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DAILY EDITION

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CITY OFFICIAL PAPER

NO. 9721

# KERENSKY LAYS PLAN TO HURL SOVIETISM FROM RUSSIA

## JAP SETTLEMENT MUST BE CURBED SAYS GOVERNOR

Message to Thirty-First Legislature Contains Recommendations Regarding State Institutions, Criminals and Highways.

### STATE ECONOMY TO HELP READJUSTMENT EFFORTS

Legislation at This Time Should Aid Industry Rather Than Unsettle it and Taxes Will Keep to Six Percent Limit.

SALEM, Ore., Jan. 11.—Governor Ben W. Olcott in his message to the legislature which convened yesterday in thirty-first biennial session, said that the question how to meet the Japanese situation in this state may be the "most momentous" to come before the lawmakers.

"In my opinion," said the governor, "steps should be taken by means of proper legislation to curb the growth of the Japanese colonies in Oregon; to preserve our lands and our resources for the people of our own race and nationality. I believe the ultimatum should be issued that it is the sense of the people of Oregon, speaking through their representatives, that this is a state with a government of Americans and for Americans and that Americanism is the predominant asset of its citizenry."

"Here in Oregon, the pioneer blood flows purely and in more undiluted stream than in any other state of the Union. As a precious heritage passed down to us from these heroic fathers who braved the perils and the trials and tribulations of pioneer days, it should be preserved unadulterated as they gave it to us."

After saying the Japanese are a race high in culture, intelligence, and industry, the governor said "But they are not our people. We cannot assimilate them and they cannot assimilate us. Oil and water will not mix. Centuries of history have shown us that Mongol and Caucasian must each work out his destiny alone."

"The governor in addition to his message after copies had been printed urged the legislature to put a bust of John McLaughlin of the Hudson Bay company, a factor in early days, in a niche beside that of Lee. He said McLaughlin was styled by courtesy the 'first governor of Oregon.'"

Governor Olcott recommended that the legislature place before the people for endorsement a measure providing payment by the state of at least \$25 a month to soldiers, sailors and marines for each month of actual service during the world war.

Economy in appropriations to help in readjustment of economic conditions was recommended, and the governor gave notice that he would discuss his constitutional duty to disapprove any items which would involve increases in the tax levy beyond the six per cent limitation.

"I need not mention to you," he said, "that it is a well defined legislative interpretation in this state that the six per cent limitation amendment means not only that no greater tax levy shall be made from year to year by the tax levying body than an increase of six per cent over the preceding year, but it means as well that the legislature shall confine its appropriations within the available revenues."

Taking cognizance of business readjustment now in progress, the message said: "This is a time when we should studiously avoid enacting legislation which might tend to unsettle rather than stabilize industry."

Mentioning "the recent suspension of a large Portland bonding house," the governor urged legislation to prohibit such houses.

(Continued on page 5.)

## BONUS PROMISES TO INVADE LEGISLATURE

SALEM, Jan. 11.—(U. P.)—Soldier bonus legislation promises to be thrown inside the legislature, judging from unofficial expressions on various matters of the legislature and the fact that the American Legion is divided over the question within its own ranks.

Older and more conservative members of the Legion are opposed to the state assuming the burden of a cash bonus, while younger members of the organization want a bonus—and in a lump sum, if it can be arranged. Members of the house and representatives of the rank and file of the Legion met here tonight to discuss the bonus question.

HAZELWOOD FINED \$5,000

PORTLAND, Jan. 11.—(A. P.)—Hazelwood Creamery was fined \$5,000 following a recent conviction of having adulterated butter without having a federal license and paying the tax.



The man—well, you probably wouldn't know him alone; but he's the husband and you have seen the bride many times. Dorothy Gish and James Hennie, who eloped with her, at their apartment in Hotel Saver, New York.

## RELAY RUNNERS RUSH FIRST WORD, ALL WELL, FROM LOST EXPLORERS

News of Navy Balloonists is Signalled Forward at Intervals Along Trail Today by Waiting Indian Messengers.

MATTHEW, Kan., Jan. 11.—(U. P.)—"All well, overjoyed at prospect of speedy return." This is the first word from the American navy balloonists, Lieutenant Klor, Hattie and Farrell, since they left Moose Factory, it was delivered verbally today by East Trowse, one of the three Indian runners who brought the first word that the Americans had arrived on Skunk Island, 20 miles from here, on their trip from Moose Factory to Matthew. The news was rushed here by relay of runners who have been placed at intervals along the trail for that purpose. Each runner, as soon as he came in sight of the man who was to cover the next leg, signalled the news to him without waiting to come within speaking distance, according to the signals exchanged by the runners, the balloonists were still able to travel when found in camp by the Indians.

Lieutenant Describes Misery.

CLEVELAND, Ohio, Jan. 11.—(Copyright by the United Press)—"God was with us and saved us from death," after three days of "hail and misery," Lieutenant Louis Klor declared in a letter to his parents here, in which he described the wanderings and rescue of the American balloonists in a frozen Canadian wilderness. The letter was written by Klor at Moose Factory, Ont., and obtained exclusively by the United Press. In it Klor told the clearest and most vivid story of the adventure that has been known since the aviators disappeared in their air wastes of northern Ontario. The lieutenant described how the balloon, after leaving Rockaway was struck by a storm and swept

(Continued on page 5.)

## GAINS ARE REGISTERED IN MARCH AND MAY WHEAT FUTURES TODAY IN EAST

Wheat showed a steady tone today and after opening at \$1.57 1/2 the March wheat closed at \$1.58 1/2. May wheat opening at \$1.68 1/2, and closed at \$1.69. The March wheat gained three points of a cent over yesterday and the May gained half a cent.

The following quotations are from Overbeck & Cooke, local brokers:

|                  | Open       | High    | Low      | Close    |
|------------------|------------|---------|----------|----------|
| Mar.             | 1.57 1/2   | 1.59    | 1.57 1/2 | 1.58 1/2 |
| May              | 1.68 1/2   | 1.70    | 1.68 1/2 | 1.69     |
| Wheat            |            |         |          |          |
| Mar.             | .74 1/2    | .75 1/2 | .74 1/2  | .75 1/2  |
| May              | .75 1/2    | .76 1/2 | .75 1/2  | .76 1/2  |
| Oats             |            |         |          |          |
| Mar.             | .48 1/2    | .49 1/2 | .48 1/2  | .49 1/2  |
| May              | .49 1/2    | .50 1/2 | .49 1/2  | .50 1/2  |
| Rye              |            |         |          |          |
| Mar.             | 1.52 1/2   | 1.54    | 1.52 1/2 | 1.53     |
| Barley           |            |         |          |          |
| Mar.             |            |         |          | .75      |
| Foreign Exchange |            |         |          |          |
| London           | 2.55 1/2   |         |          |          |
| N. Y. money      | 6 percent. |         |          |          |

Mohammedans Worship

WUTSDORE, Germany, Jan. 11.—(A. P.)—Cosack and Tartar prisoners still worship in the mosque formerly Emperor William built for them in Germany.

## ENFORCEMENT OF THE DRY LAW IS 'FARCE' IN EVERY LOCALITY

Representative Charges That Department of Justice Agents Have Interfered With Operation of Volstead Act.

WASHINGTON, Jan. 11.—(A. P.)—Prohibition enforcement is a "farce in every locality," Representative Wood, republican, Indiana, declared today in the house. He said representatives of the bureau and the justice department are quarreling and quibbling with each other and in many sections representatives of the department of justice have interfered with the enforcement of the Volstead act.

Representative Volstead said it was true enforcement was "a failure in some localities," but he was of the opinion prohibition could be enforced "if ten states which have failed to enact state enforcement laws would do so."

THEIR MAKE GOOD RACE.

TORONTO, Jan. 11.—Thirty of \$1,000 worth of diamonds and jewelry from Patterson & Hughes, manufacturing jeweler, was discovered today. No clue was obtained.

## SHOE FACTORY WORKERS TALK AMALGAMATION

POSTON, Jan. 11.—(A. P.)—A proposal to form "one big union" in the shoe and leather making industry in New England was up today for consideration by workers in the several centers of manufacture. Delegates from various local unions not affiliated with the American Federation of Labor voted in favor of the plan at a convention in Lynn yesterday.

## GRAVE INJUSTICE HAS BEEN DONE OFFICERS BY REORGANIZATION ACT

WASHINGTON, Jan. 11.—(A. P.)—Grave injustice has been done many officers discharged under the army reorganization act, Senator T. Ansell, former acting judge advocate of the U. S. army, declared today before the house military committee. Charges by Rep. Caldwell, democrat, that men have been forced by the war department to give up their commissions when competent to perform their duties, are under investigation by the committee. In criticizing the secretary of war, Mr. Ansell said he had personal knowledge that Mr. Baker had refused to permit officers slated for discharge or those counted to have free access of their military records in order to prepare a defense.

GRAND CIRCUIT DELEGATES

HOLD ANNUAL CONVENTION

PHILADELPHIA, Jan. 11.—(A. P.)—Delegates representing 10 of the 11 grand circuit trotting tracks gathered Monday for the annual convention of Grand Circuit stewards.

## DANIELS HOLDS ONLY PACT MUST DELAY BUILDING

Call for Conclusion of an Agreement on Disarmament is Urged Upon Harding by Secretary of U. S. Navy.

### PROVISIONS OF LEAGUE ARE CITED FOR DELAY

New President Could Summon World Representatives on March 5, is Claim, and Speed Relief From Burden of Tax.

WASHINGTON, Jan. 11.—(A. P.)—An international agreement "with all or practically all nations which will guarantee an end of competition in navy building," was presented as the only alternative to building by the United States of a navy powerful enough "to command the respect and fear of the world," by Secretary Daniels before the house naval affairs committee today.

Pact Or Navy Is Issue.

WASHINGTON, Jan. 11.—(U. P.)—Secretary Daniels before the house naval affairs committee, today advised that Harding call for conclusion of an agreement on disarmament. Harding should strive for such an agreement, Daniels said, "if the United States is not to become a member of the League of Nations."

"Until the conference secures a world agreement," the secretary added, "let there be no cessation in building the ships already authorized by congress."

Daniels pointed out that under the naval act of 1916, Harding would have power to invite all governments of the world to send representatives to a meeting for consideration of disarmament. He said Harding could set on March 5, "thus hastening the day when taxpayers of this country can safely be freed from the great burdens of war preparation."

League Offered Course.

President Wilson didn't call for such a conference, Daniels explained, because there is provision for disarmament in the League of Nations, and because the president "would naturally leave to his successor" the choice of course which would seem wisest.

Daniels said there are two courses open to the United States:

An agreement including all nations for cutting of armaments, and the policy of "holding aloof," which would necessitate a navy equal to that of any other country, so that the American navy power could "command the respect and fear of the world."

League Give Indication.

WASHINGTON, Jan. 11.—(A. P.)—Acting Secretary of State Davis asked before the house naval committee if he had knowledge of a desire of the nations to discuss disarmament at a conference, said today he had no official knowledge to such a desire except through the League of Nations.

He said he did not believe a president would call such a conference because it might embarrass the Harding administration.

## MAYOR IS THREATENED BY ONE OF UNEMPLOYED

OMAHA, Neb., Jan. 11.—(A. P.)—A communication, described as a form letter, protesting against general unemployment and threatening dire misfortune to Mayor Ed. P. Smith and the city hall, is in the hands of the police following its receipt by the mayor. The mayor said he was not worrying about it. The precise contents were not disclosed.

SAVANNAH, Ga., Jan. 11.—Liquor interests "reach" about one in every dozen men employed to enforce prohibition, J. J. Ganti, federal agent, said today.

"We are betrayed," he added, "at about the same ratio Christ was in dealing with his apostles. There seems to be something about the business that makes men susceptible. We have men, found reliable in other walks of life, but could not withstand the temptations met in prosecuting the liquor trade."

EXPLOSIONS IN CALIFORNIA

LOS ANGELES, Jan. 11.—(A. P.)—"Three heavy explosions" which last night rocked houses and broke windows at Azusa, Glendora and Covina, about 25 miles east of Los Angeles, remained unexplained early last night. Investigators who began inspections of canyons near the towns had not returned. Los Angeles county engineers expressed the opinion the explosions were from blasting.

## PROHIBITION PROPOSED IN IRELAND AS BLOW AGAINST GOVERNMENT

DUBLIN, Jan. 11.—(U. P.)—Prohibition as a reprisal against the British government is proposed today by the Wexford county council, in a resolution which urged Ireland to cease the use of liquor and tobacco. To do so, the resolution declared, would deprive the government of twenty millions in taxes annually.

## TURKS PIERCE LINES AS GREEKS ADVANCE

ROME, Jan. 11.—Fighting between Turks and Greeks is reported today in the Meander river region of Asia Minor. Many of the wounded have arrived at Smyrna. The Greeks started the attack but the Turks pierced the Greek lines in several places. King Constantine is expected to arrive in Asia Minor.

Greeks Reported Advancing.

LONDON, Jan. 11.—(A. P.)—Greek forces, says the London Times dispatch today, are advancing in three columns in Asia Minor against the Turkish nationalist forces.

NEWBERRY CASE HEARD AND NOW GOES BEFORE COURT FOR DECISION

If There is an Affirmation of the Verdict of Lower Court Senator and Co-defendants Will Serve Prison Term.

WASHINGTON, Jan. 11.—(A. P.)—Arguments before the supreme court in the appeal of Senator Truman H. Newberry and 16 others connected with his campaign from conviction in Michigan of conspiring to violate the corrupt practices act, were completed today and the case is before the court for the final decision. Affirmation of the verdict of the lower courts would automatically bar Senator Newberry from maintaining his seat and the sentences of imprisonment imposed on him and most of his co-defendants would begin at once.

Recount of the ballots cast in the Michigan election for Mr. Newberry and Henry Ford had accounted for 51,200 of the 52,000 votes when the senate committee on privileges and elections adjourned.

The indicted defense in the total vote was not enough, according to observers, to effect the result materially. Mr. Newberry was returned with a majority of 2,500 votes.

NEW COMPANY FORMED TO STOP CONTROVERSY

DETROIT, Jan. 11.—(A. P.)—Formation of a company to be conducted on a service-at-cost basis having administrative control over all street railway lines and in effect ending the controversy between the city and the Detroit United Railway line, is proposed in an ordinance presented to the city corporation counsel by attorneys for the D. U. R. today.

The proposed ordinance provides that a new company, to be known as the Detroit Service at Cost Railway, shall have complete control of all lines.

FORGED BONDS OF TEEL IRRIGATION DISTRICT PLAY IN GAMBLE AND SUICIDE

Purged bonds of the Teel Irrigation District played a part in the \$250,000 embezzlement by Milholland & Hough Spokane bond buyers, which was forced Saturday and which resulted in the suicide of John B. Milholland Sunday night when he was implicated in the confession of his partner, Jay B. Hough. This company had purchased the \$250,000 in bonds issued by the Teel district, which comprises 16,000 acres of desert land lying between Echo and Butter Creek in Umatilla county.

Playing the stock market was responsible for the first crooked dealing of Hough, he told in his confession. He made up the losses by juggling their accounts with James F. Callahan, millionaire mining man of Wallace, Ida. Finally, in order to square themselves with Callahan, they forged bonds of the Teel district and gave them to him.

Plan on Mythical Profit. Milholland & Hough planned on an \$50,000 profit from the Teel bonds and when the bottom dropped out of the bond market, this went glimmering. Failure of the district to have

the interest on its bonds guaranteed by the state also had its effect.

Purged bonds were then made up and given to Callahan to square accounts, the confession of Hough told. With regard to this activity, he is quoted in his confession as follows:

"It is the custom of bond houses when they buy up an issue to have the bonds printed and then send them to the officers of the district to sign them and place the seals on them. Milholland Directs Forging. Mr. Milholland had additional bonds printed. He also had seals made here in Spokane—imprints of the authentic seals—and these we used. At his dictation I forged the names of the officials to the bonds and he would place the seals upon them. These forged bonds we would give to Mr. Callahan."

To get funds for Mr. Callahan we would swap bonds with him. He had many old-edged bonds with which Mr. Milholland was familiar. He would persuade Mr. Callahan to trade these for the forged bonds and we would use the money thus obtained to play the market."

## BOLSHEVISM IN PERSIA SPRINGS TO RED FLAME

Spread Takes Such Momentum That British Frontier Guard is Ordered Withdrawn and Women and Children Away.

### THREATENED INVASION HASTENS EVACUATION

Members of Cabinet and Ex-officers in Extraordinary Council Agree to Russian Proposals, London is Told.

LONDON, Jan. 11.—(U. P.)—Bolshevism is spreading over Persia so rapidly that the British frontier guard has been ordered withdrawn and all British women and children have been ordered out of Teheran, according to dispatches reaching here today.

Cabinet ministers and former cabinet officers of Persia in extraordinary council have agreed to Russian proposals for evacuating Persia, the reports said.

Invasion Looms.

LONDON, Jan. 11.—British women and children were today ordered evacuated from Northwest Persia in view of the announced withdrawal of the British forces there and the threatened bolshevik invasion.

TWO DIE AND DOZEN ARE HURT IN BLAZE

CLEVELAND, Jan. 11.—(U. P.)—Andrew Mummel and Albert Clarence Berg were burned to death, and a dozen persons injured in a fire which destroyed the Chestnut hotel here at a loss of \$50,000. Four men and women were seriously hurt when they leaped from the second and third floor windows before the firemen could spread a net.

EVE OF MEETING SEES SHARP OPEN SHOP LINE

CHICAGO, Jan. 11.—(A. P.)—The lines are sharply drawn here for a fight to retain the open shop to railroad and other branches of industry. As the Illinois manufacturers' association, leader in the open shop movement, began its annual meeting in preparation for the national open shop conference of great industrial leaders which opens tomorrow, leaders of the railroad unions continue the presentation of their case to the federal railroad labor board.

"Our stand is for the open shop as the basis of no discrimination between union and non-union employees," Present Butterworth of the national conference of manufacturers' associations, said. The railroad brotherhoods at a labor board hearing today, continued substantiation of their demands that boards of adjustment in the railroad industry be made national in scope of local. If these were made national it would give the unions their strongest card in the fight against the open shop movement.

DEPORTATION OF CORK LORD MAYOR IS ASKED

WASHINGTON, Jan. 11.—(A. P.)—Deportation of Donal O'Callaghan, lord mayor of Cork, who arrived at Newport News last week as a stowaway without passport is requested of the department of labor by Acting Secretary Davis of the state department. Davis quoted a proclamation issued by the president in 1915 designating the secretary of state as the one to decide whether an alien should be admitted or denied admission under passport regulations.

Will Contest Legality.

NEW YORK, Jan. 11.—(A. P.)—The counsel for Lord Mayor O'Callaghan announced he would contest in the courts if necessary the legal right of the state department to issue an order of deportation.

Weather

Reported by Major Lee Moorhouse, weather observer.

Maximum, 74.

Minimum, 16.

Barometer, 29.6.

THE WEATHER FORECAST

Tonight and Wednesday fair.

## FORMER PREMIER CALLS ON EXILES TO JOIN IN ARMY

Voracious American Capitalists Are Picking Pockets of Prostrate Nation, He Declares and Must Be Halted.

### HEADQUARTERS IN PARIS HUMMING WITH ACTIVITY

Leader of Contemplated Coup Calls in Military Experts and Statesman in Scheme to Save Crumbling Country.

PARIS, Jan. 11.—(Copyright by the United Press).—Russia must be saved from being looted by voracious American capitalists, Alexander Kerensky declared in an exclusive interview today. With this objective the former premier called for all anti-bolshevik factions to rally to him to hurl Lenin and Trotsky out of power.

"Foreign capitalists who acquire long term grants in Russia from the soviet government are picking the pockets of a prostrate nation," Kerensky exclaimed. "I am organizing here in Paris a civilized government for the Russia-wide administration, you might call it. I have called in all the anti-bolshevik leaders. We will overthrow the soviets. One of our first acts upon receiving power will be to make a clean sweep of all the soviet trade agreements."

The United Press correspondent was received in a hotel room, which was littered with charts and maps and resembled an army headquarters. The Kerensky was in conference with anti-bolshevik military experts and statesmen. As he talked, Kerensky was frequently interrupted by messengers and telephone calls. His headquarters had a hum of activity. Kerensky himself was smilingly optimistic.

"The soviet regime may survive sometime yet," he said, "because we must be given a chance to organize force making our combined assault. But our program will go through. One of the first steps will be reestablishment of Great Russia. We must have back the territories taken from Russia as result of war."

FLEETING GLIMSE AT TRIM ANKLE IS PATH TO THIEF'S CAPTURE

LOS ANGELES, Jan. 11.—(A. P.)—A fleeting glimpse of a trim ankle is responsible for Frank Adams drawing a prison sentence of from one to five years. He was convicted of stealing gold and platinum from a dentist's office. While there, hiding behind the safe, he was betrayed when the stenographer was tying a shoe lace by peeping toward the operation. Testimony showed he once was a physician in New York.

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