

DANIELS SAYS NOTE TO SIMS IS FORGERY

Statement on Convoys Is Branded as False.

APOLOGY DECLARED DUE

Original Dispatch Declared to Have Been Found in British Embassy After Investigation.

WASHINGTON, May 13.—Charges that a cablegram produced before the senate naval investigating committee during the testimony of Rear-Admiral Sims bore a forged signature were made today by Secretary Daniels. He referred to a message which Admiral Sims had presented as proof of his criticism of the navy department and which purported to have been signed by him.

"Somewhere somebody was guilty of signing my name to an official dispatch, which the original, here produced, shows I never signed," Mr. Daniels told the committee, "or of creating a dispatch by erasing the real signature and substituting 'Daniels'."

The concluding paragraph of the cablegram read:

"In regard to convoys, I consider that American vessels having armed guards are safer when sailing independently."

Investigation Is Conducted.

Mr. Daniels testified that immediately upon reading the admiral's testimony he knew he never sent such a cablegram and he started an investigation.

The secretary said he finally found the original dispatch in the British embassy through which it had been sent and that the name signed to it was "A. F. Carter, by directions of the chief of naval operations."

"The statement that it was signed 'Daniels,' is untrue," said the secretary. "No naval telegraphic signature 'Daniels' was ever sent to Admiral Sims. In his testimony he reiterated that this dispatch made him 'about ready to jump overboard, and that it was signed with my name, conveying the impression that the civilian secretary of the navy had personally passed upon the question of a particular method to protect shipping and was resisting the adoption of the convoy system. I knew I never entertained the opinion stated in the dispatch he displayed."

Apology is Held Due.

Admiral Sims should produce the person who copied the signature, Mr. Daniels declared, adding the admiral owed "an apology to me and to the country for the impression undertaken to be made by his testimony based upon a false signature."

Much of the secretary's testimony today was devoted to the controversy over convoying troops. He insisted that the admiral's course regarding the protection of troops had caused the department "much anxiety" and finally he "bluntly" told Sims that everything was secondary to the safeguarding of vessels carrying American soldiers.

Mr. Daniels charged that Admiral Sims withdrew the destroyer escort from the first convoy at sea as it arrived abroad, leaving the transports without protection for the return voyage. Admiral Sims, he said, finally was instructed to protect the ships when they left France.

Attack Accounts Presented.

Referring to the attack on the first trip convoy, sent over in June, 1917, was not attacked by submarines and according to the admiral within 200 miles of the place where the attacks were said to have occurred, the naval secretary presented messages from Admiral Sims giving accounts of such attacks. The first of these messages was dated June 20, 1917, and said:

"First group attacked by submarines, longitude 25 degrees 20, before arriving at first rendezvous. Second group attacked longitude 25 degrees 20. Strongly believe that enemy obtained information by intercepting and deciphering dispatches from me in naval attaché's code."

"On the next day, July 1, 1917," Mr. Daniels said, "Admiral Sims sent this cablegram: 'It is practically certain that the enemy knew position of the first rendezvous and accordingly sent a submarine to intercept before junction with destroyers.'"

"We had no reason then and have no reason now, to doubt Admiral Sims' own positive statements, made at the time, that no reports were attacked; the reports of Admiral Gleaves and the official report of the French general staff to the same effect."

Sims' Attitude Discussed.

Mr. Daniels also testified that Admiral Sims had declined to use of the ex-German liner Leviathan as a troop ship on the ground that her great length made her a better target for torpedoes than smaller vessels. He also said the admiral had contended that the ship should be operated to Liverpool rather than to Brest because of better facilities for handling her cargo.

The department, the secretary said, followed the admiral's advice with the result that the Leviathan had to await an entire lunar month at Liverpool before she could get out of the harbor. Later the Leviathan operated out of Brest, where her turn around "was measured in hours instead of weeks and she broke all records in the number of troops transported."

Mr. Daniels presented various official documents to support his contention that the convoy system was originally sponsored by the American navy and that it was not adopted fully until several months after the United States entered the war and had sent many destroyers and other craft overseas, thus providing the ships to make the operation of the convoy system possible.

SIMS WITHHOLDS COMMENT

Recall of Admiral for More Testimony to Senate Expected.

NEWPORT, R. I., May 13.—Rear-Admiral William T. Sims today refused to comment on the statement by Secretary of the Navy Daniels before the senate naval investigating committee that the secretary's name had been forged to a telegram attributed to him by Admiral Sims.

It was said here that naval officers expect Admiral Sims will be recalled before the committee for further testimony.

River Service Discontinued.

SALEM, Ore., May 13.—(Special.)—Because lack of patronage services of the Portland Navigation company between Salem and Portland was discontinued today. The service will not resume until the movement of hops and other produce begins in August.

S. & H. green stamps for cash Holman Fuel Co. Main 253. 600-21. —Adv.

HEAD OF GRAIN CORPORATION IN NORTHWEST WHO RECEIVES COMPLETE EXONERATION IN FINDINGS OF UNITED STATES ATTORNEY.



MAX H. HOUSER.

MR. HOUSER EXONERATED

GRAND JURY CHARGES FOUNDED WHOOLY GROUNDLESS.

Alleged Misuse of Federal Position and Manipulation of Wheat Market Held Unproved.

(Continued From First Page.)

publication by Mr. Humphreys yesterday follows:

"Max H. Houser was accused in a special report by the grand jury at Spokane of having made improper use of his position with the United States grain corporation, to the end that immense profits were made by the Portland Flouring Mills company and the Pacific Grain company. No indictment was returned. Mr. Houser owns these two companies and their subsidiary companies. They do a business of \$50,000,000 annually. Mr. Houser is vice-president of the grain corporation, and has charge of zone 16, which includes Oregon, Washington and Idaho."

"Under instructions from the attorney-general I have investigated this matter. Inquiry has been made into all facts asserted as supporting the charges contained in the special report. All rumors which have come to my attention have been traced. This inquiry was made with access to all the books and records of these companies, to income tax reports and to bank records and statements, with the assistance and co-operation of George R. Mayo, special bank accountant, who was sent from New York specially to do this work. Inquiry was made among the competitors in grain and milling of Mr. Houser's companies, and in all places where information might be expected."

No Manipulation Found.

"I find that Mr. Houser personally and through his companies did not make immense profits. The profits were small. There was no violation of law, no improper use by Mr. Houser of his position, and no evidence of manipulation of wheat prices by officials of the grain corporation. On the contrary, the evidence indicates that Mr. Houser sacrificed his time and business to the work of the grain corporation."

"It was asserted that Mr. Houser had caused the publication in newspapers, August 8, 1919, of an article which showed wheat growers who did not sell would be liable to prosecution. Such an article was published. Some charges were undoubtedly influenced by it to sell. There is no evidence that Mr. Houser either incited or approved the article. As soon as it came to his notice he denied it positively and sent a bulletin of denial to all newspapers in zone 16."

"The charges made by the grand jury reflecting on Mr. Houser are all summed up in the statement that he was able by reason of his position with the grain corporation to manipulate wheat prices and thereby to himself and associates to secure charges without any foundation in fact. I have not attempted to pass on the reasonableness of these charges. It is for the president and to congress."

Special Bank Accountant George R. Mayo summarizes his findings as follows: "The final analysis of my investigation as to Max H. Houser, second vice-president of the United States Grain corporation, and his activities in the grain and milling business, is summed up in the following paragraph: 'Mr. Houser's grain and milling interests are owned by the Washington company, owned by the corporation of \$3,720,000, and are capitalized for this amount. During the six months ending December 31, 1919, the net profit of all these interests was \$173,106.16, equal to 4.4-5 per cent on total capital stock.'"

"The charges contained in the grand jury report are herewith stated separately, together with the result of the investigation as to each specific charge:

"The majority of the mills in the north-west are owned by half dozen companies, and was purchased before 1914. It is very likely true that 25 per cent of the wheat crop of 1919 was sold by the farmers previous to October 15. If the price was satisfactory, it was sold before that date. The investigation shows the six large concerns mentioned purchased only 40 per cent of the crop during the entire season."

"(c) The Pacific Grain company paid in August premiums ranging from 13 to 18 cents, from 13 to 20 cents in September, and from 16 to 28 cents in October."

"These grain companies have been able to advance prices to each other and through manipulations of the transportation act under which the railroads would be given 15 years instead of five to pay back advances under the \$300,000,000 revolving fund."

"The average price paid for hard wheat by the Pacific Grain company was \$2.172, country basis, equal to \$2.412 No. 1 coast, sacked basis, and for soft wheat \$2.024, country basis, equal to \$2.264 No. 1 coast sacked basis."

"The grain companies are selling the wheat to their own milling concerns at the prevailing market price."

"The 12,000,000 bushels of wheat purchased by the Pacific Grain company were sold at an average advance of 1.4-10 cents over the cost price (i.e. the price paid the farmer) and to a No. 1 coast, sacked basis."

"Prices Based on Cost."

"Their own mills are asserting the right to manufacture flour on the basis of this price (prevailing market price). Investigation of the books of the Portland Flouring Mills company shows that the prices of flour were not based on the prevailing market price, but rather on the actual cost of the wheat."

"Two general statements covering these charges of the grand jury would be: 1. That the Pacific Coast Grain company sold to the United States Grain corporation, at the government basic price, 65 per cent of all the hard and 40 per cent of all the soft wheat, bought by the grain corporation, amounting in all to 1,200,000 bushels. It is hard to reconcile this with the charges made that Mr. Houser and his grain company anticipated a material advance in price. 2. That Mr. Houser's personal wealth and credit were not used to anything like their full extent, proved by his having financed in 1915-1917 \$1,000,000 bushels of wheat."

WE BELIEVE THAT 25 PER CENT OF THE 1919 WHEAT CROP WAS SOLD BY THE FARMERS PREVIOUS TO OCTOBER 15. IF THE PRICE WAS SATISFACTORY, IT WAS SOLD BEFORE THAT DATE. THE INVESTIGATION SHOWS THE SIX LARGE CONCERNS MENTIONED PURCHASED ONLY 40 PER CENT OF THE CROP DURING THE ENTIRE SEASON.

(c) The Pacific Grain company paid in August premiums ranging from 13 to 18 cents, from 13 to 20

FREIGHT CONGESTION WORRYING RAILROADS

Aid of Congress Sought to Keep Production Going.

REMEDY IS SUGGESTED

Interstate Commerce Committee Would Allow Lines 15 Years Instead of 5 to Pay Debt.

WASHINGTON, May 13.—Congress was asked today to help the railroads overcome the freight congestion so as to keep production—needed to put down the cost of living—going fairly well.

As a means of enabling the roads to provide equipment, a shortage of which is said to be largely responsible for failure to move mountains of freight piled high at the principal gateways in the east and middle west, the senate interstate commerce committee approved an amendment to the transportation act under which the railroads would be given 15 years instead of five to pay back advances under the \$300,000,000 revolving fund."

Railroad officials said this would help, but they pointed out that the immediate trouble called for heroic measures to relieve congestion and that the carriers, for instance, required \$24,000 cars to reach normal.

Most Roads Swamped.

While most of the roads were swamped with freight at junction points and big gateways, American Railway association officials said a perceptible improvement was shown by reports from all sections. Complaints still came from shippers, however, and the car service committee of the association, which directs the car movement, endeavored to allocate equipment to sections and industries in greatest need.

There was no embargo on the movement of coal, livestock and perishables and these commodities had a preferential rating and right-of-way next to passenger train service, which thus far has not been affected. Government agencies in touch with transportation system put forth every effort to help relieve the situation, admittedly hard, but not so bad as a week or 10 days ago.

Demands for coal were general. This was kept moving, while orders were issued for the quick dispatch of cars to the northwest for shipment of grain and refrigerators cars for California and Florida to take care of perishables.

South Only Section Free.

The south seemed to be the only section free of congestion, the roads reporting a steady flow of south-bound freight, with the north-bound movement regulated at eastern and western gateways by the ability of connecting roads to accept it. At the Potomac yards here the southern gateway used by all lines in and out of Washington officials reported that 2,500,000 cars were handled. The movement north and south was about equally divided, but the northward flow was stopped suddenly at midnight last night by an embargo on all except three favored commodities. Freight officials said they hoped to see daylight ahead by the middle of next week.

Particular attention was given to the New England situation because of reports that the tie-up was general and that the number of cars waiting to be moved now exceeds 20,000. Speaking at New York at some points, officials said it was natural to expect confusion, especially with a shortage of labor, which has seriously retarded work at junctions.

Chinese Boycott Extends.

HONOLULU, T. H., May 13.—(Special.)—The local Chinese merchants' association here, the Chinese Merchants' association here, the Japanese merchants are feeling the strain, especially since the Japanese plantation laborers' strike has reduced their income from their own people.

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Our Store Opens at 9 A. M.

Agents for the Butterick patterns and Delineator. All styles and sizes now showing.



EXTRA EXTRA EXTRA EXTRA

4000 Pairs of Well-Known Makes of Women's Fine

Silk Gloves

Oh! Look! See What

75c

Will Buy Friday Under-muslin Section

50c

1-3 Regular Price

Kayser

NIAGARA MAID AND MILADY SILK GLOVES IN ALL SIZES

Just think of it! At this out-of-the-ordinary sale you can purchase standard first quality Silk Gloves with double finger tips at One-Third Regular Selling Prices.

The reason is that we were overstocked on long Silk Gloves and, in order to adjust this condition, we had about 4000 pairs cut down to the popular two and three-button styles.

Colors are white, black, gray, navy, brown, tan, Copenhagen, champagne, mahogany, etc. All sizes in the assortment, but not all sizes in each color.

This is without doubt the greatest bargain ever offered in this city in fine heavy Milanese Silk Gloves. It is a sale that no prudent woman will miss. We advise that you come early in order to secure first choice and to avoid the afternoon crowds that are sure to be here. Purchase as many pairs as you wish as long as they last.

Embroideries at 35c Yard

Included are such wonderful values as 36-inch Colored Voile Flouncing, Wide Corset Cover, Flouncing and Skirting Embroideries. Also fine Baby Sets and well-finished edges. Both domestic and imported embroideries in Swiss, cambric and longcloth. Come early for best choice—they are sure to sell rapidly.

Handkerchiefs at 45c Dozen

Handkerchiefs for both women and children of good size and of fine lawn—styles hemstitched and with roll edge.

HAIR BOW RIBBONS AT 37c YARD

Less than today's manufacturers' cost. All staple colors in plain and Meire Taffeta Ribbons with plain or corded edge. Fine 5-inch Ribbons that will make up into dainty hair bows, sashes and for other purposes.

Our Store Now Opens at 9 A. M.

Positively none will be sold to dealers—no phone orders filled—none sent C. O. P. or exchanged. No refunds. None fitted.

See Our Special Window Display.

"The Store That Under-sells Because It Sells for Cash"

Our Store Closes at 5:30 P. M. Mail orders receive our prompt and careful attention same day as received.

Great Mid-Season Underpricing of Women's

Stylish Stout Suits

Dresses and Coats—Our Entire Stock Selling Friday at 1/3 Off

SUITS From \$45 up to \$85

COATS From \$37.50 up to \$85

DRESSES From \$27 up to \$75

ALL AT ONE-THIRD LESS

A saving too positive and too great to miss! A sale that prudent women will not fail to profit by. Those who appreciate materials of the better sort—styles of distinctive character—especially designed to conform large or stout figures to fashionable lines and tailoring that compares with the finest of custom work, will be interested in this sale.

THE SUITS Come in several fashionable models in belted and novelty lines especially designed for stout figures. Made of fine navy serges and in sizes 40 1/2 to 50 1/2.

THE COATS Are of fine quality serges, tricotines, drevetynes and other popular materials in black, navy and reindeer. All are finely tailored garments, in sizes 42 1/2 to 50 1/2.

THE DRESSES Include the season's most favored styles in fine taffetas, crepe de chine and silk metoos, in navy, black, Copenhagen, taupe, etc. All sizes from 42 1/2 to 52 1/2.

All are on sale at One-Third Less Than Regular Price and a Perfect Fit is Guaranteed.

It's a Great "Clean-Up" of Odds and Ends and Broken Lines, Bargain Friday, in Women's and Children's Garments!

Oh! Look! See What

75c

Will Buy Friday Under-muslin Section

Don't Fail to Profit by This

Sale of Silk Remnants

Friday's Sale Half Price

Hundreds of Them! Both Plain Colors and Novelties

Desirable lengths for waists, dresses, skirts, scarfs, etc. Included are Goetz Satins, Stearns Messalines and Satins—taffetas, novelty and sport weaves; in fact, most any need can be supplied if you attend this sale early. No phone orders, none sent C. O. D. or by mail.

EXTRA

Men's 4-in-Hand Ties 65c

Two for \$1.25

An extensive assortment of exceedingly pleasing patterns in colorings to suit all. They come in plain colors—neat stripes and fancy patterns. They come with large open end fastened with bar and with slip-easy band. You'll want to purchase a full year's supply when you see what extraordinary values they are at the above price.

Laces, Embroideries

In Friday's Sale at 1-3 to 1-2 Less Than Regular Selling Prices

A busy season in our Fancy Goods Section leaves us with quite an assortment of broken lots and short bolts of dainty Laces and Embroideries—all of desirable quality and patterns; in fact, many of our best selling numbers—all go on sale Friday at the above great price concession. Be sure to secure your share.

Embroideries at 35c Yard

Included are such wonderful values as 36-inch Colored Voile Flouncing, Wide Corset Cover, Flouncing and Skirting Embroideries. Also fine Baby Sets and well-finished edges. Both domestic and imported embroideries in Swiss, cambric and longcloth. Come early for best choice—they are sure to sell rapidly.

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Roberts Bros. THIRD & MORRISON

Store Closes at 5:30 P. M. Saturdays at 6 P. M.

The Most in Value—The Best in Quality

E. & W. Collars Shirts

EAL & WILSON TROY, N.Y.