

The Oregon Statesman

SEVENTY-FIFTH YEAR

SALEM, OREGON, THURSDAY MORNING, AUGUST 27, 1925

PRICE FIVE CENTS

POLICE BAFFLED BY GRUESOME MURDER

Beauty Shop Operator Appears at Police Station to Answer Question

OFFICERS SEEKING MAN

Woman Denies Connection With Crime; Torso of Murdered Girl Is Not Found; Swamp Drained

OAKLAND, Cal., Aug. 26.—(By Associated Press.)—With the surrender late today to San Francisco police of Mrs. Jane Peabody, beauty parlor operator sought for questioning in connection with the alleged murder of Mrs. Bessie Loren, Oakland nurse, and dismemberment of the body, authorities of three bay counties centered their efforts on an attempt to locate the middle aged man of professional appearance who visited Mrs. Loren in her room at a San Francisco hotel on the evening of August 19, and further attempts to locate the missing torso. Only portions of the woman's head have been found in the El Cerrito swamp thus far.

While San Francisco police were combing that city for Mrs. Peabody, the woman appeared unceremoniously at police headquarters with her attorney, John J. Taaffe. Police who previously had visited her Fillmore street establishment found the place deserted and the doors locked.

Mrs. Peabody explained that she had closed the beauty parlor last Saturday preparatory to disposing of the property. She said she did not know until today that police were searching for her.

Mrs. Peabody flatly denied any connection with the alleged murder of Mrs. Loren, declaring she never had known the woman. Police said she told them she formerly operated beauty shops under the names of Mrs. Amerson and Mrs. Peacock. It was under the latter name that the state board of medical examiners is quoted as stating that she was arrested some time ago for practicing medicine without a license. Police said she would be questioned further.

No trace was found of the man who visited Mrs. Loren at the hotel in San Francisco. The clerk at the hotel has said he believed he would recognize the man if he saw him again.

Identification of the mutilated portions of which have been found in the El Cerrito swamp, as that of Mrs. Loren was clinched today with the finding of the upper jaw bone with teeth intact wrapped in a newspaper close to where other portions of the head were found. The identification was made by Dr. Lewis T. Corwin, Oakland dentist, who said Mrs. Loren had been one of his regular clients for six or seven years. Two brothers of Mrs. Loren yesterday identified other parts of

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JAPAN CITY SUBMERGED

OVER 30,000 HOUSES ARE DECLARED UNDER WATER

TOKIO, Aug. 26.—(By The Associated Press.)—Floods, caused by a 36-hour rain which yesterday inundated the Honjo district of the city, have subsided. It is estimated that 30,000 houses were submerged, the residents spending the night on the hillside. The damage is estimated at several million yen.

A number of casualties are reported. The flood was the worst in ten years.

WRECK VICTIM IS DEAD

IDAHO MAN DIES FROM INJURIES IN AUTO WRECK

LEWISTON, Idaho, Aug. 26.—G. M. Kreshel, 45 years old and a millwright of Valleyford, Wash., died in the hospital at Orofino tonight as the result of injuries sustained when his automobile went over the grade yesterday afternoon about 12 miles below Orofino near the Peck station. The car turned over and Mr. Kreshel was crushed by the steering wheel. He was en route from Valleyford to Weippe to prepare the Kroll mill for operation. He was accompanied by Peter Naud of Valleyford, who escaped with slight injuries.

INDICTMENT ON MURDER CHARGE IS NOW SOUGHT

GRAND JURY MAKES INVESTIGATION OF KILLINGS

Charges of First Degree Murder Asked by District Attorney Carson

Called to determine what charges will be placed against Tom Murray, James Willos and Ellsworth Kelley, three convicts who escaped from the state prison on August 12, with the resultant killing of two guards, the Marion county grand jury convened Wednesday morning and examined eight witnesses during the day. A verdict will probably be reached by Saturday afternoon. Indictments on two counts of first degree murder are asked by John Carson, district prosecutor, for each of the three men.

The grand jury investigation is expected to follow closely the testimony offered during the coroner's inquest. As is usual with all grand jury probes, the proceedings are private.

Witnesses called during the morning session were A. M. Dalrymple, warden of the prison; Charles McKinley and Peter White, guards, and James Nesmith, turnkey, who was severely wounded by the convicts during the break.

It was White who held Kelley and Willos in the prison yard during the break until Murray and Oregon Jones succeeded in getting weapons from the turnkey's office. McKinley, tower guard, and at the time of the escape, stationed on tower 7, is said to have had the two convicts covered with his rifle while they were in the prison yard. He was unable to shoot, he said, because the convicts used another guard as a shield for his bullets.

During the afternoon session John Davidson, guard who killed Jones; Dr. W. Carlton Smith, the physician who made an examination of the dead guards; Leo Wilde, one of the Monitor men kidnaped by the escaped convicts, and Charles Newman, unwilling host to the three men at his New Era home, were called to testify at the hearing. Newman's testimony, it is believed, will add materially to the record.

It is not probable that a special term of court will be held to take care of the cases after the grand jury has returned indictments.

Judge Percy R. Kelly, who will try the cases, will be unable to leave Albany for some time, due to the unusually heavy calendar there, and by the time his court is ended little time would be gained by calling a special session here. An effort will be made to have the convicts' trials set for the opening of the October term of court, the district attorney said yesterday.

A rumor that the three convicts would appear before the grand jury brought a large crowd to the court house yesterday. They were disappointed, however, as none of the three has made application to appear before the investigators, and they will not be called to the stand.

FIRE THREATENS TOWN

IDAHO CITY MAY BE PLACED AT MERCY OF FLAMES

SPOKANE, Aug. 26.—(By The Associated Press.)—Forest fires on three sides of the town of Priest River, Idaho, this afternoon were threatening a planing mill and sawmill and were burning power line poles. Destruction of the power line it was stated would place the town at the mercy of the flames as the waterworks pump is operated by electricity.

The fire was being fought by 100 men who had trenched the flames two miles from the town. Another crew from Newport, Wash., was fighting the blaze with a chemical engine at another point.

Fire that swept over a stubble field and into timber near the south end of liberty lake in this county, for a time this afternoon threatened destruction of some 50 summer cottages before it was brought under control.

PROSECUTOR LEADS RAID

SEATTLE DISTRICT ATTORNEY BREAKS UP GAMBLING

SEATTLE, Aug. 26.—Having assured himself that it was useless because of advance tips to call for aid from the police and sheriff's office after failing in a dozen attempted raids, Acting Prosecutor Robert MacFarlane sprang a surprise raid on a reputed gambling joint known as the "Mint" here today.

The prosecutor, assisted by five assistant prosecutors and two justice court constables, swooped down on the place before the dealers in a chuck-a-luck game could escape. Nine other dealers fled but MacFarlane announced he had their names and warrants would be sworn out for them.

DEBT SITUATION IS LITTLE IMPROVED

Agreement Between France and Great Britain to Effect U. S. Funding

BRITISH STAND GIVEN

England to Refute Present Settlement if France Pays United States More Than British Sum

WASHINGTON, Aug. 26.—(By Associated Press.)—Developments in the foreign debt situation abroad today were regarded by observers here as likely to seriously complicate the forthcoming negotiations for funding the debts of France and Italy to the United States.

While officials were loath to discuss the problem disclosed today, it was plainly evident that they expect France to bring pressure for terms with the United States similar to those granted by Great Britain. But France, it may be said unofficially, will be told that she owes the United States more than she owes Great Britain and that the annual payments must be greater. Another phase of the situation that attracted attention was the report of an apparently certain delay in the Belgians in taking parliamentary action on the funding pact with the United States. American debt commission members generally felt that such delay was not likely to be fatal to the agreement, but it was suggested that if earlier ratification by Belgium were possible, the atmosphere, as it surrounds similar action by congress and bears on the French and Italian negotiations here, would be materially cleared.

LONDON, Aug. 26.—(By Associated Press.)—A tentative agreement for settling the French debt to Great Britain in 62 annual payments of 12,500,000 pounds sterling each, was reached today.

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MAN'S SKELETON FOUND

REMAINS ARE IDENTIFIED AS THOSE OF MISSING MAN

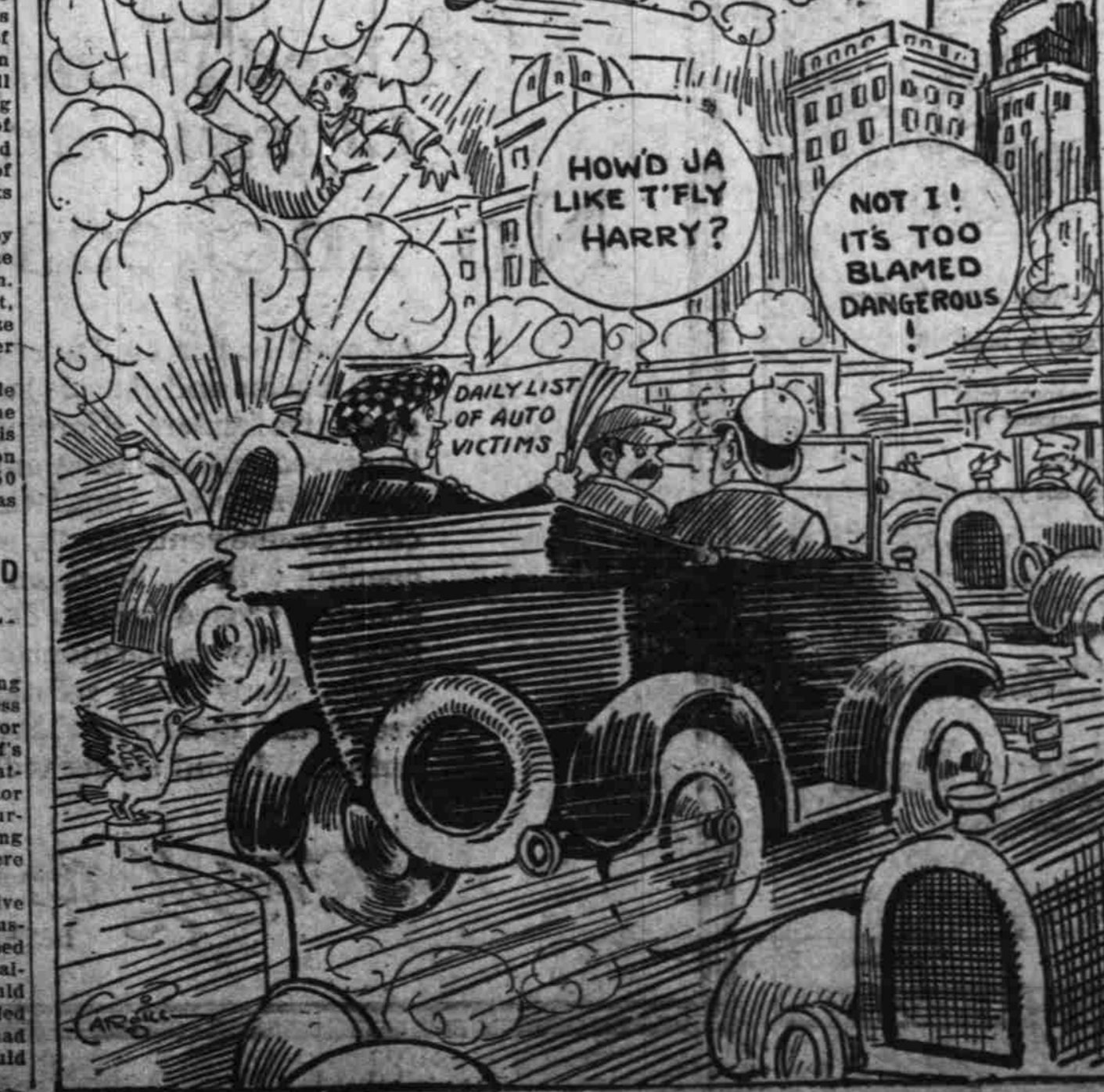
EUGENE, Ore., Aug. 26.—A skeleton identified as that of Scott Kelly, 41 year old railroad laborer who disappeared last March shortly after an illness, was found a few miles above Oakridge today by Dr. M. C. Harris, Eugene dentist vacationing in that section. Kelly leaves a wife and mother in Pennsylvania. Papers found on him indicated that he had come from Astoria, Ore. He is also believed to have belonged to the Moose lodge there.

GIRL RECEIVES SENTENCE

DOROTHY ELLINGSON GIVEN FROM ONE TO TEN YEARS

SAN FRANCISCO, Aug. 26.—(By Associated Press.)—The case of Dorothy Ellingson, 17-year-old matricide, was finally disposed of today as far as the courts were concerned when the girl, convicted of manslaughter last week, was sentenced to one to ten years in San Quentin prison by Judge Harold Louderback.

SAFETY FIRST!



AERIAL FREIGHT FIELD IS ADVANCING RAPIDLY

NEED FOR FAST TRANSPORTATION IS QUICKLY FILLED

Four Air Companies Now Operating in East; Oil Wells Open Field

CHICAGO, Aug. 26.—(By Associated Press.)—America's youngest industry, commercial aviation, is in actual operation in two mid-western fields, the Oklahoma oil regions and the Great Lakes about Detroit.

Outside these two fields there have been several experiments at regular scheduled freight and passenger flying, which have paused in development. The hands of intermittent freight hoppers are not included in the survey which follows.

The magic oil word "rush" brought airplanes their success in the petroleum fields; rush explosives for fire, rush tools to fish for lost drills, rush of experts to rumored liquid El Dorados, or officials to a well where a quick decision involved thousands of dollars. At Tulsa, Okla., there are four airplane companies. H. R. Tucker, secretary of the Tulsa Flying club estimates that during the past year planes have averaged five trips weekly from Tulsa to oil fields, the longest over 600 miles.

The Fords started experimental freight service from Detroit to Chicago April 14 and to Cleveland July 1, operating three planes. Estimates of freight costs by these routes are 12.23 cents a pound, compared with 2.05 cents express rate. The Chicago-Detroit flight averages five hours round trip with a one-way record of one hour and 50 minutes.

Other Detroit representatives of wide engineering resources and great financial resources are now actively backing commercial air projects. These men include Howard Coffin, Carl B. Fritzsche, Roy D. Chapin, Walter O. Briggs, George O. Holly, Fred T. Fisher, William E. Metzger and Harold E. Emmons.

In Chicago this summer the National Air Transport company, Inc., was organized with planes to start express service between New York and Chicago, possibly

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INHERITANCE TAX SAID SOCIALISTIC IN EFFECT

CONFERENCE VOTES UNANIMOUSLY IN OPPOSITION

Mellon Program Endorsed Enthusiastically by Western Taxpayers

PORTLAND, Aug. 26.—(By The Associated Press.)—The Western States Taxpayers' conference, in session here, went on record unanimously at its closing session today as opposed to the inheritance tax as socialistic and the state income tax as tending to discourage investment of capital. The Mellon tax reduction plan was enthusiastically approved and a resolution of caution was adopted against indiscriminate requests for federal aid. Attempts to put the conference on record as opposed to the reduction of the elementary school period from eight to seven years were reefs upon which the harmony of the conference was all but wrecked.

The Mellon plan, too, came in for a bitter attack on the part of unofficial delegates, and there was considerable discord among the unofficial delegates on other resolutions, notably those pertaining to the Mellon plan and the inheritance tax.

The defeat of the resolution opposed to the tax exempt securities utterly defeated the purpose of the conference to obtain a more equitable distribution of taxation, several speakers charged. Dr. Milbank Johnson of Los Angeles, who was later elected president of the association, was one of the staunch defenders of the resolution. In answering arguments that were advanced as to the constitutionality of the proposed changes, Dr. Johnson declared that congress had the power to tax income from whatever source it was derived. The Mellon plan of tax reduction was characterized by one speaker as an effort to relieve those most able to pay and place the burden on those who can least afford to pay.

H. V. Platte, Salt Lake, general manager of the Oregon Short Line, defended the Mellon plan by stating

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WORLD COURT IS ASKED

INTERNATIONAL TRIBUNAL OF JUSTICE ADVOCATED

WINNIPEG, Man., Aug. 26.—Favoring the participation of the United States, establishment of an international court of justice, George Wickensham, representing the American Bar association spoke before the annual convention of the Canadian Bar association here today.

Mr. Wickensham said the codification of international law was being opposed by people who did not understand what was involved and challenged the idea because there was no sovereign power to enforce decisions of such a court.

GERMANY IS ASKED TO SUBSCRIBE PACT

France and Allies Extend Invitation to Entertain Peace Negotiations

GERMAN NOTE ANSWERED

Definite Treaty to Preclude Occurrence of Future Wars in Western Europe is Outlined

LONDON, Aug. 26.—(By Associated Press.)—France and her allies have invited Germany to enter into negotiations for a definite treaty intended to guarantee an endless era of peace in western Europe. The invitation was extended in a note handed to the German government by the French ambassador at Berlin on Monday and made public in the various capitals tonight. It is a reply to Germany's note of July 20 on the subject of security.

In their reply the French in common with their allies, confine themselves to observations on three points that the treaty of Versailles must not be modified; that Germany should enter the league, not with reservations as Germany has suggested, but on an equal footing with the other members and that provision should be made for compulsory arbitration of future disputes between nations.

An early conference between the German foreign minister and the allied foreign ministers is already in prospect. Word came from Berlin tonight that the French, British and Belgian ambassadors had pointed in a statement that the allies considered it advisable that their judicial experts should meet German experts as soon as possible to clear up judicial and technical questions and pave the way for the meeting of foreign ministers. It is expected the experts will get down to "round table business" in London next Monday.

The French note to which the Germans dispatched their reply this evening observed that the German government had twice drawn attention to "the eventual possibility of concluding agreements under which existing treaties might be adapted to changed circumstances," and that the Germans also "suggest the hypothesis of modification of the conditions of the Rhineland occupation."

To both of these suggestions the French in effect have replied that nothing can be done. The French note points out that the covenant is primarily grounded on scrupulous respect for treaties which "form the basis of the public law of Europe" and declares that France and her allies consider that the Versailles treaty rights, which Germany as well as the allies possess under it "must not be impaired," or modified.

As for Germany's entry into the league the note asserts that "it is the only solid basis for a mutual agreement and a European agreement."

The allies take the position that if Germany has any reservations to make about the league membership the time and place to make them is at the council of the league after Germany gets in and not from the outside "where they would thus assume the character of conditions."

INDICTMENTS RETURNED

ALBANY JURY FINDS SIX TRUE BILLS, TWO NOT TRUE

ALBANY, Ore., Aug. 26.—Six indictments and two not true bills were returned by the grand jury here this afternoon. C. E. Arnold, former Albany insurance man, was indicted on a charge of larceny by embezzlement; Roy Edholm on a charge of maintaining a still; Russell Baker, on a charge of larceny; Oscar Chambers on a charge of operating still and Granville Nye for possession of mash.

The not true bills were returned in the case of George Reed, of Eugene, on a charge of assault with dangerous weapon and Peter Lahnd, George Hardy and E. Lafond on a charge of stealing wool.

LIGHT KEEPERS CHANGED

MARSHFIELD, Ore., Aug. 26.—Changes and promotions in light house service were announced here today. Capt. J. Heroux, of the Arago light, while Wynan Albee, his assistant, will move to the position of keeper of the Arago light, Ralph Barker, of the Bandon lighthouse will be returned to the Arago light as assistant keeper.

FOUR RACING BOATS ARE CAPTURED IN RUM COVE

AMERICAN CRAFT FOUND IN SHELTERED OCEAN COVE

Three Seattle Men Arrested Following Raid on Discovery Island

VICTORIA, B. C., Aug. 26.—Four American speedboats and three Seattle men were in custody here tonight as a result of a raid today by Canadian customs officials in a protected cove on Discovery island, ten miles from here. Each of the craft had liquor aboard but they were seized and the three men arrested on charges of customs regulation violation. Other members of the crew of the launches are believed to be in hiding on Discovery island.

The men under detention are Leonard Carl Jones, John Hotlie and Arthur F. Fox.

One of the seized speed boats, the M-846, was poc-marked with bullet holes from a three-day chase by American cutters. A wounded man, believed injured in a gun fight with American authorities, was reported to have crawled into the brush shortly after the boats were captured.

A fifth boat, surprised in the cove, was released when found to be a legitimate American fishing vessel. A sixth craft made a clean get-away.

The boats have been supplying the Seattle liquor market, officers declared.

LICENSES RECOMMENDED

LABOR COUNCIL PROPOSES LICENSES FOR MECHANICS

MARSHFIELD, Ore., Aug. 26.—The convention of the Oregon Federation of Labor in session here today considered a proposal that automobile mechanics be licensed and required to comply with such regulations and requirements as fit their occupation and that any licensed automobile mechanic be fully qualified to make repairs. A system bonding the mechanics also was suggested.

The wage of loggers is 47 per cent below living costs, and the organizing of mill workers and employees of logging camps was advocated. E. J. Stack proposed to combine the offices of president, secretary and treasurer of the Oregon state federation in one office but after a long argument, a counter proposal was adopted, providing that the president receive no salary but the secretary-treasurer be paid a monthly income of \$300. The counter proposal was presented by Joseph Reed, of Portland, who believed that the advice of a president was necessary in the federation and the convention supported him.

The fight over this feature of today's session was so strenuous that Acting President Taylor broke his gavel in trying to maintain order. The new scheme of officialdom will go into effect on January 1, 1926.

COAL SUPPLY IS LARGE

RESERVE ON HAND SUFFICIENT TO LAST 8 MONTHS

SWAMPSCOTT, Mass., Aug. 26.—(By Associated Press.)—President Coolidge, watching the fuel situation with a view to insuring consumers an adequate supply in the event of an anthracite shut-down next Tuesday, conferred today with James J. Storrow of Boston, who was fuel administrator for New England during the war and during the anthracite suspension in 1923.

Mr. Storrow asserted that even if the anthracite miners quit work September 1 there should be no concern on the part of the public for three months at least. There is a good supply of coal in storage he said, with railroads in position to move it, unlike the situation two years ago. During the day the president presented Herbert Schiff memorial trophy to Lieutenant Reginald De Noyes Thomas, who won it for setting a record in the navy for flights without mishap. Tomorrow the president plans to remain at White Court but on Friday will board the Mayflower for a cruise to Plymouth, Mass.

CRANBERRIES HARVESTED

ILWACO, Wash., Aug. 26.—With record crop forecast for this year, early varieties of cranberries are now being harvested on the Ilwaco peninsula. The regular crop will be ready in about two weeks.

FIREMEN MEET

PULLAP, Wash., Aug. 26.—Fifty delegates to the annual convention of the state firemen's association arrived this evening. The convention opens tomorrow morning at 9:30 with a business session at which 200 delegates are expected to be present.

UNWILLING HOST FILES COST BILL

C. L. Newman, New Era, Wants State to Re-compense Him With \$21

SEVERAL STORIES SOLD

Hundreds of Dollars Received for Recounting Experiences; Is Declared Former Newspaperman

C. L. Newman, unwilling host to the three escaped convicts of the Oregon state prison who spent a day at his farm near New Era before their mad dash into Portland, yesterday filed with Sam A. Koser, secretary of state, a bill of \$21 for the food and clothing taken by the convicts.

Explaining that it was his understanding that the state would stand the expenses incurred by escaped convicts, Newman offered his bill itemized as follows: "1 pair shoes, \$5; 2 pair silk socks, at 50 cents each, \$1; a pair corduroy pants, \$3; 1 pair new garters, 50 cents; board for convicts three meals, \$4.50; board of four men brought by convicts, \$6. Total \$21." The bill will be presented to the next legislature in the manner of all claims against the state for the care of or damage incurred by state wards and it will rest with the legislature whether the bill will be paid.

The claim of Newman is especially interesting because of the story told by Murray and his two companions, Ellsworth Kelley and James Willos. According to Murray, he made out the statement of how the escape was planned and executed for the benefit of Newman, with the understanding that Newman could sell the statement to the newspapers to secure enough money to pay for the trio's expenses at his home. While it is not definitely known, it is general gossip among newspapermen that a Portland paper paid Newman \$200 for the use of Murray's statement and that he has since reaped several hundred dollars from the sale of other stories of his experience. Newman is said to have sold a 3600-word story to the New York World as merely one of the profitable sales that he has made.

In the light of the alleged agreement between Murray and Newman on how Murray's damages at the Newman home were to be paid, and the further fact that Newman has reaped a rich financial reward from the experience the subject of whether the state should meet the bill became a mooted question on the street yesterday. Newman is a former newspaper man.

BASIN PROJECT IS OFF

RECLAMATION WORK ON COLUMBIA IS NOW POSTPONED

WASHINGTON, Aug. 26.—(By The Associated Press.)—Indefinite postponement of the development of the proposed Columbia river basin reclamation project was announced today at the interior department.

The special commission appointed by Secretary Work to investigate the project advised him that "the time had not arrived when local and national interests required the proposed construction and that the bureau of reclamation has not information or experience needed to formulate the development plan as costly and complex as the one outlined."

The report of the commission was in line with the stand taken by the secretary that new reclamation projects should not be undertaken until they need had been demonstrated and they were assured of successful development. The commission declared there was no doubt that the time will come when "local and national interests will require construction of these works and the utilization of these immeasurably valuable resources."

GIRL'S DEATH ACCIDENT

TRAGEDY OCCURS ON DAY WEDDING IS PLANNED

SEATTLE, Aug. 26.—Drowning of Elyda O'Connell, 23, in Lake Washington early today on the day of her wedding, was accidental, police detectives declared tonight after an investigation, because of circumstances the probability of suicide had been suggested.

Miss O'Connell was to have married E. S. Keller of this city. An inquest is probable, it was said.