

The Weather

OREGON — Rain fresh to strong southeasterly gales along the coast. Wednesday—Max. 49; Min. 38; River 6.1 rising; Rainfall .6; Atmosphere cloudy; Wind east.

The Oregon Statesman

Ten Pages Today

President Coolidge's annual message to congress first page of second section. Eighteen more shopping days until Christmas. Shop early, wrap carefully and mail early.

SEVENTY-FOURTH YEAR

SALEM, OREGON, THURSDAY MORNING, DECEMBER 4, 1924

PRICE FIVE CENTS

NEW COMPANY LAUNCHED

MAIN TASK IS TO KEEP DOWN EXPENDITURES

Coolidge Lays Stress on Reduction of Cost of National Government in Message to Congress

TO VETO BILLS THAT ARE NOT ECONOMICAL

Message Deals With Domestic and Foreign Affairs; Economy Is Law

WASHINGTON, Dec. 3.—President Coolidge submitted to congress today a broad program dealing with domestic and foreign affairs but frankly said the chief job for the government was to keep down expenditures.

In the face of the usual December drive for increased appropriations the executive again made economy his watchword and reminded the congress that he still stood in the gap to resist increased appropriation bills which would make future tax reductions impossible.

While generally endorsing most of the domestic legislative recommendations, the president, administration leaders at the capital saw little hope of translating many of them into law at this session. They will be fairly well satisfied if they can get all of the annual supply measures through before this congress expires by limitation next March 4.

Departing from the custom of recent years, Mr. Coolidge did not deliver his message in person. He transmitted it by messenger and it was read simultaneously in both houses. Senators and representatives, as well as fairly crowded galleries gave it close attention. In the senate there was an absence of the applause which generally

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THREE HELD ON LIQUOR CHARGES

Alleged Members of Olmsted Ring Are Held to Face Federal Charge

SEATTLE, Dec. 3.—C. S. Greene, reputed to be one of Roy Olmsted's aides in coastwise liquor conspiracies, W. F. Smith and Con Weasle, were arrested here today on charges of violating the Volstead act by federal prohibition agents in an attempt to round up suspected Olmsted accomplices.

Federal agents said that Smith operated in the vicinity of Kenmore where Sheriff Matt Sims had recently seized a \$100,000 liquor cache. Assistant Prohibition Director W. M. Whitney declared Smith was a "middle man," Greene an aide to Olmsted, and Weasle a "bottle merchant," or liquor retailer.

BOYS' CHORUS TO BE HEARD AGAIN

Present Plans Call for Special Church Programs During Winter

The first meeting of the newly organized Salem boys chorus will be held Monday night at the YMCA according to an announcement made by Clarence Oliver, secretary of the boys' department.

Plans have been decided upon by the committee in charge to use as many of the old members in the reorganization as possible. In addition, they plan on securing as many new boys members as possible. Dr. H. C. Epley has been named instructor and will be assisted by Williamette university students.

The chorus plans to present programs in the different churches of Salem and to assist in the services. The organization was successful last year and their work for this year is expected to be better.

Eastern Linen Experts Looking Toward Oregon As Site for Big Plant

There is on foot another proposition to build a linen mill in Oregon; the company owning and operating it to be capitalized at \$600,000, and statements have been made that \$300,000 of this has already been taken in the east, and that a considerable share of the balance has been subscribed by Oregon parties.

J. Sidney Starling, one of the men to be connected with the proposed new mill, has been in Oregon several times, and is thoroughly acquainted with the conditions here. He is a man of genius, an inventor, and has been connected all his life with the spinning and weaving of flax fiber and yarns, and in the perfecting of various machines—some of them taking short cuts upon which other inventors have long worked and are still working; such men as Henry Ford, for instance.

Mr. Starling spent several weeks

COUNSEL CLASH IN FORBES CASE

All Day Battle Between Attorneys Caused by Testimony of A. C. Crump

CHICAGO, Dec. 3.—(By Associated Press.)—The testimony of Arthur C. Crump of Philadelphia formed the background for an all day battle of counsel in the Forbes-Thompson veterans bureau conspiracy trial. Crump, during the period when Charles R. Forbes was head of the veterans bureau secretary treasurer of the Pontiac Construction company of Detroit, the firm who got the first veterans bureau hospital contract, the one for the foundations of the Northampton, Mass., hospital buildings.

Both sides, through Crump introduced a large number of letters telegrams and memoranda. He testified, to make the time 90 minutes and a few minutes before the bid was taken to the vet-

Under questioning by John W. H. Crim and Ralph Potter, special assistants to the attorney general, Crump related his part in figuring the Pontiac company's bid on the Northampton foundation job, arriving at an estimate of \$160,000 with 120 days as time of completion.

He was directed by Thompson, he testified, to make the time 90 days and just a few minutes before the bid was taken to the vet-

ALBIN WILL HEAD LOCAL RED CROSS

Annual Election Held Wednesday; New Board of Directors Is Named

C. E. Albin was elected president of the Willamette chapter of the American Red Cross at the annual meeting Wednesday at the Chamber of Commerce. Other officers elected were E. T. Barnes, first vice president; Frank E. Neer, second vice president; Mrs. John Rottke, treasurer; and Rev. Harry W. Johnson, secretary.

Members of the board of directors will be Father Anthony Laisack of Sublimity; Mrs. J. S. Lanera of Monmouth; Dr. A. B. Starbuck, of Dallas; Mrs. R. E. Kleinsorge of Silverton; and Dr. Henry E. Morris.

Retiring officers of the association are Harry Levy, president; Dr. Henry E. Morris, first vice president; Hugh D. Mars of Jefferson, second vice president, and George Arbuckle, secretary. The retiring board of directors is R. Z. Hendricks, Dr. Starbuck, Father Laisack and Mrs. John A. Carlson.

LARGE LOSS IS SUSTAINED BY MAIL SERVICE

Reports of Postmaster General Show Net Loss of Nearly \$40,000,000 For Year of 1923

SECOND CLASS MAIL IS CAUSE OF DEFICIT

Passage of Salary Increase Bill Is Expected; Will Revise Rates

WASHINGTON, Dec. 3.—A net loss of nearly \$40,000,000 was sustained by the government in 1923 in operation of the postal services, it was shown in an expert analysis submitted to the senate today by Postmaster General New.

More than half the excess of gross expenditures over receipts was found to be chargeable against second class mail embracing news and magazines.

The report, filed in with a senate resolution and designed for use in connection with the bill proposing general increases in salary of postal employees, found that only first class mail and postal savings were operated at a profit.

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EARLY HISTORY OF LODGE GIVEN

Justice Burnett, Oldest Member, Speaks at 72nd Anniversary Here

The early history of Chemeketa lodge No. 1 of the IOOF, was sketched Wednesday night by Justice George H. Burnett, oldest living member of the Salem organization. More than 250 people were in attendance at the 72 anniversary of the founding of the lodge, which was celebrated with a homecoming program and musical entertainment, followed by a banquet were the features of the evening.

Chemeketa lodge has a unique history. It is noted because it is the oldest lodge and the first one established this side of the Rocky mountains. In addition, the lodge has been bound closely with the early development and history of Oregon. Many of the state's most prominent men were members of the lodge.

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STANFORD WINS IN SPEAKING CONTEST

Third Place Goes Jointly to Southworth of Willamette and Kerr of OAC

STANFORD UNIVERSITY, Cal., Dec. 3.—Stanley A. Weigle of Stanford was awarded first place in the first annual public speaking contest of the newly organized Pacific coast public speaking conference here tonight. The subject was "The Power of the United States Supreme Court to Declare Acts of Congress Unconstitutional."

William Barber of the University of Southern California was awarded second place. Third place was awarded jointly to Ward Southworth of Willamette university of Salem, and to Robert Kerr of Oregon Agricultural college.

Other institutions represented were the University of Oregon, Washington State college and Whitman college of Washington.

COOLIDGE TRIES INNOVATION IN RAILROAD TRIPS

Special Train Abandoned; Sets Mark in Economy for Congress to Shoot at

EN ROUTE TO CHICAGO WITH PRESIDENT COOLIDGE, Cumberland, Md., Dec. 3.—(By The Associated Press.)—An innovation in presidential travel was being tried tonight by Calvin Coolidge.

Since the days of Lincoln, it has been the custom of presidents to travel by special train or at least in a private car on the longer trips but Mr. Coolidge tonight was on his way to Chicago to speak at the international livestock exposition aboard a regularly scheduled train, with the same accommodations that may be obtained by any private citizen at any ticket office.

Economy which Mr. Coolidge, true to his budget message and his annual message to congress has, in effect during the last two days, declared to be the watchword of his administration is the motive for the abandonment of the custom. Mr. Coolidge figured he could save approximately \$1,700 on the trip by eschewing the old method of travel and decided that such a saving might be taken as an example by departmental heads and bureau officers and possibly might have an effect on congress as an encouragement to economize.

HOTEL PLEAS MANY VISITORS

Open House at New Salem Hotel Proves Big Success; Furnishings Complete

The New Salem Hotel, occupying the entire upper floor and part of the lower floor of the recently constructed Hughes building, was officially opened last night as the "open house" sponsored by Frank Bligh, proprietor of the establishment. The hotel will be ready for business today.

The new hostelry is, magnificently furnished, and no expense has been spared in making it one of the finest hotels possible. Dancing was enjoyed by the large crowd of visitors to the music furnished by Mill's 7-piece Oriole orchestra. Mr. Munson sang two numbers which were well received.

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SWINDLER IS CHANGED MAN; PLEADS GUILTY

Once Blithe Master of Frenzied Finance Now Shabby Wreck; Is Checked in at County Jail

TOTAL SENTENCE MAY BE FORTY YEAR TERM

Koretz to be Sentenced Saturday; Looks Forward to Prison Life

CHICAGO, Dec. 3.—Leo Koretz, a shabby wreck of the blithe master swindler who collected \$2,000,000 from enthusiastic relatives and friends through his Panama oil "bubble," today pleaded guilty to four varieties of swindling. A year ago to the day from the time the promoter of the Bayano scheme fled from Chicago with upwards of half a million dollars stuffed in a brief case he stood before the bar of justice, admitted his guilt and laid himself liable to a maximum of 40 years in the penitentiary.

Tonight the man who out-fancied financiers and paid dividends with capital and made capital of dividends, checked in at the Cook county jail. Tomorrow he will appear in court for sentence and by Saturday, less than two weeks since his arrest at Halifax, he probably will be in the penitentiary at Stateville.

Koretz was brought into court during a lull in a murder trial. He appeared before Chief Justice Jacob Hopkins in the same dingy little courtroom made famous a few months ago by the Loeb-Leopold murder trial. The promoter wore a shapely green suit and looked pale and tired. He looked his lips nervously and his eyes were everywhere, for in the densely packed courtroom were many of his victims, including his three brothers and a sister. He retained control of his voice, however, and answered clearly when Judge Hopkins inquired what plea he desired to enter.

Each of the four indictments contained the four charges of larceny, larceny by bailee, embezzlement, and promotion of a confidence game. To simplify matters three of the counts of each bill were dismissed, leaving four indictments each charging a particular variety of swindling.

Koretz is looking forward to the life of the prison with something akin to relief, it was learned today.

VETERANS SEEKING JOBS FOR MEMBERS

VFW to Establish Employment Bureau; Abrams Nominated Commander

Col. Carl E. Abrams was nominated commander of the Veterans of Foreign Wars last night without a dissenting voice. Other officers nominated were Harold Garver, senior vice commander; Dr. G. E. Lewis, junior vice commander; post advocate, Chris Kowitz and Henry O. Miller; chaplain, Earl Chavis, 311 United States Bank Dr.

The VFW passed a resolution to create an employment bureau for all ex-service men in Salem. A committee was appointed to register the unemployed ex-service men in the city and to secure jobs for them. Every ex-service man who is looking for work is urged to register with Dr. George E. Lewis, 311 United States Bank building, phone 852. An appeal is to be made to the business men and employers to give special attention to service men.

December 10 is to be set aside as ex-service men's day and a special drive is to be made to secure employment for those in need. The many demands that are coming to the veteran officials make it imperative that action of some sort be taken. The employment situation is acute in Salem, and a special effort on the part of the ex-service men to secure jobs for their comrades is to be made.

FRANCIS ROLLOV IS CONTRIBUTOR TO SALEM NEEDY

Total Amount Subscribed Up To Last Night Is Twenty-five Dollars

One subscription of \$5 was yesterday added to The Statesman Christmas Fund. It was handed in by Francis Rollov of 280 Mission street, Salem. This makes the fund up to last night \$25, according to the list below; the money being on deposit in one of the Salem banks.

It is not very long till Christmas, and the fund should be a great deal larger. There are cases of real need in Salem that will require assistance till the opening of spring work.

If some individual, firm or organization will volunteer to take care of them, in a suitable place, there will also be included supplies of clothing and food.

Will some one volunteer? This Statesman Christmas Fund will be distributed by a disinterested committee. The members of the committee may name an organization or several organizations to make the distribution. It will be up to the committee.

The contributions to date are:

D. A. White ..... \$ 5.00  
Henry Jaquet ..... 5.00  
J. S. McAdams ..... 1.00  
Edis Belle Matheson ..... 2.00  
Ida Mary Matheson ..... 2.00  
Daniel J. Fry ..... 5.00  
Francis Rollov ..... 5.00  
Total ..... \$25.00

PLANS MADE FOR MARINE

US Held Unable to Compete With Foreign Trade on Account of Ships

LOS ANGELES, Dec. 3.—A suggested and unsuitable ships of the United States shipping board so that the American merchant marine might be able to carve out its destiny in its own way and meet foreign competition with more resources than one of the outstanding proposals made at the "shipping" session of the meeting of the western division of the chamber of commerce of the United States at its closing meeting here today.

The plan was advanced by Ralph J. Chandler, president and General Manager of the Los Angeles steamship company.

Mr. Chandler, discussing his plan to place the war-built carriers "in escrow to the navy or to other government hands and tied up as possible in the navy," declared that it was logical to consider these vessels built in the war emergency as war material, which in the uses of peace and in competition with the craft of other nations were "commercially obsolete, clogging the wheels of progress."

He said: "It matters not whether the money was spent for cannon and ammunition, or for means of transportation to carry men and supplies to the scene of war, all these supplies should properly have been believed the national property."

"Let us not forget that while we are lying practically dormant, the nations with whom we have to compete are actively building the most modern vessels. This condition constitutes a serious menace to American shipping," he added.

NAVAL MUNITIONS ARE BEING LOOTED

Secret Reserves Opened by Unauthorized Persons; Locks Are Broken

SAN DIEGO, Cal., Dec. 3.—A complaint that secret reserve ammunition magazines at the La Playa naval fuel base had been opened by unauthorized persons and that a quantity of small arm known as "projectiles" had been stolen was made to the police today by authorities of the eleventh naval district.

The three locks on the magazines had been filed in two and the magazine doors pried open. It is believed the "projectiles" were placed last night. The robbery, officials assert, was accomplished by a person or persons thoroughly familiar with the La Playa fuel base, as the location of the magazines and their contents was known to a comparatively few members of the local service colony. Detectives got fingerprints from the sawed locks.

MILES NAMED AS PRESIDENT BY DIRECTORS

Nearly All of Stock Subscribed and Location of Factory Will be Selected Immediately

MACHINERY PURCHASE OCCUPIES DIRECTORS

Twine Plant Representative on Way; Superintendent Already Engaged

At a meeting of the stockholders of the Miles Linen company, held last night at the Chamber of Commerce, the following directors were chosen: B. C. Miles, T. B. Kay, James G. Heltzel, George W. Shand and Ross C. Miles. The company was officially organized and by-laws were adopted.

Following the adjournment of the stockholders a meeting of directors was called and the following officers of the Miles Linen company were elected: B. C. Miles, president; James G. Heltzel, vice president; Ross C. Miles, secretary; T. B. Kay, treasurer.

With \$150,000 stock of the company all subscribed, excepting a few thousand, the new company will get down to business at once.

Twine Expert Coming  
A representative of one of the largest twine machinery plants in the world left New York several days ago. As soon as he arrives in Salem a meeting will be called of the board of directors and the matter of purchasing machinery for immediate shipment will be taken up.

B. C. Miles, president of the new linen company, last night sent a cablegram to his representative in England, announcing that the company had been officially organized. A superintendent of the mill, who has spent his life in the linen mills of France and Ireland, will be engaged for the Salem plant, along with several expert machinists.

Will Select Site  
Options have been taken by Mr. Miles on several desirable locations for the linen mill and within a few days the board of directors will meet to inspect these locations.

WEDNESDAY IN WASHINGTON

Several hundred postmasters were nominated by President Coolidge.

The senate undertook the task of solving the Muscle Shoals question.

President Coolidge submitted his annual message to congress, stressing economy.

President Coolidge left for Chicago, traveling in a regular Pullman compartment.

Director Hines transmitted to congress the annual report of the veterans' bureau.

Huntington T. Morse, shipping board and emergency fleet corporation director for Europe, resigned.

The French debt was the subject of further discussion by Ambassador Jusserand and Secretary Mellon.

Announcement was made of the signing of a treaty with Great Britain for equal rights for Americans in Palestine.

President Coolidge held the final breakfast conference with republican senators without inviting Senator La Follette and his followers.

Postmaster General New informed the senate that the government is losing money on all postal services except first class mail and postal savings.

The District of Columbia supreme court declined to prevent the internal revenue bureau from making tax returns available for public inspection.

Senate republicans and democrats adjusted committee assignments made necessary by deaths. Senator Borah of Idaho becoming head of the foreign relations committee.