

PREMIER PLANS TO AVERT GRAVE CRISIS

Latest Coal Mine Proposal
Surprises Commons.

NEW CONFERENCE LIKELY

Eleventh-Hour Intervention by
Lloyd George Revives Hope
for Labor Settlement.

LONDON, April 7.—(By the Associated Press.)—Another day of tense negotiations and hope and fear ended with one of the premier's eleventh-hour interventions, bringing renewed prospects that the grave industrial crisis will be averted. He announced to the house of commons tonight with the assurance of the government to participate in a conference to discuss pumping before other matters were considered.

Informal conferences continued this evening, moderates like Mr. Asquith, Lord Robert Cecil, Arthur Henderson and John Robert Clynes seeking to induce the miners to relent on pumping, and it was supposed that the whole question was turning on this slender hope.

Premier Lloyd George, after an absence, returned to the house unexpectedly at 11 o'clock and informed the members that the government had agreed to a course which it is believed practically certain the miners will accept—calling of a conference of the owners and miners to discuss the difficulty relative to pumping the mines before touching on wages and other matters.

What steps had led up to this change of front were not revealed, Arthur Henderson, who rose to reply to the premier, was nonplussed. He said, he said, to express regret that the premier had not given notice of such an important statement.

As he had earlier explained, the miners' federation would have preferred to open the conference without conditions, but he had not had an opportunity to consult the federation since afternoon; therefore he could not assume responsibility. Organizations composing the triple alliance held no further meeting tonight. The board of trade issued an official report of today's negotiations. The report concludes with a repudiation of the accusation that the government is engaged in a general attack on wages.

Charge Held Monstrous. "Such a charge is as monstrous as it is unfounded. The government and community alike are desirous that the best wages should be paid in every industry that such industry can afford."

The council of the independent labor party called on its members to support the miners by every means in their power, declaring the crisis was due to "an attempt by organized capitalism to establish the right of unlimited plunder and degrade the standard of living, which must be resisted."

With the breakdown of the conference between the coal owners and the striking miners concerning the wage dispute this morning and the almost immediate decision of the railway men to join the transport workers in supporting the miners, Great Britain this evening was on the edge of an industrial precipice.

Issue Wider Than Wages. The prime minister, Mr. Lloyd George, who had attempted mediation, announced the complete rupture of the negotiations to the house of commons at mid-afternoon, adding the significant statement that the issue raised was much wider than that of wages. This was interpreted generally as meaning that the government and the miners, at all intents and purposes, were again at grips over the old question of nationalization of the mines.

Some hope appeared in the subsequent debate in the commons when J. R. Clynes, chairman of the parliamentary labor party and others pleaded with the prime minister to call the miners and executive body together, with neither offering conditions as the basis for the reopening of negotiations.

Both the railway and transport men had stated their intention of giving the miners full support, but no intimation was forthcoming as to whether this would mean a nation-wide strike.

Government Is Alert. The government, on the other hand, continued its preparations to meet any emergency with vigorous payment of all the facilities of the army and navy.

In announcing the decision of the railway men to support the government, J. H. Thomas, railways' general secretary, said the meeting had decided that the terms offered the miners was such as justified their refusal to accept.

A verbatim report of the conference which the miners had at the premier's official residence today shows an impasse was reached over the return of the pumpmen and other safety workers as a preliminary to the reopening of the peace negotiations. To this proposition forcefully put by Premier Lloyd George, Committee member Staker of the miners' executive body, replied: "I would rather capitulate than enter into negotiations with a condition of that kind laid down."

Case Strongly Presented. The premier urged his condition strongly. "All we are asking," he said, "is that while the negotiations are going on firing shall cease and the armies stand to their arms."

Committee member Smith, another miner, interposed.

"Without being fed—that is what your conditions are. It is no use bargaining."

Stovall Stories to Be Published. CORVALLIS, Or., April 7.—(Special.)—Dennis Stovall, local story writer for boys' magazines, is to have his stories published in book form this summer. Several eastern publishers have asked for publishing rights. Stovall is to make his own selections and will go east to supervise the work.

PHONE RATE CUT FORMALLY ASKED

Rehearing Petition Copy Filed
With Company.

ILLEGAL TRICKS CHARGED

Parent Organization Is Declared to
Be Dodging Responsibility for
Promised Financial Aid.

Telephone rates in Oregon should be reduced rather than increased, especially until such time as the present inadequate service rendered by the Pacific Telephone & Telegraph company is discontinued, according to a copy of a petition rehearing of the telephone rate case filed with counsel for the company yesterday by City Attorney Grant. An immediate suspension of the increased rates was demanded.

The same petition will be formally filed with the public service commission on April 18, the Oregon laws requiring that a copy of the petition be filed with the telephone company ten days in advance of the formal filing.

The petition for the rehearing was made in behalf of the city of Portland and other cities and towns of Oregon that may elect to join with Portland in an effort to have the recent rate decision set aside.

Rates Held Excessive. It was asserted in the petition that the new rates authorized by the public service commission are excessive, unreasonable and unlawful and in excess of the value of the service to the telephone users. It also contended that the earnings which the Pacific Telephone & Telegraph company is permitted to make under the rates authorized in the recent hearing are likewise excessive, unreasonable and unlawful.

An increase of more than 200 per cent to certain classes of users and an increase to a great mass of users of approximately 50 per cent, increases which were said to be radical, excessive, unreasonable and burdensome, and wanting in equitable distribution, were allowed in the recent order.

Service Is Declared Poor. The service, according to the petition, rendered by the telephone company in Oregon is, "to say the least, poor and inadequate, and under the law it was the duty of the commission to reduce the rates during the continuance of such poor service."

The rate basis adopted by the commission upon which to compute the amount of return to which the company was entitled the petition said was too high and should be substantially reduced.

The city took the position that there was not sufficient evidence in the record in the case to warrant allowance by the commission of 4 1/2 per cent, or any other part, of the gross earnings paid by the telephone company in Oregon to the American Telephone & Telegraph company, and that it should not be permitted as an operating charge until such time as the telephone company can supply data to show that the parent company is entitled to this rebate.

Dividend Declared Disguised. The payment of this amount of the gross earnings of the Oregon Telephone company, the city contended, is in reality a disguised dividend and not an operating expense.

The dealings which the Western Electric company has with the Oregon Telephone company must be placed on the table, according to the petition, for until the commission is aware of the cost of materials and supplies furnished to the telephone company by this concern, no proper basis can be established to warrant an increased rate.

"Without complete evidence of the cost of production of materials and supplies furnished to the local utility under its contract with the Western Electric company, which is also owned and controlled by the American Telephone & Telegraph company, a complete understanding and consequent return to the utility must not be had," the petition pointed out.

Attention Called to Report. Attention was called in the petition to the publicly distributed report of the Oregon Telephone company which stated, in part, that the earnings of the American Telephone & Telegraph company, the parent company, which recently increased its dividend to 10 per cent, was 3 per cent, causing its stock, according to the petition, to rise \$8 or more a share. Such prosperity, the petition said, is due to the almost uncontested field in the telephone service of the country which the company enjoys.

Oregon is but a frontier community, the petition pointed out, and the national monopoly, said the petition, being sparsely populated compared to eastern and middle western states and portions of the Pacific coast. There is but one large city within the state, as compared with many such in other states, and therefore it is unreasonable for the commission to grant, or the telephone company to demand, returns equal to or anywhere near as high as those yielded in more densely populated communities.

The petition called attention to the fact that the telephone company voluntarily made extensions in Oregon during a period when it was in competition with other companies and that it was not until it was returned very much smaller than it now claims to be necessary for its very existence. The petition declared that during those years of competition the utility persisted until it defeated its competitors and profited by their experience and losses.

It is both unwise and against public policy, the city contended, for the telephone company, under present abnormal cost of labor and material, to demand rates which the parent company and its subsidiary maintains, to make any additions and extensions to its plant that cannot be reasonably delayed for more favorable conditions.

If such construction is carried on at this time, the petition said, it will not only place a present burden upon the people, but will also create an extravagant addition to the future which the people in the future will be called upon to pay a rate based on exorbitant costs.

Cost to Public Opposed. Plant extensions of the telephone company should not be built by the people, in any event, the petition said. In cases where it is reasonably necessary to add to the plant in order to give reasonable service, the city held that no increase in rate should be given in order to finance such additions, but maintained that instead the rates should in such instances be reduced until the plant installation is completed and good service is established. In other words, the city maintains that the telephone

company in Oregon should be compelled by the public service commission to earn its rates by service. The threat of the company to refuse to finance its plant sufficient to give good service until the commission should first grant an "unparalleled increase" in rates, the city held, smacks of monopoly of the kind that has killed its last competitor in this district.

The city's petition stated that one consideration named in the agreement whereby the telephone company pays annually to the parent company 4 1/2 per cent of its gross revenue is that the parent company will furnish financial assistance to the local company.

Illegal Action Is Charged. "Such a financial arrangement," the city said in its petition, "seems to have functioned in the past, chiefly to kill off competition. Now with competition eliminated, the contract arrangement is a device to enable the company to function even to a slight degree as to keep up, in plant development, with the normal growth of the community service."

The utility brazenly refused to perform the public service which the law demands of it," continued the petition, "until the people finance in advance the extensions and additions by paying exorbitant rates. Such action was unlawful ground for reduction of rates until the financing of the addition materialized. Any rate increase based in part on such considerations is unlawful and should not stand. This, too, is an additional reason why the 4 1/2 per cent tribute should be wholly disallowed."

Differential Is Attacked. The 25-cent differential for desk telephones, designated in the recent order of the commission, was classed by the city as unreasonable and a disguised rate increase which should be disallowed.

Rates for residence telephones under the new order, the city contended, are especially excessive and unreasonable. The city, in its petition, argued that such severe charges against the home owner tend to restrict extensive use of the telephone service in homes and that considerations of the safety, comfort, convenience and general welfare of the people require the widest possible use of the telephones.

Economy Is Held Lacking. The business of the Pacific Telephone & Telegraph company is not economically conducted and operated in Oregon, according to allegations made by Portland, and the city also charged that great fraudulence could be made in the operating costs of the company without impairment of service.

The new rate schedule, authorized by the recent order of the commission, the city contended, has caused universal dissatisfaction and has created unlooked-for burdens throughout Oregon. The users of the telephone service and the public in general, the city held, have a deep and abiding conviction that the new rates are unjust, unreasonable and unnecessary, and expressed the belief that the commission could not have before it all the facts, nor the truth, concerning the utility, its condition, alliances and the effect upon the public of the administration of the new rates.

GRAND RONDE HEARING SET. Modification of Phone Rates to Be Argued April 16.

SALEM, Or., April 7.—(Special.)—Hearing of the application for modification of the rates, rules and regulations of the Grand Ronde Telephone company has been set for April 16, according to an order issued by the Oregon public service commission today. The hearing will be held at Grand Ronde.

As a side issue to the hearing the commission, upon its own motion, will investigate the service being given to patrons of the company.

REHEARING SEEMS SURE. (Continued From First Page.)

greatest latitude in the presentation of this case, thereby inviting every citizen or class affected to participate. There should be no undue restriction and there should be every endeavor in order to prevent any inequalities or discriminations.

"I also would advocate that such measures at the time of rehearing as development of the case should be taken by the commission as will properly and effectually preserve and safeguard the interests of all parties."

With this statement of the city, the rehearing of the case should be settled.

"Every angle of the case should be discussed in detail in order that there may be the fullest understanding of all the questions involved."

If there were affidavits submitted in this order, then at the rehearing all the facts should be fully presented. This is the fairest and most expeditious way for the case to be settled.

"On its face, this petition shows that a study has been made of the several issues involved and apparently every element has been thoroughly investigated with a fixed idea of presenting all questions which may have a bearing upon the situation. It not only states specifically the grounds upon which the application is made, but clearly and analytically the reasons for a reconsideration. The petition likewise shows facts and circumstances arising subsequent to the order which might have much weight. We shall by the time set have had nearly two months of actual performance under the new rates for our guidance."

Rehearing Held Justified. "If the order is wrong then I am only too glad to have facts or law presented which will justify its correction."

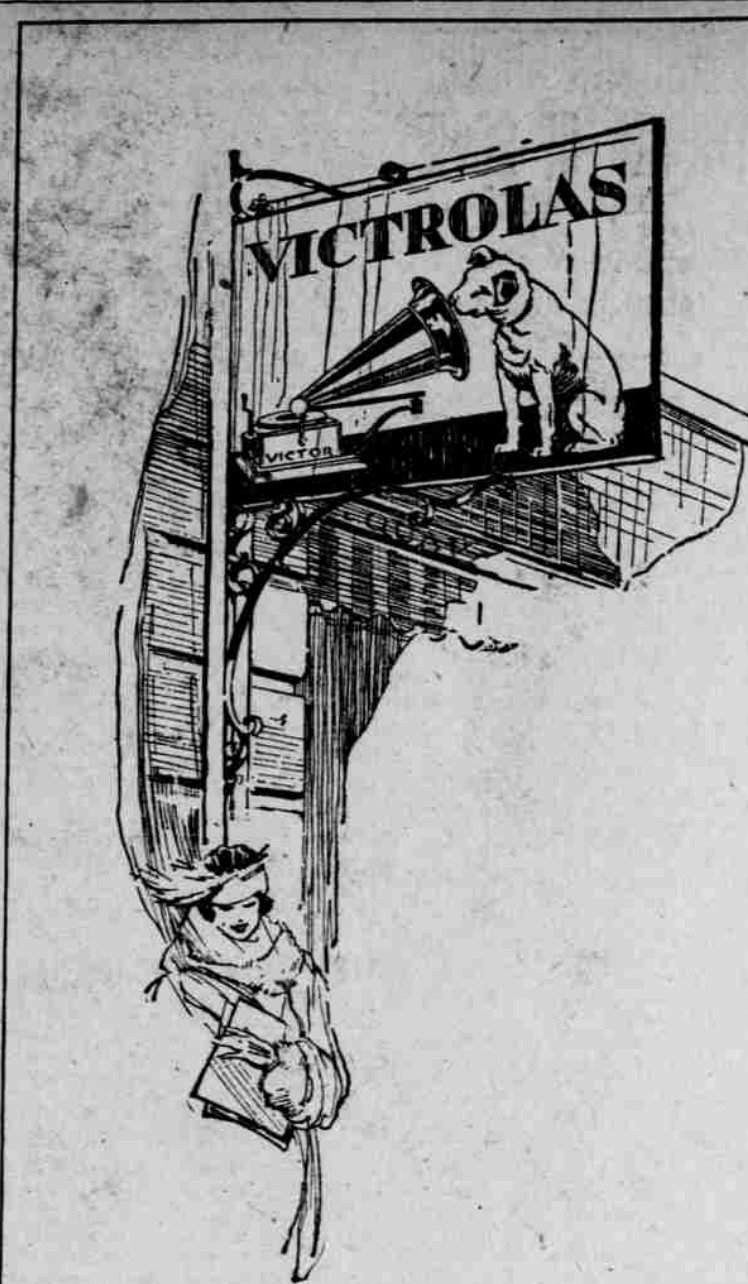
"In my judgment from such an examination as I have been able to make of the petition, it would justify a reconsideration of the case at the earliest possible date."

Recently the public service commission authorized an increase in the rates of the telephone and telegraph company averaging 30 per cent. This, it was alleged, was based on the financial showing of the corporation, which indicated that the present charges were not sufficient to guarantee a fair return on its investment. This decision was made in the order for proposed improvements.

Since that time, new evidence has been found, according to reports, which has caused the patrons of the telephone corporation to clamor for a rehearing of the case. As indicated by Mr. Williams, the rehearing, if called, probably will be held at an early date and will cover a wide scope.

Fireman's Funeral Is Held. CORVALLIS, Or., April 7.—(Special.)—Lester Hall, the young fireman who met his death by electrocution on a Southern Pacific trolley wire, was honored today by firemen and friends who turned out in large numbers to attend his funeral. The body was shipped to Portland last afternoon to be cremated. Rev. George Parkinson preached the funeral sermon.

Auto Victim Seeks Damages. EUGENE, Or., April 7.—(Special.)—Hans Baumgarten and his wife, Mary, of this city, are defendants in a circuit court suit filed here today by G. Spears, a farmer living on the Pacific highway, north of Eugene, in which Spears seeks \$5000 damages for injuries received when Mrs. Baum-



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BUSINESS ON INCREASE

Retail Merchants of Corvallis Report Trade Revival.

CORVALLIS, Or., April 7.—(Special.)—Investigation into business conditions in Corvallis shows that there is an increase, not only in quantity of business, but in the volume of retail business in every merchandising line in the city. Reports of increased business also come from the local postoffice.

Postmaster Victor Moses reports large increases not only in the number of pieces of mail handled, but in postal receipts. For the first three months of the year the total number of pieces of mail passing through the stamping machine was 445,744. This is in comparison with 226,462 pieces for the first three months of last year. The total receipts for this quarter were \$15,501.22, as compared with \$10,928.55 last year for the first three months.

DAYTON GETS HOWITZER

Gun Weighing 9010 Pounds Gift of War Department.

DAYTON, Or., April 7.—(Special.)—The G. A. R. Up. Post, No. 75, of Dayton received today from the commandant, Fort Warden, state of Washington, a howitzer, donated to the city of Dayton by the war department for park ornamental purposes. The gun was temporarily placed in the city park. It is the intention of the city officials to build a concrete base on which to mount the gun permanently.

The total weight of the field piece is 9010 pounds. The women of the Civic club and the town council are making an extra effort to beautify the park and surroundings.

POSTAL BUSINESS GROWS

Medford Reports Marked Gain in Year's First Quarter.

MEDFORD, Or., April 7.—(Special.)—There was a 26 per cent increase in the Medford postoffice gross receipts from January 1 to March 31 over the same period last year. This is attributed to the increase in population the past year and the growing use of the parcel post because of the increase in the price of mail. The city carriers' work has never been so heavy as during the past few months, and the parcel post mail has become so heavy that the postal department has just granted to the Medford postoffice for use in delivery a large motorcycle with a carrying attachment.

MARSHALL WILL SPEAK

Ex-Vice-President to Address Corvallis High School.

CORVALLIS, Or., April 7.—(Special.)—Thomas R. Marshall, ex-vice-president of the United States, is coming to Corvallis to speak Wednesday April 20. He comes under the auspices of the high school.

He has only three speaking dates in Oregon and goes from here back east to start on a trip to Europe.

Bend Short of Teachers.

BEND, Or., April 7.—(Special.)—Elections of teachers by the Bend school board leave six vacancies in the high and junior high faculties and eight in the ranks of grade teachers. It was learned today. Eight of the 27 who are re-elected must, according to a recent ruling, take summer school work each year until graduation from a recognized normal is received.

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garden, while driving their car, hit him when he was walking on the pavement on the highway, the night of March 25. Both of Spears' legs were broken and he says in his complaint that he received injuries on different parts of his body. He is still in a local hospital. Baumgarten and his wife conduct a dairy near the city.

who have been placed on probation for the spring term.

The passing in 17 hours in two terms is required by the probation committee and students who fail under this requirement are shown no mercy.

Pastor Is Re-elected. LEBANON, Or., April 7.—(Special.)—At the annual congregational meeting of the First Presbyterian church of Lebanon held this week, Rev. John C. Canole, who has served the church for the last three years, was re-elected pastor for the fourth year at a salary of \$1800, an increase of \$300 over last year. One new trustee was added to the official board, and W. H. Kent was elected to the new place O. C. Hogue was elected as elder to the place of G. A. Epperly, who has moved from the city.

Copper to Talk Irrigation. BEND, Or., April 7.—(Special.)—Percy A. Copper, state engineer, will be in Deschutes county next week to address a series of irrigation meetings to be held by the settlers on the central Oregon irrigation district.

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