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GERMANY AGREES TO PAY IN FULL

Reichstag Votes to Accept Allied Terms.

NEW CABINET FORMED

Threatened Ruhr Occupation and Other Punitive Measures Escaped.

CHAOS REIGNS TWO DAYS

Wakeshift Coalition Organization Is Headed by Wirth, Centrist Leader.

BERLIN, May 10.—(By the Associated Press.)—The reichstag tonight accepted the allied ultimatum.

The reichstag, by 231 to 175, yielded to the final allied demands and agreed to fulfill the terms of the treaty of Versailles to the "capacity" of the nation.

Dr. Wirth, centrist leader, finally succeeded in forming a coalition cabinet, composed of centrists, majority socialists and democrats, which, confronted by grave necessity, speedily accepted the ultimatum.

The ultimatum expired May 12. The allied ultimatum required a "yes" or "no" reply. The ultimatum was to expire May 12.

The total sum Germany is called on to pay is \$1,750,000,000; disarmament was carried out in accordance with the treaty, and the trial of war criminals must be put into effect. Numerous other important terms will be enforced.

Non-compliance with the ultimatum would have subjected Germany to the occupation of the Ruhr and whatever other measures were deemed advisable.

New Cabinet Makeshift.

The new cabinet is generally regarded as a makeshift, largely unrepresentative, but good enough to accept the ultimatum.

While the cabinet obtained a comfortable majority in the reichstag, it has the undivided support of only the majority socialist and clerical parties. Members of the other parties, it is declared, have given it support as a makeshift and are not pledged to give it parliamentary support.

A leading democrat said: "The cabinet cannot last as it is not on a broad enough basis to carry out the financial and economic problems involved in German acceptance of the reparations settlement."

Two Democrats Are Lent.

"We democrats have lent Schiffer and Gessler to the cabinet, reserving the right to withdraw them unless the cabinet is amplified to include the German people's party."

Dr. Wirth is unfavorably regarded by the industrialists and banking interests because he is closely associated politically with Matthias Erzberger, his predecessor as finance minister, who advocated a raid on capital, rather than indirect taxes to meet Germany's financial needs.

Conservative elements in the reichstag regarded the cabinet as an undivided and incapable of outlining a policy whereby Germany immediately can begin meeting the entente's financial demands.

Chaos Lasts for Two Days.

The cabinet was the outgrowth of two days of wild chaos, in which the parties met day and night and finally in desperation agreed on an improvised state which underwent several changes and admittedly never could have obtained ratification had it not been necessary to check the threatened entente military movements.

In his speech in the reichstag, Dr. Wirth said:

"Our task in this grave hour is to obtain the decision of the allied governments on the ultimatum of the allied governments. In the protracted detailed negotiations you have formed an opinion on the contents and significance of the ultimatum. In view of the termination of the time limit must ask you to express your opinion by an immediate decision. There is no possibility for us other than acceptance or rejection."

Consequences Are Cited.

"Acceptance means that we declare our readiness to bear in voluntary labor the heavy financial burdens demanded. Refusal would, however, mean surrendering the basis of our industrial activities, and as a consequence, dismemberment of our economic body, already so greatly weakened and the shackling of our industrial life."

"But the effects might be even more terrible for our political existence and our realm."

"For these reasons the government accepts the ultimatum. We know"

AMERICA WILL HELP SAVE WORLD, HARVEY

AMBASSADOR IS WELCOMED AT SOUTHAMPTON PIER.

Envoys Tell British United States Stand Ready to Co-operate in Good Works for Mankind.

SOUTHAMPTON, England, May 10.—Colonel George Harvey, newly appointed American ambassador to the Court of St. James, arrived today from the East to the United States. He was received by a deputation composed of the officials of the port of Southampton and American consular officials.

The chambers of commerce also sent a welcoming delegation. Alderman Pearce, ex-mayor of Southampton, officially welcomed the ambassador and Mrs. Harvey.

"I am glad to have this opportunity," said Ambassador Harvey, in his reply, "of expressing at the outset the message of good will, cheer and hope which my president has commissioned me to convey to the king."

"We must realize that we must pass from recollection to action, if we are to grapple with the great problems of the present and the future. You have more than our sympathy, for there never was a time when America felt so keenly the moral obligation she feels to the mother country."

"I am directed by my government to extend to England the full co-operation of America in all good works, and if this great empire and the great republic get together, shoulder to shoulder, they cannot and must not fail to save themselves and the world."

MEXICAN POLICY FORMED

Administration's Attitude Reported Well Determined.

WASHINGTON, D. C., May 10.—The administration's policy toward Mexico has been "very well determined," it was stated today authoritatively, but officials are not yet ready to enunciate it.

The announcement that the administration's Mexican policy was well determined was not indicative of any radical change, it was said, nor should it be construed to forecast early recognition of the government of Mexico.

Recognition of President Obregon will be accorded, it is understood, when he convinces the United States government that Americans and their interests in Mexico have continuing safeguards.

OIL PROMISED IN ALASKA

Early Development in Far North Predicted by Geologist.

WASHINGTON, D. C., May 10.—Development of a rich oil field on the Arctic coast of Alaska was predicted before the house territories committee today by Colonel A. H. Brooks, in charge of geological survey work in Alaska.

E. T. Jones, director of the coast and geological survey, urged allowance of additional funds for Alaska fisheries and coastal work and approved the proposal to transfer many government functions to a commission of Alaska residents for administration.

CHAPLIN GETS SCORCHED

Trousers Burned Off When Movie Actor Upsets Torch.

LOS ANGELES, Cal., May 10.—Charlie Chaplin was painfully but not seriously burned at his motion picture studio here today when he stumbled over an acetylene blow torch, which was part of the "set" on which he was working.

His trousers caught fire and he was burned from ankles to waist. After first aid at the studio he was taken to his home.

NEW FLEET CHIEF NAMED

Admiral Williams to Succeed Rodman in Command.

LOS ANGELES, May 10.—Admiral Hugh Rodman announced today that Admiral Clarence S. Williams, at present second in command, would take command of the Pacific fleet May 23, when Admiral Rodman will leave for Washington to sit as a member of the naval selection board.

Admiral Williams' assignment will be a temporary one, the present commander said.

The warships are to participate in the Portland Rose Festival.

RAILWAYS BLAME HIGH LABOR COST

Probe Into Whole Situation Is Started.

FIVE "REMEDIES" OFFERED

Limit Use of Public Highways, Says Kruttschnitt.

WATERWAY TOLLS URGED

Let Nation Quit Operating Coast-to-Coast Vessels and Kill Haul Clauses, Is Advice.

WASHINGTON, D. C., May 10.—Senate investigators of American railroads today heard as the first witness Julius Kruttschnitt, chairman of the board of the Southern Pacific company.

Chairman Cummins of the senate interstate commerce committee read consolidated earnings statements of the railroads for eight years, each showing a progressive increase in the expense, and said that the "gravity of the situation is apparent if our transportation industry has become permanently an unprofitable business."

Operating expenses consuming normally around 65 per cent of the receipts, he said, consumed more than 90 per cent of the revenues for the year ending March 1, though the gross receipts of \$6,175,000,000 were the largest on record and could never be made larger, in his opinion, by higher rates.

Labor Costs Are Blamed.

Mr. Kruttschnitt was prompt with one answer as to the cause of disappearing earnings.

"Since the passage of the Adamson law in 1916," he said, "the labor costs have been increased by government action \$2,229,839,000 annually."

Mr. Kruttschnitt emphasized his conclusion that a reduction of labor charges was necessary.

There are "only limited fields in which the management can operate if it seeks economies in other directions," he said.

As to the balance of the railroads' operating expenditures, Mr. Kruttschnitt said 15 per cent went for "materials and supplies at prices fixed by the government," and that the balance up to 87½ cents of each operating expenditure dollar was spent on "materials and supplies at prices fixed by general market conditions."

Rate Standards Defended.

He defended present standards of freight rates, declaring they had not appreciably increased above the rise

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HARDING WOULD NOT HURRY PEACE PLANS

OF AVERSE TO COMPLICATING SETTLEMENT.

House Action on Knox Resolution Following Reparations Adjustment Preferred.

WASHINGTON, D. C., May 10.—President Harding is not asking for delay in the adoption by the house of a peace resolution, it was said today in high administration quarters, but because of the situation in Europe, growing out of the reparations settlement, he is not insisting that there should be any haste in putting the measure through.

To emphasize that there was no conflict between the president and congress, however, it was stated that it was thought advisable not to inject a possible complication in the reparations settlement between the allies and Germany by the adoption of the resolution by the house at this time.

After the cabinet meeting today, Senator Lodge, republican leader, called on President Harding to discuss foreign affairs. He said afterwards that there was nothing new on the status of the Knox peace resolution.

Asked about the treaty of Versailles, he said:

"Well, things can't be done in a minute."

Other senate leaders said it was their understanding that President Harding had no present intention of returning the treaty to the senate.

Reports of the development in the European situation were received at the state department today by Ambassador Wallace, the unofficial representative of the American government, sitting with the conference of ambassadors, and from Roland W. Boyden, who is sitting unofficially with the reparations commission.

Officials generally expressed satisfaction with the first results from what was characterized as the government's system of diplomatic listening posts.

POSTMASTER OUT ON BAIL

C. H. Fortman Held to Grand Jury on Embezzlement Charge.

HELENA, Mont., May 10.—C. H. Fortman, postmaster, entered a formal plea of not guilty when arraigned this afternoon before Julius H. Brass, United States commissioner, on a charge of having embezzled federal funds.

He was bound over to await the action of the United States grand jury, which meets here June 15, and was released on bonds of \$2000.

MONDELL URGES ECONOMY

House Republican Leader Opposes Public Building Bill.

WASHINGTON, D. C., May 10.—Opposition to the passage at this session of congress of a public building appropriation bill was announced in the house today by Representative Mondell of Wyoming, republican leader.

"Until the state of our finances is better I do not believe we should have a building bill," he said.

\$320,000,000 ARMY BILL PASSES HOUSE

RIDER DECLARING WAR AT END LOST ON POINT OF ORDER.

Unsuccessful Attempts Made to Have Previous Action Limiting Size of Forces Reversed.

WASHINGTON, D. C., May 10.—The army appropriations bill, carrying approximately \$320,000,000 and providing for an army of 150,000 men, was passed late today by the house and sent to the senate. The vote was 243 to 23.

Before the final vote, unsuccessful attempts were made to have the house reverse its previous action in adopting an amendment providing for a reduction in the size of the army, which now totals about 230,000 men, to 150,000, and for the discharge from service "under reasonable" war department regulations of men making application.

An effort by Representative Herrick, republican, Oklahoma, to attach a rider, declaring the war ended and directing the secretary of war to withdraw American troops from the Rhine, was checked by Representative Mondell, republican leader, who made a point of order against it.

When the bill was being considered, an amendment to reduce the force from 150,000, the number recommended by Secretary Weeks, to 150,000 was adopted.

Privileged to call for a second vote, Chairman Anthony of the sub-committee did so today, but the amendment was retained, 193 to 158.

Representative Mondell spoke in opposition to this amendment, contending it would be impossible for months to cut the army to 150,000.

In an effort of a second colloquy to knock out an amendment previously adopted to permit enlisted men to be discharged on application failed, 183 to 158.

As introduced, the bill carried approximately \$322,000,000, but substitution of a maintenance allowance for 150,000 instead of 155,000 men decreased the total about \$12,000,000.

As passed at the last session, the bill, which was pocket vetoed by President Wilson, provided for a force of 150,000 and carried \$244,000,000.

SENATE HAS FARM BLOCK

15 Members From Agricultural States Prepare to Act.

WASHINGTON, D. C., May 10.—An agriculture block came into being today in the senate, 15 senators from the agricultural states of the west and south having formed an informal organization for united action on measures affecting the farmer.

Senator Kenyon of Iowa was selected as chairman and four committees were appointed to consider agricultural measures. The committees are: "Proposed changes in the federal reserve act—Smith, South Carolina; Gooding, Idaho; and Kendrick, Wyoming."

Proposals for more adequate warehousing and storage—Norris, Nebraska; Ransdell, Louisiana; and Capper, Kansas.

Transportation—La Follette, Wisconsin; Fletcher, Florida; and Shepard, Texas.

General agricultural measures—Ladd, North Dakota; Heflin, Alabama; and Kenyon, Iowa.

RESTRICTION CUT IN JOB AWARDS

Freer Hand Won in Naming Postmasters.

HARDING CHANGES RULES

Greater Efficiency of Appointees Declared Aim.

13,000 JOBS AFFECTED

Choice at Present Is Declared to Be Based Merely on High Scholastic Theory.

WASHINGTON, May 10.—Civil service restrictions governing postmasters' appointments were modified by President Harding today to give the administration a freer hand.

In an executive order affecting approximately 13,000 postmasters of the first, second and third classes, the president authorized the selection of anyone of the first three on the eligible list as determined by open competitive examinations.

Under an order of President Wilson, the executive council exercised no such choice, but was required to appoint the applicant at the head of the list.

Efficiency Declared Aim.

President Harding issued a statement saying that the new arrangements had been decided on because it would permit such elements as business training and experience to figure in the selection of postmasters and would not stake the choice merely on "a cloistered scholastic examination which might result in a high grade in theory but not a guaranty of efficiency in fact."

Today's action was the first important step taken by the new administration in the general problem of patronage and was understood to have been decided on after conference between the president and master-general Hays and other administration officials.

Method Is Outlined.

President Harding's order follows: "When a vacancy exists or hereafter occurs in the position of postmaster at an office of the first, second or third class, if such vacancy is not filled by nomination of some person within the competitive classified civil service who has the required qualifications, then the postmaster-general shall certify the fact to the civil service commission, which shall forthwith hold an open competitive examination to test the fitness of the applicants for appointment to fill such vacancy, submit the names of such person to the president for nomination."

"No person who has passed his 65th birthday or who has not actually resided within the delivery of such office for two years next preceding such vacancy shall be given the examination, herein provided for."

"If, under this order, it is desired to make nomination for any office of a person in the competitive classified service, such person must first be round by the civil service commission to meet the minimum requirements for the office."

Age Limit to Be 65.

"Provided, that at the expiration of the term of any person appointed to such position through examination before the civil service commission the postmaster-general may, in his discretion, submit the name of such person to the president for re-nomination without further examination."

"No person who has passed his 65th birthday or who has not actually resided within the delivery of such office for two years next preceding such vacancy shall be given the examination, herein provided for."

"If, under this order, it is desired to make nomination for any office of a person in the competitive classified service, such person must first be round by the civil service commission to meet the minimum requirements for the office."

WIDE LATITUDE IS WON

Political Adviser for District Expected to Be Big Factor.

THE OREGONIAN NEWS BUREAU.

WASHINGTON, D. C., May 10.—Every postoffice in Oregon, Washington and Idaho, with a single exception, will be affected by today's executive order specifying the manner in which postmasters hereafter shall be named.

The one office in those states which escapes the order is Medford, Or., where President Harding nominated a postmaster a few days ago, and whose confirmation is assured.

Besides creating a vacancy at the expiration of every commission now held by a postmaster, the order in effect also declares vacant at once every office where President Wilson, before retiring, made a nomination which failed of confirmation. If any of the scores of persons nominated by Mr. Wilson desire to succeed themselves, they will be subject to the same tests as ambitious outsiders, the test not being purely scholastic.

The president, acting through his postmaster-general, will have a wide latitude in making a choice with regard to the candidates' business training, experience, executive ability, general qualifications and standing in the community. The order does not disclose the full purpose, but it is assumed that after three persons have been certified as eligible for a particular office the senator, representative or whoever is the political ad-

(Concluded on Page 2, Column 1.)

U. S. TUG, ABANDONED AS LOST, IS SIGHTED

CONESTOGA, LONG OVERDUE AT HONOLULU, FOUND.

Wireless Message First News of Vessel Received Since Her Departure March 27.

HONOLULU, T. H., May 10.—The United States fleet tug Conestoga, for which hope had been abandoned when it was listed as long overdue at Honolulu on a voyage from the Pacific coast, has been sighted, according to a wireless message to the navy radio here today. The message was from a minesweeper of the small squadron sent in search of the Conestoga. It gave no details.

The Conestoga, attached to the Pacific fleet, left San Diego early in March for Pearl Harbor, Hawaii, by way of Mare Island navy-yard. She departed from San Francisco bay March 27 for the islands. Until the wireless message to the Pearl Harbor navy-yard today she had not been heard from nor sighted.

She carries four officers, including Lieutenant E. L. Jones, commanding. Her enlisted personnel numbers 26.

LOWER RATES DEMANDED

Cut Freight on Farmers Quit, Says Federation Chief.

SPOKANE, Wash., May 10.—General reduction of freight rates on grain, fruit and livestock of from 25 to 35 per cent are to be demanded by the American farm bureau federation in a petition to be filed this week with the interstate commerce commission, J. R. Howard, president of the federation, announced here today.

He said he intended telegraphing instructions to the local farm bureau branches of the organization to file such an action without delay.

"Freight rates on basic agricultural products must come down or the farmers will go out of business," Mr. Howard declared. He is here in connection with organization conferences of the United States Grain Growers' Inc.

CLATSOP BONDS OVER PAR

Portland Firm Bids 100.6 on Block of \$100,000 of Securities.

ASTORIA, Or., May 10.—(Special.)—While only one bid was received by the county court this afternoon for the purchase of the \$100,000 issue of county bonds, the 19-year bonds the county received a premium of 99 on the issue.

The bidder was the Ralph Schneeloch company of Portland and its bid was \$100.60 a thousand with accrued interest from date of issue until delivery. The bonds were issued to pay the county's portion of the cost of constructing the Young's bay draw-bridge.

OPIUM HID IN LEMONS

Run on Fruit Market Causes Two Peddlers to Be Arrested.

PITTSBURG, Pa., May 10.—Two city detectives were assigned today to run on the lemon market in the Chinese section here reported to headquarters that they had discovered opium secreted in the fruit being sold to the orientals.

Two Chinese peddlers were arrested.

INDEX OF TODAY'S NEWS

The Weather.

YESTERDAY'S—Maximum temperature 63 degrees; minimum 40 degrees.

TODAY'S—Fair; westerly winds.

Foreign.

Germany accepts allied ultimatum in reparations. Page 1.

United States fleet tug long abandoned as lost reported sighted. Page 1.

Ambassador Harvey officially welcomed to England at Southampton. Page 1.

Police reported driving Germans from town of Kozel. Page 2.

French scientist believes sex transformation in human possible. Page 3.

National.

Restrictions in appointment of postmasters reduced by president. Page 1.

President, pending reparations settlement, would not wish peace resolution. Page 1.

WILLAMETTE SHUT TO NET FISHERMEN

Commercial Activity on River Is Halted.

NEED OF EGGS ASSERTED

Commission Declares Supply Is in Danger.

OTHER FACTORS DENIED

Order Is to Be Effective June 1. Salmon and Other Food Fish Declared to Be Depleted.

The Willamette river was closed to commercial fishing by order of the fish commission at its meeting yesterday. The order will be in effect June 1, and will take in all of the water of the Willamette river and the Willamette slough from the suspension bridge at Oregon City to the confluence with the Columbia river.

The action was taken, explained the commission members, to protect the salmon and other food fish in the Willamette river.

The Willamette is the only river left where seed fish may be obtained, it was said, and if the hatchery operations of the fish commission are to be continued and extended, the egg supply must keep pace with the growth and development of the hatcheries.

Greater Operations Needed.

"The requirements of the industry demand constantly increasing hatchery operations," said Carl D. Rheemaker, master fish warden, at the meeting. "At the last session of the legislature, appropriations were made for new feeding or nursery ponds on the Willamette river and on the Clatskanie river. Likewise, appropriations were made for hatchery operations on the Santiam and upper Willamette rivers."

"The natural spawning grounds in the upper reaches of the Columbia and its tributaries have been ruined by the inroads of civilization and the development of irrigation, mining and power projects have made further inroads into these vast natural spawning areas."

Willamette Supplies Eggs.

Oregon must look to the Willamette river for its egg supply for artificial propagation at the hatcheries, it was said.

Under a provision of a law passed at the last session of the legislature, the fish commission received power to close to net fishing, or fishing for commercial purposes by any means, any stream frequented by salmon or other food fish, to protect these fish. It was under this provision, that yesterday's order was issued.

The commission did not take this action without opposition. Dan J. Malarky, speaking for the wholesale fish dealers, argued against the closing order. He contended that the people of Portland should have the right to have fish on the market fresh from the Willamette, and "if you want our very doors," he said, "it was not necessary to close the entire stretch of the river and that establishing of a dead line near Oswego should meet all the requirements of the hatchery operations."

Protection Declared Motive.

The commissioners declared in answer to questions from Mr. Malarky as to their real motives for desiring the closing, that the protection of the fish was the real and only motive for their action.

The commissioner denied a statement by Mr. Malarky that the closing of the Willamette would mean more fish for the Clatskanie river. He said that about 80 per cent of all the fish taken in years past in the Willamette river by means of nets have been delivered to three canneries operating on the Columbia. The remainder of the fish taken have been sold to the local fresh fish market, they said, and this small amount could be made up easily from the catch in the Columbia river.

Imports Declared Feared.

John Mieh of the Portland Fish company declared that the Willamette river fish supplied the local fish markets and if that supply was shut off, it would mean Portlanders would have to eat fish shipped from Seattle, Sacramento and British Columbia.

The fish commissioners said and fishermen might confine their efforts to that river successfully and so supply the Portland market. Gilbert Hedges, formerly district attorney of Clatskanie county, representing the fishermen, urged the commission not to take any "drastic action," and asked that the deadline be moved to Oswego.

Shoemaker Gives Views.

"The commercial fishing business, which includes the operation of the canneries as well as the supply for the fresh fish market, is dependent upon artificial propagation, and Oregon alone, of all the Pacific coast territory, is showing an increase in the amount of salmon taken each