

PHONE REHEARING SET FOR JUNE 27

Public Service Commission Issues Order.

RATE INCREASE SOLE ISSUE

March Order to Stand Pending Investigation.

NEW EVIDENCE POSSIBLE

Commission Expresses Hope That Data Presented Will Touch All Sides of Case.

SALEM, Or., May 21.—(Special.)—Rehearing of the Pacific Telephone & Telegraph rate case has been set for June 27, in an order issued by the Oregon public service commission today granting a review of the order of last March, which increased telephone rates throughout the state an average of more than 30 per cent. The hearing will be held in Portland.

In connection with the order for a rehearing the commission held that the petitioners attempted no showing whatever to justify a suspension of the rates fixed in the schedule of last March, either in whole or in part, and therefore the commission was warranted in assuming that neither the law nor the facts support their contention. As a result of this the present rates will continue in effect pending the outcome of the rehearing.

"Primarily," said the order, "the city of Portland in its application acts on its own behalf and on behalf of other cities and towns in Oregon that have elected to join with it. We are informed by the city attorney, in oral argument, that the principal cities requested that Portland represent their interests." Consequently, waiving for the present technicalities, we assumed that Portland appeared for the various interests except in those instances as cities, associations or individuals actually filed applications.

Only One Order Involved.

"It will serve no useful purpose to rehear the grounds here. Irrespective of many references by the city of Portland in its petition on matters touching other and prior orders of the commission affecting telephone rates, there is but one order, and one order only involved at this time in the rehearing. This is the order issued last March, known as No. 689. Evidence and testimony on orders other than this are not only redundant, but irrelevant and immaterial, and any attempt to reopen other orders is apparently made deliberately for the purpose of adding confusion and clouding the issues.

"The telephone situation in all its phases has been thoroughly covered in numerous hearings heretofore held, as shown by the voluminous records in detail practically from the time of the first establishment of a telephone station in the state of Oregon to the present time.

"The orders heretofore issued have become law. No appeal was asked or taken from any of the orders, and they must therefore stand.

"Petitioners for rehearing attempted no showing whatever to justify a suspension of the rates fixed in order 689, either in whole or in part, and therefore this commission is warranted in assuming that neither the law nor the facts support their contention.

BETTER WEATHER LATTER PART OF WEEK IS PREDICTED.

WASHINGTON, D. C., May 21.—Weather predictions for the week beginning Monday issued by the weather bureau today are:

Pacific states.—Normal temperature, local showers first part, fair thereafter.

200 NATIONAL GUARD WILL GO INTO CAMP

Oregon Boys to Have Week of Intensive Training.

SALEM, Or., May 21.—(Special.)—Two hundred officers and selected enlisted men of the Oregon national guard will go into camp Monday morning for a week of intensive training preliminary to the maneuvers at Camp Lewis next month, according to final instructions issued today by George A. White, adjutant-general of the state.

The camp will be held at the state rifle range at Clackamas, where tents have been erected and a model camp laid out. The units represented will be the infantry, field artillery, engineers and staff corps. The heavy artillery schools occurred during the last week at Fort Stevens.

One of the features of the camp will be instruction in combat firing. The instruction features will be directed by Colonel G. E. Dentler, United States army. Several army officers from Camp Lewis and Vancouver barracks will also act as instructors. Detachments will leave for Clackamas tomorrow from Medford and Astoria on Monday from Eugene, Salem, Dallas, Woodburn, Independence, McMinnville, Corvallis and Portland.

TARIFF BATTLE FORECAST

Party Lineup on Resolution Indicates Fight Next Week.

WASHINGTON, D. C., May 21.—The house ways and means committee reported today a joint resolution under which new schedules in the permanent tariff bill would be made effective immediately upon introduction of that measure, if the committee held that an emergency for such steps required it.

The action of the committee was by a strict party vote, all democrats present opposing it. Representative Garner, democrat, Texas, a member of the committee, announced that he would reserve all points of order, indicating a democratic fight against its passage.

Republican members said privately that efforts would be made to rush it through, probably next week.

ACHILLES TENDON TORN

Accident at Gymnasium Sends Chester G. Murphy to Hospital.

Chester G. Murphy, Portland attorney and former athlete, is convalescing at Good Samaritan hospital from an operation he underwent last week to mend a serious rupture of the Achilles tendon in the left heel. The tendon was ruptured while he was playing handball in a gymnasium Monday.

According to physicians and surgeons, a rupture of the Achilles tendon is considered a serious accident as this tendon controls the muscles leading from the heel to the toes. Mr. Murphy will be confined to the hospital for another two weeks.

DRUGGIST IN DEATH TRAP

Cloudburst Fills Basement, Man Caught in Flood, Drowns.

GRANGEVILLE, Idaho, May 21.—P. M. Granville, Grangeville druggist and former county superintendent of schools, was drowned in the basement of his store building at 3 o'clock this afternoon during a cloudburst which caused the creek passing through the town to overflow and flood the basements.

Mr. Granville had gone into the basement to remove goods and was caught by the flood waters.

MORE SHOWERS FORECAST

Better Weather Latter Part of Week Is Predicted.

WASHINGTON, D. C., May 21.—Weather predictions for the week beginning Monday issued by the weather bureau today are:

Pacific states.—Normal temperature, local showers first part, fair thereafter.

CRISIS IS PASSED, BANKERS DECLARE

Business Situation Fundamentally Sound.

FEDERAL RESERVE IS TESTED

New System Held to Have Proved Its Worth.

READJUSTMENT GOING ON

Purchasing Power of Dollar Now Growing and With It Resulting General Prosperity.

BY HARDEN COLFAX.
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CHICAGO, May 21.—(Special.)—The banking and business situation is fundamentally sound and the danger of a credit crisis has been passed. This is the mature opinion and best judgment of the soundest bankers in the middle west and in its way is an answer to the critics of the federal reserve board when a sharp advance in discount rates was held responsible for a too-rapid deflation from wartime levels. As a matter of fact, it was the after-armistice business and speculation which strained the money reserves of the country to the limit.

Those charged with the administration of the federal reserve banks had never before had opportunity to test the power of high interest rates to cause business to slow up and thereby decrease the demand for bank loans and improve the reserve position. Many people were skeptical about the success of such an effort. But there is now no doubt of its efficacy.

The increase in the discount rates of the reserve banks and the consequent increase of the rates on commercial loans by all banks, had an immediate and increasingly strong influence on all business. The price of money became so high that business men found it necessary to stimulate their business so that they could pay their debts to the banks. The banks refused to renew loans unless the borrower had very good reasons back of his request. The reserve banks compelled the banks to pay in order that the reserve position might be strengthened.

Prices Had to Drop.

So, in addition to paying a higher price for money, if they got it, borrowers at banks had to turn their merchandise into cash to pay their bank loans. Turning merchandise into cash means that prices must be made tempting. The increase in the discount rate, therefore, operated to bring about a lowering of the general price level. In any event it had a marked influence in producing that result.

The process described can be justified by the nature of the exigency that the country faced. There was not enough reserve money to warrant the business speed at which the country was traveling. The alternative would have been a smash, a panic and chaos. The process adopted was orderly, scientific and effective. The price of money may possibly have been arbitrarily fixed, but however it was, it was effective.

The banker contends that the highest service he renders his community is in distributing credit when there is not enough to go around. The banker declares he is well within his rights as a public servant when he says to a public merchant "you cannot have that much," and to another "you can have none at all." The bankers have been preventing commercial failures, not promoting them. A high price for money made their task easier. It made the work of controlling credit less difficult.

With the approach to a final adjustment.

GIRL STRUCK BY AUTO IS BADLY INJURED

Mary Nicolai, Dodging One Car, Runs Into Another.

Left Lung Punctured by Broken Rib and Victim May Die as Result of Accident.

Mary Nicolai, 14-year-old daughter of Mr. and Mrs. Harry T. Nicolai, 951 Westover road, received injuries today which may prove fatal when she was hit by an automobile driven by H. J. Blaesing, at Twenty-third and Washington streets, yesterday afternoon.

According to investigation by traffic bureau officials, Mr. Blaesing was not responsible for the accident. Miss Nicolai was reported, was attempting to dodge another machine, when she ran directly in front of the car driven by Mr. Blaesing.

Mr. Blaesing picked up the unconscious girl and hurried her immediately to St. Vincent's hospital, where attending physicians said her condition was serious. The left lung was punctured by a broken rib, and it was feared she might have received other internal injuries.

BERNHARDT IS DECORATED

Spanish Cross of Alfonso XII Bestowed Upon Actress.

MADRID, May 21.—Sarah Bernhardt today was decorated with the cross of Alfonso XII, King of Spain. She will receive Madame Bernhardt when she returns to Madrid from Malaga.

STILLMAN ANXIOUS TO DITCH TROUBLES

Settlement with Wife Proposed by Lawyers.

NEW YORK, May 21.—Settlement of the divorce suit brought by James A. Stillman, millionaire banker, against Mrs. Anne U. Stillman, involving recognition of the legitimacy of the infant, Guy Stillman, has been sought by Mr. Stillman's attorneys, in the New York Times announces in its Sunday morning edition.

The terms are still under negotiation, the newspaper states. They provide for a separation agreement between Mr. and Mrs. Stillman, whereby she is granted a yearly allowance of \$90,000, the abandonment of the divorce proceedings and recognition of the child's legitimacy. The latest proposals for a settlement are reported to have come from Mr. Stillman's attorneys. Mrs. Stillman is said to have been acquainted with them earlier in the week. She is said to have asked for a continuance of her present allowance of \$7500 a month, but her husband's attorneys are understood to have opposed such a sum.

Should negotiations for a settlement be successful, attorneys are expected to appear before Justice Morschauer and ask for a discontinuance. This, it is said, would automatically establish Guy's legitimacy, as the paternity of a child in such circumstances cannot be attacked.

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MARINE WORKERS ACCEPT WAGE CUT

Engineers Agree to 15 Per Cent Reduction.

WORKING RULES CHANGED

Radio Operators and Seamen to Sign Separate Pacts.

OFFICIALS HOLD CONFAB

Strike Settlement to Affect All Government-Owned Craft on Atlantic and Pacific.

WASHINGTON, May 21.—Acceptance of the 15 per cent wage reduction for marine engineers demanded by the shipping board, but with modifications as to working conditions, is understood to be included in an agreement reached here today at conferences between Secretary Davis, Chairman Benson of the board, and representatives of the Marine Engineers' Beneficial association.

Separate agreements, it is understood, will be signed by representatives of the radio operators and the seamen. The changes in working conditions and overtime, it was indicated, would bring the actual reduction in wages to somewhat less than 15 per cent. Secretary Davis, W. S. Jenkins of the shipping board and the marine engineers' representatives will go to New York today to confer with the American Steamship Owners' association in an effort to have it agree to the terms also.

The radio operators and seamen representatives would agree to the same terms, Mr. Davis believed. The settlement came as a result of an agreement Thursday night by the engineers to leave the matter to Secretary Davis with certain suggestions as to working conditions and hours. The agreement affects all government-owned vessels on both the Atlantic and Pacific.

UNION OFFICIALS ARE SILENT

Engineers Body Today Will Discuss Reports of Officers.

NEW YORK, May 21.—Members of the Marine Engineers' Beneficial association will hold a mass meeting here tomorrow to receive the report of their officers sent to Washington to participate in conferences with government officials regarding settlement of the nation-wide strike. Meanwhile local union officials would make no comment regarding the report that an agreement had been reached in Washington today. Their officers were waiting for the report of Bert L. Todd, their representative, they said. Thomas B. Healy, representing the engineers of the Atlantic and Gulf coasts, and Ernest F. Pegg, representing Pacific coast unions, already had announced they would oppose any settlement that carried a pay cut. Winthrop L. Marvin, speaking for the American Steamship Owners' association, declared the owners would stand by their statements that they would sign no more agreements with seagoing unions.

RESTRAINING ORDER SERVED

Pickets Continue on Duty at Docks Despite Federal Injunction.

A temporary restraining order, forbidding violent picketing operations in connection with the strike of marine workers, was served yesterday by deputy United States marshals on the local representatives of the various marine unions. No great change in the attitude of the pickets was noticeable. The order was issued by the United States marshal at Portland, Oregon, and is in effect until May 21.

COMPASS STATION AT WESTPORT IS BURNED

Records, Master Compass and Equipment Wiped Out.

Coast Guard Cutter Called Out but Is Helpless; Man on Watch Using Small Oil Stove.

ABERDEEN, Wash., May 21.—(Special.)—The Westport naval compass station, put in commission April 30, was completely destroyed by fire at 6 o'clock this morning, entailing a loss of the records, master compass, other equipment and the building, and throwing the radio station completely out of commission. The fire started from an oil-stove explosion in the watch room. The radio tower is unharmed. The man on watch was using a small oil stove for heating. The coast guard cutter was called out but was helpless, as the light frame building was quickly enveloped in flames. The compass station is near the water line, almost directly west of the life-saving station. The wireless tower is located near the coast guard station and was not damaged. Cables connecting it with the compass were destroyed. Construction of the Westport radio station was started a year ago this month. S. E. Fields, chief electrician, is commanding officer at the plant.

JUSTICES INDORSE TAFT

Members of Oregon Supreme Court Telegraph President Harding.

SALEM, Or., May 21.—Members of the Oregon supreme court today joined in sending a telegram to President Harding urging that the latter appoint William Howard Taft as chief justice of the United States supreme court to succeed Edward D. White. The telegram was signed by all seven members of the Oregon court and was as follows: "Justices of Oregon supreme court unanimously recommend that you appoint William Howard Taft chief justice of the United States supreme court."

DRY AGENT IS ARRESTED

Prohibition Officer Charged With Drunkenness in Spokane.

SPokane, Wash., May 21.—S. E. Murphy, chief of the federal prohibition enforcement agents in eastern Washington, was arrested here tonight and booked at the city police station on charges of drunkenness. Murphy gave his name as "John Smith," according to the police, but members of the force immediately recognized him. Murphy was among the officers given a six weeks' furlough today when the Spokane office was closed by the government due to lack of funds.

221 CHAMBER SEATS WON

Coalition Party Has Safe Majority in Italian Elections.

ROME, May 21.—Final reports of the parliamentary elections in Italy last Sunday showed that the coalition parties will hold 221 seats in the next chamber of deputies. The other political parties will be represented as follows: Fascista (extreme nationalists), 25; agrarians, 22; socialists, 125; Catholics, 108; communists, 15; republicans, 9; Slavs, 5; Germans, 4. The election of Slav and German deputies raises the question of the language to be used in the chamber.

HEAT IN EAST IS FATAL

One Death and Five Prostrations Caused in Chicago.

BOSTON, May 21.—One man died and five persons were prostrated by the heat in Boston today, the hottest May 21 recorded here. The official thermometer touched 93 degrees. CHICAGO, May 21.—Many heat prostrations were reported as the mercury climbed to 90 today, the highest mark ever recorded in Chicago on May 21.

EVENTS OF WEEK AS VIEWED BY CARTOONIST PERRY.

