

WEATHER
Yesterday ... 48
Last Night ... 38
and unsettled to
and Tuesday.

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ROSEBURG NEWS-REVIEW

DOUGLAS COUNTY

ROSEBURG, OREGON, MONDAY, MARCH 24, 1924.

VOL. XII, NO. 16, OF THE EVENING NEWS.

COUNTY JUDGES ENDORSE BILL PLACING OREGON GRANT LANDS WITHIN NATIONAL FORESTS

County Will Receive More Than Million Dollars in Five Years if Bill Introduced by Senator McNary in Congress Is Given Approval—Judges to Take Vote.

Judges George K. Quine of Douglas county, G. A. Gardner of Coos county, and Kelus Pollock of Clatsop county, met yesterday at Roseburg to prepare arguments to be presented to the other county courts of Oregon in reference to Senator McNary's bill providing for the inclusion of O. and C. and Coos Bay Road grant lands within the national forests of Oregon. In the bill as passed by congress, the county will receive more than \$1,000,000 in five years for the purchase of the lands. The bill provides for the inclusion of approximately two million acres of land in the nationally controlled reserves, and if adopted would provide for the payment of these lands in five annual installments.

Grant lands covered by the bill to be returned to the government in 1925. Originally they were to be returned to the Oregon and California companies, owners of the right of way, and to the Oregon Road company. It is estimated that these companies own approximately 1,000,000 acres of the lands at the rate of \$15 per acre. The companies have failed to follow out their contracts, demanding higher prices for the lands, and the government has taken them back. The companies are holding their equity in the lands at \$1.50 per acre. The government will pay the counties of Oregon back taxes on the lands, amounting in all to about \$1,300,000. The bill provides for the administration of the lands by the U. S. Forest Service, and the counties will receive a share of the proceeds from the sale of the lands, and a share of the proceeds from the sale of the timber on the lands. The bill also provides for the payment of the interest on the bonds issued to purchase the lands.

SHIPPING BOARD IS BEING INVESTIGATED

(Associated Press Leased Wire.)
WASHINGTON, March 24.—Investigation of the shipping board and emergency fleet corporation was resumed today by a special house committee with several members of the board and the corporation on hand to answer questions relative to pending steps affecting the government's merchant fleet.

AROUND THE WORLD PLANES ARE READY

(Associated Press Leased Wire.)
SEATTLE, March 24.—Preparation of the four army cruisers for the next stage of their journey around the world is progressing rapidly at the Sand Point aviation field near here where they landed last Thursday. All the planes will be fully overhauled and repaired and fitted with pontoons by Thursday. Their tests will then begin and will continue until Saturday when they will take part in an air circus planned for a benefit for the army relief fund. Early next week they will hop off for Prince Rupert, B. C. a 650 mile jump.

true course is not shown by any of the many instruments on the control board.

To Lieutenant Erik Nelson, flight engineer of the world flight squadron belongs the credit for solving this aerial navigation problem, according to his officers of the fleet.

The drift lines are marked on the tail wings in degrees. Smoke bombs are dropped from the speeding plane. The light gas having no motion other than that given it by moving air currents is sighted from the cockpit of the mechanic along the drift lines. He reads the airplane's lateral movements on the gyrations of the tail wings and the compass is boxed to correct any deviation from the course.

From Seattle the water trip begins and his invention will be put to use for the first time.

BUDGET COMMISSION SOON TO ORGANIZE

(Associated Press Leased Wire.)
SALEM, March 24.—The state budget commission, composed of the governor, secretary of state, and state treasurer, probably will meet within the next two or three weeks for the purpose of electing a secretary and getting the work started preparatory for the meeting of the next legislative assembly. The commission was created by the legislature of 1921 and functioned first for the session of 1923. Frank Meredith of Salem was the first secretary and compiler of data for the commission and he probably will be elected again. The commission, prior to the session of 1923, lopped about \$7,000,000 from the estimated budget needs of the state institutions, thereby saving much work for the legislature. The ways and means committee made some objections to the form in which the data was presented, and a similar form may be worked out this year.

SECRETARY OF NAVY AT HIS DESK TODAY

(Associated Press Leased Wire.)
WASHINGTON, March 24.—Curtis D. Wilbur of California, the new secretary of the navy arrived in Washington today, conferred with President Coolidge and then was installed at his desk at the navy department.

Secretary and Mrs. Wilbur were met at the station by two naval aides in one of the White House automobiles. Mr. Wilbur went direct to the White House and spent fifteen minutes with the President.

"I have no preconceived idea as to naval policies," the secretary said. "I am taking it for granted that the naval establishment is well organized and will be able to run along while I pick up the threads."

Asked if he could be considered a "big navy man" he said: "Well I am for a pretty good sized navy."

CHAMPION HAS TWO OFFERS FOR FIGHTS

(Associated Press Leased Wire.)
NEW YORK, March 24.—Jack Kearns, manager of heavyweight champion Jack Dempsey announced today he was considering a million dollar motion picture offer and two Rickard and the other from James J. Coffroth, California promoter.

The motion picture offer came from Carl Laemmle, head of a large producing concern, declared Kearns, who also disclosed that Coffroth had renewed a previous bid for a title battle at Tiljuana between Dempsey and Harry Wills, while Rickard had offered terms for a match with the best available contender here in September.

JOHNSON CAMPAIGN ON IN NEBRASKA

(Associated Press Leased Wire.)
OMAHA, March 24.—With the Nebraska presidential primary only two weeks away, Senator Hiram Johnson of California, candidate for the republican presidential nomination opened his second campaign tour of the state today at Norfolk, with an address at a mass meeting and by radio. Both death almost wholly with the oil lease controversy, the senator declaring that "If President Coolidge wanted to 'clean up the Teapot Dome situation' he could do it in 48 hours."

Senator Johnson went on to Fremont this afternoon and is to speak at Omaha tonight. He will spend tomorrow and Wednesday in the state.

LOWER RATE FOR PHONES IS URGED

Member of Public Service Commission Makes Minority Report on Ruling.

STRESSES DEPRECIATION

McCoy Contends a Return of 6 Per cent of Company's Investment Would Be Fair to All.

(Associated Press Leased Wire.)
SALEM, March 24.—Taking sharp issue with his two associates on the public service commission, Newton McCoy, the third member of the commission who dissented from the order issued by the commission Friday in the Pacific Telephone and Telegraph rate case, today issued his dissenting opinion.

McCoy starts out by saying that he concurs with his associates in the relief given farmers and patrons of the Oswego exchange, also in the ordering of a measured service for the business phones of the city of Portland. He contends, however, that the majority order does not give the full relief warranted by the law and by evidence in the case, and avers that a reduction of at least 25 cents a month should be made on all residence phones in the state.

The minority opinion places much emphasis on the question of depreciation.

The telephone company, says Mr. McCoy, has figured depreciation at from 5 1/2 to 6 per cent. A correct rate, as figured by the engineering force of the commission, he says, is 3.8 per cent.

McCoy contends that the company should be prosecuted for not following the order of the commission in 1919 by segregating its depreciation. He declares that no depreciation should be allowed out of the operating expense until the reserve has been brought down to what it should be.

Relative to the 4 1/2 per cent tribute paid by the Pacific company to the parent American Telephone and Telegraph company, McCoy declares that this should be eliminated.

He points out that independent companies in Oregon are furnishing service as good as that of the Pacific company at an average of \$7.50 per station per year less cost to the patrons.

McCoy contends that a return of 6 per cent of the company's investment would be fair and reasonable.

The following observation about depreciation is made:

"The depreciable property of the Pacific Telephone and Telegraph company in Oregon on December 31, 1922, was valued at \$15,421,169.

"The depreciation reserve at that time, which had been piled up on the entire depreciable property of the Pacific Telephone and Telegraph company, was \$29,258,969.77, which is 29 per cent of the value of the depreciable property of the company (on the Pacific coast).

"Twenty nine per cent of the depreciable property of the Pacific company in Oregon, \$15,421,169, is \$4,472,139.91. A depreciation reserve in excess of 18.45 per cent of the depreciable property is unreasonable and unjust and should not be permitted. And 18.45 per cent of \$15,421,169 is \$2,845,305.68. Subtracting this sum from \$4,472,139.91 leaves the sum of \$1,626,834.23."

The order declared further that no service commission has ever been able to ascertain the cost of manufacturing equipment of telephone companies and that justice will never be done until this can be found out and the unreasonable portion of the secret profits eliminated.

The McCoy opinion strikes hard at the overhead cost of the company, referring to it as the cost and expense of supporting a host of officials and employes, consisting of officials of the American Telephone and Telegraph company, the Western Electric company and two sets of offices and employes of the Pacific company, one set in San Francisco and another in Portland.

The opinion flays the telephone company for its alleged methods used in breaking competition by giving free service at times until the competitors could be frozen out and for its alleged arrogant attitude toward the service commission and the people of the state. The effect of this conduct, says the opinion has been to reduce its patronage and therefore its rates of return "for which it is to blame, and not the people." Statistics are furnished to show that the percentage of increase in the number of the company's telephone exchanges for three year periods have decreased from 23.5 per cent to 11.3

per cent since December 31, 1915.

"This study of the telephone development in Oregon," says the opinion, "shows that the high rates prescribed by order 689 produced a permanent set in the telephone development in Oregon, which will remain until rates are reduced. In other words, over 6000 subscribers were lost and will not come back until rates are reduced. To this number must be added probably several thousand who will not take the service for the same reason.

"The amount of revenue that has been lost to the telephone company through these excessive rates is an important element to consider in making rates at this time and my associates thoroughly ignored this element in determining what should go into the present order."

DAUGHERTY CASE IS DELAYED FEW DAYS

(Associated Press Leased Wire.)
WASHINGTON, March 24.—Further hearings in the senate investigation of Attorney-General Daugherty today were postponed until Wednesday.

The postponement was due to the illness of Senator Wheeler, democrat, Montana, and to conflicting engagements by other committee members.

Senator Wheeler is confined to his bed with a severe cold. Another member, Senator Moses, republican, New Hampshire, was engaged with the opening of a new investigating into Rio Grande land transactions. Senator Jones, republican, Washington, was called out of the city. Chairman Brookhart said that the inquiry would proceed on Wednesday, even if Senator Wheeler, had been unable to return. When the committee resumes on Wednesday, it hopes to conclude with the testimony and cross-examination of Miss Roxie Stinson, divorced wife of Jess Smith.

FREIGHT RATES ON LIVESTOCK ARE HIGH

(Associated Press Leased Wire.)
PORTLAND, March 24.—Freight rates on cattle, sheep and hogs from points in eastern Oregon and Washington and Southern Idaho to Portland and Puget sound are higher than for comparable distances eastward and higher also than commodity and class applicable north and south through California, Oregon, Washington, it was contended today at the hearing before Warren H. Wagner, examiner of the Interstate commerce commission, who is taking testimony upon the complaint of livestock producing associations against the Oregon-Washington and navigation company and other railroads serving the Pacific northwest.

SAND POINT MAY GET AVIATION BASE

(Associated Press Leased Wire.)
WASHINGTON, March 24.—The house naval committee today approved plans of the navy to establish an aviation base at Sand Point, Washington.

The committee also sanctioned proposals for purchase at a cost of \$339,000 of a site for a naval supply depot in South Brooklyn, N.Y., and for acquisition of a tract on Puget Sound, Washington, to be used for a rifle range.

CONTEMPT CASE IS FACING SINCLAIR

(Associated Press Leased Wire.)
WASHINGTON, March 24.—The senate today pushed forward another step in its contempt case against Harry F. Sinclair by voting to certify to the United States Attorney the facts in connection with his refusal to answer questions before the oil committee.

WASHINGTON, March 24.—When the senate began voting on Senator Walsh's resolution, senator answered "eye" without regard to party, until Senator Elkins was called. He voted no.

The vote was 27 to 1, Senator Elkins, republican, West Virginia casting the negative vote.

WASHINGTON, March 24.—Harry F. Sinclair was formally cited by the senate today for contempt for refusal to submit to further questioning.

Immediately after Chairman Lall submitted the committee report making the citation, Senator Walsh, the committee prosecutor, recommended that the case be certified to the District of Columbia courts for grand jury proceedings.

TEAPOT DOME HEARINGS BEING RUSHED BY COMMITTEE TODAY AND TESTIMONY IS OF A VARIED NATURE

Are Perfecting Plans to Hale Harry Sinclair into Court Because of His Refusal to Give Testimony at Inquiry—Campaign Manager of Coolidge Gives Testimony.

(Associated Press Leased Wire.)
WASHINGTON, March 24.—The law officers of the government were asked today by the senate to bring contempt proceedings against Harry F. Sinclair, whose lease of Teapot Dome started the rolling snowball of the inquiry.

By a vote of 72 to 1, the senate adopted a resolution by its oil committee certifying Sinclair to the district attorney on a contempt charge because of his refusal to testify further in the committee hearings.

An hour before, another witness, C. C. Chase, son-in-law of Albert H. Fall had refused to answer the committee's questions on the ground that it might incriminate him. His case will be taken up later.

(Associated Press Leased Wire.)
WASHINGTON, March 24.—Odds and ends of testimony bearing on widely separated aspects of its inquiry went into the record of the oil committee today while its members were perfecting plans to hale Harry F. Sinclair into court because of his refusal to submit himself to further questioning.

As if the committee men had determined to push their task of investigation to a quick conclusion, witnesses succeeded each other rapidly and most of them were dismissed with only a scant semblance of cross-examination.

Carmel Thompson of Cleveland, one of President Coolidge's campaign managers and a close friend of the late President Harding, testified that he had no knowledge of an "oil deal" at the republican national convention in 1920. Harold Vivian, a report told the committee had received information from the New York office of Will H. Hays that Hays would testify to a stock transaction by which Sinclair helped wipe out the republican national committee deficit after the 1920 campaign. Vivian said such a story was told to him by Joseph J. O'Neill, Hays' publicity director, but O'Neill in a telegram, read to the committee, denied it.

Martin J. Powers of Philadelphia denounced a story that he was interested in any way in Teapot Dome and branded as ignominious lies, various stories he said had been circulated about him.

Michael Cirelli of Philadelphia denied some of the testimony given by Powers.

WASHINGTON, March 24.—Carmel A. Thompson of Cleveland, manager of President Coolidge's campaign in Ohio, was the first witness today in the oil inquiry.

In his examination of the witness turned again to stories of an oil "deal" at the Chicago convention which nominated President Harding.

Before the questioning of Thompson began, there was a brief excursion into the matter of Sinclair's contribution to the republican national convention to help make up the deficit resulting from the 1920 campaign.

Senator Spencer, republican, Missouri, remarked that he had noticed that a subpoena was out for Fred W. Upham, the republican national treasurer.

"I now ask that we subpoena the chairman and secretary of the democratic national convention," said Senator Spencer. "I noticed that Mr. E. L. Deheny testified that he gave \$75,000 to the democratic convention while its records show, as published, only \$8,000 from him. Since we are going into those matters, we ought to get both sides."

Senator Walsh, democrat, Montana, suggested that the republican funds had been investigated only so far as they were involved in the oil leases and Senator Dill, democrat, Washington, said the republican administration had been elected and this made the inquiry into republican funds pertinent.

At the suggestion of Senator Walsh, the committee deferred a decision and began the questioning of Thompson, who was at the Chicago convention as a Harding supporter. The witness said he did not hear Jake Hamon, oil operator and republican national committeeman for Oklahoma, "make a proposition of any kind to Senator Harding or his associates for the delivery of the Oklahoma delegation."

"He certainly made no such proposition to me," he added.

Reading from a prepared statement Thompson said:

"I have been called before you to tell about a statement which one Tiffin Gilmore (deputy secretary of state of Ohio) testified before you that I was alleged to have made to him concerning political deals and

other matters at the 1920 republican national convention held in Chicago.

"If Mr. Gilmore was quoted correctly in the newspapers, he said that the conversation he was alleged to have had with me was upon a Pennsylvania train leaving Chicago about 8 o'clock Sunday evening, immediately after the convention, for Washington.

"I did not go to Washington from the convention. I took the New York Central train known as the Twentieth Century Limited on Sunday immediately following the convention, direct to Cleveland.

"I do not recall seeing Mr. Gilmore on the train and I did not have a conversation with him on the subject referred to by him at any place or time. Mr. Gilmore must have been confused in this matter.

"I became acquainted with Mr. Jake Hamon after he arrived in Chicago for the convention. I did not hear him make a proposition of any kind to Senator Harding or his associates for the delivery of the Oklahoma delegation. He certainly made no such proposition to me.

"As to the oil lands that Mr. Gilmore suggested that I was interested in, perhaps in southern California, I desire to say that I have never owned or been interested in any real estate outside the state of Ohio and Minnesota. I have not at any time owned an interest in an oil lease or lands purporting to contain oil. I have never bought, either directly or indirectly, sold or owned a share of oil stock."

Senator Walsh commented that the committee understood from Mr. Gilmore's testimony that Mr. Thompson was not interested in any oil land personally.

"When did you first learn that Mr. Harding would be nominated?"

"I learned along late in the evening prior to the nomination," Mr. Thompson began. "That the deadlock was hopeless between the three leading candidates and that Mr. Harding would be given additional votes next day, with the object of seeing whether he could develop strength."

The witness was excused and Chairman Ladd read a telegram from Joseph J. O'Neill of Will H. Hays' office in New York, denying that he had ever authorized a newspaper statement to the effect that Harry F. Sinclair had given the republican national committee \$75,000 shares of Sinclair oil stock. O'Neill said he had absolutely no knowledge of such a circumstance.

Harold Vivian, a reporter of the New York Times, who wrote the story referred to, saying that it was understood Hays would testify that oil stock was involved in the Sinclair contribution then was called to the witness stand.

He testified that O'Neill had told him Hays would testify that Sinclair had given 75,000 shares of stock to wipe out the party deficit.

Vivian told of being instructed to see Hays, to learn about the latter's appearance before the committee.

On the search for Hays, he said, he found O'Neill, whom he described as "assistant to Mr. Hays in charge of the publicity."

"Hays is going to tell the committee he got the stock," Vivian quoted O'Neill as saying. "I suppose he got it from Harry Sinclair. The two have been friends for years."

O'Neill conveyed the impression that he was thoroughly in Hays' confidence, the witness said, and talked about his principal receiving "an income of \$40,000 a year, from his Indiana law firm."

Vivian said that later he had a telephone conversation with O'Neill before the story was published, confirming the stock transaction, but arranging for its publication without quoting Hays.

Senator Stanfield asked what 75,000 shares of Sinclair stock was worth at the time of the alleged gift and Vivian put the figure at "somewhere about \$1,600,000."

In his discussion with O'Neill, however, he said the figure of \$500,000 had "come up."

"Mr. O'Neill didn't submit any proof did he, to verify this story?" asked Senator Bursum, republican New Mexico.

"I wouldn't ask him for that," (Continued on page eight.)

DO YOU KNOW THAT

- Roseburg will ship between 400 and 500 carloads of broccoli this spring to the eastern market?