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PORTLAND, OREGON, SUNDAY MORNING, FEBRUARY 13, 1921

PRICE FIVE CENTS

BUSINESS TAKES ON HEALTHY HUE

Portland Bankers Agree Crisis Has Been Met.

LOCAL OUTLOOK IS BRIGHT

Deflation Is Accomplished With No Disasters.

LIQUIDATION NEARS END

Dawn of Normal Conditions Has Appeared, Say Financiers, and Prosperity Lies in Wake.

With one accord, officials of several of the largest banks in Portland, including the manager of the federal reserve branch here declare that business is improving and that the outlook for the future with full confidence. Their statements necessarily are conservative, and, because of this, may be taken by the public as all the more valuable, setting forth, as they do, not only the optimistic features, but also analyzing some of the troublesome phases with which the country has been contending.

Conditions in Oregon, and the northwest in general, have been excellent throughout the entire critical period in the financial and business world, it is agreed in banking circles, and failures here have been kept at a minimum. Financiers are pointing to the wonderful record of the federal reserve system, to which is given great credit for averting chaos and disaster.

One of the worst things this section is contending against, a thing which is declared to be absolutely and arbitrarily unfair, is the differential in lumber rates as between the northwest and the southern pine region. This is playing havoc with the lumber market, but notwithstanding this fact there is an improvement in this great line of business.

A very great and beneficial feature, viewed from the local standpoint, as well as otherwise, is the organization of the \$100,000,000 corporation to finance foreign trade. This section should reap vast benefits from this and it should stimulate this big line of endeavor immensely.

Worst of Storm Has Passed.

According to Frederick Greenwood, manager of the Portland branch of the federal reserve bank, "the worst of the storm is over and we are at the fairer weather." His statement is as follows:

"The business barometer shows unmistakable signs that the worst of the storm is over and that we are due for fairer weather. One of the most encouraging signs is the steady improvement shown in the ratio of the combined statement of the 12 federal reserve banks. The last statement showed a gold reserve against combined deposit and federal reserve note liabilities of approximately 49 per cent, as against about 42 per cent a year ago. Another favorable sign is the reduction that has been made in the holdings of government bonds and paper secured by government securities by the national banks.

"It is well understood that our era of high prices was largely the result of the inflation of bank credit made necessary by the flotation of the liberty loans. During the year banks in 100 selected cities show a reduction in holdings of government bonds of about 29 per cent of the amount held in January, 1920, and about 27 per cent in paper collateral by government securities.

Increased Loans Offset Reductions.

"These reductions have been offset by an increase in loans made directly for commercial and agricultural purposes, and the change has put the

HUMPTULIPS FLOOD WASHES OUT TRACKS

WASHINGTON HIGHWAYS ALSO REPORTED UNDER WATER.

Pacific Beach and Hoquiam Branch of Northern Pacific Expected to Resume Tomorrow.

HOQUIAM, Wash., Feb. 12.—(Special.)—The highest water in four years in the Humptulips river today washed the bed of the Northern Pacific railroad from underneath about 1000 feet of track.

P. L. Demmer, roadmaster, and William Nally, yardmaster, made a boat trip from a ranch half a mile distant to inspect the damage. If no further rain falls within the next 48 hours, however, it was expected the track could be put in condition for service between Hoquiam and Pacific Beach by Monday afternoon. Service to Puget sound and Portland was not interrupted.

Twenty-seven passengers from the beach this morning were moved on flatcars over the flooded tracks.

Five to six feet of water covered the Olympic highway at Tulips station, Newton and the section between Humptulips bridge and Copalis crossing. Elma Gate highway also was reported to be under three to four feet of water at the blockhouse. At the Smith ranch, where the Chehalis river was over its banks, 2 1/2 inches of rain fell in the 24 hours between Thursday and Friday nights.

SECRETARIES KEEP SEATS

Daniels and Meredith Retain Cabinet Chairs as Souvenirs.

WASHINGTON, Feb. 12.—Secretaries Daniels and Meredith are to retain their "cabinet seats" permanently. They arranged today to purchase the chairs they have occupied each Tuesday in the cabinet meeting as souvenirs.

Formerly the chairs were sold for \$65, but these are days of higher prices, and the two officers are understood to have paid more than \$100 each.

Secretary Baker has contented himself with removing the brass name plate from the back of his cabinet chair. He paid \$4.50 for that.

FOUR MINERS ENTOMBED

Fifth Worker Trapped by Explosion Found in Dazed Condition.

DAK CREEK, Colo., Feb. 12.—Four miners were trapped in the No. 2 mine of the Moffat Coal company, one and one half miles from here, as a result of an explosion late today. Rescuers with oxygen helmets entered the mine at 7:20 o'clock tonight.

Patriot St. Patrick, a fifth miner trapped by the explosion, was found wandering around in a dazed condition at 7:20 o'clock near what is known as slope M and N.

SCHOOL YEAR CONTINUOUS

Ohio State University to Operate Under Quarterly Semester Plan.

COLUMBUS, O., Feb. 12.—Ohio state university will operate on the continuous year plan after July, 1922, as a result of action taken today by the board of trustees.

The school year will be divided into four quarters, degrees being issued every quarter to those completing the work.

Under the plan the present four-year courses may be completed in three years.

OCCASIONAL RAIN COMING

Week Will Be Cloudy but Temperatures Will Be Normal.

WASHINGTON, Feb. 12.—Weather predictions for the week beginning Monday are:

Northern Rocky mountain and plateau regions: Considerable cloudiness, occasional rain or snow, temperature near or above normal.

Pacific states—Normal temperature, considerable cloudiness and occasional rains except in southern California.

WIPING OUT WAR DEBTS HELD RUSE

British Overtures Meant Chiefly for Allies.

APPEAL TO AMERICA BLIND

Chamberlain Serves Notice Loans Must Be Paid.

UNITED STATES IS CLUB

Diplomacy Takes Roundabout Way of Telling Other Entente Powers Obligations Will Stand.

BY MARK SULLIVAN.
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WASHINGTON, D. C., Feb. 12.—(Special.)—All this week there has been a flood of talk in congress, in committee meetings and in the newspapers about the money owed to us by our allies. The bulk of this talk has been sadly lacking in understanding. Mystery has been made of the fact that a member of the British cabinet, Austen Chamberlain, in a public speech, stated that Great Britain had approached us with a suggestion that we cancel these debts. Mr. Chamberlain's action has been the occasion of minority comment in the American press. It has been described as a diplomatic indiscretion, or something worse.

To anyone who knows all the facts, there is no mystery in it, and Mr. Chamberlain had a perfectly good motive for what he did. He must be smiling a good deal over the reception his remarks met in America. Mr. Chamberlain's public allusion was not meant especially for the ears of America, nor for the ears of Great Britain. It was meant for the ears of France, Italy and the other allies.

Britain Is Little Interested.

Mr. Chamberlain doesn't care and Great Britain doesn't care so much about cancelling these loans. The flood of talk in America, which has taken a color of resentment against England, is wide of the mark. It makes some difference to Great Britain whether we cancel these loans, but not so much as is universally assumed. So far as Great Britain is concerned, it would be largely a bookkeeping transaction.

It is not Great Britain that is primarily interested in the cancellation of our loans abroad; it is France, Italy, Belgium, Siberia and the other allies. The fact is, Great Britain is largely in the same position as ourselves. We have lent, roughly, \$5,500,000,000 to the allies. Great Britain has lent to the allies, roughly, \$2,500,000,000. But in any all-round cancellation Great Britain would only benefit by the \$3,000,000,000 she owes us and would lose to the extent of all the allies owe her. This is, of course, subject to much qualification.

Russian Debt Is Worthless.

For example, the debts due to Great Britain are in the form of depreciated currencies. Just what the net result of cancellation all around would be is not possible to say with accuracy without more minute figuring than is here possible. Great Britain's loans to Russia were more than \$2,500,000,000, while our loans to Russia were less than one-sixth as much—about \$350,000,000. Obviously, the debt that Russia owes to Great Britain is pretty nearly a total loss already. For Great Britain to cancel that debt of \$2,500,000,000 would be merely a gesture.

Great Britain would be cancelling a Russian debt which is largely a total loss already, while she would be the beneficiary of our cancellation of the perfectly good debt she owes us. The accounts among the allies are full of such intricacies as this, and only an expert accountant could tell just what the net result would be if

SENATOR THREATENS TO IMPEACH LANDIS

DIAL OF SOUTH CAROLINA ASKS REPORT ON STATEMENT.

Judge Says Bank That Paid Clerk \$90 a Month Responsible for Man's Theft.

WASHINGTON, D. C., Feb. 12.—Senator Dial of South Carolina announced today in the senate that he would bring impeachment proceedings against Federal Judge Landis of Chicago if he obtained confirmation of statements credited in the press today to Judge Landis in the case of Francis J. Carey, a bank clerk charged with embezzlement.

Carey, who pleaded guilty to embezzling \$66,000 from the National City bank of Ottawa, Ill., was released yesterday on his own recognizance by Judge Landis, who was quoted as saying the bank directors really were responsible for the theft because they paid Carey only \$90 a month.

"Any man who utters that kind of statements," said Senator Dial, "is not worthy of public confidence and should be impeached."

Senator Dial said he had written to Chicago to obtain confirmation of the statements credited to Judge Landis.

DES MOINES, Ia., Feb. 12.—Federal Judge K. M. Landis of Chicago, in a speech before the Iowa American Legion here tonight, admitted making statements similar to those Senator Dial of South Carolina charged him with.

"I repeat that and send it to Senator Dial with my compliments," he asserted.

Judge Landis sent his audience into (Concluded on Page 3, Column 2.)

BLOOD TEST BARES CHILD'S PARENTAGE

SCIENCE DISPROVES MAN'S DENIAL OF FATHERHOOD.

As Result of Physician's Verdict Judge Says Italian Must Pay for Baby's Support.

SAN FRANCISCO, Feb. 12.—Medical jurisprudence as practiced in San Francisco has outdone Solomon's renowned test to establish the parentage of a child.

Recently Mrs. Rose Vittori brought an action to compel her former husband, Paul Vittori, to pay for the maintenance of her child. Vittori denied his paternity. Counsel agreed in court to subject the disputed matter to science in the form of a blood test of Vittori and of the child, and Judge Thomas F. Graham announced he would abide by the decision.

Dr. Albert Abrams was named to make the tests. Today he announced his investigation determined absolutely that Vittori was the father of the child.

"Blood vibrations of Vittori and the baby conclusively proved parentage, according to the scientist. They beat in unison, he said.

"We have found," said Dr. Abrams, "that the blood of a child and its parent vibrate with identical rhythm. The blood of some one outside the family would not be in unison."

Dr. Abrams further said that the tests showed that Vittori was Italian, of Italian parents; that Mrs. Vittori was part French and three parts Spanish.

Judge Graham said tonight he would enter an order that Vittori pay for (Concluded on Page 3, Column 2.)

BRITON FORESEES JAPANESE PERIL

Are We Drifting Into War? Queries Mr. Barnes.

RACE OBJECTIONS ARE CITED

One Declared to Be Social and Other Economic.

SOLUTION IS SOUGHT

Labor Clause of Peace Covenant Is Believed Likely to Eliminate Lower Labor Standards.

BY GEORGE M. BARNES.
Ex-Member of the British Cabinet and Member of the Peace Conference. (Copyright, 1921, by The Freeman.)

LONDON, Feb. 12.—(Special Cable.)—Things are drifting. Are we to drift into war? The yellow man looms large and portentous on the international horizon. Australians, apparently, are determined that the yellow races must be barred from Australia, and what Australians say regarding the south Pacific may also be said with equal emphasis by and for the west side of the north American continent.

On the other hand teeming millions of Japanese are increasing at the rate of a half million each year, and the United Japanese territory is already peopled almost to capacity. Must there be a war for racial privilege? America and the Antipodes seem prepared to risk it, but isn't it worth while to consider some way out?

Two Objections Noted.

There are two objections to the yellow man—one economic, the other racial. Respecting the first, the labor provisions in the peace treaty may, in the not distant future, bring the Japanese more in line with the higher standards observed in America and Australia. Then the economic section argument would lose weight. Perhaps this would apply equally to the second argument. The latter is a woman's problem, more than men's.

The mandate for the South Pacific islands, which the Australian Senator Millon is taking home as a trophy from the council of the league of nations, gives Australia a free hand, subject only to safeguarding the native population.

Open Trade Door Unlikely.

An open trade door or social equality are not stipulated and, considering Australia's political conservatism, it can be predicted that neither will be observed.

The mandate really involves discrimination as between members of the league which is certainly not allowable under the letter of the covenant.

But is such a policy in accordance with the spirit which gave birth to the league? This opens a momentous question now confronting the world.

But meantime, if discrimination continues, the position of those involved in forcing it may grow worse. It may even be found in an acute crisis that white people will not rally to the defense of privileges wherein only a small fraction of the white race is practically concerned. Cannot some way out of the present difficulty be found? This suggestion is thrown out to those who are sitting in the seats of the mighty.

The British political barometer still veers toward storms. Cries of economy are now finding a ready echo from harassed taxpayers. The British are the heaviest taxed people in the world, and, although high taxation has resulted in some reduction of debt, nevertheless increasing numbers think that debt reduction has been purchased too dearly in strangled trade and widespread hardship.

Nor does there seem any prospect (Concluded on Page 3, Column 1.)

WOMEN BATTLE MOB AND DEFEND VILLARD

MANY CUT BY FLYING GLASS DURING WILD MELEE.

Police Quell Disorder, and Alleged Pacifist and Draft Opponent Continues Address.

CINCINNATI, O., Feb. 12.—Scenes of turbulence that necessitated the sending of a riot call to police headquarters marked an address delivered today by Oswald Garrison Villard, editor of the Nation and formerly editor of the New York Evening Post. The address was given under auspices of the City club and the Woman's City club.

During the week there had been many resignations from both clubs on the ground that Villard was an admitted pacifist and that he opposed the draft. Prominent women members of the Woman's City club, circulated petitions protesting against the meeting, and the use of several halls was denied.

Villard was in the midst of his address when about 50 men rushed up the stairs to the auditorium. A closed door containing a glass pane opened into an ante-room. The glass was broken and several invaders and defenders were slightly cut. The crowd poured into the ante-room and there was a wild melee. Women members threw themselves against the main door to bar the invaders, who were yelling:

"Let's go! We demand to hear this man!"

Blows were exchanged and the noise attracted a throng. A riot call was sent to the police. The stairway and ante-room were soon cleared.

Villard halted as a result of the noise, but continued when the police had cleared the place.

Herbert Seal, who denied that he was the leader of the attacking force, was charged with attack and battery, but was released on bond. Villard was escorted from the hall to an automobile by the police after the streets had been cleared for a block.

FARMERS HOPE TO SAVE

National Association Will Adopt Co-operative Selling Plan.

CHICAGO, Feb. 12.—The National Association of Wheat Growers today decided to adopt a co-operative plan of selling their product in an effort to save approximately 55 cents a bushel through the elimination of the middleman's profit.

The growers plan to establish central receiving stations in each state where the farmers may send their wheat. Stations for receiving wheat also will be established at all large seaports to handle export trade, it was said.

Members of the board voted to start work on the plan immediately so that quick results may be obtained.

GAS KILLS AGED COUPLE

Civil War Veteran and Wife Are Found Dead in Bed.

EUGENE, Or., Feb. 12.—Mr. and Mrs. Harvey L. Smith, aged 77 and 78, respectively, were found dead in bed in their home in this city this afternoon. The house was full of gas, and neighbors who found the bodies say it was issuing from an open valve in the kitchen range. As neither one had been seen by neighbors since Thursday it is presumed that death occurred that night.

Coroner Bransetter announced that death was undoubtedly due to asphyxiation. Mr. and Mrs. Smith were patients of Fred E. Smith, an attorney. Mr. Smith was a lieutenant in the civil war.

EGGS RETAIL AT 19 CENTS

Lowest Price Quoted in Years

ROSEBURG, Or., Feb. 12.—(Special.)—Fresh ranch eggs at 19 cents a dozen, the lowest price quoted in this city for many years, brought this product within the reach of the most humble citizen in this city today.

Nineteen cents was the retail price, producers receiving 17 cents for their eggs.

MUCH STILL TO DO BEFORE SATURDAY

Hundreds of Bills Pend as Session Nears End.

TENURE DEBATE IS SLATED

Other Matters Also Expected to Take More Time.

BONUS IS NOT SETTLED

Some Vital Measures Passed by One House or Other and Some Are Not Yet Introduced.

STATE HOUSE, Salem, Or., Feb. 12.—(Special.)—Comes now the sixth and last week of the legislative session, with a multitude of work to be disposed of in the few remaining days. There are hundreds of bills which must be killed or passed before next Saturday night.

In order to bring the session to a close at that time, the lawmakers will be compelled to go into night meetings and administer chloroform to scores of bills.

Most of the measures which have consumed time are now out of the way, although the tenure bill has not been finally disposed of and it will, presumably, require a few more hours of debate. The tax measures have passed both houses and the post development bills are in the office of the governor; the fish code has been taken care of and sundry and diverse measures are disposed of. The irrigation bills after a spectacular fling, have gone to the cemetery of dead bills.

Some Matters Need Attention.

There yet remain, however, some matters requiring attention. The road bills have not been cleared away. There is no bond bill introduced yet to provide further funds for the state road programme. The motor code bills are in the office of the governor; the fish code has been taken care of and sundry and diverse measures are disposed of. The irrigation bills after a spectacular fling, have gone to the cemetery of dead bills.

The ways and means committee has not completed the appropriations bills. Reapportionment of the legislative districts is being held back until the last few days of the session.

Some of these matters of importance have been passed by one or the other branch of the legislature, some have not even been introduced. This is particularly true of the series of highway bills, for the proposed additional 2 cents a gallon on gasoline has not been embodied in a measure, and there is the bond bill which the commissioners will require to prosecute highway work in the next two years.

Road Bills Are in Senate.

Road bills which the house passed have been assigned to the senate road committee, although several are proposed to be sponsored by the joint committee. Eventually the road programme will get under way, but there are obstacles being erected here and there. The bill authorizing the highway commission to locate routes is certain to cause debate. While it might be advisable for the state highway commission to be on the ground in person during the remaining days of the session so that the members can be consulted by legislators and road committees, it is not known that these officials propose being in the state house.

When the motor code comes up for consideration on the floor, it will probably continue for several hours. This code embraces such a multiplicity of subjects that a number can be calculated on to cause comment.

New Bills to Be Offered.

In addition to undropped bills, there will be new ones offered next (Concluded on Page 3, Column 1.)

CARTOONIST PERRY ILLUMINES IN PICTURES SOME CURRENT NEWS EVENTS.

