

Tonight and Sunday fair, moderate northeast winds.

Capital Journal



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FEDERAL LOSSES THRU RAILROADS AT \$630,000,000

Net Cost of Government Control Expensive But Worth Price Esch Says in Commenting Upon Report

Washington, Feb. 21.—Railroad administration estimates place the net cost to the government of federal control of the railroads at \$628,000,000, Chairman Esch of the interstate commerce committee, told the house today in opening debate on the conference report on the compromise railroad bill.

"This \$628,000,000 will have to be charged off to war loss," he said. "One may say it was expensive, but it was worth the price. Without the railroads, transportation would have failed to supply our troops overseas."

Appropriations of approximately \$1,500,000,000 including those already made, were the "experience of federal control," Mr. Esch said, but he added that of these amounts approximately \$1,250,000,000 were "investments" in the form of improvements made for the roads and for which they ultimately will pay.

Defending the work of congress in framing the railroad legislation, Mr. Esch said there had been "no slacking." The conference compromise, he said, came before the house today virtually seven months after the committee began hearings. The compromise bill, he asserted, was the original house bill except "one substantial proposition" by which a rate basis is fixed with earnings in excess of six per cent on railroad valuation being divided between the earning carrier and the government for the latter to use for break roads.

Referring to present "financial straits" of the carriers, Mr. Esch said that prior to government operation only 60 per cent of the roads earned dividends and paid interest. "During federal control 108 of the 175 class one roads did not earn interest," he added. "In 1916 the roads lacked sixty million dollars of paying interest on their indebtedness."

"Fifty percent of the roads in this country would go into the hands of receivers in three months without the government guarantee," Mr. Esch declared. "and I want to warn you that receiverships for railroads means receiverships for industrial enterprises and their business."

The short lines, he said, had been fairly and generously dealt with, adding that if they suffered, the people they served and trunk lines would suffer. Details of the three hundred million dollar revolving fund were explained and the chairman brought a smile by announcing that provisions for free passes for railroad lawyers, doctors and others stood as heretofore.

"I expect this one question has given members of congress more actual concern than the most important provisions of the conference report," he declared.

Martens Admits Being Confirmed Revolutionist

Washington, Feb. 21.—Admitting that he had been "a revolutionist" in every country where he had lived—Russia, Germany and Switzerland—Ludwig C. A. K. Martens, Russian soviet agent in the United States told a senate investigating committee today that he still was a revolutionist. "You mean here in the United States you are a revolutionist now?" asked Chairman Moses.

"I am," was Martens' reply. Wade Ellis, counsel for the committee, asked Martens if he had ever opened "secret communication" with revolutionary activities here. "All my business has been in the open," Martens said.

Martens said he had no connection of any kind with the Russian socialist federation. "Don't you know that since you have been before this committee a message has been sent you by Dr. Miasleg, treasurer of that society, saying you had better admit you have been a member or it would go hard with you?" Mr. Ellis asked.

Martens denied he had received the message. Santori Nurtoeva, his secretary admitted he had received it, but said he had not given it to Martens. "Who nominated you for ambassador to the United States?" Mr. Ellis asked.

Martens said he did not know, that the appointment had come to him as an entire surprise. "Now isn't it a fact that the whole matter was fixed up by a committee in New York, of which you were a member, which sent the notice to Russia, where it was acted upon?" Martens said that he did not know, but conceded that such a committee had been formed in New York. The hearing will be resumed Wednesday.

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DANCE AND FROLIC WILL BE CLIMAX TO BIG AUTO SHOW

Featured by one of the best public dances ever to be held in the city, interspersed with individual stunts by the many dealers, the second annual auto show, which began at the armory Wednesday noon, will end late Saturday night. Dancing room was being made in the armory Saturday afternoon, and it is certain that the "best auto show ever held in the state" will end in a frolic of triumph when hundreds attend the dance tonight.

At ten o'clock this morning 30 autos and trucks, representing a large portion of the machines being handled by Salem's enterprising dealers, formed in parade and led by Oscar Steelhammer's band, proceeded through the principal streets of the city.

The members of the Salem Auto Dealers association, that is giving the show, met at Hotel Marion at noon in banquet and reviewed the success of the exhibition, and discussed plans for promoting the dance this evening. The dealers—all of "em"—will attend the dance in "full dress," being decorated by paint and the insignias of the various cars they handle.

An evening of fun is promised for all who attend the dance. Some of the stunts to be "pulled" by the auto men have been tentatively planned as follows: "Briscoe" Reidel will illustrate the use of the glass wings in steering the larger models; "Lexington" Cates will skip the rope in three directions at once; the famous Ship-Haribison troupe will operate the ambulance to receive casualties (it is expected there will be several); Olson will balance one of his Chandler cars in his left hand while giving an accurate imitation of an Irish washerwoman; Otto Wilson will do a stunt that cannot be described here as this paper goes through the mail; J. F. Dopplmaier will give a correct imitation of the father of 27 children, while Lee Gilbert dances the boogie-woogie among them in true Hawaiian costume. On the whole it promises to be a dangerous show not to have seen.

D. Samuels, of the American Auto company, whose fine baritone voice and emotional expression have never been adequately appreciated in Salem will render a duet; Fred Kirkwood (Hudson and Essex peddler), after a great deal of persuasion has agreed to give an exhibition of hand walking on the slack rope; H. F. Bonesteel, the Dodger, will be assisted by Lester Ringrose, who loves Liberty, in rendering a chimmie in a Ford coupe; Oscar Gingrich, who got rich selling the Jordan, will perform as the world's leading sword swallower; Ralph Thompson, who is more or less the Marion Auto company will do a perilous stunt on the trapeze.

The show continued well attended throughout Saturday. Many of the dealers reported success with sales, and many pleased patrons went away proud of the new cars they had bought.

Portland, Or., Feb. 21.—The establishment of steamship service with monthly sailings from Portland to north China ports in addition to the present service maintained with the rest of the orient is the intention of the Pacific Steamship company, according to A. F. Haines, general manager of the company here today.

The plan proposed by Mr. Haines is to confine the five ships now in the Portland-Orient line to Manila and between Portland and Japan, Shanghai, Tientsin, Dairen, Taku Bay and Hong Kong for their oriental ports of call, and place another fleet in service to other north China ports. The nucleus of this line has already been formed by the allocation of the steamer Wawala to ply between Portland and Japanese ports exclusively.

Hoover Remains Ruling Favorite In Straw Ballot

Hoover still retains a big lead in the Capital Journal straw ballot for presidential choice. One republican is so well pleased with Lansing that he favors him for the presidency. The railroad vote for McAdoo has not materialized in Salem and Johnson continues to lead Wood. The count to date:

Table with 2 columns: Name and Count. Hoover: 22, Johnson: 18, Wood: 16, Pershing: 6, Wilson: 6, Bryan: 3, Capper: 3, Taft: 2, Fraser: 2, Poindexter: 1, McAdoo: 1, Lansing: 1.

Public Invited to Armory Tonight; Mayor Wilson and Others to Give Stunts During Evening; Parade Held in Morning

Public invited to armory tonight; Mayor Wilson and others to give stunts during evening; parade held in morning.

Wilson Sends Message of Condolence to Mrs. Peary

Washington, Feb. 21.—President Wilson today sent this message of condolence to the widow of Rear Admiral Peary: "Mrs. Wilson joins me in extending our warmest sympathy to you and your children in the death of your distinguished husband. May the memory of his intrepid and indefatigable effort in the cause of science do much to assuage your grief. WOODROW WILSON."

NON-PARTISANS TO SEND ORGANIZERS TO OREGON THIS SPRING

Portland, Or., Feb. 21.—Organizers of the non-partisan league headquarters at St. Paul will come to Oregon next June to organize the farmers of the state, it was announced here Friday by F. E. Coulter, a founder of the United Land and Labor party of Oregon, who was active in organizing the non-partisan league in North Dakota 1915. J. C. Dornand a worker in the league, was here from the east this week.

INFLUENZA QUARANTINE RULES TO BE ENFORCED TO LETTER IN SALEM HEREAFTER UNTIL EPIDEMIC ENDS

Immediate and complete isolation for patients and residents in house ordered; public asked to report known cases.

OREGONIAN SUED FOR DAMAGES BY LEROY E. KEELEY

In a libel suit filed recently by Le Roy E. Keeley against the Oregonian, a daily newspaper published at Portland, Keeley asks for \$100,000 damages, alleging that an article appearing in the Portland daily, January 10, 1920, is "libelous, untrue and derogatory."

Keeley's specific charges against the Oregonian are that in the issue of January 10, 1920, he was subjected to a libelous interpretation of a speech made by him before the Portland Labor Council, January 8, 1920. In support of his contention that he has been grossly abused and libeled by a portion of the Portland press, Keeley points out that all of these papers gave full publicity to attacks made on him because of his efforts to force a large lumbering concern to adequately remunerate a widow whose husband had been killed while in the concern's employ.

The attorney finds cause for complaint against some members of the Portland press for failure to give publicity to his suit against the Portland daily. Keeley in his complaint takes special umbrage at the assertions embodied in the third and fourth paragraphs of the Oregonian's article. He contends that the innuendo of the alleged libelous attack is found in the following lines: "Keeley wanted the council to adopt one of the major planks in the platform of the non-American communist labor party by amending the constitution to prohibit any person holding an elective or appointive office from holding any office in the Central Labor council or from serving on any committee of the council."

According to the Labor Press Keeley, by actual count talked 32 times in support of his motion, and his address is said by those present to have been as fiery and as surcharged with radical ideas as were the most radical orations of Joseph Laundy, now under indictment for criminal syndicalism; Charles Saunders, recently deported to Canada as an undesirable alien; Floyd Hyde, now under arrest as a "red"; and others who at times have led the radical forces on the floor of the labor council.

Another paragraph upon which Keeley leads up to his action for damages, because of the alleged misconstruction of the news source, is captioned by a sub-head which reads "Motive is shown." The Portland attorney alleges that this is one of the most vicious portions of the article.

(Continued on Page Two.) Percy A. Varney, state parole officer, left last night for Seattle to bring back James Charles Connors wanted at the state prison here as a parole violator. Connors has been a fugitive since last spring when he fled the state after mauling Mr. and Mrs. M. J. Branson of Williamson out of approximately \$300 on the representation that on payment of this sum he would be able to secure the parole of their son, Willie Branson, doing time in the penitentiary. Connors fraud in the connection with the Branson parole promise was exposed in letters written by the aged parents of Willie Branson to prison officials and to Governor Olcott asking for information as to when they could expect the release of their son and telling of the payment to Connors and of his promise. When his arrest as a parole violator was ordered, following this discovery, however, Connors had left the state. Connors was sent up from Multnomah county June 1, 1917, on a charge of having defrauded Mary Obermeier out of \$290. He was paroled March 15, 1919, after having performed valiant service during the influenza epidemic of the previous winter. He still has something over eighteen years of a two to twenty years sentence to serve.

ILLNESS OF JUROR AGAIN DELAYS BIG MONTESANO TRIAL

Montesano, Wash., Feb. 21.—The trial of ten alleged I. W. W. here for the murder of Warren O. Grimm, Centralia, Armistice day parade victim, halted yesterday because of illness of one of the jurors, Edward Parr of Hoquiam, was improved today but Judge John M. Wilson decided it would be unsafe to bring him into court.

There will be no more sessions of court until next Tuesday, the Washington's birthday holiday on Monday intervening. The specific defense of Loren Roberts, one of the ten defendants, was to have been made today had court not adjourned. Roberts has entered a plea of insanity and it was expected the testimony of an alienist for the defense would occupy a part of the session.

Dr. J. H. Fitz, county health officer, examined Parr again this morning, and he diagnosed his illness as influenza. The patient continued to have a high temperature, the physician said. The possible substitution of an alternate juror may not be restored toasmuch as Judge Wilson feels Parr should have sufficient time to recover before court convenes next Tuesday morning. The defendants were not brought into court today, the doors of the court room not being opened at all.

The fourth week of the trial ended today, the state having completed the introduction of its direct evidence, and the defense having presented evidence in an endeavor to prove an alibi in behalf of Eugene Barnett, one of the defendants. On the defense's first day it succeeded in having the murder charge against Bert Faulkner dismissed on account of insufficiency of evidence, reducing the number of defendants from eleven to ten.

Capital Journal's Straw Vote for President

Vote for One, placing X after name; then cut out and mail or bring to Capital Journal Office.

Table for straw vote for president with names: BRYAN, COX, GERARD, HARDING, HOOVER, JOHNSON, LOWDEN, McADDOO, OWEN, PALMER, PERSHING, POINDEXTER, POMERENE, TAFT, WILSON, WOOD.

Nation Warned Against Eating Poisoned Olives

Chicago, Feb. 21.—Warning that poisoned stuffed olives had been shipped by a Chicago wholesale house to dealers in fifty-two towns of etgant Louisiana, state superintendent of Montana: Dillon, Kallispell. The olives are of the ripe, stuffed type known as "stuffed olives" and are in bottles. Fifty dozen bottles have been placed in Illinois stores alone. The distributor has instructed his customers in all states to call on customers and instruct them to withdraw the olives from sale immediately. The olives are infected with bacillus botulinus, a form of poison which has recently caused a number of deaths in several states. All deaths so far reported, however, came from unopened bottles. This is the first time poisoned stuffed olives have been reported.

Stores in Salem Will Not Be Closed on Washington's Day

Stores in Salem will not be closed at any time during the day Monday—Washington's birthday—because of the holiday, according to an announcement made Saturday by the office of the Salem Business Men's league. Frequent inquiries as to whether business would be at a standstill in honor of the departed "father of his country" on his birthday gave rise to the announcement. The state irrigation securities commission is asked to certify to a \$299,000 bond issue in a petition filed by the Wapinitia irrigation district today. The issue is in addition to issues aggregating \$1,400,000 already approved by the state commission. The Wapinitia district is one of the largest in the state including some 26,000 acres in the vicinity of Vale in Malheur county. Iceland has more than 100 volcanoes. Switzerland produces no good coal.

Warren Patents Expire This Year McNary Is Told

Washington, Feb. 21.—Basic patents held by the Warren Construction company covering paving processes will expire May 5 of this year, according to information given Senator McNary by the patent office. Inquiry was made by the senator following receipt of a letter from Judge Busby of Salem. The patent office reported that several patents were issued to Fred J. Warren of Massachusetts on May 5, 1907, and will therefore expire by limitation this year. It is thought that this change of date in the Warren patents may have important bearing in the making of future contracts for paving where the Warren company is a bidder.

Business Men to Take Trip Monday After Lunch to Plant

Another trade tour to an industrial plant in Salem will be taken by the business men of the city Monday following their regular weekly luncheon in the Commercial club at noon, according to Manager McCroskey Saturday. Last Monday the business men who attended the luncheon visited the mills of the Chas. K. Spaulding Logging company. Secretary Daniels yesterday paid tribute to the achievements of Admiral Peary in a message of sympathy to Mrs. Peary.

Hearst Bond In Injunction Case Is Set At \$10,000

Washington, Feb. 21.—Associate Justice Bailey of the district supreme court today fixed at \$10,000 the bond to be given by William Randolph Hearst, in his injunction proceedings against the shipping board to prevent the sale of the thirty former German liners. Counsel for the board said the government's only expense in connection with the sale was \$26.28 for circulars sent to shipping interests. There was no regular advertising, they said. At the request of government counsel, Justice Bailey deferred signing the original injunction until Tuesday so counsel might confer over the terms. The justice also reserved decisions on a request of the board that the steamer Sewanee, which has been sold for \$2,000,000 be excluded from the order of injunction.

Woolen Trust Installs System of Retail Stores

Lawrence, Mass., Feb. 21.—The American Woolen company has inaugurated a system of retail stores at its four mills in this city in an effort to reduce the cost of living for the 15,000 operatives. Staple commodities are sold at a price below that of local merchants, in line with the assertion made recently by William M. Wood, president of the company, that living costs here are higher than they should be. A bill designed to open the way for return of property to American wives of enemy subjects was introduced yesterday by Representative Butler of Pennsylvania.