

State Treasurer Kay's Prediction That the State Office Building Is to Be Erected Is Very Good News  
Young April, at Elsinore Today, Tomorrow and Thursday, Is One of the Great Screen Plays of the Year

WEATHER FORECAST: Unsettled with  
rains in west portion; normal temperature;  
strong southerly winds on coast. Maximum  
yesterday, 48; minimum, 36; river, 8.9;  
rainfall, .22; atmosphere, cloudy; wind,  
southwest.

# The Oregon Statesman

Some of our statesmen and college pro-  
fessors seem to be in favor of the nation-  
alist movement in Mexico and China, but  
against any nationalism in the United  
States.

SEVENTY-SIXTH YEAR

SALEM, OREGON, TUESDAY MORNING, MARCH 1, 1927

PRICE FIVE CENTS

## WAR STRATEGY USED IN 1916 HELD FOOLISH

Winston Churchill Condemns  
"Attrition Tactics" of  
Foch and Joffre

## ALLIED ARMY HARD HIT

"Insensate Obstinacy" and "Lack  
of Comprehension" Charged  
by British Chancellor  
Against Leaders

NEW YORK, Feb. 28.—(AP.)—The "battle of attrition tactics of the allies on the western front under the leadership of Joffre and Foch were out of the Germans," charges Winston Churchill, chancellor of the exchequer in the Baldwin cabinet, whose "The World Crisis—1916-1918"—is to be released by Charles Scribner's Sons tomorrow.

Backing his criticism by figures, "which do not appear to have at all been appreciated even in the most expert circles," he says that "one of the terms of 1915, 1916 and 1917 the German man-power was sufficient to last indefinitely. In fact in the three years of the allied offensives on the western front the Germans actually gained to the extent of 1,739,000 men more than their losses."

"The result of every allied offensive was to leave us relatively weaker—and in some cases terribly weaker—than the enemy. The aggregate result of all of them from 1915 to 1917 (after deducting the losses on both sides in the German attack on Verdun) was a French and British casualty list of 1,123,000 compared to a German total of 2,166,000. The profit of attrition was at work; but follows on our own side that its judges tell, and not on the German side."

General Joffre, in one year of the Joffre regime, eclipsed all the "errors of the first shock year," by an "insensate obstinacy and lack of comprehension," says the writer, "when without any large

## TWO DESTROYERS GO TO SHANGHAI

WILLIAM B. PRESTON AND  
SICARD TO LEAVE MANILA

Shipping Conditions on Yangtze  
Considered Intolerable by  
Consul

WASHINGTON, Feb. 28.—(AP.)—The destroyers William B. Preston and Sicard have been ordered from Manila to Shanghai.

Other destroyers reported moving toward Shanghai as part of ordinary fleet routine are the McLeigh from Chinkiang, Simpson, from Nanking, and Bulmer, from Wuhu. The Preble, moving up the Yangtze, will replace the Bulmer at Wuhu.

The Pruitt has departed from Shanghai for Amoy, and the gunboat Villalobos has moved down the Yangtze river from Shanghai to Hankow.

Shipping conditions on the Yangtze river are described as intolerable due to commandeering of vessels by Chinese military authorities in a report received today from Consul General Lockhart at Hankow. All foreign vessels, with the exception of two or three American ships, have been either tied up at Hankow or sent to Shanghai to await improvement in the situation, he said.

The recent demonstration in Hankow, although the largest ever held in the city, passed off without undue incidents, the message added. The parade of demonstrators took about an hour and a half in passing the American consulate, "down with Sun Chuang Fang" and "down with Chang Tso-Lin," two of the warlords of the northern Chinese provinces, marked the parade.

## EARTHQUAKE REGISTERED

Instrument Indicates Shocks Lo-  
cated on Chilean Coast

LA PLATA, Argentina, Feb. 28.—(AP.)—Strong earth shocks were registered on the seismograph at La Plata observatory here today about 10 a. m. The center was believed to be along the Chilean coast.

## LOWER FREIGHT TARIFFS FILED

RAILROADS OPERATING IN  
STATE ANNOUNCE RATES

New Schedule Will Comply With  
Public Service Commission  
Order

A new tariff affecting freight rates on farm products was filed yesterday by railroads operating in Oregon with the state public service commission. The new tariff, filed in conformity with public service commission orders dated in 1924, is a local and joint arrangement fixing rates on grain, flour, millfeed, potatoes, onions, and other farm products shipped in carload lots.

The rates, which affect intrastate movements, are reduced on these products, as specifically defined in the tariffs of the respective carriers between points in Oregon, subject to a through minimum charge of \$15 per car and current minimum carload weights as published in the tariffs of the originating carriers.

The rates prescribed in the original orders of the commission follow:

The rate for a distance of five miles and under shall be four cents per 100 pounds. For each succeeding five miles the rate shall increase not to exceed one cent per 100 pounds for each five miles for hauls up to and including 25 miles. The rate thereafter shall increase not to exceed one-half cent per 100 pounds for each five miles for hauls up to and including 100 miles. The rates thereafter shall increase not to exceed one-half cent for each 10 miles up to and including 400 miles, and the rate thereafter shall increase not to exceed one-half cent for each 20 miles up to and including 600 miles.

For joint application for hauls from (Continued on page 5.)

## VETERANS' BONDS SOLD

\$27,000,000 Of Bonus Bonds Sold;  
Limited To \$30,000,000

The state bonus commission yesterday sold \$27,000,000 of world war veterans state aid bonds to John E. Price & company with headquarters at Seattle. The bonds yield 4.14, which was the most satisfactory bid received for this class of bonds during the life of the bonus commission.

There have been sold \$27,000,000 of bonus bonds. Under the law creating the state bonus department sale of these bonds is limited to \$30,000,000.

## COMMISSIONER RESIGNS

Mullen To Leave State Employment  
And Go To Portland

W. A. Mullen, deputy state real estate commissioner for the past three years, has resigned his position to become effective today. Mr. Mullen will locate in Portland. It was said that Mr. Mullen has accepted a position with the Portland Realtors association.

Prior to accepting the position of deputy real estate commissioner Mr. Mullen was principal keeper at the state penitentiary under the Johnson Smith administration.

## YESTERDAY IN WASHINGTON

The \$28,000,000 naval modernization bill was passed by the house.

Great Britain's acceptance of the Coolidge arms limitation proposal was received.

Brigadier General Smedley D. Butler was ordered to China to command marine forces.

A New York to Atlanta air mail contract was let by the postoffice department.

The treasury was notified that France had forwarded its offer to begin payments on the war debts.

A bill providing funds to start the government's five year public buildings program passed the house.

The government won its fight in the supreme court for cancellation of the Doheny oil leases and contracts.

The senate refused cloture on the public buildings bill, but adopted it to speed action on the prohibition reorganization measure.

The senate contempt citations against Insull, Schuyler and Cunningham, recalcitrant witnesses, were asked by the campaign funds committee.

The right of Senator Gould of Maine to a senate seat was upheld by a senate sub-committee.

## PRESIDENT MAY MAKE NEW TRY FOR DISARMING

With British Reply In. Cool-  
idge Now Can Tell Chance  
for Success

## ENGLAND SHOWS FAVOR

London Answer Leaves Exact  
Means of Enforcement Open  
to Future Discussion;  
Cautions Care

WASHINGTON, Feb. 28.—(AP.)—With Great Britain and Japan definitely committed to the desirability of further direct and immediate efforts to check naval building competition and France and Italy as definitely opposed, President Coolidge is in a position to determine with reasonable accuracy the chances of success with which a new attempt on his part to promote a supplemental naval agreement may be undertaken.

The British reply to the "American five power conference suggestion," regarded officially as a categorical acceptance, was made public today without comment from the White House or state department. While it outlines certain aspects of British naval policy that must be considered, it leaves the exact means by which principles of the Washington naval treaty might be extended open to future discussion. It also cautions to the necessity of "careful adjustment" of the proposed naval conference with the work of the Geneva preparatory commission.

Most officials believe that the matter has now passed into the realm of informal diplomatic exchange.

(Continued on page 3.)

## CROARKIN NOW ON TRIAL

Scion Accused of Beating Child to  
Death With Hammer

CHICAGO, Feb. 28.—(AP.)—Slouched in his chair, staring vacantly from behind shell-rimmed glasses and biting his lips nervously, Harold J. Croarkin, 26 year old scion of a well to do Chicago family, today heard the state demand he be hanged for slaying six year old Walter Schmiltz, Jr.

The child was beaten to death with a blacksmith's hammer in the loft of the Devon Riding academy last December.

Croarkin confessed the slaying immediately after he was surrendered to the police by his relatives, but since has repudiated it.

The time may come, of course, some time in the future, when either or both owners may project additional building plans. That will be in the hands of future boards of directors. But the present boards have no such plans.

## NICARAGUA HAS NEW PEACE MOVE

DIAZ AND AMERICAN LEADERS  
FAVOR NEW PROPOSAL

Conservative Head Assures Safe  
Conduct Through Lines To  
Liberals

MANAGUA, Nicaragua, Feb. 28.—(AP.)—A definite movement for peace in Nicaragua was launched here today with tacit approval of the American authorities and assurances from President Diaz, head of the conservative government, that he will grant safe conduct to the liberals through the conservative lines.

Three prominent native Nicaraguans—two liberals, adherents of the Sacasa party, and one no-party neutral—accompanied by an American marine and a navy officer will leave here probably Wednesday morning in search of General Moncada, commander of the liberal military forces, who is believed to be in the Matagalpa region. He will be told of the existing situation by members of his own party and by the neutrals, and his opinions and ideas will be ascertained. He will be given the opportunity to take steps which would result in peace for Nicaragua. This plan took definite shape today.

It is recalled that Lawrence Dennis, the American charge d'affaires, two weeks ago unsuccessfully attempted to reach General Moncada in an endeavor to prevail upon him to desist from impeding Americans and other

(Continued on page 3.)

## OLD BUILDINGS TO GO

Directors For Methodist Church  
And Elks Complete Deal

It will be welcome news to all Salem, that the unsightly buildings on State street between the First Methodist church and the Elks building are to be removed. They are to be torn down or moved away, and their place to be taken by well tended grounds.

The deal for the purchase of that property was finished yesterday afternoon, at a joint meeting of the boards of directors of the Salem Elks and the First Methodist church.

The east half of the lot now belongs to the Elks and the west half to the Methodist church, and there is no present idea of either of the owners erecting a building or addition there. The plan of both owners is to beautify the grounds and prevent any chance of the property falling into such ownership as might render an undesirable kind of construction possible.

The time may come, of course, some time in the future, when either or both owners may project additional building plans. That will be in the hands of future boards of directors. But the present boards have no such plans.

## FORESTRY CODE CHANGE COMING

BILL ALLOWS GOVERNOR  
RIGHT TO SET DATES

Creation of Revolving Fund for  
Maintenance of Forest Pa-  
trol Provided

With the idea of correcting some faults said to exist in the present forestry code, a bill, which is said to be the most important to the state forestry department, was passed at the last session of the legislature. This bill further provides for the increase in the salaries of the state forester and his deputy.

It also provides that delinquent fire patrol assessments must pay the same penalty, interest and cost charges that ad valorem taxes pay. It also provides that the governor may, by proclamation, advance or defer the opening or closing dates of the closed season for burning. The dates are fixed by law at from May 15 to October 1 of each year, during which permits are necessary before burning can be undertaken. The governor is now authorized to make these dates flexible.

Under the old law the state had to prove the intent to do damage in the case of a fire wilfully and maliciously set. This section was so amended as to delete this part of the law.

House bill 134 provides for the creation of a revolving fund of \$25,000 in which is known as the forest patrol fund. This fund is to be paid to the state forester by timber owners in accordance with the compulsory patrol law, reimbursing the state forester for funds expended in the patrol of timberlands. This bill permits the state forester to pay this amount to the forester in order that the funds may become im-

(Continued on page 3.)

## BUILDING WORK ACTIVE

\$239,962 in Permits During Feb-  
ruary; Large Increase

Unusual activity on the last day of February, Monday, in the filing of building permits, brought the month's total up to \$239,962 instead of \$229,262. The last day's total was \$10,700. The month's figure is nearly twice that of February, 1926, which was \$122,650.

Permits issued Monday from the office of City Recorder Mark Poulsen included:

Margaret Wright, 10 multiple dwellings on Portland road, \$3,000; George Reinwald, garage at 1530 North 19th street, \$400; George E. LaMire, dwelling at 1436 North 21st, \$3,500; T. Watry, dwelling at 2320 North 4th, \$1,000; Anderson & Martin, dwelling at 940 Highland, \$2800.

## SUPREME COURT RULES AGAINST DOHENY LEASES

Findings of Circuit Tribunal  
Are Upheld in Unanimous  
Decision

## CORRUPT ACTS ALLEGED

Victory for Government Sweeping,  
Confirming in Every Detail  
Position Taken by Special  
Counsel

WASHINGTON, Feb. 28.—(AP.)—Edward L. Doheny today lost his fight to have the courts confirm the leases to the Elk Hills, Cal., oil naval reserve, awarded to him by Albert B. Fall, as secretary of the interior.

Upholding the findings of the circuit court, the supreme court in an unanimous decision held that these leases not only were illegal, but were obtained by fraud and corruption.

The victory was sweeping for the government, confirming in every detail the position taken by special counsel appointed after a senate had completed an investigation of the naval oil reserves.

The opinion, delivered by Justice Butler, held that it was the established policy of congress and of the government to maintain the reserve fuel supply of the navy under ground and that the general leasing act of 1920 carried no authority for leasing the naval oil reserves.

The court sustained the circuit court in California in cancelling the leases and in contracts and referred Doheny to congress for any relief he may consider himself entitled to for the expenditure of more than \$10,000,000 in erection of storage tanks at Pearl Harbor, Hawaii, under his contracts, and for fuel oil placed in them as well as for improvement work upon the reserve.

Throughout the decision the court referred by way of emphasis to the fraud and corruption marking the transactions, although a jury in the District of Columbia supreme court last December held that there was nothing criminal in the relations between Fall and Doheny.

The ruling today of the court that the leasing act did not warrant the leasing of naval oil reserves was taken by court attendants as forecasting a decision in the Harry F. Sinclair Teapot Dome naval oil reserve case, sustaining the circuit court in cancelling the lease and contracts. The Sinclair case, of which a review recently was granted, was today advanced for hearing on April 11, and it was freely predicted that when that case reached the court for decision, it will be disposed of upon the authority of the Doheny case, holding the lease and contract invalid.

The federal district court in California held the Doheny leases and contracts invalid and ordered them cancelled, but it awarded Doheny compensation for his outlay under them. The circuit court to which both Doheny and the government appealed sustained the trial court in the cancellation of the leases and contracts on the grounds of fraud and corruption, but held that the trial court was in error in awarding compensation.

The supreme court today asserted that the compensation was not one to be decided by the courts.

The court found that both Fall and Edwin B. Denby, then secretary of the navy, had signed the leases and contracts, but it declared that secrecy veiled all steps and that there had been no competition.

## FINANCING BODY GROWS

Purpose of New Organization to  
Help Worthy Industries

One hundred shares in the Salem Industrial Financing corporation had been subscribed up to noon Monday, U. S. Page, president of the Salem chamber of commerce, reported at the weekly luncheon. The total stock is \$50,000, in 500 shares with a par value of \$10 each.

The purpose of this corporation is to finance new industries which will be brought to Salem, after they are thoroughly investigated. The subscriber will not be called upon to pay more than \$40 in any

## CHERRY GROWERS URGED TO MEET

PLAN DISCUSSION LIFTING OF  
THREE CENT TARIFF

Similar Meetings to Be Held in All  
Parts of Oregon This  
Week

The Salem chamber of commerce yesterday began mailing out letters to all Royal Anne cherry growers of Marion county, asking them to attend a meeting called for the chamber of commerce building Saturday afternoon, March 5, at 1:30 o'clock.

The meeting is called by the Salem Royal Anne Cherry Growers' association, of which J. G. Hogg is secretary.

The government has recently removed a three cent protective tariff from cherries, and the result, which vitally affects cherry growers of the entire Willamette valley, will be discussed at the meeting.

Loss of the Maraschino market stares local Royal Anne growers in the face as result of loss of the tariff protection. The market will become flooded with cheaply raised Italian cherries, it is expected.

Local raisers cannot grow cherries in competition with those of European orchards unless they have protection, the letter states. What to do about this question is the prime purpose of the meeting.

Meetings are being held in all cherry growing communities in the state this week to discuss the same problem. The Polk county growers are being assembled through the efforts of their county agent.

As Marion has no county agent, the Salem chamber of commerce is attempting to fill the same office, and is aiding in the task or organizing the local cherry men to fight for their interests.

## VENETA BANDITS SOUGHT

Officers Search Mountains For  
Men Who Robbed Pool Hall

EUGENE, Feb. 28.—(AP.)—Officers are searching the mountains west of Crow for two bandits who held up a poolroom at Veneta late Sunday night and one of whom shot the proprietor, William Maddaugh, who is in a local hospital, perhaps fatally wounded.

The man who did the shooting entered the poolroom through the rear door and at the same time the other man entered through the front door. Both were masked. The man in the rear ordered Maddaugh and six other men to throw up their hands. Maddaugh was slow in doing so and the bandit shot, the bullet from a rifle entering his neck.

The man in front rifled the cash register and took \$90. Delbert Crist, one of the men held up, was compelled to take the bandits in his car and drive five or six miles out on the Crow-Vaughan road. He was tied to the steering wheel and the two men disappeared in the darkness.

## CERTAIN OF BUILDING

Kay Speaks Before Chamber; Pays  
Tribute To County Group

Confidence that the new state office building, estimated to cost \$600,000, will be erected even though other appropriations by the legislature are vetoed, was expressed by Thomas B. Kay, state treasurer, at the chamber of commerce luncheon Monday noon.

Kay's address was not finished, as he was overcome by dizziness shortly after starting to talk, and was unable to finish. The discussion of the state's financial problems which he had prepared, will be given at a later time.

He paid tribute to the local members of the legislature especially and to the membership of the house and senate in general, stating that it was above the average.

## TROTZKY BACK ON SCENE

Former Soviet Leader Addresses  
Large Moscow Meeting

MOSCOW, Russia, Feb. 28.—(AP.)—Leon Trotsky has come back from retirement. Making his first appearance since being disciplined by his heretic views, the former commissar for war and marine addressed today a large gathering on Siberia, which he characterized as the world's richest area in natural resources.

The warmth with which he was received indicated that he has retained wide popularity. The audience rose when he mounted the platform and cheered for ten minutes and cried: "Long live the

## STATE OFFICE BUILDING MAY GET APPROVAL

Many Telegrams Urge Gov-  
ernor to Sign Doernbecher  
Hospital Bill

## ELEVEN BILLS SIGNED

Appropriation Bill for Oregon  
National Guard Signed Before  
Patterson Left for Portland  
Engagement

Another day has passed and the veto axe has not fallen; but there is every indication that it will fall tomorrow and when it does many an appropriation bill will receive the death blow.

What is pleasing to a great many people is the persistent rumor that the bill, which proposes the construction of a new state office building here in Salem, will be signed. It does not call for a great outlay of money this year and there is a big need for the building. It has been needed for several years and this need is growing. Governor Patterson has not given any definite answer to the question concerning this bill but close associates in the state house are very optimistic.

Letters and telegrams flooded the executive offices yesterday and each one urged the governor to sign some certain appropriation bill. Delegations waited upon him today and sought to gain his support for some bills. It is understood that the majority of the telegrams are in connection with the appropriation of \$175,000 for the Doernbecher hospital in Portland.

Other telegrams urged the governor to sign bills carrying appropriations for the Eastern Oregon tuberculosis hospital and Eastern Oregon normal school were created

(Continued on page 5.)

## FLIERS' BODIES LEAVE FOR HOME

STEAMER PUTS TO SEA WITH  
TWO DEAD AMERICANS

Thousands Gather At Funeral  
Services In Church At  
Buenos Aires

BUENOS AIRES, Feb. 28.—(AP.)—The steamer Vauban put out to sea today with the bodies of Captain Clinton F. Woolsey and Lieutenant John W. Benton, U. S. army good-will aviators, victims of the tragedy of Saturday when their planes, New York and Detroit, collided in midair and crashed.

Captain Arturo Cuervo, attached to the Argentine air service, who had gone to the pier to pay his last respects, suffered a heart attack and died within a few minutes.

The bodies of Woolsey and Benton lay overnight in the military club and several thousand gathered there this morning, as well as at St. John's Anglican church where funeral services were conducted.

President De Alvear, the ministers of marine and war, the members of the American embassy and consulate and Major Dargue, Lieutenant Whitehead, Captain Ira C. Eaker, Lieutenant Fairchild, Lieutenant Thompson and Lieutenant Weddington headed the funeral cortege, with many hundreds of high officials and army, navy and aviation services following in a long line. The American and Argentine flags covered the coffins and biers, and a battery of guns fired a salute.

It was announced that the departure of the other planes for Asuncion has been postponed until Wednesday.

## M'NARY DELAYS BALLOT

Test of Senate Sentiment on Over-  
riding Veto Put Off

WASHINGTON, Feb. 28.—(AP.)—A test of senate sentiment on overriding President Coolidge's veto of the McNary Haigen farm bill was deferred again today by Chairman McNary of the agriculture committee.

The co-author of the measure had expected to move to override the executive, but was unable to do so after the senate voted cloture on the prohibition reorganization bill.