

# Morning Oregonian

VOL. LX—NO. 18,930

Entered at Portland, Oregon, Postoffice as Second-Class Matter.

PORTLAND, OREGON, SATURDAY, JULY 23, 1921

PRICE FIVE CENTS

## FRANCE INSISTS ON TROOPS MOVE

New Note on Silesia Is Sent to Britain.

REPLY NOT YET RECEIVED

Meeting of Experts Also Is Demanded.

SOLDIERS READY TO GO

Lloyd George in Answer Is Expected to Reaffirm Position Against Reinforcements.

PARIS, July 22.—(By the Associated Press.)—The French government late tonight required Colonel De St. Aulaire, French ambassador to Great Britain, again to insist that the British government consent to the sending of reinforcements into Upper Silesia and to a meeting of experts to consider the Upper Silesian situation before the assembling of the supreme council.

The British reply to the latest formal note of Premier Briand had not been received late tonight and the French government's action was declared to be based on unofficial, though authentic, reports that the reply of the British prime minister would be a reaffirmation of his position that the dispatch of further troops to Upper Silesia is unnecessary, and that a meeting of the supreme council to discuss the Silesian problem should be called in the near future.

The departure for Upper Silesia of a French division in readiness on the Rhine was said in official circles to be a question of 48 hours.

Immediately after a reply to the note handed to Great Britain is secured, marching orders will be given the division which will proceed for Silesia by rail through Germany.

The controversy was still regarded by the French press in the light of a crisis.

A communication from the allied high commission at Oppeln, in which the British high commissioner concurs, was reported to stress the needs of more troops.

REPLY EXPECTED NEXT WEEK

Lord Curzon to Insist on August Meeting of Supreme Council.

LONDON, July 22.—(By the Associated Press.)—The final reply of Great Britain to France concerning Upper Silesia is expected early next week, when it was learned from authoritative sources here today, Lord Curzon, the foreign minister, will insist on a meeting of the allied supreme council during the first days of August.

British official circles minimized the importance of the difference in the French and British views concerning Silesia. It was stated the difference was a matter of time and not a question of principle, the French wishing to delay the final settlement while the British wish for an immediate end of the troublesome boundary dispute.

MILL WORKER DROWNED

A. L. Parker Loses Hold on Boat and Sinks With Others Near.

OREGON CITY, July 22.—(Special.)—A. L. Parker, an employee of the Crown Willamette Paper company, was drowned in the Willamette river this afternoon at 2 o'clock while bathing. The body had not been recovered.

Parker at the time of the accident was clinging to a boat a companion was rowing. After enjoying the sport for some time, Parker and his hold on the boat, and the companion, believing that his friend had decided to swim, had rowed about 20 feet, when he saw Parker disappear from sight. He immediately rowed towards the drowning man, but arrived too late.

Parker came to Oregon City last September. He is the son of Mr. and Mrs. G. P. Parker of Weed, Cal., and was 20 years of age.

OREGON SOLDIER IS CITED

Joseph Dennis Frees Oil Barge and Prevents Explosion.

DALLAS, Or., July 22.—(Special.)—Word has been received here that Joseph Dennis, youngest son of Mr. and Mrs. O. E. Dennis of Oskaloosa, Kan., who is serving in the American army of occupation in Germany, was cited recently for bravery for preventing an explosion.

Large oil tanks on a barge in a river near where young Dennis was stationed were in danger of exploding from a fire on the bank nearby. Volunteers were called for to release the barge from its moorings, but before any one could respond a soldier was seen swimming out to the barge and in a short time it was floating down the river out of the danger zone.

The heat was so intense that many times the swimmer, who proved to be Dennis, was obliged to dive under the water.

## CONFERENCE PLANS TO BE PUT THROUGH

DISARMAMENT MEET NOVEMBER 11 PROBABLE.

Japanese Statesmen Expected to Decide in Favor of Discussion of Pressing Questions.

WASHINGTON, D. C., July 22.—Unless checked by unexpected developments at Tokyo, the United States government, it was understood today, will proceed without further loss of time in perfecting its plan for a conference of the principal powers on limitation of armament and far-eastern subjects. There appeared reason to believe that the Japanese statesmen would reach a decision favorable to a discussion of questions arising out of the orient, with reservations. The informal conferences between Secretary Hughes and Ambassador Shidehara are known to have gone far toward convincing the administration that the Japanese government will agree to enter the conference without much delay and that the general questions at issue will be approached frankly and freely.

Insistent suggestions that Belgium should be given a seat at the conference have not served to alter the opinion of the United States government that the discussion should be limited to the principal allied and associated powers. It was declared that in maintaining such an attitude there was no intention of discrediting Belgium and that the conference always would be willing to hear representations of any nation not a member of the conference, where her interests were affected and where it is believed that the discussion should be held at London failed to cause favorable reaction here. It was indicated clearly that the United States believes that such preliminary discussion as may be necessary should take place here.

It is understood that November 11, the anniversary of the signing of the armistice, is regarded as peculiarly appropriate for convening the conference.

LONDON, July 22.—(By the Associated Press.)—A meeting of the dominion premiers was called hurriedly this afternoon to consider, it is understood, a reply received from Washington today to representations by the British government relative to the question of the armament and pacific conference to some date later than November 11. The meeting was private and there has been no indication of the nature of the Washington reply.

PORTLAND IS SELECTED

American Institute of Banking Meets Here Next Year.

MINNEAPOLIS, July 22.—Carter E. Talman of Richmond, Va., was elected vice-president of the American Institute of Banking at the closing session of its annual convention here today over John S. Curran of California.

The vice-president, the year after his election, automatically becomes president. Robert E. Locke of Detroit, Mich., automatically became president of the organization for the ensuing year, having served as vice-president the last year.

Portland, Or., was chosen unanimously as the moving place of the 1923 convention of the institute.

REDS DEFY CONFEREES

Moscow Note Says Decisions at Washington Will Be Ignored.

RIGA, Latvia, July 22.—(By the Associated Press.)—Soviet Russia's note of protest against the failure to extend to her an invitation to the Washington conference, on far eastern questions, handed to the American charge at Stockholm yesterday, declared that the Moscow government would not recognize any decisions reached at a conference at which it is not represented.

The note protested also against the lack of an invitation for the far eastern republic.

The Soviet note was sent not only to the United States, but also to Great Britain, France, China and Japan.

MERCURY SOARS TO 86

Day Good One for Makers of Ice Cream and Bathing Suits.

Yesterday was a poor day for pavements and pedestrians, but a good one for manufacturers of ice cream and bathing suits. The thermometer began climbing about the time Old Man Portland brought in the milk from the front porch, and it continued ascending until 4:30 P. M., when it reached its maximum of 86 degrees.

Only one hotter day has been recorded this summer. That one occurred July 7, when the official government thermometer recorded a temperature of 89 degrees.

LANDING FIELD TO CHANGE

Portland Patrol Sub-Base to Be Moved to Vancouver.

EUGENE, Or., July 22.—(Special.)—The Portland sub-base and filling station of the Blawie squadron on forest fire patrol duty in Oregon will be moved to Vancouver, Wash., at once, said Captain Lowell E. Smith, commander of the squadron, today. Captain Smith, who has just returned from San Francisco, says he received orders to that effect while in that city. Vancouver is considered by the fliers, said the captain, as a better landing field because of the government reservation there.

## GOVERNOR SMALL WINS FIRST POINT

Court Postpones Action on Arrest.

MOVE IS POSSIBLE TUESDAY

Attorneys Point Out Chaos in Government Might Result.

WARRANTS ARE RETURNED

Executive Plans to Resist Arrest to Limit and Some Suggest Troops May Be Called Out.

SPRINGFIELD, Ill., July 22.—Len Small, governor of Illinois, under indictment for embezzlement and conspiracy to defraud the state, tonight said triumphantly at the head of the state government, defying arrest and apparently secure until next Tuesday at least from interference by the sheriff.

The governor, without receding from his claims of immunity, won a temporary victory without exhausting any legal ammunition. His counsel, who argued that the governor is above the reach of the law, made it plain that they appeared before Judge Smith today as "friends of the court" to offer opinions, but not to present any motions.

Action Possible Tuesday. Their appearance as friends of the court was accepted with thanks by Judge Smith, who declared that he had no motion for a ruling in the case and therefore could make none. In recessing his court the judge declared that "nothing will be done before next Tuesday."

Counsel for the governor indicated that they will remain firm on their stand of immunity. The next move, so far as the governor is concerned, will come from Judge Smith.

Whether there was any significance in his naming of Tuesday, the judge would not say. He said he would wait to see what the governor would do, but refused to set any time limit on his waiting policy.

Chaos Held Danger. Counsel for Governor Small referred to the old claim that "the king can do no wrong" in their arguments today, declaring that chaos in the state government might result from the establishment of a precedent through the arrest of the governor.

A call for state troops to protect Governor Small from any attempt by county authorities to arrest him was believed to be a remote possibility, although his counsel declared that it was not. (Continued on Page 2, Column 1.)

## CONGRESS PLANS TAX OF 4 BILLION DOLLARS

HUGE SUM TO BE IMPOSED FOR NATION'S NEEDS.

Little Hope Given for Reducing Tax on Normal Incomes or Raising Personal Exemptions.

WASHINGTON, July 22.—The house ways and means committee will set about tax revision with the idea of raising \$4,000,000,000 in revenue exclusive of postal receipts in the next year, Chairman Fordney said tonight, after he, with other republican members of the committee, had conferred at length with Secretary Mellon on the general subject of taxation.

The amount required is the same as had been raised by the present law and shows no hope, therefore, of a reduction in the gross amount needed. The government's requirements will be met, however, in a slightly different manner than under the present law, the chairman said. Many changes are proposed in the hope of readjusting the burden in a way that will encourage commerce and industry, and thereby increase the revenues, according to Mr. Fordney.

Although the conference with the treasury head was said to have provided a basis upon which the committee may begin work Tuesday, Mr. Fordney probably will take up the subject with President Harding before proceeding. It was understood he hoped to confer with the president Monday.

From Mr. Fordney's remarks, it appeared that majority committee members were agreed on an abolition of the excess-profits tax and the substitution for it of some levy on corporations, probably around 15 percent. Reduction in the higher surtaxes on incomes also seemed assured, since they are regarded as the treasury as driving capital into tax-exempt securities. The affidavits exempting investments of a nature which produce federal revenue.

The new tax bill probably will be made retroactive over the calendar year of 1921 on incomes and other forms of taxes based on the calendar period. As to other taxes, Mr. Fordney said he hoped to make most of them applicable immediately upon passage of the bill.

Transportation taxes would be repealed under Mr. Fordney's plan, but he said it might not be possible to do so. Many of the special war-time taxes, described recently by Mr. Mellon as "nuisances," are certain to be eliminated under the programme to be advocated by the committee chairman.

As for a reduction in the taxes on normal incomes by the raising of the personal income exemptions, Mr. Fordney held out little hope. He said, however, that if sufficient new sources of revenue can be tapped to offset the losses anticipated through abolition of the excess profits and reduction of the higher surtaxes on incomes, the personal income exemptions will get some consideration, as will the rates on the normal incomes.

Chairman Fordney would not say that a general tax reduction was possible, but emphasized that the burden could be made lighter through redistribution of the levies. (Continued on Page 2, Column 2.)

## DIVINE HEALER HELD FOR MINE STOCK DEAL

REV. JOHN G. LAKE ACCUSED OF LAW VIOLATION.

Sale of Securities Without Permit Charged After Probe by Corporation Commissioner.

As a result of investigations conducted by T. B. Handley, state corporation commissioner, and the better business bureau of the Portland Ad Club, Rev. John G. Lake, who has been operating in Portland several months as a divine healer, and his son, Otto B. Lake, were arrested late yesterday on a charge of violating the blue-sky law of Oregon.

The arrests were made upon warrants signed by Commissioner Handley and issued by J. H. Stockman, deputy district attorney, in municipal court. Lake was fined at \$2500 for each of the men and late last night an attempt was being made to furnish the bail.

The specific charge against Lake and his son was that they have sold stock without a permit. It was alleged that they sold \$1000 worth of stock in the Leadville Milling & Mining company of Kitchener, B. C., to Mr. and Mrs. John Broetje of Oak Grove, Or. Commissioner Handley indicated that he was in position to cite other sales of stock aggregating many thousands of dollars.

Lake said that the stock sold to the Broetjes was his own property and that he was perfectly within his rights in selling it. Whether or not the same defense will apply in other cases he did not indicate.

According to affidavit of Mrs. Broetje, the stock was selling at 25 cents a share late spring, but was soon put up to 50 cents a share. In making delivery of stock to the Broetjes, Rev. Mr. Lake sent them 4000 shares, 2000 of which were "in place of possible dividends for the year 1921 and 1922." The affidavits exempted securities of a nature which produce federal revenue.

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## PHONE EQUIPMENT IS HELD OBSOLETE

High Rates Laid Also to Outside Control.

CITY CALLS EXPERT WITNESS

Major Babcock Declares Improvement Is Blocked.

PARENT UNIT BLAMED

Local Official Alleged to Be Tied Down by New York and San Francisco Offices.

SALEM, Or., July 22.—(Special.)—Control of officials of the Oregon division of the Pacific Telephone & Telegraph company by officials of the American Telephone & Telegraph company, under which the local officials are not permitted to suggest or install equipment of the latest type, is one of the primary causes of high telephone rates in this state, according to the testimony given the public service commission by Major Garrison Babcock, a witness called by the city of Portland today.

Major Babcock is a consulting telephone engineer of 20 years' experience and his testimony today indicated that not only has he had much experience with telephone service, but in addition is an expert witness.

Major May Be Recalled. Late this afternoon Assistant Attorney Tomlinson announced that he would probably recall Major Babcock Monday morning when the hearing is resumed here. After Attorney Tomlinson has concluded the direct examination of the city's witness will be turned over to the attorneys of the telephone company and then the fireworks are considered certain to begin.

Major Babcock has devoted much of his life to the independent telephone field, and naturally is not connected with the Bell interests. He was a star witness for the city of Portland, Ill., when that city was opposing an application for an increase in telephone rates.

Hard Quis Is Faced. As a result of his work in that city, officials and attorneys of the telephone company have recognized in him a formidable opponent, and when the time comes for cross-examination it is certain that they will do all possible to break down his testimony.

Major Babcock told the commission today that the principal reason for high rates in Oregon was the use of obsolete equipment which proved expensive and an over-manned and over-officialized organization in the Oregon division of the telephone company.

The control of the Oregon officials by men associated with the parent company in New York, Major Babcock contended, was a distinct detriment to the state of Oregon.

Equipment Held Obsolete. "In fact, it is impossible to me that free minded men who are competent far beyond the average man engaged in the same field, would construct, maintain and operate as a good and efficient telephone service, the obsolete equipment that I observed in Portland," said Major Babcock.

"But it would not be tactful, nor would it be an insurance for the continuance of their positions, for them to suggest any improvement which did not come to them through the channels which are known as engineering improvements and suggestions, worked out by officials of the parent company in New York."

Attorney Tomlinson asked the witness if, in his opinion, the telephone properties in Oregon could be operated more efficiently and more economically if such properties were not under the control of the parent company.

Improvement Way Is Seen. "That would depend upon whether the officials in Oregon received absolute freedom of control," the witness asserted.

"Assuming that their freedom of control was absolute, what is your opinion?" asked Attorney Tomlinson.

"If freedom of control was absolute, the telephone properties in Oregon could be rehabilitated, improved and expanded rapidly and it would be a great economic achievement for the people of this state."

Major Babcock advocated the use of the semi-automatic telephone system for 100 per cent efficiency and told the commission that this system had been installed in Lima, O., and proved so successful that one of the leading newspapers of that city had published a first page article in which it was held that the remarkable achievement of telephone service in that city had made Lima famous throughout the world.

Same Results Held Possible. Officials in Oregon, the major testified, if freed of dictation from New York and San Francisco, could accomplish the same results for the state that were effected in Lima.

When Attorney Tomlinson asked the witness if lower rates would obtain if the telephone system of the state were taken from the control of the parent company and operated by the state, he replied: (Continued on Page 7, Column 1.)

## SHIP BOARD SEIZES FIVE BIG STEAMERS

LESSEE IS ALLEGED TO HAVE VIOLATED CONTRACT.

George Washington, Susquehanna, President Grant, America and Agamemnon Are Held.

NEW YORK, July 22.—Five of the largest and finest steamships in the United States merchant marine, which had been chartered to the United States Mail Steamship company, were seized tonight by representatives of the United States shipping board, because of an alleged violation of contract.

The seized vessels, all ex-German liners, are the George Washington, America, Susquehanna, President Grant and Agamemnon.

The shipping board representatives were accompanied by United States Attorney Haywood and United States Marshal McCarthy. A representative of the shipping board and a deputy United States marshal were left on each ship.

Failure of the steamship company to pay rentals which aggregated up to the time of the seizure about \$40,000 was given as the principal reason for the board's action by Elmer Schlesinger, its general counsel.

Four other vessels also under charter to the United States Mail Steamship company, which are now on the high seas, will be taken over by the shipping board as soon as they return to American ports, Mr. Schlesinger added.

Seizure of the steamships, Mr. Schlesinger explained, was definitely decided upon at a meeting of officials of the United States shipping board in Washington last night. Other laxities in carrying out the contract under which the ships were chartered, besides rentals being overdue, were alleged.

The ships seized vary from 20,000 to 25,000 tons. They were taken over by the government during the war. The George Washington, one of the finest of the five, carried President Wilson to Europe for the peace conference.

Mr. Schlesinger said that about \$100,000 was paid for the ships, which is reconducted the vessel, which is scheduled to depart for Europe from this port July 30 with a large passenger list.

In order that persons who already had booked passage on the ship be inconvenienced, Mr. Schlesinger said that if "no other company or no one else" could be found to operate the vessel, she would be run by the shipping board.

Before completing the formalities of seizure Mr. Schlesinger visited the offices of the steamship company, he declared, and there informed Charles Mayer, chairman of the company's board of directors, of the action about to be taken and the reasons therefor.

TULSA POLICEMAN GUILTY

Suspended Chief Convicted of Race Riot Charges.

TULSA, Okla., July 22.—John A. Gustafson, suspended chief of police, tonight was found guilty by a jury of having failed to take proper precautions for public safety on the night and day of the recent race riots here, and also guilty on another count of conspiracy to free automobile thieves and collect rewards.

The jury deliberated six hours.

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## BERGDOLL BRIBE DENIED BY MAJOR

Charge Made by Slacker's Mother Declared False.

\$6500 DEPOSIT EXPLAINED

House Committee Is Told It Was War Investment.

BRUCE CAMPBELL HEARD

Officer at First Is Reluctant to Testify, After Being Hurriedly Called to Washington.

WASHINGTON, D. C., July 22.—Major Bruce R. Campbell of the United States army told a house investigating committee today that not a single penny of the \$6500 placed by him with a Wall street firm for stock market trading last year was received from the Bergdoll family.

Flatly denying the charge by Mrs. Emma C. Bergdoll of Philadelphia that he had received \$5000 to aid in obtaining freedom for Grover C. Bergdoll, her son, who evaded the draft, Major Campbell declared that the sum sent to the brokers was his own money, hidden by his wife at her home since the early days of the war.

The major, called here hurriedly without opportunity to examine the charges against him, first declined to testify at this time as to the source of the fund.

Money Is Explained. But, pressed hard by the committee, he turned about suddenly and told of the hidden treasure, and a moment later related in detail how a \$500 investment, placed with the late Milton Young of Lexington, Ky., before the war, grew to \$5000 by 1917. It was this same sum, he said, that was hidden away and later shifted to Wall street and lost.

Professing ignorance as to how the Young investment had increased, Major Campbell said that it had been turned back to him by a man, still living, but whose name he declined at the moment to give. Then in the midst of a sharp exchange with a committee member, Campbell broke in, declaring, "Oh, hell, it was my father."

Refidence Is Explained. At this point the committee decided to call the father, William R. Campbell of Lexington, who was asked to come here at once.

The request reluctant to touch upon family affairs to clear himself of the charges, Major Campbell declared that it had been his purpose to ask time that he might be able to corroborate fully every word of his testimony. It was for this reason, he said, that he did not want to disclose all of his evidence until he had been allowed time to submit proof in denial of the accusations.

Injustice Is Charged. The major asserted that a "frightful" injustice had been done him by committee in permitting Mrs. Bergdoll and a representative of the brokers to testify when he was not present.

He protested vigorously that an agent of the army intelligence service in inspecting his bank account at New York had not shown that at a prior date he had more than \$5000 on deposit.

A telegram, he said, had been sent to the bank, requesting that it verify his statement to this effect and to send its answer in care of Chairman Peters.

At various times Major Campbell (Continued on Page 2, Column 1.)

BUILDING NEW FAIR ON SUCCESS OF OLD.

Portland will be hostess to the world in 1925, when she opens her great exposition. It will be successful, for the city is no tyro at the game. Do you remember—

The Lewis and Clark fair of 1905?

Small, of course, by comparison with the project ahead, but fraught with many lessons. It, too, was beautiful and represented a dream fulfilled.

In the Sunday issue, with two full pages of photographic views of the Lewis and Clark fair, there will appear a special article contrasting the past with the present and clearly demonstrating how the lessons of our former exposition promise success for the great civic enterprise of four years hence.

Turn to it in tomorrow's big issue, pages 4 and 5 of section 5.