SEVENTY-THIRD YEAR

SALEM, OREGON, SATURDAY MORNING, MARCH 1, 1924

Former Director of Veterans Charged With Bribery-Report Filed

MUCH GRAFT UNCOVERED OUTSIDE JURISDICTION

tained By Other Than Attorneys for Money

CHICAGO, Feb. 29 .- (By The Associated Press)—Colonel Char- aries of senate rules and decorum. les R. Forbes, former director of the United States Veterans' bureau and John W. Thompson, conwere named in four indictments returned today by the federal grand jury which has spent a jonth investigating charges of raste, graft and debauchery in unection with Col. Forbes' administration.

Forbes and Thompson were named jointly in two indictments charging conspiracy to commit bribery and offenses against the government and conspiracy to defraud the United States government. Forbes was named alone in the third indictment on a charge of accepting a bribe and Thompson in a fourth charging that he had indirectly given a

Report Filed

court had not been pursued.

officials of the government where- ed to state the time and place. poses of speculation;

ey were paid to two members in congress;

about a month was had by persons having no official connection with such department:

"4-That money was accepted by certain individuals (not attorneys) for the purpose of obtaining clemency for prisoners Tax Rolls are Turned Over to through their intimacy with offi-

Liquor Permits Bought "5-That money was collected

by certain individuals (not attorneys) for obtaining through such intimacy permits for intoxicating The indictments charged that

Forbes while director of the Veterans' bureau received a bribe of \$5000 and certain additionali emol uments on agreement to award ontracts for government work to the contracting firm of Thompson & Black, of which Thompson and James W. Black, deceased, were he heads.

The contracts were to be awarded. it was charged in connection with the building and equipping of hospitals for soldiers for which the government appropriated \$12,-000,000. Charles F. Cramer, former general counsel for the bureau who committed suicide after investigation of the department was proposed, was named in the indictments as having accepted a promise from Thompson and others of \$100,000 in return for his approval of the contracts.

Elias Mortimer of Philadelphia, who appeared before the senate committee which investigated the veterans bureau and made bribery charges and who also appeared before the grand jury was named

(Continued on page 4)

THE WEATHER

OREGON: Probably fair Saturday, gentle variable winds.

> LOCAL WEATHER (Friday)

Maximum temperature, 55, Minimum temperature, 39. Rain, trace. River, 4.9 feet Atmosphere, cloudy.

DAUGHERTY PROBE DELAYED; VIOLENT SESSION IS HELD

Bureau and Thompson Action Forced Over Until Today Row Un- shortly after midnight Tuesday. precedented for Exchange of Bitter Perso- through icy waters hand over hand ducts and other goods as a result nalities and Insinuations of Misconduct-Officials from White House Down Charged

WASHINGTON, Feb. 29 .- The row over Attorney Gen- ors said, and it was thought that eral Daugherty plunged the senate into a violent session to- she might slip into deep water any Permits for Liquor Were Ob. day - almost unprecedented for the exchanges of bitter minute. Early in the morning personalities and insinuations of misconduct. As a result, Captain Molvig gave orders to action was forced over until tomorrow on the proposal for make ready to get ashore. Seaan investigation of Mr. Daugherty's official record.

The storm which broke about the investigation resolution of Senator Wheeler, democrat, Montana, swept over all bound-

There were charges and counter charges of attempts to heavy seas threatened several "pack" the investigating committee; there were attacks upon times to dash him against the numerous officials, present and past, from the White House rocks. tractor of Chicago and St. Louis down and upon the personal conduct and affiliations of presidential candidates and senators. For more than five hours the

bursts from crowded galleries de-

spite repeated warnings and

threats from the chair. The sen-

bate in full swing, but with adop-

tion of the investigation resolu-

another hectic period of discus-

is our man."

able man.

for his resignation.

general would be vindicated com-

pletely if given an impartial trial.

The Ohio senator was the only

republican to speak in Mr. Daugh-

erty's behalf but Senator Bruce,

democrat, Maryland, while ex-

pressing the opinion that Mr.

Daugherty was not qualified for

his position, said it was yet to be

proved that he was not an honor-

AT CHURCH MEETING

Because it is for

Capital

PITTSBURGH, Pa., Feb. 29 .-

Labor does not think very much

Trouble between labor and ca-

has lost its touch with the com-

mon people. The working man is

no longer welcome in many of

our Protestant churches. The re-

FORBES NOTIFIED

LABORITE TALKS

Most of today's battlefied was

battle raged, amid frequent outate recessed tonight with the de-

Effort Being Made to Assist sion. Needy Families Until Work the attorney general's official Opens Up

In order to bridge the gap between the end of winter and the opening of the fruit-picking sea-In a special report which ac- sons, the Associated Charities is companied the indictments the putting on a final campaign for grand jury indicated that other sensational developments involving alleged graft had been uncovered, but because they were funds and supplies and who will supplies and who will supplies and who will supplies to assist needy families of the west." Senator Heflin said meet at the auditorium of the Salem Chamber of Commerce.

Whitney L. Boise, chairman of the Bok peace plan.

The Oregon debaters were at funds and supplies and who will strict attorney saying that any funds and supplies to assist needy families of the west." Senator Heflin said meet at the auditorium of the Salem Chamber of Commerce.

Whitney L. Boise, chairman of the Portland committee, will outstand a supplies to assist needy families of the west." Senator Heflin said meet at the auditorium of the Salem Chamber of Commerce.

Whitney L. Boise, chairman of the Portland committee, will outstand a supplies and who will strict attorney saying that any favore to the committee would be radio station KGW, the Oregonian, posal for a flat reduction of 25 the posal flat reduction of 25 the posal flat reduction of 2 not within the jurisdiction of the suffer unless their condition is re-

"We do not feel," the special Sunday morning all Salem report said, "that it would serve churches will sound a call for suphe best interests of the govern- plies. Each church will handle its ment for this jury at this time to own donations and will arrange make public the details of these for their accumulation and delivtransactions. This jury feels that ery. The First Presbyterian church it will suffice to report that they has already announced that it will receive its donations Thursday "1-Speculation by one or more night. Other churches are expect-

in it has been asserted that offi- The greatest need at present is cial information was used for pur- for bedding, cooking utensils, clothing, vegetables and some act-"2-That certain sums of mon- ual cash.

"3—That possession of the file of the departments for

Sheriff By the County Assessor

A decrease of more than \$50, 000 is shown in the tax levy for Marion county according to the Says Labor Against Church tax rolls turned over the sheriff by the county assessor. The total tax for the county is \$1,610,-127.62. The levy for 1923 is .0076 as against 009 for the prev-

The valuation for 1923 was of the church because the church \$43,120,134 as against a valuation does not think very much of laof \$42,209,019, or an increase of bor, delegates to the council of \$830,115.

The total amount to be raised church were told tonight by Warfor state, county, county school ren S. Stone of Cleveland, presian dlibrary, high school tuition dent of the National Brotherhood fund and county road, being pure- of Locomoitve Engineers. ly county taxes as distinguished from special taxes is \$1,009,- pital usually finds the influence 595.67. These same taxes for the of the church on the side of capi-106,958.88. This is a decrease this is easily explained when you in the present roll of \$97,363.21 realize that they depend upon for the general county levy.

BILL IS ADOPTED

WASHINGTON, Feb. 29. - A comparison of income rate sched- doors of the church always open ules involved in tax fight in the to him." house follows:

The Longworth compromise, this," declared Mr. Stone, "bewhich was adopted on final passage of the bill, provides: Normal rates of 2 per cent on for the week day problems that

net incomes not in excess of \$4.5 600; .5 per cent on net incomes over \$4,000, and not in excess of \$8,000, and 6 per cent above that

than those in the existing law on the veterans bureau received word for the nomination. Blaine Mc- tablishment of a factory." the same brackets, starting at 11/2 Here of his indictment in Chicago Cord, Woodburn attorney has been Mr. Dodson added that action was Benoit McCroskey and Edgar

DARING RESCUE ACCOMPLISHED BY SHIP CREW

Norwegian Steamer Sent Men Ashere With Rope -Other Men Followed

VICTORIA, B. C., Feb. 29 .-he crew of the Norwegian steamthe west coast of Vancouver island crawled to saftey to a barren rock related when they reached here today, by the steamship Armen-

Anxiety reigned on the Tatlana as she was leaking badly, the sailman Samsing volunteered to swim to shore. A rope was fied around his waist and he jumped overboard and after a long struggle reached a rock near the ship's bow. The

SETTLEMENT OF LAND IS SUBJECT

tion in prospect tomorrow after County - Wide Organization Will Work With State Chamber of Commerce

records in various matters, including the oil scandal. Many old Perfection of a county-wide orcharges were repeated and one ganization to cooperate with the new accusation was made by Senaland settlement program being cartor Heflin, democrat, Alabama, ried on by the State Chamber of who declared the attorney general Commerce, will be made Thursday had written a letter seeking to night at 7:30 o'clock, March 6, protect from his "unidentified re- by representatives of every com-

appreciated and adding that "he Senator Wheeler, charging the Marshall Dana, special writer for land. Mr. Daugherty was defended by Senator Willis, republican, Ohio, resentatives present for this meet- adopted." who asserted that the attorney ing.

ganization, the state is being orthem to the section of the coun- received over the radio. try where they will be able to accomplish the best results. If a southern or eastern Oregon; pear he Willamette valley or Umpqua valley, and so forth.

Upon his arrival in the district he will get in touch with one of has been estimated that approxi- es easily heard. mately 1,000,000 people will visit Oregon during 1924, and based on figures compiled by California. it is estimated that one out of cities of the Methodist Episcopal every 10 is a prospective settler. It is for the interests of this 10th man that the land settlement is directing its attention.

Polk county organized this week and the committees were appointed. The meeting was attendpreceding year, amounted to \$1,- tal, said Mr. Stone, adding "and ed by large delegations from Dallas, Monmouth, Independence and Falls City.

Mr. Boise is a brother of Reuben capital for their support and not P. Boise, and the son of Judge upon contributions from the work-Boise, well known pioneer. He is "The Protestant church, as such a former Salem man.

Incumbents Undecided **About Legislative Race**

verse is true of the Catholic There is a prospect that T. B. church. No matter how lowly his position in the social scale, no matter how ragged he may be, the "We are largely to blame for Otto J. Wilson are almost certain to be candidates to succeed themcause ministers are gept busy preparing sermons and have no time selves.

Surfax rates 25 per cent less Charles Forbes, former director of the field to compete with them sufficiently stable to warrant es- and state taxation."

MODIFICATION OF EMBARGO IS **BEING SOUGHT**

Chicken Men of California Want to Ship Day Old Chickens

OAKLAND, Cal., Feb. 29 .- The state department of agriculture er Tatjana which was driven on moved today to obtain a modifithe rocks near Pachena point, on cation of the embargoes placed by other states against California cattle, small livestock, dairy proalong a rope, members of the crew of the foot and mouth epidemic in central California on the showing that the epidemic is subsiding and strict measures have appreciably contracted the area of infection. Some of the embargoes were said to be unduly strict.

Rifle squads moved among a number of herds in Contra Costa and Alameda counties today, destroying all infected cattle and swine. When this work is done it is believed the epidemic will have been virtually stamped out.

Petaluma chicken raisers, who are now in the midst of their season for shipping newborn chicks, have sent out a widespread appeal that existing embargoes against such shipments be removed as the care exercised in the shipments makes contagion impossible.

DUAL RADIO DEBATE HEARD OVER NATION

Bok Peace Plan Declaimed to Entire Continent-Salem "Listens in"

PORTLAND, Feb. 29 .- To an nvisible audience that spanned the continent, debaters of the University of Oregon and the Unigrand jury indicated that other supplies to assist needy families publican national committeeman munity in the county who will versity of California spoke to-

line the project after which it will Portland, and those of California per cent on all personal income be open to a general discussion. lat station KLX, the Tribune, Oak- taxes payable this year. Two un-

attorney general with seeking to the Oregon Journal, will also be It was the first intercollegiate, eliminate this provision. 'intimidate' senators, added that present, as will W. G. Ide of the debate ever held by radio. The Specific rate changes carried in President Coolidge lacked "sta- agricultural department. All of Californians took the affirmative the bill will not become effective mina" to call upon Mr. Daugherty the communities represented by and the Oregonions the negative until tax payments are made next the Marion County community fed- on the subject: "Resolved, that year on income and profits of eration will be asked to have rep- the Box peace plan should be 1924, except those made in the

As outlined by J. W. Brewer, ceiving set, as well as the trans- the law. general secretary of the state or- mitting set, was used. The small gathering of persons in the radio ganized by counties to complete room and the Oregon debaters the service inaugurated by the were able to hear quite clearly land settlement committee. This what the California debaters were committee meets people upon their saying in Oakland. Rebuttals were der \$5.000 being defined as earn- Multnomah hotel in Portland yes- cutive's office and seems even in arrival in Portland, learns of their formulated and broadcast on the ed for purposes of this reduction terday. ability and needs, and then directs basis of the primary arguments as

Decision as to the winning team is to be made by vote of radio man is used to farming an irri- listeners in the two states who gated tract, he will be directed to heard the debate and will be announced March 9. The debaters men will be sent to the Rogue were Joseph A. Frazier and Walter river country; prune men to either A. Malcolm for Oregon and Harold Chernish and Raymond Sanders for California.

Many Salem radio fans were the county committeemen, who among those getting inside dope will be selected for their ability to on the Bok peace plan last night. see that he pays a fair price for Many reported to The Statesman his land and to be given an im- that both stations were easily partial appraisal of the land. It picked up and the debater speech-

T. B. Kay Confers With Manager of Portland Chamber of Commerce

PORTLAND, Ore., Feb. 29 .-T. B. Kay of Salem and Colonel W. B. Bartram, linen and flax expert of Toronto, Canada, were in conference here today with W. D. B. Dodson, manager of the Port- Both Affirmative and Negaland chamber of commerce and Kay will again be a candidate for made a request that a committee membership in the state legisla- of business men be appointed to ture: L. H. McMahan is in a lend encouragement to tentative doubtful frame of mind on the plans for the establishment of a question; Lloyd T. Reynolds and linen and flax mill at Salem, ac-

cording to Dodson. "The appointment of the commiftee was asked in order that school last night in a dual debate. The above four men comprised conditions may be studied to see taking the contest both here and the Marion county delegation in if there is foundation for establat Dallas by votes of 2 to 1 by the the legislature last session, and if lishment of a linen mill," said Mr. judges. they all run again, indications now Dodson after the meeting. "The are that not more than two or committee is to ascertain whether solved. That the severance tax WASHINGTON, Feb. 29 Col three other candidates will be in conditions in flax production are should be made an issue in local

per cent on the amount of income and immediately went in to con- mentioned as a possible candidate, in naming the committee would Tibbets, and the negative team in excess of \$10,000 up to \$12, ference with James S. Easby-Smith but he is said to be in doubt as probably be taken by the chamber was Elizabeth Fairchild and Berto whether he will enter the race, next week.

ongworth's Compromise forecast at the White House. Supported By House Inule Turned Down

MANY EXCISE TAXES REPEALED IN MEASURE

Surtax Rates to Be Cut One the fight being made on him in Smithers of White House Fourth Under Schedule Finally Adopted

WASHINGTON, Feb. 29.-By a ote of 408 to 8 the revenue bill was passed late today by the mittee.

As sent to the senate, the measare carries an income tax sched-

199, after the house had refused. by a vote of 261 to 153, to reinsert in the bill the original Mellon schedule. The Longworth substitute, which

crats, provides for a normal fax serves. reduction to two per cent on incomes below \$4,000, to 5 per cent fourth the present surtax rates, and a detachment of marines making the maximum 37 1/2 per from the cruiser Denver had been 000. No facrease in existing personal tax exemptions would be al-

successful efforts were made to

excise levies which would go into dends written in Oregon by the cations office at the White House, At station KGW a powerful re- effect 30 days after enactment of Continental Life Insurance com- to man the private wire the pub-

Repeal or reduction of many of involving about \$120,000,000 in the return of Will Moore, state revenue annually.

Deductions Changed

capital and gross income deduc- requested to change or transfer its ton. tions which, it is estimated, will policies written in this state so as vield about \$60,000,000 revenue to eliminate the deferred dividend annually.

rates of about 38 per cent. Institution of a gift tax with the be allowed. same rates as carried in the es-Creation of a board of tax ap-

peals to decide tax disputes be- ington; J. O. Rummens, chief

gressional committees. House leaders admit that the

MILE PLANNED HERE in important particulars by the senate. The decisive record vote by which the Mellon rates were senate. The decisive record vote Moore. rejected today, however, makes it certain, they say.

SALEM WINNER OF DALLAS DEBATE

tive Teams Win Severance Tax Argument

Both the affirmative and the negative debating teams of Salem high school won from Dallas high

The question debated was: "Re-The Salem affirmative team

FRIDAY IN WASHINGTON

Plans were announced for taking up next week in the house the bill for leasing Muscle Shoals to Henry Ford.

An increase in tariff rates on wheat as a result of the tariff commission's investigation

After five hours of bitter debate surgents-Mellon Sched- the senate recessed until tomorrow without voting on the resolution to investigate the administration of Attorney General Daugh-

> It was announced Attorney General Daugherty would be retained on the list of Coolidge delegates at large from Ohio regardless of Washington.

> The senate asked that income tax returns of a number of individuals and corporations connected with the oil inquiry be opened to investigation by the oil com-

The senate oil committee questioned A. Mitchell Palmer about ter between Chairman Lenroet of ule offered by Representative his relations as attorney for Ed- the oil committee and Senator Longworth, the republican leader, ward B. McLean and further as a substitute for the democratic examined Karl C. Schuyler of rates. This was adopted 216 to Denver about leases of Teapot which Senators Lenroot and Dome territory.

It was said at the White House that special government counsel would be appointed to inquire into was supported by republican in- the validity of title held by the \$100,000 from Edward B. Mcsurgents who previously had Standard Oil company of Califor- Lean, publisher of the Washingthrown their lot with the demo- nia to sections of naval oil re-

The state department received cent on incomes exceeding \$200,- landed to act as consulate guards.

OH HIDDIMITOR DO

Continental Life Not Allowed ators had promptly informed the to Alter its Policies in Oregon

In addition to the new income Louis, Mo., shall not be changed Palm Beach cottage and the Post tax schedule, major provisions of or disturbed, according to an building here. Senator Dill, demthe bill as approved today are: | agreement reached at a meeting ocrat, Washington, calling atten-A 25 per cent reduction in taxes of state insurance commissioner; tion to this, declared "the trail of on earned income, all incomes un- and their deputies held at the this going the rorund of the exe-

The action taken at the meeting the miscellaneous of excise taxes, was reported here last night upon insurance commissioner, who represented the Oregon department. Mr. Moore said that the Continen-Tightening of the limitations of tal Life Insurance company had feature. He declared that the Mis-Increases in the estate tax souri insurance department had been notified that this would not

In attendance at the meeting were H. O. Fishback, insurance commissioner of the state of Wash tween the treasury and tax pay- deputy to Mr. Fishback: R. E. Daly, deputy insurance commis-Opening of the income tax re- sioner for the state of Missouri; turns to inspection by certain con- Harry B. Smith, director of insurance for the state of Idaho; George P. Porter, auditor and exbill undoubtedly will be altered officio insurance commissioner of in important particulars by the the state of Montana, and Mr.

MONTANA WINS

MISSOULA, Mont., Feb. 29 .-

sity of Idaho Vandals throughout enrolled and there is room and opthe fray except for a few minutes portunity for more. in the second half and outfighting the visitors all the way, Univer- Mr. Boardman said. "Boxing is sity of Montana's Grizzlies carned one of the best physical exercises a 36 to 17 triumph in a conference and we do not engage in any prize basketball game tonight, the first fight stuff. We box and that is of a series closing the season all. No man is too old to learn

PRICE FIVE CENTS

Oil Inquiry Brings Forensic Encounter Between Lenroot and Heflin - Visit Is Cause

CALL OF TWO SENATORS ON FALL LEADS TO ROW

Staff Is Storm Center at Oil Committee Meet

WASHINGTON, Feb. 29 .- Incidents in the oil inquiry were made the subjects of a stirring debate today in the senate which culminated in a bitter forensic encoun-Heilin, democrat, Alabamu.

This clash grew out of the visit Smoot, republican, Utah, made to Albert B. Fall at a hotel here before the former interior secretary misled the oil investigators by his statement that he had borrowed

ton Post. Resenting what he regarded as usinuations of Senator Hellin that he had sided Fall to concoct on incomes between \$4,000 and reports that the American consu- the story, Senator Leargot de-\$8,000, and to 6 per cent above late at Ceiba, Honduras had clared that "about the most des-\$8,000. It also would cut by one- been fired upon by revolutionists picable of human beings to the

assassin of character." Charge Returned

Senator Heflin retorted that be ould not think of "anything more despicable," than the visit of the senators to the "criminal charged under indictment."

Called upon by Senator Lenroot. AN INCIDANCE CA Senator Walsh, chief prosecutor in no impropriety in the visit. but added that it would have been "a

oil committee all about it. Another incident of discussion was the employment by McLean Policies carrying deferred divi- of E. W. Smithers, chief communipany with headquarters at St. lisher had installed between his

> Denial Made Before the senate discussion got under way, the oil committee heard flat denials of several of the sensational statements made in telegrams sent to McLean in Florida by his employes in Washing-

his own office."

A Mitchell Palmer, attorney general in the Wilson administration who acted for a time as counsel for McLean, told the committee ha had not asked Senator Underwood of Alabama or anyone else to bring pressure to bear on Senator Walsh. that he was not a "partner" of J. W. Zevely, attorney for Harry F. Sinclair and that he was not looking after the interests of Fall.

YMCA Boxing Classes Attracting Interest

There is considerable interest in the mens' boxing class recently organized at the YMCA, according to Bob Boardman, physical director. These classes are held between 12 o'clock and 1 o'clock Tuesday and Thursday noons, Distinctly outplaying the Univer- Several business men have already

"These classes are not rough," to defend himself."

NOTICE TO OUR READERS

The Statesman carriers will call to make their monthly collections today.

Your newspaper boy is just starting in business for himself. This is his first effort to learn business and his success or failure depends to a considerable extent on your good will and co-operation. A pleasant smile and a cheery word will encourage your boy and help him make a success of this, his first venture in business life. He will appreciate it and show his good will in any way he can.

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