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

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,

SEVENTY-SIXTH YEAR

SALEM, OREGON, THURSDAY MORNING, FEBRUARY 3, 1927

love Originated Asking Resolution for Separate Peace With Rivals

SZE NOT READY TO TALK

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

WASHINGTON, Feb. 2 .- (AP) While the Chinese situation again noon. marked time so far as the American government was concerned, a new congressional iron was thrust Somers, democrat, New York, in 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 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 com- 000 was filed in federal court here to study the Somers resolution. In San Diego, member of the wealthy a recent statement he urged that family of newspaper publishers.

colon with, American invalidation led by Scripps.

In the second largely upon the rupture in Brit- of the defendant and at one time ish-Cantonese negotiations at Han- manager of the newspapers con-

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 cabled 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,

(Continued on page 4.)

IRRIGATIONISTS SEEKING RELIEF

DELEGATION FROM OCHOCO ATTENDS HEARING

Hazlett 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 ad-

justment of district Habilities, were discussed thoroughly. Some irrigation districts unfortunately are covered with blanket sments on irrigation lands, and the landowners who choose to pay off the bonded indebtedness, ir the present laws, also pay debtedness against the land d by his neighbor perhaps. is years behind in his payand who may never intend

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 effec-(Continued on page 5.)

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 Weatherson, 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 FARM HOME TO GET FUND disappeared from a local hotel Monday evening and have not been seen here since. It was learned today that Bergman borrowed an automobile from C. H. Farris, lumberman operating near Florence, stating that he wanted to drive to Portland and that he would be back Tuesday after-

Last Thursday afternoon Miss Weatherson reported to the night and three state normal sheriff over the telephone that the into the fire by Representative bank had been robbed by an unmasked man who had locked her the form of a resolution proposing in the vault and had taken nearto put congress on record as favor- ly all the money in the bank, \$175,000 was authorized for the ing negotiations for new treaties Bergman was in Portland at the time and Miss Weatherson also telephoned to him. He came home at once and said he had ob-

(Continued on page 3.)

negotiate with a delegation to be SCRIPPS CASE IN COURT

Widow Of Newspaper Manager Files Suit Against Brother

LOS ANGELES, Feb. 2 .- (AP) -Suit for the recovery of \$6,000. ment until he had an opportunity today by Mrs. James G. Scripps of an American treaty negotiation The action was taken against her delegation be named without brother - in - law, Robert Paine awaiting overtures from China as Scripps of Cincinnati, executor an evidence of a desire to restore and trustee of the estate of the late E. W. Scripps and includes a ding developments in con-demand for an accounting of the on with American hopes of profits of 34 newspapers control-

ons, attention here was centered late James G. Scripps, a brother trolled by the millionaire publish-

> 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.

McMinnville Now Holds Famo Trophy; Vets Hold Meeting

Veterans of Foreign Wars at the returned to Corinto. regular meeting at the Armory last night.

Following their unsuccessful raid on McMinnville Post, two weeks ago, the local veterans are making plans for a determined crusade for the Pacific Coast trophy, Tuesday, February 8.

The Veteran's Pacific coast trophy is a bear hide, once the property of the Washington department but recently seized by the Oregon department and now held by McMinnville Post. The trophy is "awarded" to the post having manpower enough to selze it and has been the cause of much rivalry in veteran circles.

YESTERDAY IN WASHINGTON - Associated Press -

The navai supply bill was sent to conference.

Republican prospects for 1928 were discussed at the White

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

The house military committee temporarily rejected two Musele 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.

Funds to maintain diplomatic representatives in Canada and Ireland were sought by the state de-

sonate agreed to act by Friday on the demogratic tax reduction resolution and milk im-

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

Vote To Report Out Bill Reducing Age Limit Of Orphans And Foundlings From 17 To 16 Years

Appropriations for capital outlays occupied the attention of the ways and means committee last 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 construction of a necessary building and its equipment. It is understod 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 \$33,500.

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 spoken drama. \$90,000 to \$121,000. Senator Strayer said that it was his opinfoolish program when it authorfoolish programme when it authorized the establishment of two normal schools in addition to the one located at Monmouth.

"The sensible thing to have

MALARIA HITS MARINES Detachment in Nicaragua Has 65

Men Down With Disease

(Continued an page 5.)

POST 661 AFTER HIDE of the American marines sta- to resemble the "dark strangler" tioned in Nicaragua, the men be- accused of the murders. ing infected while on duty at A search of Kelmas' apartment, Rama. A force of 100 additional police said, resulted in the discov-Mustering of new members and today while the local detachment lar to that used in the "dark ish Columbia, were made here toplans for larger quarters occupied from the Galveston, which was strangler's" killings, and under a day at a conference of the heads the attention of Marion Post 661, used as a legation guard, is being pillow, a complete newspaper ac- of these concerns, those attending

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.

IN NEAR FUTURE

BE COMPLETE SUCCESS

General Electric Company Gets Six Contracts for Speech Invention Just Perfected

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

producers of the new "photophone," are working on a half a lution introduced by Representadozen contracts calling for imme- tive Collier on this question. The chines and the only problem, as the house some time before. the producers view the new invention, is one of adaptation to a new and different method in creative

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

(Continued on page 3.)

nesses Being Brought

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 MANAGUA, Nicaragua, Feb. 2 in four Pacific coast cities during -(AP)-Malaria has stricken 65 recent months. Kelmas was said

count of the murders.

THE RETREAT FROM WASHINGTON

MOVIES TO TALK NARCOTIC LAWS' PROBE SOUGHT

NEW "PHOTOPHONE" SAID TO TONGUE POINT MEMORIAL BY NORBLAD MEETS APPROVAL

> Unfinished Federal Highways in California Are Subject of New Measure

The citizens of Oregon will be called upon to decide whether all persons who vote in the state must be previously registered or not. The General Electric company, This is the result of the adoption in the senate yesterday of a reso-

Some opposition developed in the senate to the Collier resolution concerning elections and among the opposition leaders were Senators Butler and Straver, who alleged that such a law would deprive thousands of permanent residents of the state from exercising their franchise at the polls..

"I can see no demand for this unnecessary noise and must be drastic legislation," said Senator coached to speak their parts at Butler, "and I predict that its the proper moment as they would enactment would work to the disdo were they on the stage of the advantage of many persons who otherwise are qualified to partici-In the experimental pictures to pate in elections in this state."

Senator Strayer supported the views expressed by Sepator Butler and added that the defects now Suspect Held at Los Angeles; Wit- He said that approval of the resolution would decrease rather than increase the voting strength. Senators Eddy and Joseph ar-

(Continued on page 2.)

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 marines arrived here from Corinto ery of a 25 foot cotton rope, simi- of Oregon, Washington and Britthe conference announced tonight.

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 it takes the money and gives nothhad actually been made came from John W. Prentiss of New York, probably throw forty theaters into if approved by the people, could diate production of projection ma- resolution had been adopted by 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 col- three or four." lecting \$30,000,000 additional taxes on the sale to Henry Ford in 1919 of minority stock in the retail tobacco men. Oscar Olsen of and commissions, then after the Ford Motor company.

Mr. Prentiss startled spectators by the nonchallant manner in which he testified that the Ford family had coolly turned down thre 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 \$28,000.

MAN MAY BE STRANGLER apparent in the registration laws Hornblower and Weeks, New from Illinois, that it postponed special attention to: could be remedied by legislation. York brokers, whose confidence in further consideration until tothe further expansion and earning morrow. capacity of the Ford plant justi-New York bankers.

tablishment ever created in the quested by Smith's commed, or proas predicted on its earning capacties operators.

Several members of the comity and future prospects.

(Continued on page 4.)

AUTO THEFTS CONTINUE accept such a report.

Police Prepare to Take Drastic BONUS LOANS APPROVED Shades of "Grand Old Man's" 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 on bonus certificates were approv- son of the late William E. Gladup to midnight, and was assuming ed by the house ways and means stone, England's "grand old man," a seriousness which may cause the police department to take drastic Green later introduced a bill to moral reputation of his father, steps in an effort to curb it.

One of the cars taken was a Packard belonging to Marshall to quickly get the formal approval Peter Wright, who is suing him Field of Eugene, and was one of of the committee, added the vet- for libel, as a "liar, coward and the cars in which the University erans' bureau to the means al- foul fellow." of Oregon basketball players had ready authorized to make loans on come to Salem. It was stolen certificates at 6 per cent interest. eminent of the elder Gladstone's from the street in front of the It would set up a special \$25,000.-Willamette 'university campus 000 "life insurance fund" from Victoria and Disraell, were evoked while the basketbail games were which the bureau director might during testimony, although Jusin progress.

The others, a Ford roadster bewith license number 124-072, and MEMORIAL STATUE URGED to be brought into the case, even longing to D. D. Rice fo Salem a Buick roadster belonging to C. Edwards and bearing license num-ber 129-204 were taken from Terminus Of Highway ber 129-904, were taken from Church street. The license on the Packard was numbered 148-686.

Falling 20 feet and striking head foremost on the pavement, Henry Heine, fireman at the paing on the fuel conveyor at the He was prying with a crowbar, it was learned, and the crowbar Man Crushed to Death by Loco motive When Routing Slips He was prying with a crowbar, apparently slipped, causing him to lose his footing and fall the 20

conscious, and that it was very Lima, Mont., today. Inforprobable he had a fractured skull. given out at the railroad The accident occurred last night 6 o'clock.

Heine is a married man, and ing to board the or ives at 303 North 21st street

BILL FOR LUXURY TAX MEETS FATE

NUMBER 252 ASKS TAX ON PICTURE THEATERS

Committee to Await Action of Governor on Other Taxaation Questions

The theater, tobacco and pharmacy representatives appeared at the meeting of the committee on taxation and revenue last night and with a spendid grouping of logical arguments were successful in persuading the committee to report that bills 213 and 252 do not pass. These bill proposed a MAXIMUM RATE LOW 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 terday afternoon Governor J. L. enable the chain theater to come in and take the business as they buy in large quantities and can get their films cheaper. According not to exceed 3 per cent, as a to Mr. Guthrie this is not a license measure but a revenue measure as ing in return. "This tax would

tax on luxuries was attacked by license revenues of state bo Portland, reminded the committee income tax operates, reduce this

(Continued on page 2.)

SMITH CAUSE OF RIFT mended careful supervision of

Senate Elections Committee Fails to Agree on Seating

-The senate elections committee Governor Patterson dwelt at a It was revealed in the evidence found itself in such complete disgiven by Mr. Prentiss that the of- agreement today on the case of fers were made indirectly by Frank L. Smith, senator-designate the existing emergency. He called

For nearly two hours, senators missions, fied the valuation put upon it by making up a majority discussed whether they should make an im-"The Ford Motor company is mediate report recommending the the most remarkable industrial es- administration of the oath, as rehistory of the world," Mr. Prentiss ceed with a further inquiry as to said in the course of testimony af- contributions to Smith's senatorial a special levy on them, fecting the valuation of the stock primary campaign by public utili-

As accedit proposition, it was mittee took the position that it the equal in 1913 of the United would be useless to make a partial GLADSTONE ROW States Steel corporation or the report, since the vote of the senate two weeks ago refusing Smith the oath in advance of an inquiry indicated clearly that it would not SON OF FORMER PREMIER

Bill to Authorize Introduced in House Following Action

WASHINGTON, Feb. 2 .- (AP) Government loans to war veterans Viscount Gladstone, 73 year old committee today and Chairman today vigorously defended the authorize them.

make loans.

Congress was urged in a memorial introduced by Senator Upton the elder Gladsone which aroused to appropriate \$25,000 to assist in the anger of the latter's son, in HEINE INJURED IN FALL the erection of a memorial statue, in memory of Theodore Roosevelt, on Battle Rock. The site for the when Accident Happened statue is on the Roosevelt highway, near its western terminus.

The memorial set out that the Spanish American war veterans have raised \$25,000 of the \$50,per mill here, received a possible 000 that will be required to com-fractured skull. Heine was work-plete and install the statue.

mill when the accident occurred. ENGINE KILLS ENGINEER

POCATELLO, Idaho, Feb. 2.

Heine was rushed to a local (AP)—Edgar C. Tarrant, locomo compital by the Golden ambulance. lospital officials reported last Oregon Short Line, was crushe ight that he was still partly un-

PRICE FIVE CENTS

Favors Strict Control of Expenditures by State Budget Official

Program Calls for Five Per Cent Tax on Fees and Licenses as Method of Meeting Present Needs

At a joint meeting of the senate and house of representatives yes-Patterson recommended the adoption of an income tax with a graduated low rate, the maximum means of meeting the financial situations which is facing Oregon at the present time.

Realizing that the income to bankruptcy," Mr. Guthrie said, not supply funds for the state un-"the tax is unfair in that it taxes til 1928 the governor offered some a theater that runs sixteen hours suggestions as to meeting the a day the same as one that runs present financial need. His program calls for the placing of a Bill 213 by Roberts levying a five per cent tax on the fee and from five per cent to 21/4 per

Governor Patterson also recomstate expenditures by the state budget official with responsibility being placed upon the governor. In opening his message at the WASHINGTON, Feb. 2-(AP) joint session yesterday afternoon. which had been proposed to m

An impost on the fees and licenses of state boards and com-

Corporation franchise tax on what is termed corporate excess. Tax on moving pictures, Tax on so-called luxuries.

Withdrawal of intangibles from scope of property tax and placing

Use of a market road tax for (Continued on page 7.)

STILL UNABATED

WON'T DENY CHARGES

Contemporaries Evoked in Libel Case LONDON, Feb. 2 .- (AP)-

and bluntly declined to withdraw His proposal, which is expected his characteriation of Captain The shades of some of the most contemporaries, including Queen

> tice Avory quickly refused to allow the name of the late sovereign Frank Merriman, counsel for Captain Wright, whose book contained a passage casting aspersions on the moral character of ory thereupon quickly interpos

"No, no, we must observe here the same rule as the house of commons, and not bring in the Before leaving the stand, Lord ladsione said of Cuptain Wrights "He made a foul and loathsome charge against my father. It was a deadly insult to every member of my family. A charge more home could only have b speat, that because of that he