

**The Weather**  
 Maximum yesterday 43  
 Minimum today 19  
 Snow 1/2 inch  
 Precipitation .05

# MEDFORD MAIL TRIBUNE

Predictions

Fair and colder.

Daily—Fiftieth Year.  
 Weekly—Fiftieth Year.

MEDFORD,

OREGON, MONDAY, JANUARY 10, 1921

NO. 248

## LUMBER TRADE TO BE PROBED BY GOVERNMENT; COMBINATION TO HOLD UP PRICES IS CHARGED

Report by Federal Trade Commission to Congress Informs Public for First Time That U. S. Department of Justice Is Hot on Trail of So-Called Lumber Trust—Correspondence Is Quoted to Show Combination to Maintain High Prices and Curtail Production—West Coast Lumber Association Involved—Tremendous Profits in 1920 Shown by Report of Investigators.

WASHINGTON, Jan. 10.—The department of justice is to proceed "vigorously and expeditiously against violators of the Sherman anti-trust act connected with certain important lines of building material." It was announced today by Frank K. Nebeker, assistant to the attorney general.

TACOMA, Wash., Jan. 10.—A conference of lumber men of this section, held today to discuss the charges filed before congress by the federal trade commission, made public a statement asserting that the lumber industry will welcome a full investigation and declaring that the conditions complained of were the result of government orders.

SEATTLE, Jan. 10.—Three representatives of the federal trade commission spent six weeks in Seattle last February and March in an investigation of the sites and records of the West Coast Lumbermen's association, R. D. Brown, assistant secretary manager of the association, said in a formal statement today. The association, the statement said, had requested that it be included in the proposed investigation of the national lumber industry.

WASHINGTON, Jan. 10.—A general investigation of the lumber industry, particularly for the yellow pine industry of the south, is being conducted by the department of justice to determine whether there have been violations of the Sherman anti-trust act.

This became known today after the federal trade commission had transmitted to congress a copy of a report on the activities of organizations of lumber manufacturers, which it has prepared at the request of the department of justice.

WASHINGTON, Jan. 10.—An extensive investigation into the activities of lumber manufacturers through their national and regional associations is being made by the department of justice, with the assistance of the federal trade commission.

This is disclosed in a report sent today to congress by the commission in connection with the inquiry being conducted by the senate committee on housing and reconstruction. The report, the commission says is designed to show the activities of the manufacturers and their attitude towards "national legislation, amendments to the revenue laws, elimination of competitive woods, control of prices and production, restriction of re-forestation and other matters."

It is set out that the regional associations have formed the National Lumber Manufacturers association with headquarters at Chicago.

The principal regional associations listed as constituting the national association are the Southern Pine association; West Coast Lumber association; Western Pine Manufacturers association; Western Hemlock and Hard Wood Manufacturers; Northern Pine Manufacturers association; North Carolina Pine association; Georgia-Florida Saw Mill association; Southern Cypress association; Michigan Hardwood Manufacturers association and the California Sugar and White Pine Manufacturers association.

The commission informs congress that the national association has been "very active in legislative and departmental affairs which affect this industry." It adds that L. C. Boyle, a Kansas City attorney, with headquarters in Washington "is employed to attend to such matters for the national association," and that he also represents many of the regional associations.

tion appointed a committee upon "government relations," the function of which was "fully outlined" by Mr. Boyle in a letter dated May 5, 1919 to Charles F. Keith, president of the Southern Pine association, which the commission quotes as follows:

"To my mind the outstanding opportunity your committee has to serve the industry and also the country at large is to so mobilize its units that they may be in a position to more adequately defend themselves against the destructive tendencies of the hour. The result can be aided by the industry being kept fully advised through your committee of governmental activities—political, legislative and departmental—that have for their direct or indirect object invasion of constitutional guarantees."

"It would be unwise to spread broadcast the plan of organizing your committee and this especially if the organization is to be comprehensive of the industry, because the very magnitude of the plan would challenge attention and arouse suspicion."

Numerous extracts from correspondence, said to have passed between officials of regional organizations, are given in the report to support the commission's charge that issuance of price lists from time to time was an "established practice."

The correspondence quoted involves the West Coast Lumbermen's association; the Western Pine Manufacturers association; the Association of Hemlock Manufacturers and the Michigan Hardwood association.

The report contains documents in support of further charges that the association had consistently sought to eliminate competition not only in prices but in competing woods and also to restrict production in the interest of price levels.

Contained in the report is a table showing "average realization, average costs and average margin a thousand feet of the KKnasas City group of Southern Pine manufacturers for the years 1915 to 1919, inclusive, and average price and margin for May 1920 as compared with average costs for the first three months of 1920."

This table shows that in 1915 the realization was \$1.09 below cost; that in 1916 it was \$1.98 above; in 1917 \$6.42 above; 1918 \$6.41 above; 1919 \$8.94 above and in May 1920 \$26.35 above.

WASHINGTON, Jan. 10.—The senate resolution appropriating \$50,000 for expenses at the capitol in connection with the inauguration of President elect Harding was adopted today by the house by an overwhelming majority.

An amendment by Representative Blanton, democrat, Texas, to cut the fund to \$10,000 was defeated 285 to 5.

LAWRENCE, Mass., Jan. 10.—The American Woolen company today announced a wage reduction of 22 1/2 per cent to take effect next Monday.

## Gay Lathario Killed By Girl He Thought "Too Cute to Shoot"

DALLAS, Texas, Jan. 10.—William J. Coleman, restaurant proprietor whose death has been a mystery for ten days lost his life at the hands of a girl he believed "too cute to shoot," according to the authorities.

Miss Louise Meier, 18, a typist, arrested yesterday, confessed that to protect her honor, she shot Coleman, according to J. C. Gunning, chief of detectives.

Coleman was found in a park unconscious from a bullet wound in the abdomen on the night of January 1. She said she accompanied him to the deserted park on his representations that a party of friends was camping there.

"I told him to turn me loose or I would shoot him," Chief Gunning quoted the girl's statement as saying. "He said I was too cute to shoot. So I pulled the pistol and shot him."

WASHINGTON, Jan. 10.—Better trade conditions between the United States and South America and the Far East cannot be expected until low rates of exchange and labor conditions in foreign countries have been improved, according to a summary of world business made public today by the department of commerce.

In virtually every country of South America and the Far East imports have fallen in the last few months and money has become very hard to obtain, the department said.

Australia was reported to be awaiting lower prices before buying.

The Japanese financial condition is most "unsatisfactory," Commercial Attache James F. Abbott cabled from Tokio. He predicted a severe drop in the Japanese exchange rate and said banks have tightened the money market by raising rates. Japan, he said, finished the year with a large balance of trade against her and there are large stocks of unsold goods in warehouses. The general stagnation, he said, has brought about a situation which will result in the cutting of wages.

Failure of many business houses in China is foreseen by Commercial Attache Julian Arnold at Peking, who cabled that the ancient Chinese custom of paying all debts on the new year, February 8, will force many places to close. In Chile both exports and imports were reported to be decreasing and the exchange rate is unimproved. Great care should be exercised in granting credits, the department was advised.

Commercial Attache Carlton Jackson reported that many business failures were expected in Mexico, and that the money market is unfavorable. He asserted government finances were un sound, the cost of living was increasing, and the lowering of wages had begun and unemployment was general.

## WOMEN ARE GROWING TALLER AND HEAVIER

PHILADELPHIA, Jan. 10.—Women are growing taller and heavier, according to Dr. R. Tait McKenzie, director of physical education at the University of Pennsylvania.

Statistics of women's colleges covering a period of sixty years show the average college girl of today is an inch taller than the college girl of 1860, he said. "These statistics also prove the modern girl is six or seven pounds heavier."

Dr. McKenzie attributed this increase to the increased interest in sports and outdoor life.

## BOND CROOK IN SPOKANE IS SUICIDE

John B. Milholland Kills Self When Sheriff Comes to Make Arrest — Partner's Nerve Fails on Suicide Pact — Makes Clean Breast Instead—Pair Forged Bonds Valued at \$353,000.

SPOKANE, Jan. 10.—Investigation of the affairs of the local brokerage firm of Milholland and Hough declared in a purported confession of Jay B. Hough, a member of the firm, to have embezzled \$353,000 from James F. Callahan, a wealthy mining man of Wallace, Idaho, awaited the arrival of Mr. Callahan and his attorney from Wallace.

In a statement over the long distance telephone from Wallace today, the attorney, Walter Hanson, declared that if there was "any salvage" his client would take legal steps to recover it. He declared that interest payments on forged bonds of Montana and Oregon municipalities through which the alleged fraud is declared to have been effected, had always been promptly met by the brokers.

Hough in Jail  
 With Mr. Callahan, Mr. Hanson said he would arrive in Spokane late today to take up the investigation of the alleged embezzlement.

SPOKANE, Jan. 10.—With the arrival here today of James F. Callahan, millionaire mining operator of Wallace, Idaho, additional light was expected to be shed on the alleged operations of John B. Milholland and Jay B. Hough by which, according to Hough's confession yesterday to the authorities, Callahan was defrauded of \$353,000.

Milholland was found dead in his room at his home here last night by deputy sheriffs, who had gone to arrest him after his partner was declared to have confessed to an attorney and later to the authorities, their alleged fraudulent transactions. Hough was being held today in the county jail in default of \$20,000 bonds.

Speculation Is Cause  
 Speculation on the New York Stock Market was declared in Hough's confession, as reported by the authorities, to have been the cause of the embezzlement which he was declared to have said covered a period of about two years and of which he stated, according to the officers, that Mr. Callahan was the sole victim.

Issuance of bogus bonds of Montana school districts and Oregon municipalities, for the sale of which the firm was the agent, by means of a duplicate seal and forgery of the signatures of the district officials, was the method declared to have been employed. These fraudulent bonds, according to Hough's reported statement, were given to Mr. Callahan in lieu of genuine bonds which the brokers had persuaded him to sell.

Interest on the fraudulent securities, Hough was quoted as saying, was paid by the firm.

Fails in Suicide Pact  
 Milholland's death, according to the authorities, was the result of suicide, effected with a revolver while his wife and his two young daughters by a former marriage were in the house below stairs. He is declared to have shot himself after his partner, disregarding the terms of a suicide pact, which Hough told the authorities they had entered into, related to his attorney and members of the prosecuting attorney's staff their alleged embezzlement. It was when the firm's account with a New York trust company had been overdrawn \$25,000, which Hough is declared to have said would have become known today, and when "there was no chance of getting any more from Mr. Callahan," that the partners agreed, he said, to meet in their office last night and kill themselves at 11 o'clock at a prearranged signal.

Confesses Crime  
 As the time for the execution of this agreement approached, he was reported as saying he "could stand the strain no longer" and made a clean breast to his attorney and later, on the advice of the latter, to the prosecutor.

According to Hough's statement to the authorities, the bond issues which the brokers forged and exchanged with Mr. Callahan for good bonds, were the following:

\$100,000 six per cent Teal municipal irrigation, Umatilla county, Oregon.

(Continued on Page Six)

## State Dept. Refuses To Make Exception In O'Callaghan Case

WASHINGTON, Jan. 10.—Refusal to waive the passport restrictions in the case of Daniel J. O'Callaghan, lord mayor of Cork, who arrived from Ireland last week as a stowaway without a passport, was decided upon today by the state department.

Announcement was made that an opinion of the solicitor of the state department that there was no reason why an exception should be made in the case of the lord mayor had been concurred in by Assistant Secretary of State Davis and the decision transmitted to Secretary of Labor Wilson.

## ASS'T SECY. OF STATE DENIES W. UN. CHARGE

Govt. Official Flatly Disputes Statement by Newcomb Carlton That State Dept. Brought Pressure to Bear to Hold Up Cuban Cable.

WASHINGTON, Jan. 10.—Acting Secretary Davis denied today before a senate committee that the state department had brought any pressure to bear on the Cuban government to prevent the landing of the Western Union Barbadoes cable, as had been charged earlier in the day by President Carlton, of the Western Union company.

WASHINGTON, Jan. 10.—Charged that the state department was "making threats against the Cuban government" to prevent the issuance of permits for Western Union cable landings on the island were made before a senate committee today by Newcomb Carlton, president of the Western Union company.

Mr. Carlton declared the department was "pursuing to the point of persecution" its differences with the company over the attempt to land the cable from Barbadoes, which he said, would establish a new line of communication with South America.

Questioned as to alleged supervision by English authorities of official dispatches sent from Washington to American diplomatic representatives in Great Britain Mr. Carlton refused to "answer categorically because it would make trouble." The witness said the state department had the facts and Senator Kellogg, chairman of the committee, asked Under Secretary Davis to appear this afternoon.

Frederick Roy Martin, acting general manager of the Associated Press, told the committee that any increase of communication facilities aided the dissemination of American news.

"The Associated Press is furnishing its news reports to Porto Rico, Hawaii, Alaska and Mexico," he said, "and has gone very extensively into South America. Our reports on the Pacific are sent by radio and incidentally applied for free distribution to Japan and China. This is an unprofitable field and we are keeping it up for patriotic motives of maintain the connection between the United States and its possessions."

South American readers, Mr. Martin said, desired news from the United States and the only difficulty in the service was the lack of cable facilities. Senator Kellogg asked if the government could assist news distribution.

"Only by facilitating private interests in extending cable facilities," Mr. Martin replied. "The Associated Press does not want any government subsidy. We should like to see direct cables to Italy and the Scandinavian countries."

"We have had our troubles with government censorship during the last few years. I will say for our English friends that their censorship is no narrower than our own. Only last Saturday we found that the navy department was censoring a dispatch from San Francisco."

U. S. Steel Orders Drop  
 NEW YORK, Jan. 10.—The monthly tonnage report of the United States Steel corporation, made public here today, showed 8,148,122 tons of unfilled orders on hand December 31. This is a decrease from last month's unfilled orders, which totalled 9,021,481 tons.

HELENA, Mont., Jan. 10.—Notice of a bill prohibiting the exhibition of motion pictures "tending to incite to crime or corrupt morals" and providing for a county board of censors was introduced in the state senate today.

## CHARGES J. P. MORGAN'S CONTROL OF AMERICAN RAILROADS HAS COST PUBLIC MANY MILLIONS

B. M. Jewell, Prest. Railway Employees, Tells Railway Labor Board Roads Under Control of 12 New York Banks Dominated by Morgan—Has Filched Public Through Cost Plus Contracts of Millions—Now Combine Is Forcing Public to Pay Costs of Open Shop Campaign—Rail Heads Before Board Object to Continuation of Labor Agreements in Force During War—Want Separate Control.

CHICAGO, Jan. 10.—The railroads have broken faith with the public according to charges today at the opening of the hearing by the railway labor board into demands of the railroad brotherhoods that the national boards of adjustment be re-established. The charge was made that B. M. Jewell, president of the railway employees' department of the American Federation of Labor.

The employees' leader charged that the public had been defrauded "probably in violation of criminal statutes," of millions of dollars through cost-plus contracts with equipment companies, "controlled by the same banks that control the railroads." He said that railroad control is exercised by a group of 12 New York banks, trust companies and insurance companies "dominated by J. P. Morgan and company and that only 25 men are the instruments of this and an even wider control."

For Open Shop  
 He added that this same group of banks has interlocking directors with 20 of the leading equipment concerns and that 80 per cent of the railroad mileage of the country is under the domination of this "Morgan steel combine."

One result of steel contracts with the equipment concerns, he argued, had been to throw out of work more than 50,000 skilled railway employees. He asserted that this unemployment was "created deliberately at a most inopportune time, causing suffering and discontent just when public interest required the utmost confidence and harmony in the relations between capital and labor."

Mr. Jewell asserted that "this same combine has been forcing the public to pay excessive prices in payment of the costs in the open shop campaign in the building industry of New York." He charged that the alleged combine "is using this power to force the public to pay for the attempts of the combine to disrupt the organizations of railroad employees."

Railroads Oppose Control.  
 CHICAGO, Jan. 10.—The national agreements between the railroads and various classes of their employees, standardizing the latter's rules and working conditions throughout the nation, which were instituted within six months before the end of federal control, should not, in the interests of "honest, efficient and economical management," be continued longer under private operation, according to contentions made by representatives of the railroads before the railroad labor board here today during hearings on the demand of railroad employees for the perpetuation of these agreements.

"The only parties who are fully qualified to consider such regulations are the individual managements and their employees," E. T. Whittier, chairman of the manager's committee which is presenting the carriers' side of the controversy, testified.

Reasons Given  
 The reasons for the carriers' opposition to the national agreements were outlined by Mr. Whittier as follows:

1.—They are ultra restrictive and therefore prevent the "honest, efficient and economical management demanded by the transportation act.

2.—The variable conditions in different sections of the country make the universal application of their provisions impracticable.

3.—The existing rules, the continuation of which is proposed by the men, are capable of various constructions.

4.—The existing agreements provide that the rules contained therein shall apply to all employees of any particular craft, regardless of the department of the railroad in which the man is employed, thus leading to a division of jurisdiction and a conflict in the working rules applicable to employees engaged in the same work.

5.—The existing agreements have destroyed acknowledged efficient and economical practices such as the piece work system for regulating rates of pay.

6.—The railroads must have relief from the rules controlling the employment of men, which are so restrictive as to prevent them from obtaining a sufficient number of employees in certain departments, thus interfering with output and causing delay to the movement of traffic.

7.—The agreements contain many rules which provide for payment for work not performed and thereby cause many millions of dollars of unnecessary expense annually.

"The railroads do not object to schedules (the technical term for railway agreements) properly negotiated and entered into with their own employees," Mr. Whittier said, "as is evidenced by the fact that nearly all, if not all of the railroads represented by this committee have had schedules with the various train service organizations for many years."

Eight Hour Basis  
 "Those roads which have been working on the eight hour day basis, will continue to do so unless changed by mutual agreement with their employees, but they must have the right to re-establish more efficient and economical practices."

"We refer, among things, to piece work methods which were abolished. This action has cost many millions of dollars to the roads which had for years successfully produced much of their output by the piecework method."

SALEM, Ore., Jan. 10.—The thirty-first biennial session of the Oregon legislature opened here today. In the senate there are 27 republicans, one democrat and two independents.

The membership of the house is composed of 53 republicans and two democrats. Governor Olcott delayed the reading of his message until tomorrow morning at 10 o'clock.

Senator Ritter and Representative Benn were unanimously elected with the exception that Ritter by courtesy voted for Senator Eddy.

It became definitely known today that Senator Banks of Multnomah county will be chairman of the committee on resolutions in the senate; that Senator Patterson of Polk and Benton counties will be chairman of the ways and means committee; that Senator Hall of Marshall will lead the senate roads and highways committee; that Norblad of Clatsop will head the committee on fisheries; Moser the judiciary committee and Eddy of Douglas the committee on revision of laws.

Sheldon on Committee  
 A motion to appoint a temporary committee on rules and organization was passed and Temporary Speaker K. K. Kubli appointed Representatives Herbert Gordon, Multnomah; Denton G. Burdick, Deschutes; E. N. Hurd, Clatsop; Thomas Kay, Marion, and Ben Sheldon, Jackson.

At 10:45 the house adjourned to meet again at 2 o'clock.

Senate posts filled were: Walter L. Tooze, reading clerk; Colonel W. G. D. Mercer, Eugene, sergeant at arms; H. T. Bruce, Multnomah county, door keeper; R. S. McClanahan, Multnomah county, assistant doorkeeper; Leland T. Brown, Douglas, mailing clerk; Albert B. Goddard, Umatilla county, calendar clerk.

## INMAN ANTI-JAP BILL ADOPTED, CALIFORNIA

SACRAMENTO, Cal., Jan. 10.—The assembly of the California legislature today adopted unanimously Senator Inman's resolution asking that no treaty be made with Japan granting citizenship to Japanese, or nullifying the provisions of the new anti-alien land law.

It was the first measure to pass both houses of the legislature.