

FRENCH GUNS ROAR WILSON WELCOME

Brest Witnesses Thunderous Demonstration.

GREAT FLEET REACHES PORT

American Chief Now Guest of French Republic.

PORT SCENE INSPIRING ONE

Big Battleships and Destroyers, Ranged in Columns, Witness Notable Historic Event.

BREST, Dec. 13.—(By the Associated Press.)—President Wilson landed in France at 3:24 o'clock this afternoon amid a demonstration of popular enthusiasm and national sympathy such as rarely, if ever, has been accorded the head of a foreign government visiting France. The President left Brest at 4 o'clock this afternoon for Paris, where the heart of France will acclaim him tomorrow as the nation's guest.

The landing of the President was not only a remarkable spectacle, with a notable naval pageant for its background, but also marked the first entry of an American President into personal contact with Europe and its affairs.

Warship Fleet Hears Salute.

Although the Presidential fleet arrived at Brest shortly after noon, it was not until after 3 o'clock that President and Mrs. Wilson embarked on a harbor boat and set foot on the soil of France. Vast crowds watched the trip ashore and the fleets of warships roared a salute as the last stage of the journey was accomplished.

On the harbor boat going ashore the President was seen standing on the upper deck with Jules J. Jusserand, French Ambassador to the United States, who pointed out the historic walls and monuments of the ancient city.

"Star-Spangled Banner" Heard.

As the boat touched the pier the French and American guards of honor presented arms and the strains of the "Star-Spangled Banner" mingled with the cheers of the great multitude.

Mrs. Wilson came up the gangplank with General Pershing. She carried a large bouquet, as, she passed, the American Army nurses handed her an American flag, which she bore proudly. The President was the last to come ashore, amid great applause. He held his sisk hat in his hand; he smiled and bowed his acknowledgments to those about and to the masses on the walls and terraces of the city. Stephen Pichon, French Foreign Minister, and Georges Leygues, Minister of Marine, joined the President as he stepped ashore and conducted him to a beautifully decorated pavilion.

Striking Picture Presented.

Here the first formal welcome was given President Wilson as the guest of the French nation. It was a striking picture as he stood there, surrounded by Old World statesmen, officials and Generals. The President met each greeting with a smile and a hearty handshake, only speaking a few words as some well-known friend welcomed him.

As the Mayor of Brest stepped forward, President Wilson listened attentively to an address of welcome and received with a bow a large parchment roll, wound with the American colors, containing the City Council's greeting to him. Speaking in a clear voice the President acknowledged the greeting and from a manuscript read a brief address in response.

Military Honors Accorded.

Following the addresses the Presidential party drove through the Cours Dajot, where vast crowds were assembled. Every foot of the way was lined with American soldiers in their rusty service khaki, and along the road were great stores of war material, recently being rushed to the American front. It gave the President the best glimpse of the American troops and material on the fighting ground. Military honors were accorded as he passed and large numbers of soldiers of duty mingled with the throng in its enthusiastic tribute.

Spectacle an Imposing One.

President Wilson arrived in the harbor of Brest at 1 o'clock this afternoon on board the steamer George Washington among deafening salvos of artillery affoot and on shore. The arrival was the culmination of an imposing naval spectacle which began as the Presidential fleet rounded the outer capes, then passed the entrance to the forts and moved majestically into the harbor where the George Washington anchored at the head of a long double column of American dreadnoughts and destroyers and the units of a French cruiser squadron.

The Presidential fleet was first sighted at 11:30 o'clock this morning 15 miles off shore. The sea was calm and the stately fleet moved landward under skies which were steadily brightening after a dark and gloomy morning. It was more than an hour later that the ships were signalled at the entrance of the harbor and a great cheer arose from the waiting crowd as the cloud of black smoke showed that the Presidential fleet was near.

Ahead came a single destroyer, showing the way to the fleet, and close behind

BIG NAVAL REVIEW TO BE HELD IN NEW YORK

ATLANTIC FLEET TO PARADE FOR SECRETARY DANIELS.

Dreadnaughts, Destroyers, Submarines, Converted Yachts to Take Part in Demonstration.

WASHINGTON, Dec. 13.—Return to home waters of the first ships of the American armada sent to Europe to combat German sea power will be marked by a great naval pageant in New York harbor about December 23. Secretary Daniels announced today that he would go to New York on the Mayflower to review the fleet which will be led by Admiral Mayo, Commander-in-Chief of the Atlantic fleet, on his flagship, the Pennsylvania.

In the home-coming fleet will be nine dreadnaughts, 26 destroyers and more than 40 converted yachts, mine planters, submarines and other craft. The destroyer force, part of which already is on the way to New York, includes many of the vessels first sent to the war zone and some of them carry on their funnels the stars awarded for destruction of German submarines.

Owing to the character of some of the craft ordered home, no definite date can be set for their arrival and it is possible that some of the smaller ships will not get back in time for the review, which will give New Yorkers an opportunity to see the fighting ships that helped materially to defeat the German menace.

Instructions to Admiral Mayo called for the return of all naval craft that can be spared. Some portions of the American forces, however, must remain on the other side temporarily to complete the work of carrying out naval conditions of the armistice.

EMPLOYES TO GET STOCK

Packers to Share in Profits and Also Give 10 Per Cent Bonus.

CHICAGO, Dec. 13.—Thomas E. Wilson, president of Wilson & Company, packers, today said that a profit-sharing plan whereby all employees of company may own stock in the company, would be announced soon. This does not affect the cash bonus system, the employees to receive the usual Christmas gift of 10 per cent of their last six months' salary.

"It is expected that by January 1, or very soon thereafter, a plan whereby employees will participate in the profits of the company through the ownership of stock will be consummated, so that employees can purchase at a favorable price and on favorable terms, a portion of the present \$2,500,000 issue of company stock, which participates to the fullest extent in both voting as well as earnings," said Mr. Wilson's statement.

UNIFORMS MAY BE KEPT

War Department Decides Soldiers Do Not Have to Return Clothes.

WASHINGTON, Dec. 13.—Secretary Baker informed Chairman Dent, of the House Military Committee, today that the War Department had decided that all discharged soldiers may permanently retain the uniform and overcoat they wear when mustered out. Mr. Dent prepared a bill embodying the necessary authority.

Previously the Department had planned to have the clothing returned to the Government three months after a soldier's discharge.

MONTREAL STRIKE ENDED

Police, Firemen and Other City Employees Return to Work.

MONTREAL, Dec. 13.—The strike of policemen, firemen and other city employees was settled tonight and the men returned to work.

The strikers agreed to arbitrate after the City Council had voted to accede to their demands for the dismissal of Joseph Tremblay, Director of Public Safety; his assistant and the chief of detectives.

While the strike lasted only 33 hours, gangs of hoodlums caused damage estimated at more than \$250,000.

SEVERE GALE HITS COAST

Wind Attains High Velocity and High Sea Is Running.

ASTORIA, Or., Dec. 13.—(Special.)—The southerly gale that has been blowing along the coast during the past two or three days was one of the most severe of the season. The wind attained a high velocity and a rough sea has been running.

Locally the rainfall has been exceptionally heavy, but aside from the blocking of sewers and drains and the consequent flooding of basements, no damage has resulted.

JUDGES MAY GET PAY RISE

House Passes Measure Providing for Increase of \$1500 Annually.

WASHINGTON, Dec. 13.—By a vote of 193 to 79, the house tonight passed a bill providing salary increases of \$1500 a year for each of the 131 judges of the United States district and circuit courts and the court of claims. The measure now goes to the Senate.

KATHERINE CROCKER DIES

Niece of Well-Known Banker Succumbs to Influenza.

SAN FRANCISCO, Dec. 13.—Miss Katherine Crocker, 22-year-old daughter of Mrs. Henry J. Crocker and niece of William H. Crocker, banker of national repute, died here today of influenza after a 10 day illness.

AMERICAN SOLDIER EQUAL TO HIS TASK

Many Unable to See Front Line Are Disappointed.

TEXAN GETS NEW LIFE VIEW

Men From Rio Grande Found Not the Only Fighters.

HOSPITAL STORIES TOLD

Yankees Prefer to Take Chances With German Shells Instead of Machine Gun Fire.

SIXTEENTH LETTER

PARIS, France, Nov. 20.—(Editorial Correspondence.)—A million American soldiers in France, more or less, heard not a shot fired by the Germans, and will come home disappointed, not of course, that the war is over, but that they had no actual experience in the front line.

It is natural and laudable enough; but they need have no regrets. No soldier who was in the Argonne or the St. Mihiel sector, or anywhere in close contact with the Boche has any illusions about the dash and glory of war, or is in any way displeased that he is to have no more of it. He wanted to fight, indeed, so long as there was fighting to do; but no longer.

It is remarkable how universal is the testimony that the American soldier always was equal to his tasks, and more. He never weakened, and he was every ready to go.

Texan Gets New View of Life.

"I have got over any possible notion," said a Texas Captain, in an American hospital at Paris, with a machine gun bullet in his elbow, "that the best fighters in all creation come from the region of the Rio Grande. I know now that all Americans are alike—the men from Texas, from New York, from Maine, from Illinois, from Oregon, from anywhere in America. When the time comes to blast over the top and you yell, 'Boys, let's go,' they go, every man of them. They have a pride that they are Americans, rather than Texans, or Missourians, or New Yorkers, and they all live up to the American name."

"It doesn't make any difference, either, whether your soldier was a store clerk, or a farmer, or a fireman, or a motorman, or a teamster, or a millionaire, it's just the same."

"I have seen men who I thought would be afraid to fire a pistol go out to certain death without the flicker of an eyelid. I don't understand it, exactly. Sometimes I think there's something in this talk that the Americans were ordained by God to fight and die for humanity, and that the courage they all had was given them by a higher power. The idea of dying doesn't worry you much at the front."

(Continued on Page 2, Column 1.)

Official Casualty List.

WASHINGTON, Dec. 13.—Casualty reports today contain 4388 names; 251 were killed in action, 85 died of wounds, 5 in accidents, 208 of disease, 1254 wounded severely, 1027 degree undetermined, 1046 slightly and 412 are missing. Following is the tabulated summary:

Death:	Reported.	Today.	Total.
Killed in action.....	24,778	351	25,129
Lost at sea.....	296	—	296
Died of wounds.....	8,529	85	8,614
Died of disease.....	13,498	208	13,706
Died of accidents.....	1,020	5	1,025
Total deaths.....	50,337	649	50,986
Wounded.....	69,658	3327	69,985
Missing and prisoners.....	14,260	412	14,772
Total casualties.....	131,335	4388	135,723

OREGON.

Killed in action.—Cassidy, Walter E. (Sgt.), Oregon City, Or. Branson, Lewis, Burns, Or.
Died of wounds.—Keller, Ignace, Mount Angel, Or.
Wounded severely.—Wright, Andrew, Clatskanie, Or. Cooper, Albert F., Hood River, Or. Lewis, Floyd B. (Capt.), Salem, Or. Moore, Clayton C., 308 1/2 South street, Portland, Or.
Wounded.—Walt, Raymond O., Astoria, Or. Ingels, Robert, Clatskanie, Or. Knapp, James H., Silverton, Or. Tobin, Thomas J. (Sgt.), 753 Ochoco avenue, Portland, Or.
Wounded—undetermined.—Atkinson, Ralph J., 491 Goldsmith street, Portland, Or.
Wounded slightly.—Kirshian, Meier, 203 Washington street, Portland, Or.
Wounded.—Jensen, Bennie, Weston, Or. Kraus, Waino, 62 1/2 Marshall street, Portland, Or.
Wounded.—Mudge, Orton K., Echo, Or. Strittfeller, Arnold, Clatskanie, Or. Cochran, Loren C. (Corp.), 533 East Sixteenth street, Portland, Or. Beach, Vincent, (Sgt.), 631 Fifth street, Portland, Or.
Wounded.—Speake, Francis, New Grant Hotel, Portland, Or. Ham, George M., Lorance, Or.

WASHINGTON.

Killed in action.—Wallerford, Miss A., Seattle, Wash. Peterson, G. W., Aberdeen, Wash. Brennan, Louis, Seattle, Wash. Bair, Tom C., Woodland, Wash.
Wounded severely.—Meyer, Fred, Everett, Wash. Hill, Arthur, Everett, Wash. Swearingen, Vernice, Walla Walla, Wash. Carlson, Roy R., Touchet, Wash. Thannum, Dean C. (Lt.), Seattle, Wash.
Wounded—undetermined.—Ogden, Merin M., Pomeroy, Wash. Pomeroy, John, Seattle, Wash.
Wounded slightly.—Olson, Harry E., Medical Lake, Wash. Jackson, Emery K., Seattle, Wash. Jacobson, Ingward B., Seattle, Wash. Swearingen, Vernice, Walla Walla, Wash. Belles, Ralph J., Geneva, Wash. Hixon, Floyd B., Loomis, Wash. Orr, Joseph R., Clatskanie, Wash. Sather, Carl, Seattle, Wash. Swindell, Homer C., Tacoma, Wash. Madden, George W., Omak, Wash.
Missing in action.—White, Richard W. (Sgt.), Tacoma, Wash. Blasiat, Clifford P., Enumclaw, Wash. IDAHO.

Killed in action.—Coe, Richard B., Indiana Valley, Idaho. **Died of disease.**—Bock, Carl C., Wallace, Idaho. **Wounded severely.**—Croft, George H., Heyburn, Idaho. Hammond, Lytle E., Troy, Idaho. Osterburg, Alex. R., Troy, Idaho. Robinson, Richard P., Burley, Idaho. Howe, Wallace E. (Corp.), Idaho Falls, Idaho. **Wounded—undetermined.**—O'Brien, Charles D., Jerome, Idaho. Jensen, John O., Coeur d'Alene, Idaho. Montgomery, Frank D., Twin Falls, Idaho. Bensen, Ludwig, Blaine, Idaho. Robban, Harrison J., Sublett, Idaho. Abbott, Jesse W., Boise, Idaho. Wolf, Robert L., Idaho Falls, Idaho. **Wounded slightly.**—Drummond, Frank D., Fairplay, Idaho. Kelly, Heber L., Idaho Falls, Idaho. Chason, Paul A., Idaho Falls, Idaho. Clegg, Henry A., Dubois, Idaho. ALABAMA.

Killed in action.—Essary, Syrus G. (Sgt.), Mountville, Ala. Davis, Hugh O. (New Market, Ala. **Died of disease.**—Heas, Alvey O., Birmingham, Ala. Pounsey, Aito, Oark, Ala. Miller, Charles C., Wallace, Ala. McNelly, Wm. T., Birmingham, Ala. McNelly, Wm. T., Birmingham, Ala. ARIZONA. **Died of wounds.**—Gardner, George W., Phoenix, Ariz. **Died of disease.**—Flores, Guadalupe, Tucson, Ariz. ARKANSAS. **Killed in action.**—McPadden, Odus E. (cook), Mesa, Ark. (Continued on Page 5.)

DELAYS LOOM FOR PEACE CONFERENCE

Allies Would Talk First and Meet in April.

PLANS NOT CO-ORDINATED

On Day Lloyd George Reaches Paris, Wilson Goes to Rome.

TROOPS EAGER TO RETURN

Impatience Cited for Men to Be Returned to Civil Life, as Demobilization Is Postponed.

BY JAMES M. TUOHY.

(Copyright by the Press Publishing Company, the New York World. Published by Arrangement.)

PARIS, Dec. 13.—(Special.)—All arrangements relating not only to the peace conference proper, but also to the preliminary conversations between President Wilson and the entente Premier, still are in a state of flux.

According to the latest information received by the World correspondent, Lloyd George is not expected to arrive here until December 22, the date provisionally set for President Wilson's departure for Rome.

Such a contretemps would be at least curious, were it not to be attributed merely to a defective co-ordination, which must be the case if rumored arrangements hold.

Conference to Be Late.

Pourparlers by the associated governments probably will be deferred until close to the New Year; in fact, the World correspondent is informed on allied authority that the actual peace conference will not begin until April.

It is hoped the preliminaries for peace will be settled by March and will then be communicated to the German government in the form of a note. When the then existing German government shall signify its acceptance, the peace man government will be represented there for the discussion of details relating to the application of the terms.

It is maintained in some allied quarters that the situation in Germany furnishes conclusive reason for leisurely procedure. This view is not generally accepted, its opponents urging the importance of determining peace as rapidly as possible, in order that the demobilization of the army may really begin.

Demobilization Is Slow.

Demobilization is now progressing only in a provisional way and piecemeal to meet the most urgent industrial requirements of the different countries. The bulk of the armies remains untouched and the continuous and growing demand for the return of the soldiers to civil life is unsatisfied.

It seems apparent that there will be unavoidable cause for delay in the demobilization of the army.

(Continued on Page 3, Column 1.)

GOTHAM BOLSHEVIST FAILS TO MAKE GOOD

PREDICTED REIGN OF REDS IS FRUSTRATED.

Author of Proclamation Calling for Demonstration Arrested at Park Meeting.

NEW YORK, Dec. 13.—Ellis O. Jones, purported author of a document spread broadcast here yesterday "proclaiming" that a reign of Bolshevism would begin in this country at noon today, was arrested this afternoon on the Mall at Central Park when he attempted to deliver an address.

Prior to Jones' arrival at Central Park 500 mounted policemen and motorcycle officers and a detachment of the Army Provost Guard had been stationed, prepared for a demonstration by radicals. In a police station 13 Browning machine guns were held in readiness.

When Jones appeared, wearing a red tie, he found several score men and women standing in the rain. Asked by reporters if he was in favor of disbanding the Army and the Navy, as advocated in the "proclamation," circulated yesterday, he was quoted as replying: "Yes, I am. We have no need for them now. They should be disbanded."

A police captain then made his way through the gathering and placing his hand on Jones, said: "Here, Mr. Jones, I will take you into custody. Your utterances are seditious."

As Jones entered the patrol wagon, a middle-aged woman shouted: "Give 'em cheers for Jones." No one cheered.

At a police station, Jones was formally charged with making seditious utterances in favor of disbanding the National's military and naval forces. Jones is widely known as a writer of humor and satire.

EAST SIDE HOME ROBBED

Dr. G. S. Breittling Loses Property Valued at About \$500.

The home of Dr. G. S. Breittling, 639 East Seventeenth street North, was robbed last night while the family were away and \$500 worth of silverware, jewelry, clothing and fancy wearing apparel stolen. The intruder gained entrance by using a jimmy on the kitchen window and breaking the latch.

The police believe the robbery was the work of the same person who robbed residences on the East and West sides a short time ago, when a total of several thousand dollars in silverware and jewelry were stolen.

MANY TOWNS REPRESENTED

Keen Interest is manifested by the numerous appearances before the commission, representing various Oregon communities, including civic representatives from Pendleton, Corvallis, Albany, Eugene and St. Helens, with J. O. Bailey, Assistant Attorney-General, appearing for Oregon, and H. M. Tomlinson, Deputy City Attorney, for Portland.

Both Mr. Bailey and Mr. Tomlinson entered strong objections to the admission of the Federal contract, consummated by Postmaster-General Burleson, as an exhibit, insisting that such procedure was not in accord with the statutes. The commission has taken over the hearing should have been received from Postmaster-General Burleson.

Contract is Admitted.

The commission ruled, however, that the telegram with which the Postmaster-General conceded the right of the Public Service Commission to hold the rate hearing constituted such a petition. The contract was admitted as an exhibit, after prolonged discussion, with the understanding that its provisions were considered debatable, and that the compensation and depreciation items allowed by the Government would be proved.

Attorney Shaw, for the company, declared that it would be shown that the company is not deriving sufficient operating revenue to meet the demands upon it, or to insure to it the compensation provided by the Federal contract. In general his attitude regarding this point was that the commission cannot legally set aside the Federal contract.

HUNS EVACUATING ODESSA

Disarmament of Von Mackensen's Army Proceeds Systematically.

LONDON, Dec. 13.—Odessa, the principal Russian port on the Black Sea, is being evacuated by the Germans, according to an official statement received here today from Berlin. The disarmament of Field Marshal von Mackensen's army, it is added, is proceeding systematically.

Reports from London last week said that allied warships had arrived at Odessa and had taken over German and Russian ships in the harbor there.

WESTERN WOMAN AT RHINE

Miss Marion, of California, With U. S. Army at Coblenz.

COBLENZ, Germany, Dec. 13.—(By the Associated Press.)—Miss Marion, of Hollywood, Cal., claims the distinction of being the first American woman to reach the Rhine with the army of occupation. She arrived at Coblenz on Tuesday.

Two Salvation Army women, "Eddie" Hodges, of Richmond, Va., and Florence Tirkington, of South Manchester, Conn., reached this city on Wednesday.

INDEX OF TODAY'S NEWS

The Weather.
YESTERDAY'S—Maximum temperature, 57 degrees; minimum, 37 degrees.
TODAY'S—Rain; fresh southerly winds.
War.
Official casualty list. Page 1.
American soldier equal to all his tasks. Page 1.
Foreign.
American and German armies face each other across Rhine. Page 2.
Big French guns roar thunderous welcome to President. Page 1.
Bavarian Premier says Germany will be democracy. Page 4.
Delays loom for peace conference. Page 1.
National.
Ships in Government service to return to trade routes. Page 15.
Huns, long before conflict, told to prepare for coming war. Page 5.
U. S. develops huge chemical service. Page 5.
Domestic.
Naval review to be held in New York. Page 1.
Predicted Bolshevik reign in New York fails to materialize. Page 1.
Western Union chief in charge of consolidated cable systems. Page 2.
Plans of Socialists revealed in letters seized by Government. Page 4.
Army ridiculed by I. W. W. posters, Federal officer testifies. Page 16.
Delays in Government housing cause huge losses. Page 15.
Two New York bank officers killed in robbery. Page 5.
Sports.
Enlargement of Pacific Coast League now advocated. Page 14.
Intercollegiate football title to be fought for today. Page 14.
Commercial and Marine.
Oregon potato crop estimated larger than last year. Page 13.
Corn sells at highest prices of season in Chicago market. Page 19.
Stocks weaken with decline in volume of trading. Page 19.
Pacific Marine Iron Works contemplates concrete dry dock. Page 13.
Portland and Vicinity.
Burden of telephone rate rises laid on Government. Page 1.
Plans outlined for Victory Christmas in Portland. Page 20.
Banquet closes eighth annual livestock exhibition. Page 9.
County officials form association. Page 6.
Mr. Burdick releases support to Seymour Jones. Page 12.
Weather report, data and forecast. Page 19.

ONUS OF RATE RISE LAID ON BURLESON

Telephone Company Shifts Burden to Government.

CONTRACT CITED IN PROOF

Oregon Public Service Commission Opens Hearing.

MANY CITIES REPRESENTED

Objection Made to Admitting Contract as Exhibit on Ground It is Not According to Statutes.

Chief among the exhibits on which rests the claim for increased telephone rates is the existing contract between the Government and the telephone and telegraph lines, presented yesterday by the Pacific Telephone & Telegraph Company before the Oregon Public Service Commission, at the opening hearing of the rate case.

It is the contention of the company, as set forth by James T. Shaw, counsel, that the Pacific Telephone & Telegraph Company is not financially concerned in the proposed increase, inasmuch as the Government has taken over the property and guaranteed certain specified returns to the company during the period of Federal control.

Many Towns Represented.

Keen interest is manifested by the numerous appearances before the commission, representing various Oregon communities, including civic representatives from Pendleton, Corvallis, Albany, Eugene and St. Helens, with J. O. Bailey, Assistant Attorney-General, appearing for Oregon, and H. M. Tomlinson, Deputy City Attorney, for Portland.

Both Mr. Bailey and Mr. Tomlinson entered strong objections to the admission of the Federal contract, consummated by Postmaster-General Burleson, as an exhibit, insisting that such procedure was not in accord with the statutes. The commission has taken over the hearing should have been received from Postmaster-General Burleson.

Contract is Admitted.

The commission ruled, however, that the telegram with which the Postmaster-General conceded the right of the Public Service Commission to hold the rate hearing constituted such a petition. The contract was admitted as an exhibit, after prolonged discussion, with the understanding that its provisions were considered debatable, and that the compensation and depreciation items allowed by the Government would be proved.

Attorney Shaw, for the company, declared that it would be shown that the company is not deriving sufficient operating revenue to meet the demands upon it, or to insure to it the compensation provided by the Federal contract. In general his attitude regarding this point was that the commission cannot legally set aside the Federal contract.

Contract Provisions Given.

To the question of whether, if the compensation items should be regarded as a base for fixing rates, such rates would continue after the war-time period, Mr. Shaw replied that he was unable to answer.

The contract itself shows that it was entered into between the Government, by the Postmaster-General, and the American Telephone & Telegraph Company, representing all subsidiary companies. It agrees that interest on all outstanding obligations shall be paid by the Government during the period of control, including the \$48,000,000 of bond issues, which bear a rate identical with that of the contract, and that dividends shall be paid equal to the average for the three-year period ending December 31, 1917.

Royalty to Continue.

Still another provision of the contract, which applies to all subsidiary companies, is that the regular 4 1/2 per cent annual payment, or royalty, made for many years to the controlling corporation, shall be continued. Against it's provision numerous public service commissions in as many states long have contended without success.

Mr. Shaw, in his opening statement, said that the company must be compensated merely as an agent of the Government in the request for a rate increase, and informed the commission that he appeared before them by the authority of the Government, through the Postmaster-General, to seek the remedial advance. Despite contrary assertions, said Mr. Shaw, the wage increase has been in effect since October 16, 1918, and present revenues are wholly inadequate to meet or maintain it.

Figures Are Submitted.

Testimony regarding the value of the investment, with estimated rate base for the year 1919, was submitted by E. E. Flaeger, plant engineer. The figures in summary were as follows:

Estimated rate base for Oregon, \$910, fixed at \$13,454,007. Commission's valuation, 1916, \$12,429,507; added in 1917, \$82,500; added in 1918 and partially estimated, \$26,000; estimated addition for 1919, \$450,000.

Estimated rate base for Portland, 1919, fixed at \$8,228,305. Commission's valuation, 1916, \$7,396,910; added in 1917, \$253,195; added in 1918 and partially estimated, \$232,000; estimated addition for 1919, \$282,000.

Estimated rate base for Salem, 1919, (Continued on Page 2, Column 2.)

