

VANDERLIP TELLS OF HANDS CHASE

Cheap Money Is Blamed for Speculative Orgy.

FINANCIAL PERIL BARED

Income Tax Based on Expenditures Favored by Economist in Portland Address.

Frank A. Vanderlip, eminent American economist and financier, Wednesday night laid the responsibility for inflation of finance and credits in this country at the door of the treasury department in Washington. He said that the secretary of the treasury insisted on keeping discount rates low because the United States would have to borrow large sums of money and wanted it at low interest rates. And the discount rates fixed and held low by the federal reserve bank, made money cheap for everyone who had credit and the result was wild speculative operations induced thereby.

"The secretary of the treasury," said Mr. Vanderlip at a banquet tendered him by the Portland Chamber of Commerce, "good and able man that he was, could not see beyond the problem on his desk and would not see the certain economic effect of insisting on keeping rates for money too low."

He touched a responsive topic when he expressed favor for an income tax based upon expenditures rather than the present law that induces people to invent their incomes in tax-exempt securities. Unless the railroads can secure capital for necessary equipment and improve the condition of the country, he declared, the certain outcome will be to drift into nationalization.

World Leadership Lost

It was his declaration that world leadership was laid at the feet of the United States on Armistice day, but that we were too busy in the effort to make a dollar out of each nickel and penny and it was a 40-cent dollar. He expressed the fear that it may depreciate to a 30-cent dollar, but he views the outcome with the optimism of a great faith in the American people believes that the less than 60 per cent efficiency of labor will swing back to more nearly 100 per cent, and hopes that the good common sense of the people will prevail in bringing back more reasonable standards of industry and labor.

Mr. Vanderlip arrived from the east Wednesday afternoon over the Union Pacific railroad, of which he is a director, and the physical condition of which is a matter of personal interest to him. He stepped from the train at Cascade Locks, accompanied by H. E. Benedict of New York, where they were met by J. C. Ainsworth and Samuel Lancaster. It was his first trip over the Columbia river highway. At "Memoucha," the home of the Vanderlip party was joined by H. B. Van Duzer, president of the Chamber of Commerce, Emory Olmstead and E. G. Crawford. The party was in the dining car at 5 o'clock. Mr. Vanderlip was enabled to get a short rest before the dinner.

President Van Duzer was brief in his opening remarks. A. L. Mills, president of the First National bank, declared that there is no chance for a man to rise from a modest beginning in this country but to succeed is to succeed by the career of Mr. Vanderlip. He recounted the beginning as a blacksmith's helper at the wage of 10 cents a day and then as a newspaper reporter at 20 years of age to the presidency of the largest bank in America at 48.

"I am going to talk to you tonight as some of the economic evils of the day, for I think most of our problems have their roots in economic questions. We are told that we fought the war to make the world safe for democracy. I want to tell you it can't be safe unless that democracy is intelligent."

Business Is Profitable. "We are in a period of great prosperity. Prices are on a level which makes business profitable. But I believe we are in a condition that will stand analysis. We have the fullest employment of labor, but we have the lowest efficiency. No one who wants to work need be idle. We have the largest incomes in all our history, but in the face of this there is no money for investment. We have the highest wages we have ever had in terms of dollars, but the highest prices of goods. We have built up the shipping industry and have built ships faster than ever before. But with all these billions of dollars' worth of ships we have no shipping policy."

"With the government income far in excess of an excessive time, we are still running behind by expenses that exceed revenues by \$100,000,000 a month."

"We have a condition of public sentiment that is alarming. There is waste and extravagance and reckless spending by those who are earning high wages."

"But we haven't ample capital. That is the danger. At the beginning of the war only one-third of 1 per cent of the people of this country owned corporation securities."

Capitalists Look for Exemption. "Today with the income tax taking 75 per cent of the income of the capitalist, he is looking for tax-exempt securities. So we have no adventurous dollars from that source."

"What of the persons of smaller income? Many of these who have gone into industries have been spending in a way such as the world has never seen before. Many of them get a good spirit of thrift. All the goods in the world are either good, of consumption—things we can use, or production—machinery, railroads, schools."

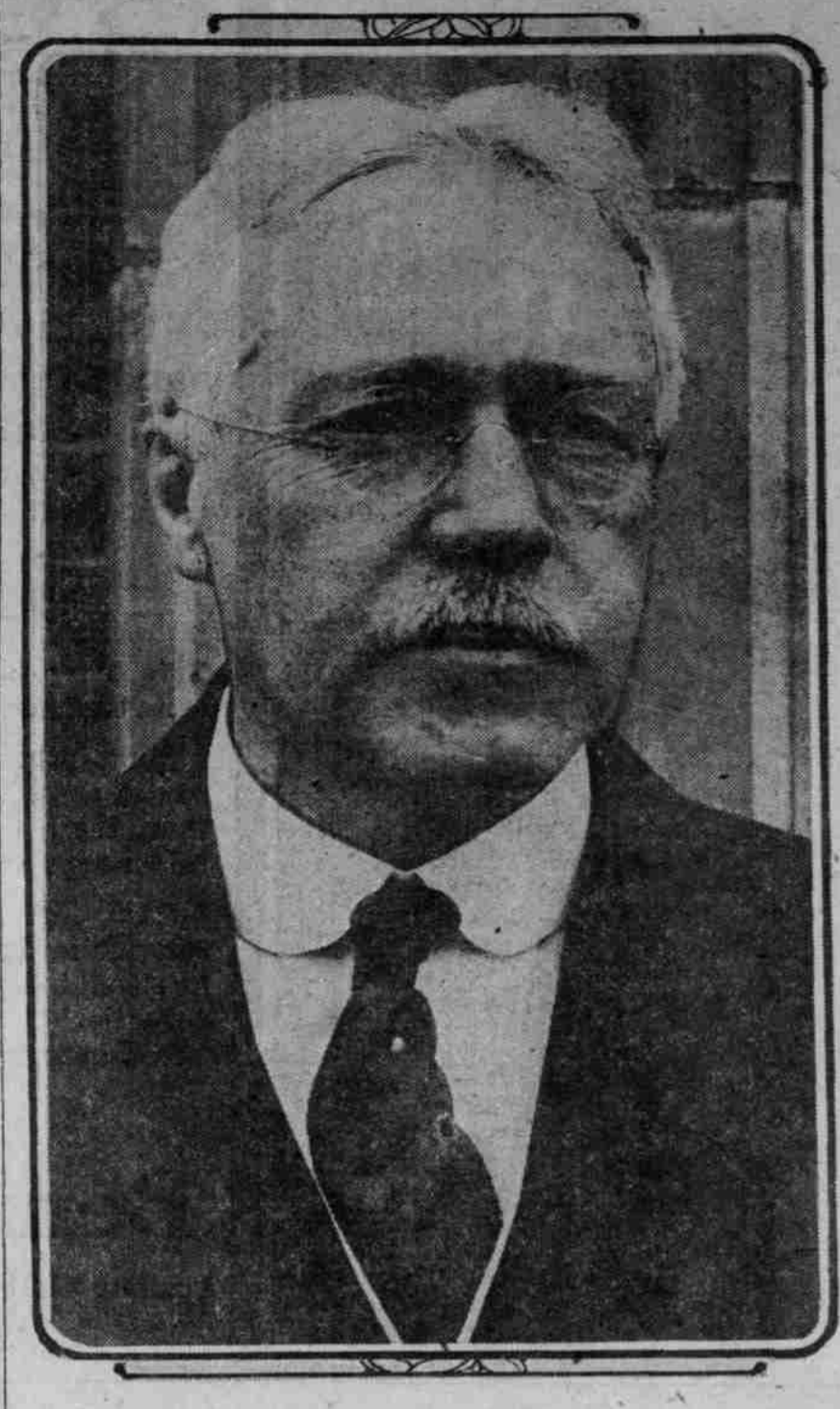
The nation that consumes all it produces is living at as high a standard as it can hope to attain. "Capital in itself is an inert thing. You must connect it with production. But labor is inefficient and producing but 60 per cent of what it could."

"I am not one of those who feel that there is no hope or progress between employers and labor. I am optimistic about the labor situation. I believe we may get that 60 per cent production up to 100."

"It is just as necessary that we understand some of these economic laws as that we understand the laws of gravity. If we don't understand them, we may get into trouble. There is the law of inflation."

Inflation Causes Rise. "Inflation has been the major reason for the rise in prices and has raised them 2 1/2 times since 1914. The

EMINENT ECONOMIST AND FINANCIER HOLDS SECRETARY OF TREASURY RESPONSIBLE FOR CREDIT INFLATION.



FRANK A. VANDERLIP.

Rising prices have given the profiteer his chance to make great profits. The major cause has been the great increase in bank credits, not because we add so much that we have doubled our bank deposits and increased currency 75 per cent. "The federal reserve law is, in my judgment, the most beneficent act we have in our financial structure. But it opened the door for inflation."

"The protection against inflation was the discount rate, but the men of the treasury who wanted to keep rates low insisted on keeping the rate down for the protection of the treasury in selling its securities. The result was that every savings bank deposit has been cut in half, measured by its purchasing power. I would like a tax on expenditures rather than upon incomes."

"The railroads came back to their owners in a depleted state, and it will require \$3,000,000,000 to put them in good physical condition. With a government that is so inefficient, it is running behind a million dollars a month. We have turned sentimental and are wanting to give a bonus to soldiers and sailors not because they want it, but, I believe, because the politicians think they want it."

"The countries of Europe came out of the war to face a tremendous loss of man-power, loss of morale, trade depleted. We did accept the credit last year and our government paid out a billion and a half millions of our war obligations."

"There has been a good deal of recovery in France and England. In central Europe the people are ragged, Poland, with 8,000,000 apindles, has more than 8,000,000 of them idle for lack of material. Germany is in revolution, as is Russia."

"Germany in revolution cannot pay indemnities to France. She must get to work in order to pay."

"World leadership was laid at our feet Armistice day, and we never stooped to pick it up. We were too busy making a dollar—and it was a 40-cent dollar."

WOMAN CHOKED TO DEATH

Young Rochester, N. Y., Man Confesses Murder of Sweetheart. ROCHESTER, N. Y., April 8.—(Special.)—Antonio Mangiavillano, 26, a chauffeur, one of Mrs. Frances Delorme's sweethearts, last night confessed to having killed her after a grilling by Captain William Whaley and District Attorney William F. Love. He admitted that he choked the woman to death with his hands. Mangiavillano admitted that he had known Mrs. Delorme for some time and that he had been very fond of her. He said their feelings toward each other were apparently mutual. The woman was killed at her home at D'Accorso's dining at Lucia Leonard's North street hotel. Later the wife for a taxicab ride. During the ride Mrs. Delorme accused him of being too friendly with other women. A quarrel ensued, in which Mangiavillano declared the woman hooped abuse upon him. He suddenly became enraged beyond control and seized her by the throat. He choked her until she was dead.

ELMER SCHELL DROWNED

Cottage Grove Lumber Worker Falls From Log Into Pond. COTTAGE GROVE, Or., April 8.—(Special.)—Elmer Schell, 38 years old and single, was drowned yesterday in the pond of the Pallett Lumber company at Divide. He was able to swim a little and had been in charge of the pond but an hour when he fell into the water where it was over his head. Harold Dugan got hold of the drowning man once, but the log upon which Dugan was balancing himself was pulled under the water, Dugan also being thrown into the water and having difficulty in saving himself. Schell had been employed by the company about a month, but had been put on the job in which he lost his life only this morning.

He was one of 12 children of Mr. and Mrs. J. H. Schell of this city. Phone your want ads to The Oregonian. Main 7679, A 4925.

BOARD NOW INSTALLED PRINTING A BENSON

Publishers Say Lack of Workers Imminent.

PLANT TO BE HIGH GRADE

Action Taken After Directors Give Much Consideration to Needs of Community.

Preliminary steps toward the installation in Benson Polytechnic school of a printing department, fully equipped with modern machinery and in charge of the most competent instructors obtainable, were taken Wednesday night at a meeting of the board of education of school district No. 1. The meeting was attended by O. M. Plummer, George M. Orton, A. C. Newell and Dr. E. A. Sommer, directors, and representatives of the Portland Newspaper Publishers' association, including the four city dailies and the Portland branch of the United Typothetae, comprised of 65 of the largest commercial printing plants here.

M. E. Crumpacker appeared as attorney for both organizations, and in their behalf submitted a detailed statement of the situation which confronts the newspaper and commercial plants. Others present included Donald Sterling, Philip L. Jackson and Macdonald Pott, representing the Oregon Journal; L. R. Wheeler, the Oregon Telegram; E. W. Jorgenson, the Portland News; and Edgar B. Piper, The Oregonian.

In addition to the reading of the detailed statement, submitted by the two organizations, Messrs. Crumpacker and Piper made brief statements of the situation regarding the urgent need of more competent printers in the newspaper and commercial plants, and pointed out to the members of the board the fact that there should be provided by the district means whereby young men and women might become proficient in the printing and allied trades may have the opportunity. It was noted that the general public is a party deeply interested in this matter because of the fact that a vast amount of the business of the community, as well as information of importance to all, depends upon the supply being adequate to meet the needs of the present time, but in the future.

Members of the board who were present, having considered the subject much thought during the past few months particularly, were of one mind especially after hearing the conditions that prevail at this time, and Director Newell introduced the following resolution, which was unanimously adopted, being seconded by Director Sommer. Inasmuch as it has been demonstrated that this community is in need of the printing trades to our vocational school system, and in view of the recommendations of a committee of three, appointed to report concerning the equipment and administration of the school, this committee is to be appointed as follows: One member from the board of education, one by the Portland Newspaper Publishers' association and one by the United Typothetae branch.

Orton Represents Schools. The directors decided upon George M. Orton as the representative of the school board on the committee. It is expected that the two other members will be named with little delay and that the work of the committee will be begun. The following is a partial text of the statement submitted to the board last night by the petitioners: To the board of directors of school district No. 1, Multnomah county, Gentlemen: Now come the following petitioners: 1. The Portland Newspaper Publishers' association, including the Oregon Journal, the Oregon Telegram and the Portland Daily News, newspaper publishers of the city of Portland; 2. The Typothetae of America, comprised of the following institutions engaged in the commercial printing business in the city of Portland: Acorn Press, American Typographers company, Anderson Printing company, the 18th representative district, Andy Press, Bailey & Dempsey, printers; Astorian-Bradley printing company; Beattie & Hoffman, Inc.; Boyer Printing company, Bushong & Co., Bookman Printing & Stationery company, B. G. Brown & Co., Carlson Printing company, Chas. G. DeLong, printer; Commercial Printing company, Davis & Holman, Inc., the Doxey Printing company, Dunham Printing company, Dyckert & Co., East Side Printing company, G. W. Galt, printer; Hansen Printing company, Harnden & Co., printers; the Holy Press, Irwin-Rodden company, J. W. Jones, printer; James Abbott company, Jolly-Rattelle, printers; A. E. Kern & Co., lithographers; Leonard Printing company, Korvadi Printing company, Kuhl-Howell company, Kundrat & Bowman, Litho-Mills, Standard Litho and Engraving company, the A. J. Lison company, Lincoln & Allen, Inc., Marx Printing company, Meredith Monotype company, Metropolitan Litho company, Modern Printing company, Multnomah Printing company, National Copying company, New Printing company, Oregon City Enterprise, Ott Bros. Printing company, Pacific Stationery & Printing company.

SINCLAIR DENIES CHARGE

STORY OF DONATION TO WOOD FUND DECLARED FALSE. Head of Oil Corporation Emphatically Repudiates Any Connection With Campaign Contributions.

CHICAGO, Ill., April 8.—(Special.)—H. F. Sinclair of the Sinclair Consolidated Oil corporation denies the recent story of the New York World that he is one of the contributors to the "billion-dollar fund" said to have been raised in the interest of the Wood candidacy for the republican presidential nomination.

In a letter to William Cooper Proctor, chairman of the Leonard Wood campaign committee, Mr. Sinclair said: "My attention has been directed to statements which have contained large sums of money to the Leonard Wood campaign. These statements doubtless did not emanate from my office, but I wish you to know definitely that I have not contributed or agreed to contribute one cent directly or indirectly to or in behalf of the Leonard Wood campaign, nor has any such contribution been made or agreed to by the Sinclair Consolidated Oil corporation or any of its subsidiaries; nor has any other company or concern in which I have a voice in the management thereof, to my knowledge, made or agreed to make any such contribution."

Forty Consumptives Homeless. DENVER, April 8.—Forty men patients at the Jewish Consumptive Relief society's institution were made homeless by a fire which destroyed their building. The loss was estimated at \$45,000.

NOW PLAYING



THE CONFESION

This sensational drama has received enthusiastic praise wherever it has been shown; yes, exuberant praise has been accorded this wonderful play, which is only right—because it's the ONE super-drama of years.

MAJESTIC

DIRECTION OF JENSEN AND VON HERBERG

COME EARLY

land with 50 cents and had no place to sleep. Deputy City Attorney Stanley Myers on behalf of the policeman, and Deputy District Attorneys Bernard and Mowry on behalf of the other defendants, but decision was postponed.

FINANCIAL DEAL DENIED

Relations With Deposed Guardian Scouted by Grant B. Dimick. OREGON CITY, Or., April 8.—(Special.)—Grant B. Dimick stated today he had not handled any of the funds of Miss Hester M. O'Dell recently, and no money belonging to her had been placed with him for investment by Walter H. Jones, state senator from Lane county, who has best thing and the boy was taken there as a guest, not a prisoner, but the next morning found as much difficulty in getting out as the most permanent regular guests.

POWER RIGHT REQUESTED

J. G. Kelley, Portland, Files for Reservoir on Santiam River. SALEM, Or., April 8.—(Special.)—J. G. Kelley of Portland has filed with the state engineer application for permission to construct what will be known as the Marion lake reservoir, at the headwaters of the north fork of the Santiam river, for the storage of 35,155 acres feet of water, and the appropriation of the storage water for the development of 26,635 horsepower.

BOY SUING FOR \$2000

MILES ECKERSON KEPT WEEK IN JAIL BY MISTAKE. Court Takes Time to Consider Motion Offered by Defendants for Directed Verdict.

"I'd been told that they didn't do justice to me!" Miles A. Eckerson, 16-year-old youth, explained was his reason for bringing a \$2,000 damage suit against sheriff Hurtburt, Jailer Roy Kendall, former Probation Officer A. A. Bailey and Patrolman A. McFarlane, alleging false arrest and imprisonment, during testimony on the witness stand in the court of Circuit Judge George Wednesday. The boy admitted that Bailey had given him a dollar or so at his release, that his incarceration for a week instead of a night in the vicinity of jailbirds had not caused much resentment at the time, but that when he talked the matter over later with his cousin, W. H. Richards, his indignation was aroused. Attorney B. A. Green, who had helped him get his release, brought the suit.

Eckerson was the admitted victim of a mistake somewhere between the police department, county jail and juvenile court, for he had spent a week in jail in the juvenile quarters in October, 1918, when he was supposed to have remained there but one night, having been picked up by Patrolman McFarlane as a homeless youngster who had arrived in Port-

Advertisement for The United States National Bank, Sixth and Stark. Includes text: 'There was a time when a banking connection represented little more to business than depository facilities. But as the commercial needs of the country expanded banking kept pace. Today it functions as the financial helpmate to legitimate enterprise.' and 'BUSINESS REQUIRES banking just as banking requires business in order to keep going and growing.'