

The Legislature Should Follow the Recommendations of Governor Patterson, in Letter and in Spirit DID YOU KNOW That Salem Can and Ought to Become the Center of an Immense Spinach Industry?

The Oregon Statesman

It doesn't seem possible, when one looks at great-grandmother's portrait at eighteen and then looks at daughter, same age, that it costs more to dress 'em now than it did then.—Los Angeles Times.

WEATHER FORECAST: Rain; mild temperature; southeast gales on the coast. Maximum yesterday, 56; minimum, 45; river, 15; rainfall, .04; atmosphere, clear; wind, northwest.

SEVENTY-SIXTH YEAR

SALEM, OREGON, THURSDAY MORNING, FEBRUARY 3, 1927

PRICE FIVE CENTS

CONGRESS MAY PUT NEW IRON IN CHINA FIRE

Move Originated Asking Resolution for Separate Peace With Rivals

SIZE NOT READY TO TALK

Proposal Made by Representative Somers Would Go Further Than Secretary Kellogg's Announcement

WASHINGTON, Feb. 2.—(AP)—While the Chinese situation again marked time as far as the American government was concerned, a new congressional iron was thrust into the fire by Representative Somers, democrat, New York, in the form of a resolution proposing to put congress on record as favoring negotiations for new treaties with the rival factions in China, independently of each other if necessary.

The proposal goes considerably beyond Secretary Kellogg's announced proposal of readiness to negotiate with a delegation to be appointed by agreement between the Peking and Cantonese leaders, and there is no indication that the state department will adopt the course suggested in it.

Dr. Alfred Sze, Chinese minister in Washington, refused to comment until he had an opportunity to study the Somers resolution. In a recent statement he urged that an American treaty negotiation delegation be named without awaiting overtures from China as an evidence of a desire to restore to China diplomatic equality.

pending developments in connection with American hopes of settling Chinese nationalistic aspirations through treaty discussions, attention here was centered largely upon the rupture in British-Cantonese negotiations at Hankow.

Secretary Kellogg does not regard the action of the Cantonese in breaking off these negotiations as having much bearing upon American-Chinese relations.

LONDON, Feb. 2.—(AP)—The British government tonight cable fresh instructions to Owen O'Malley, the British charge at Hankow, in an effort to break the deadlock which developed in the Anglo-Chinese negotiations there when the Cantonese foreign minister,

IRRIGATIONISTS SEEKING RELIEF

DELEGATION FROM OCHOCO ATTENDS HEARING

Hazard Bills Propose Change From General Obligation Bond Plan

Hoping to find in bills now before the legislature some relief from the critical financial difficulties under which they are struggling for existence, about two dozen settlers and land owners on the Ochoco project attended the joint hearing of the irrigation and drainage committees of the two houses last night.

Representative James H. Hazlett's two house bills, Nos. 114 and 115, which seek to provide relief by abolishing the present system of general obligation bonds and thus preventing the pyramiding of taxes upon settlers who do manage to make their payments, and which seeks to reconcile the settlers and bond holders to adjustment of district liabilities, were discussed thoroughly.

Some irrigation districts unfortunately are covered with blanket assessments on irrigation lands, and the landowners who choose to pay off the bonded indebtedness, under the present laws, also pay bondedness against the land owned by his neighbor perhaps, 15 years behind in his payments, and who may never intend to pay.

J. O. Powell of Prineville said that the people all wanted to pay every cent they owed against their land, and none of them felt that the state should be asked to pay their debts. He further said that he did not see any reason why the bond holders should ask the state to pay them either.

Representative Billingsley of Ontario made a short but effective

FLORENCE BANK MYSTERY DEEPER

WARRANT ISSUED FOR TWO MISSING OFFICIALS

Embezzlement Charges Filed by State Banking Officials After Probe

EUGENE, Feb. 2.—(AP)—A warrant for the arrest of Henry L. Bergman, president, and Miss Harriet Weatherston, cashier, of the Florence State Bank at Florence, charging them with embezzlement, was issued here this afternoon and the officers are endeavoring to locate them. They disappeared from a local hotel Monday evening and have not been seen here since. It was learned today that Bergman borrowed an automobile from G. H. Farris, lumberman operating near Florence, stating that he wanted to drive to Portland and that he would be back Tuesday afternoon.

Last Thursday afternoon Miss Weatherston reported to the sheriff over the telephone that the bank had been robbed by an unmasked man who had locked her in the vault and had taken nearly all the money in the bank.

Bergman was in Portland at the time and Miss Weatherston also telephoned to him. He came home at once and said he had observed

SCRIPPS CASE IN COURT

Widow of Newspaper Manager Files Suit Against Brother

LOS ANGELES, Feb. 2.—(AP)—Suit for the recovery of \$6,000,000 was filed in federal court here today by Mrs. James G. Scripps of San Diego, member of the wealthy family of newspaper publishers. The action was taken against her brother-in-law, Robert Paine Scripps of Cincinnati, executor and trustee of the estate of the late E. W. Scripps and includes a demand for an accounting of the profits of 34 newspapers controlled by Scripps.

Mrs. Scripps is the widow of the late James G. Scripps, a brother of the defendant and at one time manager of the newspapers controlled by the millionaire publisher.

The suit is based upon an alleged agreement between James G. Scripps and his father for a percentage of the increment in the value of the properties under his management.

POST 661 AFTER HIDE

McMinnville Now Holds Famous Trophy; Vets Hold Meeting

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YESTERDAY IN WASHINGTON

The naval supply bill was sent to conference.

Republicans prospects for 1928 were discussed at the White House.

The Fords declined to sell their stock for \$1,000,000,000, the tax board was told.

The house military committee temporarily rejected two Maselle Shoals lease proposals.

Construction of the Boulder canyon dam was urged by Reclamation Commissioner Mead.

Government loans on bonus certificates were favored by the house ways and means committee.

The treasury's medicinal liquor proposal was rejected by the house ways and means committee.

THREE NORMAL INSTITUTIONS GET \$500,000

\$150,000 Appropriated for Dormitory at Southern Oregon School

FARM HOME TO GET FUND

Note To Report Out Bill Reducing Age Limit of Orphans and Foundlings From 17 To 16 Years

WASHINGTON, Feb. 2.—(AP)—A bill for the purpose of reducing the age limit of orphans and foundlings from 17 to 16 years was introduced today in the house of representatives.

Appropriations for capital outlays occupied the attention of the ways and means committee last night and three state normal schools came in for a \$500,000 allotment. The new normal school to be located at LaGrande came in for its share of attention and \$175,000 was authorized for the construction of a necessary building and its equipment. It is understood that the city of LaGrande plans to erect a dormitory for the school. In addition to the building allowance for the Eastern Oregon school, the committee appropriated \$40,000 to be used in maintaining the institution during the biennium.

For a new dormitory at the Southern Oregon normal school at Ashland the committee appropriated \$150,000. The millage tax for this institution aggregates approximately \$23,500.

There was appropriated for the construction of class rooms and library at the Monmouth normal school \$175,000, while the appropriation for salaries and operating expenses was increased from \$90,000 to \$121,000. Senator Strayer said that it was his opinion that the school should be authorized to establish two normal schools in addition to the one located at Monmouth.

MALARIA HITS MARINES

Detachment in Nicaragua Has 65 Men Down With Disease

MANAGUA, Nicaragua, Feb. 2.—(AP)—Malaria has stricken 65 of the American marines stationed in Nicaragua, the men being infected while on duty at Rama. A force of 100 additional marines arrived here from Corinto today while the local detachment from the Galveston, which was used as a legion guard, is being returned to Corinto.

ATTENTION, PUPILS

The Statesman will pay \$5 a week, till further notice, to the high school or grade school boy or girl in Marion or Polk county who submits the best article on the current week's Slogan subject. See subjects on Slogan pages. Articles must be in by Tuesday noon of the week of the Slogan subject. All articles submitted to belong to The Statesman. The editor to judge as to the best, in deciding on the one to receive the \$5. Perhaps other prizes will be arranged later. Let every teacher take notice. This is a great opportunity to make the growing generation acquainted with the many and great advantages of this district.

MOVIES TO TALK IN NEAR FUTURE

NEW "PHOTOPHONE" SAID TO BE COMPLETE SUCCESS

General Electric Company Gets Six Contracts for Speech Invention Just Perfected

SCHNECTADY, N. Y., Feb. 2.—(AP)—Talking motion pictures soon are to be an actuality on the silver screens of theaters.

The General Electric company, producers of the new "photophone," are working on a half a dozen contracts calling for immediate production of projection machines and the only problem, as the producers view the new invention, is one of adaptation to a new and different method in creative art.

At a second demonstration of the new pictures today, it was explained that directors find some difficulty in excluding from the film extraneous noises not meant to be in the talking pictures. Actors must be cautioned not to make unnecessary noise and must be coached to speak their parts at the proper moment as they would do were they on the stage of the spoken drama.

In the experimental pictures to be shown later, the experimental pictures to

MAN MAY BE STRANGLER

Suspect Held at Los Angeles; Witnesses Being Hunted

LOS ANGELES, Feb. 2.—(AP)—Several witnesses will be brought here from Santa Barbara, police said today, in an attempt to identify Steve Kelmas, arrested yesterday as a suspect in connection with the slaying of eight women in four Pacific coast cities during recent months. Kelmas was said to resemble the "dark stranger" accused of the murders.

LUMBER UNION PLANNED

41 Companies in Northwest Involved in Proposed Union

CHICAGO, Feb. 2.—(AP)—Plans for the ultimate consolidation of 41 lumber companies representing the Douglas fir industry of Oregon, Washington and British Columbia, were made here today at a conference of the heads of these concerns, those attending the conference announced tonight.

FORD REJECTS THREE OFFERS BILLION EACH

Expert in Industrial Securities Discloses Information in Suit

PLANT HELD UNUSUAL

Motor Company in 1913 Declared to Be Equal in Value to United States Steel or Standard Oil Companies

WASHINGTON, Feb. 2.—(AP)—Wall Street's reactions to balance sheets of the Ford Motor company provoked no less than three distinct offers of \$1,000,000,000 each for the big plant during the last five years. Each was summarily turned down by both Henry and Edsel Ford.

Information that these offers had actually been made came from John W. Prentiss of New York, an expert in industrial securities, who was the chief witness introduced today by counsel for appellants in the action brought to restrain the government from collecting \$70,000,000 additional taxes on the sale to Henry Ford Jr. in 1913 of minority stock in the Ford Motor company.

Mr. Prentiss startled spectators by the nonchalant manner in which he testified that the Ford family had coolly turned down three distinct proposals to take over the plant for a cash consideration of one billion dollars. The Ford Motor company began operations in 1903 with a cash capital of \$25,000.

It was revealed in the evidence given by Mr. Prentiss that the offers were made indirectly by Hornblower and Weeks, New York brokers, whose confidence in the further expansion and earning capacity of the Ford plant justified the valuation put upon it by New York bankers.

"The Ford Motor company is the most remarkable industrial establishment ever created in the history of the world," Mr. Prentiss said in the course of testimony affecting the valuation of the stock as predicted on its earning capacity and future prospects.

As a credit proposition, it was the equal in 1913 of the United States Steel corporation or the

AUTO THEFTS CONTINUE

Police Prepare to Take Drastic Steps to Curb Wave

Salem's epidemic of automobile thefts, steadily increasing in recent weeks, reached its climax Wednesday night when three machines had been reported stolen up to midnight, and was assuming a seriousness which may cause the police department to take drastic steps in an effort to curb it.

BONUS LOANS APPROVED

Bill to Authorize Introduced in House Following Action

WASHINGTON, Feb. 2.—(AP)—Government loans to war veterans on bonus certificates were approved by the house ways and means committee today and Chairman Green later introduced a bill to authorize them.

MEMORIAL STATUE URGED

Location Planned Near Western Terminus of Highway

Congress was urged in a memorial introduced by Senator Upton to appropriate \$25,000 to assist in the erection of a memorial statue, in memory of Theodore Roosevelt, on Battle Rock. The site for the statue is on the Roosevelt highway, near its western terminus.

HEINE INJURED IN FALL

Man Working on Fuel Conveyor When Accident Happened

Falling 20 feet and striking head foremost on the pavement, Henry Heine, fireman at the paper mill here, received a possible fractured skull. Heine was working on the fuel conveyor at the mill when the accident occurred.

ENGINE KILLS ENGINEER

Man Crushed to Death by Locomotive When Routing Slips

FOGATELLO, Idaho, Feb. 2.—(AP)—Edgar C. Tarrant, locomotive foreman employed by the Oregon Short Line, was crushed to death beneath his engine at Lima, Mont., today. Information given out at the railroad offices here said the man apparently missed his footing while attempting to haul the engine, which was switching cars.

BILL FOR LUXURY TAX MEETS FATE

NUMBER 252 ASKS TAX ON PICTURE THEATERS

Committee to Await Action of Governor on Other Taxation Questions

The theater, tobacco and pharmacy representatives appeared at the meeting of the committee on taxation and revenue last night and with a splendid grouping of logical arguments were successful in persuading the committee to report that bills 213 and 252 do not pass. These bills proposed a tax on luxuries and one on moving picture theaters.

Geo. G. Guthrie, representing the Oregon theater association, was the principal speaker in opposition to bill number 252 which proposes a tax on moving picture theaters. He said that the measure would work a hardship on the small theater man and that in some cases would put them out of business completely. This would enable the chain theater to come in and take the business as they buy in large quantities and can get their films cheaper. According to Mr. Guthrie this is not a license measure but a revenue measure as it takes the money and gives nothing in return. "This tax would probably throw forty theaters into bankruptcy," Mr. Guthrie said, "the tax is unfair in that it taxes a theater that runs sixteen hours a day the same as one that runs three or four."

Bill 213 by Roberts levying a tax on luxuries was attacked by retail tobacco men, Oscar Olsen of Portland, reminded the committee

SMITH CAUSE OF RIFT

Senate Elections Committee Fails to Agree on Seating

WASHINGTON, Feb. 2.—(AP)—The senate elections committee found itself in such complete disagreement today on the case of Frank L. Smith, senator-designate from Illinois, that it postponed further consideration until tomorrow.

For nearly two hours, senators making up a majority discussed whether they should make an immediate report recommending the administration of the oath, as requested by Smith's counsel, or proceed with a further inquiry as to contributions to Smith's senatorial primary campaign by public utilities operators.

GLADSTONE ROW STILL UNABATED

SON OF FORMER PREMIER WON'T DENY CHARGES

Stashes of "Grand Old Man's" Contemporaries Evoked in Libel Case

LONDON, Feb. 2.—(AP)—Viscount Gladstone, 73 year old son of the late William E. Gladstone, England's "grand old man," today vigorously defended the moral reputation of his father, and bluntly declined to withdraw his characterization of Captain Peter Wright, who is suing him for libel, as a "liar, coward and foul fellow."

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THE RETREAT FROM WASHINGTON

