonight will

Because of the usual eleventh operators whose applications are stations. British officialdom is waiting now on file receive their plates. as the day progressed, and it was strength is 86,000 men. necessary to keep a force of em-The British debt funding com- ployes at work during the noon hour. Clerks remained on duty until six o'clock last night.

# Weather Causes Number of Accidents in Salem

Four auto accidents were reported at the police station yesterday. Due to rainy weather collisions have been more numerous than usual. Following were collisions reported:

J. A. McClain of route 3, collided with Earl Mundinger who was riding a wheel at State and Church streets. Mundinger's handle bars were broken.

Dr. S. F. Scott of 1244 1-2 in a car who gave his name nty state tax commissioner for served at noon, followed by a as Wilbur Miller.

ported an accident on the high- assessor of Linn county for two W. C. Privett of route 9 reway five miles north of Salem. The other man's name was given as C. Walters. Minor damages ment was made by the state tax home for the feeble minded, state

ported an accdent between Com- treasurer. Mr. Fisher was elect- boys, industrial school for girls

Amendment-House Provision Left Out.

SHIPPING BILL IS READY FOR DEBATE

No Important Changes Million and Half Added for Costs

WASHINGTON, Dec. 30 .- After the calming of the senate's three-day storm through withdrawal by Senator Borah, Repubdrawal by Senator Borah, Repubproposing a world's economic conference, the senate today passed the \$325,000,000 naval appropriation bill and adjourned over New Year's day.

House Provision Ignored Debate on the Borah amendment was not resumed and the bill also was passed without mention of the house provision requesting the president to negotiate with the principal naval powers for further armament limitation. This provision remaining in the bill will go to the president and will not come before the Associated Press.) - More- ators with Mr. Crowell were: France and Italy with a view to the table in the Morehouse kidgreement limiting vessels under naping and murder cases. treaties.

Senator King, Democrat, Utah, did not offer his amendment proposing a land and sea armament the open hearings. limitation conference.

Shipping Bill Due the senate meets again next Wednesday. Protracted speeches resulted in a charge by Senator Smoot, Republican, Utah, that filibustering was in progress. The speech-making stopped soon afbill, gave notice, however, that next Wednesday he would call up

No Changes Important the latter designed to maintain may be made to suffer. the Newport, R. I., and other

The senate rejected an amend-ment by Senator McKellar, Dem-000 men, authorized by the house

Earl Fisher Appointed to Succeed Lovell as Tax Commissioner

resigned because of ill health.

Mr. Fisher has served as dep- gon state hospital here will be the last three years. Prior to moving picture show in the audicoming to Salem he was county torium of the institution.

Announcement of his appoint the heliday include the state mense emergency construction commission, composed of the gov- school for the blind, tuberculosis E. H. McIntyre of route 3 re- ernor, secretary of state and state hospital, state training school for ercial and Liberty streets with ed for a four-year term, starting and the state school for the

# INDIANS NOW WORRY ABOUT BALMY WINDS

Medicine Man and Chief of Weather Forecasters Dies -Indians Need Guide

PENDLETON, Or., Dec. 30 .ndians of the Umatilla reserva-Three-Day Storm Calmed tion who still follow the advice Assistant Secretary of War After Borah Withdraws of the medicine man were today worrying about the power of winter, now that there is no one to bring the balmy chinook winds to this section.

Alfalfa Jim died today. He was credited in the Cayuse tribe with being the medicine man who could invoke the chinook when the grip of winter was hardest and many a purse was raised by Indians about this section for Alfalfa Jim. Sometimes the purse would not be large enough and the wizard did not mix his medicine right. In such cases the chinook wind was long in making its appearance, the Indians

for Friday—Klux Ranks Said Diminishing

sion that additional arrests will

Klan Busy The Ku Klux Klan of the

After passage of the naval bill, realm of Louisiana also had agthe administration shipping bill ents in the field, it was reported, the night of August 24, when five tee. members of old Morehouse families were kidnaped, two flogged and two murdered.

Because of the reports made by the scores of persons who were bration and witnessed the highway episode, that the mob was gency construction committee. tor Jones, Republican, Washing- robed and masked-regalia simiton, in charge of the shipping lar to that worn by the Ku Klux Klan-the state klansmen are sending investigators into Morehouse to report on the affair.

committee to revise the senate Meanwhile reports are in circulation that the membership of the Morehouse klan is dwindling through resignations of those, it No important changes in the is said, who do not want the nonaval bill were made by the sen- toriety that might follow revelate except the addition of \$1- ations at the open hearing. Many 000,000 for naval reserve train- are expected to be influenced by ing purposes and \$550,000 ad- their families, who fear that the ditional for torpedo construction, innocent as well as the guilty

Special Dinners, Programs and Entertainments to Feature Day

Special dinners, musical and iterary programs and social hours will feature the observance of New Year at the various state institutions.

in the forenoon, under the direcof a local theater. A special din-Earl Fisher yesterday was elec- ner will be served at noon. In houses and hospitals. ted state tax commissioner, to the afternoon the convicts will be succeed Frank K. Lovell, who has given the freedom of the yards.

> Other institutions which have arranged special programs for

# WAR SERVERS

and Other Officials Are Charged With Plan to Defraud U. S. Government.

INDICTMENT FIRST OF KIND RETURNED

All Competitive Bidding Done Away With-Millions Said Squandered

WASHINGTON, Dec. 30 .- Benedict Crowell, formerly assistant war-time officials of the war deial grand jury here with conspirawith delaying and defeating the administration of law.

Contract Fraud Charged The seven defendants were said by the jury to have participated unlawfully in the award All Morehouse Settles Down of contracts let by the government during the war and after the armistice involving expenditures totalling hundreds of millions of dollars and in which some of their number had a pecuniary in-BASTROP, La., Dec. 30 .- (By terest. Those named as conspir-

the senate and house conferees. house settled down tonight to William A. Starrett of New It requests the president to nego- await the coming of Friday when York, engineer and architect, said tiate with Great Britain, Japan, the state would lay its cards on to have been a member of the and Thompson, Starrett company, 10.000 tons and alreraft not cov- The failure of the state to set Inc., and later associated with the ered by the arms conference in motion its dragnet during the George A. Fuller company, genpast week has given the impres- eral contractors. He was chairman of the war department's comnot be made before the day of mittee on emergency construction, connected with the council of national defense.

Many Indicted

Morton C. Tuttle of Boston, Mass., said to be general manager which has been laid aside tem- to learn if the organizations were of the Aberthaw Construction Co., porarily was placed in position responsible for the outrage on the and formerly a member of the for resumption of debate when Bastrop-Mer Rouge highway on emergency construction commit-

Clemens W. Lundoff of Cleveland, Ohio, said to be vice president and general manager of the Crowell-Lundorff-Little company, and general manager of the Cleve-

Canada and formerly associated the position to which he had been with the Thompson-Starrett and assigned, I was reluctant to acthe George A. Fuller companies cept his resignation. and also with the emergency construction committee.

more and Chicago, said to have ties are not altogether pleasant. issuing bonds for contractors and Mr. Shaw has been vigorous and associated during the war with thorough, and has necessarily inthe construction committee.

struction of a national army can- department. tonment was awarded. He was secretary to the construction committee in the war department dur- able sacrifice in remaining with

The indictment was the first of the duties performed." its kind to be returned as a result eral Daugherty. Others are expresentation of evidence by de-financial institutions. partment of justice agents which is said to be rapidly approaching

After identifying the defendants, the indictment recites at length the emergency system

the indictment asserted "conceiv-New Year's dinner at the Ore- ed the fraudulent scheme and own gain, profit and benefit and for the gain, profit and benefit of their past and future clients and employers and their friends, of the administration of the improgram of the United States during the war.

Millions Wasted It was next charged that the

# Stranger Gives Lavishly to Local Charities But Re

fuses to Give Name

Saturday a stranger called on Dr. Henry Morris, of the Associated Charities, and asked if he couldn't give a little money to help someone to a New Year's dinner. Being assured that he could, he turned over a \$10 bill for the happiness fund,

A little later, he came back to ask if they could find him some little girl who hadn't had enough of a Christmas to last for the dreary year to come. They found a little girl who thought Santa Claus was dead and buried, and that Christmas was forgotten. He took her around to some of the stores and bought her \$1 worth of glad raiment.

Then he came back to the Asso ciated Charities, with a smile that wouldn't come off. "I want the addresses of two families that secretary of war and six other need a New Year's dinner, and I'm going to take the stuff mypartment were charged today in self. Fellows, this is the most an indictment returned by a spec- fun I've had in years!" And he bought almost a wagonload of cy to defraud the government and goodies and chartered a taxi to take them around.

"But he wouldn't tell his name 'I'm a Goodfellow from Oakland," he said, "but you don't need to know any more."

Corporation Official Leaves the street to cover Mr. Krenn's After Three Years Service: to Enter Business

Ford E. Shaw, for the past two and one-half years examiner and auditor for the state corporation department, has submitted his resignation to T. B. Handley, state corporation dommissioner, to become effective at once. Mr. Shaw will leave early next week for New York city on private business, but will return to the coast later to accept a responsible position not yet announced.

"Mr. Shaw's resignation was land Construction company. He Mr. Handley yesterday. "Since upon being relieved of his duties, Clair Foster, reported to live in but realizing the importance of

Work Praised

"The position of examiner is John H. McGibbons of Balti- not an enviable one and the durepresented a bonding company, In the performance of his duties curred the displeasure of some James A. Mears, of Boston and persons bent on conducting a Springfield, Mass., former general shoe-string business in this state. manager of Fred T. Ley and com- I have received much commendapany, Inc., general contractors to tion of his work, and he has made whom the first contract for con- many friends for himself and this

> Salary Low "Mr. Shaw has made considerthe department in that the salary is low when compared with Operating Incomes Show

Mr. Shaw is a resident of Tilof investigations of war fraud lamook county. Before entering cases initiated by Attorney Gen- the employ of the corporation department he worked in the Ladd pected to follow completion of the & Bush bank in Salem, and other

# the stage for jury consideration. Olcott Expected Home Tonight: Gone Six Weeks

brought about by the war and who has been occupying the exestress under waich the govern- cutive chair here for the past ment labored, particularly em- three weeks, departed last night ville performance will be staged phasizing the importance to the for Pendleton. Governor Ben W. construction program out of Olcott has telegraphed that he tion of Frank D. Bligh, manager which grew the great army can- will return to Salem tonight. tonments, huge terminals, ware- Governor Olcott has been spending the past five weeks in the east attending the governors' conference and other meetings. He spent Christmas with his parents plan of getting control for their at Long Beach, Cal., and was a

KNOCKS GIRL OUT CHICAGO, Dec. 30 .- A robber

this afternoon held up Miss Katherene Donovan, head book-\$10,000 of the hotel's funds.

# FROM OAKLAND ACTUAL INCREASE ONLY \$10,316.68, EXPENDITURES CUT

Although there has been an increase of \$23,717,20 in the county school and library fund, interest on bonds and high school and county school tuitions, the Marion county but which was approved by the budget committee yesterday, shows an increase over last year of only \$10,316.68. This is due to the fact that through strict economy, expenses in the various county offices and appropriation items coming under the general fund were cut approximately \$13,000.

Divorced Wife of Harvester

King Goes to Opera While

Reporters Hunt Her

Rockefeller McCormick, watching

hotel.

Watchful Waiting Jolted

bundled the shop's books under

over it a gaily striped awning.

Guests Arrive

A bulletin was dispatched to

the newspaper offices. Photo-

graphers climbed nearby trees in

search of better vantage points.

Next a limousine arrived and a

fashionably gowned guest, who

(Continued on page 4)

Large Increase—Strike

Causes Some Loss

Net operating incomes increas-

ed \$145,000.000 during the year,

Mr. Parmalee said, and represent-

ed a return of 4.05 per cent on

the valuation fixed by the inter-

state commerce commission. In

nearly \$300,000,000,

ruitless day.

This year's budget calls for a taxation of \$1,105,364.44 as against \$1,095,047.76 last year. The county has nothing to do with appropriations of cities, school districts, special taxes and road districts. It was the increases in these various departments, all added to the county budget, which caused the slight increase in this year's budget. The county school and library fund increased \$5,026.20, interest on bonds voted by the people \$8,666.00 and high school and county school tuition \$10,-025, making a total increase of \$23,717.20 which was cut down CHICAGO, Dec. 30,-(By The to \$10,316.68 through economssociated Press.) -Newspaper- ical saving in other department's men keeping vigil about the

Pupils Increase lake shore mansion of Mrs. Edith There was an increase this year in county school pupils of marriage to Edwin Krenn, young 480, which necessarily increased for symptoms that her rumored Swiss architect, was about to the cost of school tuition. To take place, spent a busy but offset this savings were made through cutting down expendi-Early in the morning news tures in the circuit court depapermen and women and photo. partment, county sheriffs office, graphers surrounded the house county clerks office, county at every vantage point, with additional details stationed across district attorneys office, and county surveyors offic dition cuts were made on scalp bountles and on roadwork costs.

Total expense of the county At 10:30 their watchful wait- out of the general fund is esing had its first jolt when the timated at \$403,589,54 less \$28, hotel guard discovered it had 725, which covers fees, interest lost Mr. Krenn. Five minutes on county deposits, etc., or of agitated hunting and he was total of \$374,864.54. Mones found four blocks away strolling which will be expended for state down the avenue. Reporters and purposes is estimated at \$378, photographers fell into line and 265.50, for county school and the procession moved on. At his library fund \$150,934.40; for radio shop, his first business high school fund \$63,300 and venture in America, Mr. Krenn for a general road fund for disstopped for a conference with tricts outside the city of Salem Adolph Dato, his Swiss manager. \$138,000, making a total of \$1,-The conference over, they 105,364.44.

### their arms and departed for the McCormick mansion, where the entire newspaper guard mobilized It didn't have long to wait. Shortly, two uniformed footmen unrolled the red party carpet down the front steps and erected

Harding Will Release Agitators from Prison if They Leave Country

WASHINGTON, Dec. 30 .-Eight former members of the Industrial Workers of the World, sentenced four years ago to varying terms in Levenworth penitentiary for consplacy and violation of wa-time legislation, were offered freedom today by President Harding on condition that they leave the United States.

Sixty days were allowed for the prisoners to arrange their affairs preparatory to deportation, a bond being required during the interval which will ensue before their sailing for some foreign land.

According to officials of the WASHINGTON, Dec. 30 .- On department of justice the decisthe basis of telegraphic reports ion to commute the eight sentenfrom the national railways, Julius ces to expire immediately was H. Parmalce, director of the bu- reached after a review of reports reau of railway economics today made to President Harding in predicted an era of prosperity scores of cases the views of the for the railroads for the coming prosecuting attorney and the presiding judge being attached in each case.

# School Superintendents Gather for Week's Work

County school superintend while the previous year it was a from all sections of Oregon gath-

to meetings of the County Sch he added, now shows an increase, northwest,

small fraction of one per cent. ered in Salem yesterday prepara-Gross revenues were greater than tory to grading the papers in the in 1921 by \$30,000,000, he said, recent teachers' examinations. It while operating expenses have will require a week to comple been reduced nearly \$140,000,- this work, the state superinten 000. Taxes were the heaviest on dent of schools said. record, being \$20,000,000 great- Part of each afternoon during er than in 1921 and reaching the next week will be given ov

The shopmen's strike cost the Superintendents' association. The keeper of the Palmer House, fa- systems heavily, Mr. Parmalee speakers will include J. A. mous old hotel of world's fair stated, and the passenger traffic Churchill, state superintendent of days, knocked her unconscious was the smallest since 1916 for public instruction, and other ed and escaped with from \$5000 to the year, but the latter service, neators of prominence in the