CONTESTANTS IN RATE WAR GRIM, BUT STILL MERRY

With grim determination each combatant in the rate war in progress between transportation companies operating between Portland and the coast, was still in the running despite reports that some of the operators were considering "dropping by the wayside."

Reports to the affect that the Harkins Transportation company intended to withdraw their steamer Undine, operating on the lower river night run, out of the service, was denied today by Captain L. P. Hosford, owner of the company. The Georgiana, operating in the day service, left with 100 passengers this morning.

The S. P. & S. carried 1609 through passengers on their line to Astoria Tuesday. This is almost exactly double the number carried on Tuesday a week ago, W. D. Skinner, traffic manager of the company, said that the normal flow would have been treble had the weather not been rainy.

BUS LINE DOING WELL

The Shepard auto bus line, which now has a monopoly on the bus traffic to the coast with the removal of the Arrow bus line from competition, is still enjoying a good business, according to A. Jaloff, manager of the line.

Regarding the lowering of rates on other railroad lines operated by the S. P. & S. company, Skinner said this morning that it was altogether possible that such a move would be taken on the Oregon Electric to Salem. Definite decision has not been made on this matter.

LEDGERS SHOW PROFIT

W. F. Turner, president of the S. P. & S., said today that the ledgers of the Astoria and Seaside line of the company were showing a gain in net profits as a result of the rate war, and predicted its continuance at least until September 1. Further continuance of the low rates, he said, was altogether contingent on circumstances. On September 1 the river boat day service is usually withdrawn.

CRATER LAKE TO GET DIAMOND LAKE AREA

(Continued From Page One)

vis said that reclamation and geogolical engineers have taken a complete survey of the project and that the report obtained will be reviewed during his stay in Portland, so that a quick decision is expected on that district.

"The Deschutes is mainly under consideration for the appropriation already made," said Davis. "There is no money available for further reclamation work, so no other government project will be set aside this year."

Davis said he had inspected the Klamath project in Oregon and the Orland project in California before going to the Shasta valley.

He also has visited the Umatilla and Klamath projects, which are under way in Oregon, and the sites of the proposed Powder River, Owyhee and Deschutes projects.

In a luncheon address at the Chamber of Commerce today Davis outlined the government's reclamation policy, which he declared to be the development of arid lands in the interest of the small home owner, and paid tribute to Senator McNary for his counsel in irrigation affairs.

As far as the arrival of Secretary Fall and Mather are concerned, Davis says he has no information. The party is traveling without an itinerary and although he believes the other government officials will arrive tonight or Thursday, he says he has no way of knowing definitely.

GUESTS AT CRATER LAKE LODGE ROUTED BY FIRE

Crater Lake, Or., Aug. 24.—Guests of Crater Lake lodge were routed from their rooms Tuesday night when the board casing on the inside of the large outdoor fireplace chimney, first used Monday night. The damage was slight but the excitement for a time was intense.

The chimney was built seven years ago but had never been used until Albert B. Fall, secretary of the interior, dedicated it Monday night by lighting a fire in the spacious outdoor fireplace.

Secretary Fall said that the fire signified good fellowship and that he trusted all who came to the park to view the most remarkable sight he himself had ever witnessed would enjoy many hours of good fellowship around the fire which he hoped would not go out before the first snows of winter.

Mather, McCormick, Desmond Fitzgerald of Boston, former president of the American Society of Engineers, and Frederick Olmstead, also of Boston and introduced as the foremost landscape engineer of the United States, spoke. Will G. Steel related legends of Crater lake.

Mather spoke of how pleased they were with the improvements at the lake and declared that, with the concessions in proper hands, he would work hard to have congress keep pace with appropriations that Crater lake national park may take its proper place among the national parks of America.

Tuesday's program included a trip around the lake and some of the party went to Diamond lake.

Town Sports, Note: This Farmer Doesn't Like You; He Warns

There is one Willamette Valley farmer who holds in contempt the "town sport," as he calls him, who is wont to invade his premises at this season of the year on hunting expeditions.

This farmer operates a 320 acre tract near Halsey and in a communication to The Journal he writes: "I intend to put up 'hunting prohibited' signs on my farm this fall for the first time and believe me the first town sport caught there with a gun will rue it. If I let him run wild he will shoot everything from the bluebirds to the best horses on the place."

VANCOUVER MARRIAGE LICENSES

Vancouver, Wash., Aug. 24.—Marriage licenses were issued to the following couples Tuesday: Charles A. Hasfeld, 30, and Irene Hudson, 24, Portland; W. F. Blaum, 29, and Lucille Blom, 24, Spokane, Wash.; Daniel Campbell, 22, Roseburg, Or., and Verma Parkinson, 22, Portland; Willie Hammock, 42, and Kattie L. Scott, 44, Salem, Or.; Arthur Shoutell, 39, and Belle E. Dickson, 38, Portland; Wain D. Hyde, 24, and Nellie G. Blaine, 27, Portland; Walter C. Willis, 29, and Clara Smart, 27, Portland; Joseph E. Coscone, 22, and Myrle A. Osgood, 19, Portland.

SWISS MINISTER AND WIFE


Marc Peter, minister to the United States from the republic of Switzerland, photographed as he stepped out for an early morning stroll about the retail district this morning. Below is Mrs. Peter, but not as she looks in Portland—this photograph was taken in chilly New York the day she and her husband arrived there from Europe last winter.

SWISS MINISTER TO U. S. IS HERE

(Continued From Page One)

mistaken impression be obtained he reminded the group gathered about him that during the war Switzerland operated a fleet of 27 merchant marine steamers under the Swiss flag. He said that if a Swiss merchant marine became permanent, there was the possibility of a Swiss navy after all.

"There will be no appointment of a Swiss consul for this district during my visit," said the visitor. "I am meeting the people here for the first time and will decide upon a national representative to the Northwest after my return to my headquarters." A. Streiff, former consul here, resigned recently and Charles Bircher has been acting consul.

At noon the members of the visiting party were guests of the Chamber of Commerce at a special luncheon in the main dining room. The ambassador delivered a brief address.

TOURIST TRAVEL SLACK

Concerning conditions in Switzerland, the diplomatic representative of that country says business is improving except that the tourist travel is not nearly normal. The rate of exchange is still low, but not nearly so low as that of other European countries. He says that practically no tourist travel is coming from neighboring countries in Europe because of exchange conditions.

After the luncheon at the chamber, the visiting party was taken for a tour of the city. Several leading industrial plants and business houses were visited.

Thursday noon Mr. Peter will be the guest of the Progressive Business Men's club at a luncheon in the Benson hotel. During the day a tour of the upper Willamette valley will be made. Friday a tour will be made of the Columbia river highway.

MAYOR BAKER MEETS HIM

The reception committee at the station this morning was composed of Mayor Baker and a number of prominent business men. The Swiss committee was headed by E. Krattiger, president of the Portland Swiss society, and C. Ardueser, president of the Swiss Benevolent society. Present and former incumbents of the local consular office were also present.

S. P. & S. WILL NOT LOSE ITS IDENTITY

(Continued From Page One)

that of necessity his interview had to be short and to the point.

ENTIRELY UNAFFECTED

"The S. P. & S. will be entirely unaffected by the changes contemplated," said the head of the G. N. "The whole question of the change that is to take place is as to the method of ownership.

"Instead of our company and the N. P. continuing to own the S. P. & S. on a stock ownership basis we will each own the company outright by transference of the title under value of one-half interest by means of a warranty deed.

"There has been a lot of fuss and flubdub about this thing. All that is necessary is for the rail heads to get together and do this thing and not talk so much."

ORGANIZATION UNCHANGED

Hill further indicated that the organization of the S. P. & S., as present constituted, would be unchanged. He said that present officials would not change and that employes did not need to wonder where they were coming out in the deal since operation methods would be continued in vogue as at present.

Although individual operation of the G. N. and N. P. into Portland and the discontinuance of the S. P. & S. organization had generally been conceded even by local officials, Hill said that such a style of operation would be like "repainting an old automobile in two new and brilliant colors," indicating that operation of the road would not be improved and that such a change would be totally impractical and at the same time costly.

OFFICIALS TO REMAIN

Hill also said that W. F. Turner, president; W. D. Skinner, traffic manager, and other officials would be unaffected by the change. He did not know when the change of ownership deal would be consummated.

The plan as outlined by Hill means the taking of the S. P. & S. property account into the respective valuation of the two parent lines. This will serve a double-edged purpose. It will readjust the earning power of the road to the parent companies and permit them to hold securities with a definite borrowing power.

Under the present undivided half ownership plan the companies controlling are limited to a 6 per cent earning power on the S. P. & S. under the transportation act of 1920. With an individual ownership this earning power will be directed on the capital investment and the S. P. & S., which has been forced to get along on what was left over, will no longer be "left in the hole."

MORE BORROWING POWER

Further, the warranty deeds will give tangible evidence of the capital investment and will represent an additional borrowing power of approximately $50,000,000 each for the two major companies.

Under the present ownership plan the escrows and other securities which do not show clear title are of little or no borrowing power.

With this new plan pushed through, the S. P. & S. will go along on the even tenor of its way. The employes will be unaffected and the only changes will be "behind the scenes" and will be of vital interest only to capital.

Although Hill has been on a vacation trip, he has been in touch with the railroad world and is thoroughly familiar with the rate war in progress between the S. P. & S., river steamers and auto bus lines.

"Fine" was his comment on the rate war, qualifying, however, by saying: "The railroad is earning money at the low rate, but continuance of that rate would be impracticable because the crowd traveling now is an abnormal one. Sufficient travel could not be encouraged all the year around to guarantee continuance of such a low rate. The railroad would go bankrupt."

NOT POSSIBLE ANYWHERE ELSE

From an economic standpoint Hill says that such low rates could not be placed in effect any place in the nation and made a year around success. As to a nominal reduction in fares, he said that he did not know whether traffic would be encouraged or not, but declared that his mind was open for conviction.

The railroad chief inquired about business conditions in Oregon and reported that his impression of business which he gained during his stay in California was that conditions were improving.

HINDMAN, HEGARDT AID IN PLAN FOR PORT CONVENTIONS

Charles Hindman, member of the public dock commission, and G. B. Hegardt, secretary and engineer for the commission, have returned from a visit made to Seattle and Vancouver, B. C., where they went as representatives of the commission to join in making arrangements for conventions of the American Association of Port Authorities and the Pacific Coast Association of Port Authorities, which are to be held in Seattle and Vancouver during October.

INSPECT PORT FACILITIES

While on their visit Hindman and Hegardt inspected the port facilities of Vancouver, Seattle and Tacoma and returned much pleased with the progress being made by Portland in harbor improvement.

"While in Vancouver we visited the terminals there and viewed the $5,000,000 concrete pier and dock being constructed, and which will require two years for completion," Hindman said. "We also visited the terminals and docks at Seattle and Tacoma, and I am much gratified to note that by comparison with the activity in the different harbors, Portland seems to be getting a big share of the shipping business of the Northwest coast harbors."

The two Portland officials met Sam MacClay of the Vaucouver port commission at Seattle, together with George Osgood, engineer of the Tacoma commission, Commissioner Kloss of the Tacoma commission and Colonel Lamping of the Seattle commission.

ARRANGE FOR CONVENTIONS

These men, with Hindman and Hegardt, constituted a committee which met for the purpose of making final arrangements for the two conventions to be held month after next. The convention of the American Association of Port Authorities will be convened in Seattle just prior to the meeting of the Pacific Coast association, which will be held in Vancouver October 17, 18 and 19. The American association is representative of port bodies generally throughout the United States, while the Pacific Coast association consists of the representatives of the port bodies of the Pacific Coast harbors, including Vancouver, B. C.

NEW RAILROAD BIG COMMERCIAL HELP

(Continued From Page One)

lington to Wilkesboro, a distance of 18 miles, was leased by Eccles with option of purchase and construction work on the balance of the line has been under way since 1918.

BUILDING TUNNEL

The most serious engineering difficulty on the line has been overcome by building a tunnel 1142 feet in length near Vernonia. Work on the tunnel is nearly completed and, according to Early, the road will be ready for operation in 90 days.

The new railroad is of standard construction throughout and its charter requires that it be operated as a common carrier. The line passes through a rich agricultural country, a great deal of the land already being cleared and used for crops and grazing.

With establishment of traffic schedules Portland will have annexed a new and valuable commercial area. Cost of building the line is established at $2,500,000.

The new rail line taps the immense timber holdings of the Oregon American Lumber company and logging operations will begin immediately, according to officers of the concern.

MAY BUILD MILL

President Early of the lumber company announced today that logs would be handled through the Nehalem booming grounds at Burlington and sold to local mills. Possibility of the erection of a mill at Burlington by the Oregon American company was intimated by Early, but he stated that no immediate steps would be taken along this line.

The Inman-Poulsen Lumber company already has contracted for a large supply of logs from the Oregon American Lumber company and it is understood that the new mill being built at St. Johns by the Peninsula Lumber company would depend largely on this source for its log supply. Early denied, however, that his company was financially interested in the Peninsula Lumber company.

The transfer closed Tuesday gives Charles Keith and his associates in the Central Coke & Coal company control of 80 per cent of the stock of the Oregon American Lumber company, the remaining 20 per cent being held by Early and Eccles.

The name of the company will not be changed and its headquarters will remain at Portland. The stock purchased by Keith was formerly owned by the Browning family of Ogden, Utah, and the Eccles estate.

Commissioners Asked to Rush Work on Bridge

A delegation of members of the East Side Business Men's club, with Drake O'Reilly and M. Lepper as spokesmen, visited the office of the Multnomah county commissioners this forenoon and urged that the prospective work on the Hawthorne bridge be rushed with all possible diligence.

They asked that three eight-hour shifts be used on the job. Chairman Holman promised that efforts would be made to hasten the work, and that this would be considered in the award of bids, offers on which were submitted today by five bidders. The bids were sent to the roadmaster's office for compilation.

GIANT GAS BAG FALLS; 21 YANKEES ABOARD

(Continued From Page One)

company with another officer and was blown out of his course, landing in Russia.

During the war Maitland led the first bombing raid across the German lines, later being recalled to the war office, where he took over the duties of superintendent of Britain's naval air service.

The remainder of the crew was composed of 31 British air service men who were instructing the Americans in the handling of the gas bag.

Captain Maxfield had not yet officially taken over the ship, which was technically in charge of Captain Wann of the British air force until the tests had been completed.

OTHERS IN CREW

Other American officers on board included Lieutenants Little, Easterdy, Hoyt, Bieg and Coil. The other Americans were picked mechanics.

Major Britchard, one of the British officers understood to be on board the SR-2, was the first man to land on American soil from a trans-Atlantic airship. He dropped in a parachute from the R-34 as she circled over Roosevelt field, Long Island, on her arrival from England.

The chief measures of the SR-2 were:
Length, 695 feet.
Diameter, 85 feet, 4 inches.
Capacity, 2,700,000 cubic feet.
Lifting power, 83 tons.
Total horsepower, 2100.
Engines, six of 350 horsepower each.
Cruising speed, 60 miles per hour.
Cruising range 6000 miles.

BUILT BY BRITONS

The American officers who had been scheduled to command the SR-2 on her flight were:

Comander H. F. Maxfield, St. Paul; Lieutenant Commander E. W. Coil, Tucson, Ariz.; Lieutenant V. N. Bieg, Bryn Mawr, Pa.; O. G. Pennoyer, Berkeley, Cal.; Lieutenant H. W. Hoyt, Lieutenant J. B. Lawrence, Lieutenant M. H. Rasterly, Lieutenant J. B. Anderson, Chief Machinist S. S. Halliburton, Lieutenant C. A. Tinker.

The ZR-2, which was built by British workmen for the United States navy, was reputed to be the last word in dirigible construction.

She was the largest machine of the sort attempted. The workmen had taken particular pains in design and in the building of it. Every bit of her mechanism was gone over carefully and many minute adjustments made.

MADE GREAT SPEED

Despite the tremendous size of the bag she was known to be capable of great speed. Both British and American officers were confident she would be able to make the trans-Atlantic trip in two days.

The machine was capable of reaching a height of 25,000 feet.

She had a control system rivalling that of big ocean liners. The skipper, in his cabin, could communicate instantly with any part of the ship. Under his immediate control were the ballast tanks, gasoline supply, steering gear and the bombing levers.

The Observer for several days previous to the disaster, had been hinting that all was not well with the ZR-2.

It stated that girders had been bent and lattice work buckled under the strain.

PRECAUTIONS TAKEN

The ship's engines were also said to be giving considerable trouble.

These defects, according to the Observer, had been kept secret for several weeks, but it was feared she would be prevented from attempting the Atlantic voyage this year because of these difficulties.

In discussing the practicability of giant airships with the United Press at the time of the flight to America of the British R-34, General Maitland told the United Press of the extraordinary precautions taken to guard against explosions. No man was permitted to board the ship unless he wore rubber soled shoes to prevent the possibility of a spark caused by the contact of leather or nails with the narrow wooden floor of the bag and the gondolas.

DEFECT FOUND

The last successful flight of the ZR-2 made July 17, occupied nine hours. On that voyage the vessel was alleged to have shown weaknesses.

On that flight the big ship rose from her moorings mast at Bedford at 7:30 in the evening. The vessel headed for London, but turned back, encountering a thunderstorm. She passed over the air station at Howden shortly before midnight but did not descend.

Some of the transverse beams about midships were said to have buckled a trifle, but a quick examination showed the damage was not sufficient to cause abandonment of the flight.

The vessel flew back to Bedford and landed there shortly before 4:30 a. m. The slightly damaged beams were said to have been repaired before the final flight was made.

SECRETARY OF NAVY SHOCKED BY NEWS OF BALLOON DISASTER

Washington, Aug. 24.—(U. P.)—Secretary of the Navy Denby was deeply shocked when he read the United Press dispatch on the wreck of the ZR-2, the giant American dirigible.

"This is the first word we have had on it," he said. "I hardly know what to say."

Denby said it was impossible for him to say how many Americans, if any, were on board the great ship when it exploded over Hull.

"Undoubtedly there were a few Americans on board," he said. "While I haven't had any word from London, it was my impression that some of our men were to take part in the trial flight to acquaint themselves with the ship. It will be some time before we can establish identity of these Americans on board."

The first dispatch arrived at the navy news bureau late today, filed from London at 7:20, was as follows:

"ZR-2 fell into River Humber as result of hydrogen explosion resulting in serious damage. Cause unknown at present. Complete details follow."

This message came from one of the American officers sent to London to help fly the giant ship back to the United States.

At Denby's office it was said that five or six American officers and 15 or 20 enlisted men constituted the American crew on the last flight.

The following enlisted men were in the contingent:

C. I. Aller, A. E. Carlson, H. Christensen, R. M. Coons, J. W. Cullinan, A. B. Galatin, J. T. Hancock, J. J. Harrigan, W. Julius, M. Lay, H. H. Claire, A. D. Pettit, W. A. Russell, L. T. Stevens, W. J. Steele, T. L. Thomas, F. M. Gorey, S. H. Knight, Charles Mach, C. H. Broom, L. K. Coleman, J. H. Collier, L. E. Crowl, C. M. Deen, C. W. Frank, C. A. Heckbert, R. Jones, J. J. Leonard, E. C. Lewis, C. J. McCarty, F. L. Peckham, S. F. Shields, J. E. Waterman, N. O. Walker, G. Welsch, F. F. Mormann, T. R. Rickerson, W. A. Lamkey, C. W. Cass, E. S. Downs, E. M. Riley, J. T. Robertson, F. Kuback, F. H. Cutler, H. C. Hegel, S. Solar.

A second cable gave the following details:

"The ZR-2 was wrecked with a heavy loss of life this afternoon over the Yorkshire coast.

"Following two terrible explosions, the airship fell in flames into the Humber river. There were 21 Americans on board.

"The explosion took place as the balloon was passing over Hull and so terrible was the concussion that many pedestrians in the street were swept off their feet. The shock from the detonation was felt 50 miles distant. At 7:30 tonight it was reported there were only six survivors from the ZR-2. The airship was flying at a great height when the disaster took place. She was seen to emerge from the clouds and as the explosion occurred, broke in two parts, one part rose in the air and fell in the Humber. The descent of the falling half was unaccountably slow considering the weight of the material."

MACHINIST'S MATE TELLS BALLOON'S GIRDLES BUCKLED

Atlanta, Ga., Aug. 24.—(I. N. S.)—Llewellyn Stevens, a machinist's mate on the ill-fated dirigible ZR-2, which exploded over England today, declared in a letter to his parents here, received yesterday that he "hoped to God" he wouldn't have to go up in the airship because two girders had buckled on a trial flight. Stevens asked his parents in the letter to say nothing of what he told them.

Culbertson Boosted For Tariff Board

Washington, Aug. 24. — (I. N. S.)—President Harding today was asked by Senators Curtis and Capper and Representative Hoch of Kansas to designate W. S. Culbertson of Kansas as chairman of the federal tariff commission, to fill the vacancy.

2 Million Bushels Oregon Wheat to Be Financed by Loan

Washington, Aug. 24.—(I. N. S.)—The war finance corporation announced today that negotiations for government loans to finance the exportation of agricultural products were reaching completion with the following:

Oregon Cooperative Graingrowers, 2,000,000 bushels wheat.

Washington State Wheatgrowers' association, 8,000,000 bushels of wheat.

Idaho Wheatgrowers' association, 2,000,000 bushels of wheat.

Montana Wheatgrowers' association, 1,500,000 bushels of wheat.

Oklahoma Cottongrowers' association, 200,000 bales of cotton.

Texas Farm Bureau Cotton association, 300,000 bales of cotton.

California Prune & Apricot Growers, Inc., 25,000,000 pounds of prunes.

Agreement between the house and senate conferees on the McNary farm export financing bill was reached today. Leaders believe that adoption of the conference report removes the chief obstacle to the recess due to start tonight.

93 Taken for Having Glaring Headlights

The war on glaring headlights reached huge proportions when 93 motorists were arrested Tuesday night. Quite a number of recent accidents have been laid to "bright lights," and the traffic bureau is out to eliminate them, so they will conform with the law.

President Signs Anti-Gambling Bill

Washington, Aug. 24.—(U. P.)—President Harding signed the Capper-Tincher anti-grain gambling bill late today.