

MEDFORD MAIL TRIBUNE

MEDFORD, OREGON, SATURDAY, FEBRUARY 3, 1923

Weather Year Ago
 Maximum 41
 Minimum 30

The Weather

Prediction yesterday Fair
 Maximum 47.5
 Minimum today 20

Daily—Seventeenth Year.
 Weekly—Fifty-Second Year.

WORKERS IN RUHR SHOW LESS FIGHT

French Report German Labor Refuses to Take Orders From Berlin and Agrees to Aid French in Getting Out Coal—Magnates Alone Hold Out Against Co-operation.

DUESSELDORF, Feb. 3.—(By the Associated Press)—The temper of the population in the occupied area appears to be undergoing a change. Although the industrialists and the important magnates are as unalterably opposed as ever to any co-operation with the French and Belgians, not only have the railway workers resumed their jobs at Cologne, Coblenz, Treves and Ludwigshafen, as well as on some of the Ruhr lines, but the Schutz-Polizei at Dusseldorf have refused to obey Berlin's order that they ignore the French officers and continue to salute them.

German members of the international commission at Batavia, in the Coblenz area, who have been working with the allied experts in issuing export licenses, quit work but when Paul Tirard, the French Rheinland commissioner, accepted their resignations and announced that he would fill their places with French and Belgian functionaries, the Germans reconsidered and remained on the job.

In Witten, where the restaurant and hotel keepers have been refusing to serve food or drinks to French officers and soldiers, the situation has completely changed. No discourtesy is now shown toward the forces of occupation.

Labor is Friendly
 The improvement in the relations between the foreign authorities and the population is confined to the working classes and to the small tradesmen and shop keepers. The French authorities believe they have long and bitter fight to wage, but hope to bring Berlin to terms and force the surrender of the magnates.

General Payot, who is operating several of the important railway lines of the French says he is in a position to feed the civilian population and will soon be able to transport coal to France. Food trains are already moving into districts where the railway strike is still effective.

Speaking of the shortage of empty coal cars, General Payot said: "The Ruhr district, even in normal times, is the gulf into which empties must continually be poured. When the reparation coal deliveries were affected according to schedule in Germany, 70 per cent of the empties needed had to be supplied by the French and Belgians."

PLYMOUTH, England, Feb. 3.—(By the Associated Press)—An act of gross folly and the wrong way to approach the reparations problem was former Prime Minister Lloyd George's characterization of the Ruhr occupation in an interview here today in his return from Spain.

"It is a sure way not to get reparations, I think," he said.

22 DEATHS AND 15 BIRTHS ON SHIP

ATHENS, Feb. 3.—The steamer *Atlanta* arrived at the Piraeus yesterday with 5500 refugees from Asia Minor. There were 22 deaths from typhus and small pox as well as 15 births during the voyage.

Dr. Mabel Elliott, representing the American Women's hospital, has inspected the Ionian and ordered 200 sick persons, 150 children removed to the American hospital station. The other refugees aboard the vessel will be debarked later.

ALLIES MAKE SHORT WORK OF BERLIN'S EFFORT TO RE-OPEN THE NEGOTIATIONS

PARIS, Feb. 3.—(By the Associated Press)—The reparations commission today adopted a resolution upholding its own action of January 2, in refusing Germany a moratorium. The resolution was passed as a reply to yesterday's protest note from Germany.

France, Italy and Belgium voted for the resolution. Great Britain abstained from voting, as in recent reparation commission ballots.

Germany's note of yesterday represented an effort to renew the discussion with France and re-open the reparations controversy. It protested against the reparations commission's decision of January 2 and asked that the commission, in accordance with the peace treaty, re-

Lloyd George Thinks Debt Settlement Is Too Hard On England

PLYMOUTH, England, Feb. 3.—(By the Associated Press)—David Lloyd George, the former British prime minister, returning today after his vacation in Spain said he felt that the American debt settlement terms were hard and that he was "frankly disappointed."

"England is able to pay," he said, "but it is a heavy burden. I do not think it will benefit America, as it must diminish their markets in the world, whether here or elsewhere.

"The United States made the best terms for their own country. It is not for me to complain or criticize, but I feel that the terms are hard. I still think that the proposals of the Baltimore note are sound."

STATE TAXES TO BE SLASHED IS WORD OF GOV'N

Walter Pierce, Chief Executive Full of Enthusiasm Over Legislative Prospects—Income Tax Certain—3 Or 4 Mills Tax Reduction.

Governor Walter N. Pierce, as genial as ever, arrived in Medford this noon, by auto from Grants Pass, where he visited for an hour, after leaving train No. 13. He was accompanied by Representative Kirkwood of Multnomah county and Representative Ralph Cowgill of this district. The gubernatorial party made a hurried trip through the Josephine county irrigation district. The governor was greeted at the Medford hotel by Mose Barkdull, county chairman of the Democratic party, Judge C. M. Thomas, Prof. Reimer of the Talent experiment station and others.

The chief executive was in fine spirits, and the wholesome good nature of the campaign has not vanished with his high honors. He has a brand new sombrero, wide rimmed, given him by Bill Hanley, and missed calling but two or three by their first names when they came forth to greet him.

"One thing I am going to do during my administration," he said, "is to 'sneak' southern Oregon from California, Jackson and Klamath counties are too far out. I'm going to get them back in Oregon." The governor intimated that his first step in this direction was the appointment of Judge W. E. Crowe, commissioner of corporations, and "by the laws of the game other faithful warhorses were entitled to consideration, but I went outside of the fold."

"The legislature is as fine and sincere a body of men as ever assembled at Salem," said Governor Pierce, "and I have had lots of experience with legislatures. They are going to accomplish some big things."

"I look for the legislature to pass an income tax bill, that will net \$3,000,000, which will be just that much off the tax burden. We have been the most lavish of states, in the expenditure of our credit, and we've got to settle down and pay our debts, and develop Oregon products, and buy them after they are developed. Consolidation of state offices, as suggested in several bills, will help by doing away with inefficiency and duplication of effort—you get the significance of it."

The irrigation problems of the state the governor described as "a big, big problem, and one in which I am vitally interested. It is a question whether we will extend our

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The French Entering Essen, and Their Commander

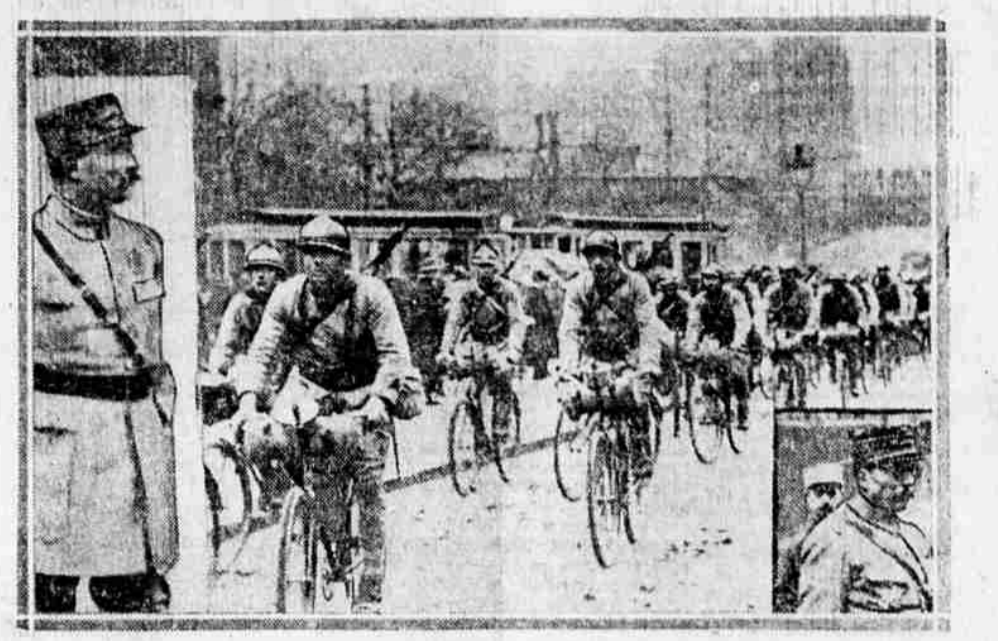


Photo shows the advance guard of French cyclists entering Essen, Germany, as part of the French occupation of the Ruhr. These men were followed by cavalry, tanks and armored cars and the whole occupation went through with the smoothness of a well-oiled machine. (left) General Lamport of the 4th cavalry division, who commanded the French troops entering Essen (right) General Degerette, commander in chief of the French Ruhr armies.

GOV'T LOSS ON R. R. OPERATION \$1,800,000,000

WASHINGTON, Feb. 3.—Losses sustained by the government from war time operation of railways and its aftermath of earnings, guarantees and damage settlements will total approximately \$1,800,000,000, according to data made available today for the first time in a report by James C. Davis, director general of railroads, transmitted to congress by President Harding. Not only does the amount come within congressional appropriations already made, but there will also be a return to the treasury of about \$400,000,000 in cash and railroad securities.

Mr. Davis' estimates are based on the showing actually made in liquidation of accounts between the government and corporate owners of 50 per cent of the railroad mileage which the government took over. Most of the settlements yet to be made are expected to result in payment by the government in either cash or securities.

Accounting in connection with the government operation has gone through three phases and involves the inter-state commerce commission as well as the railroad commission. Losses in direct operation of the roads and in the later settlement of capital investment and other claims, as now practically completed by Director General Davis are shown to reach a total of \$1,250,000,000, to which is added a sum of between \$525,000,000 and \$600,000,000, which has or will be paid by the commission to short line railroads and to class one carriers. This last amount includes payment under the guarantee given the roads by congress of earnings during the six months of 1920, just after the government relinquished the properties.

A scaling down of claims originally made by the roads against the government was shown by Mr. Davis' report. To date the roads have demanded \$952,642,068 on grounds of under-maintenance, damages, loss of inventory and for other reasons. Up to December 31, final adjustment had been made with corporations which sought \$719,921,814 of that total, the government having paid out a net amount of only \$171,815,541.

Mr. Davis expects the balance of unadjusted claims amounting to \$220,720,253, to be closed out by October.

Only one road has so far taken the director general's decision into court. It was added.

One factor pointed out by Mr. Davis as facilitating the settlements has been the ability of the railroad administration to pay cash to carriers willing to accept an award. Government funds for these operations in part were derived from sale of equipment trust securities amounting to \$274,000,000, which were left on the director general's hands after the period of operation, but subsequently became desirable to private investors.

"I believe it may be confidently predicted," Mr. Davis' report stated, "that there will be not to exceed a half dozen carriers unable to agree with the government in arriving at final adjustment and there may not be that number." * * * From the financial showing, it is quite evident that no further appropriations will be required to complete this liquidation in every particular and it may be anticipated with some confidence that after all liabilities of the government of whatsoever nature arising out of federal control have been liquidated, the railroad administration can return to the treasury in collectible obligations of solvent companies and unexpended appropriations to an amount aggregating about \$400,000,000.

Maintenance of the railroad administration organization which has

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SENATOR HEFLIN WOULD BAR PRESS FROM U. S. SENATE

WASHINGTON, Feb. 3.—Undismayed by the rebukes administered by the senate yesterday in twice ordering expunged from the record his remarks reflecting on other senators, Senator Heflin, democrat, Alabama, reviewed the whole incident today in the senate, declaring he had been treated unfairly by the "subsidized press," and threatening steps to prevent "certain press representatives from sitting in the press gallery."

Senator Heflin read to the senate several newspaper accounts of the senate proceedings of Thursday and yesterday and said he had been unable to find a single one that had a "correct description of what took place." Newspapersmen sat in the press gallery only by permission of the senate, he said, and asserted that the senate might have to pass such a law as was adopted by the Florida legislature designating certain newspapers as ineligible to admission.

"The newspapers carried the misinformation that I attacked Senator Wadsworth," said Senator Heflin, referring to his reference to Senator Wadsworth which was ordered expunged from the record. "The vice president by his ruling and not me, reflected on Senator Wadsworth."

He denied that he meant Senator Wadsworth when he said on Thursday:

"I am here to represent my party; I am not here to represent the bond sharks, the big financiers of Wall street."

The ruling of Vice President Coolidge in declaring him out of order because of these remarks, he said, in effect directed the objectionable language at Senator Wadsworth.

Although the senate yesterday adopted a resolution expunging from the Congressional Record the remarks which had resulted in Mr. Heflin being rebuked as well as the rejoinder of Senator Cuzens, republican, Michigan, the record today appeared with considerable debate bearing upon the incident.

COLD SPELL HITS THE MIDDLEWEST

CHICAGO, Feb. 3.—A blast of winter from the northwest that caused sudden drops of temperature in the plains states last night was overspreading the United States today.

From the far northwest to the central and southern portion of sunny Florida, from New York to San Francisco, weather disturbances of a greater or lesser degree of intensity were reported and accompanied in most cases by lower temperatures were reported in progress or predicted for this week end.

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Basketball Player Is Killed at The Dalles

THE DALLES, Ore., Feb. 3.—Stanley Reise, 15, a member of the Arlington high school basketball team, was killed here last night when the brakes of an automobile in which he and other players were returning from a game, gave way on a long hill near Rufus and the machine crashed into a bank and overturned. Other occupants of the car suffered cuts and bruises.

GERMANY ABOUT TO SURRENDER IS PARIS VIEW

PARIS, Feb. 3.—(By the Associated Press)—The German government's note to the reparations commission protesting against the recent refusal of a moratorium is regarded by a part of the French press as a forerunner of German capitulation and as a direct result of French action in the Ruhr.

Publication of the note today causes commentators to remark that it presents Germany's first attempt toward resumption of exchanges with the allies.

"As shown in its note of January 13," the communication says, "the German government suspended payments in kind to France and Belgium solely because of the invasion—which was contrary to the treaty—of the Ruhr, by these two powers, and solely for the duration of this state of affairs and its consequences."

"In thus acting, the German government exercises its unquestionable right. There cannot be a question of default in the sense of paragraph 17, annex 2, part 8, of the treaty of Versailles. Consequently the German government protests against such a default being recorded."

The note then contests the conclusion that the German request for a moratorium had become null and void. It cites the reparations commission's decision of March 21, 1922, recognizing that the financial situation of Germany did not permit of her making the specific payments for 1922 laid down by the schedule of May 5, 1921.

It cites also the commission's decision of August 31, 1922, expressly recognizing the fact that Germany had lost all her credit, internal and external, in which the commission considered the question of reducing the external charges to be imposed on Germany.

"Furthermore," continues the note, "each of the principal allied powers in plans submitted to the Paris conference on January 2, recognized the present incapacity of Germany regarding payment in kind and considered the question of the immediate grant of a moratorium of several years, in addition to a reduction of the total obligations under the schedule of payments of May 5, 1921."

"Meanwhile the financial and economic situation in Germany has grown still worse, owing to the occupation of the Ruhr. The mark has fallen to 1-10,000th of its pre-war value."

The note declares Germany considers that the reparations commission in returning to the schedule of payments adopted in London in 1921, is in conflict with the former attitude of both the commission and the principal allied powers. The action of the commission, Germany contends, contravenes the provisions of the Versailles treaty, which document makes Germany's obligations depend upon her capacity for payment and sets forth that her vital needs should have preference over her reparations obligations.

"Now that French and Belgian troops have invaded the Ruhr, and the German territory on the left bank of the Rhine as well as the Ruhr has begun to be detached economically and financially from the remainder of the economic organization of Germany, the German government still less than before, is in a position to meet the obligations of the London

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Flu Germ Isolated By Rockefeller Inst. May Mean a Cure

SCHENECTADY, N. Y., Feb. 3.—Hopes of thousands of sufferers from epidemic influenza for a cure or prevention of the disease were raised today by the announcement of the discovery of the cause and isolation of the germ.

The announcement is made by Dr. Simon Flexner, director of the Rockefeller institute of medical research, who attributes the discovery to Dr. Peter Orlitzky and Dr. Frederick T. Gates, also of the institute.

The isolation will permit experimentation with antidotes and antitoxins.

TAX EXEMPTION IS ALSO VETOED BY GOV. PIERCE

Chief Executive Refuses to Sign Inheritance Exemption Vetoed By Gov. Olcott—12 Bills Signed Thus Far—Reduce College Funds.

SALEM, Ore., Feb. 3.—Governor W. M. Pierce has vetoed the bill introduced by Senator Jap Upton of Prineville to exempt from inheritance tax the \$1,000,000 estate left by Dr. Bernard Daly of Lakeview as a fund for educating boys and girls of Lake county.

With four weeks of the legislative session gone, 16 bills have been passed by both houses. Of these 12 have been signed by the governor. In the house 314 bills have been introduced, two of them since Monday night with the approval of the legislative committee. Forty house bills have been defeated, withdrawn or definitely postponed, seven have passed both houses and 66 have been passed by the house but not yet disposed of by the senate. In the senate 134 bills have been introduced and nine of these have passed both houses.

Revision of the state banking code providing closer supervision and greater safeguards for depositors was introduced late yesterday by Senators O. B. Robertson of Condon and W. G. Hare of Hillsboro.

The daily estate exemption bill is the first vetoed by Governor Pierce. His action was based on an opinion by Attorney General Van Winkle, who held the bill violates constitutional provisions guaranteeing privileges and immunities. The inheritance tax which the bill would have remitted amounts to approximately \$200,000.

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U. S. COMMISSION APPROVES DEBT SETTLEMENT, NOW UP TO CONGRESS

WASHINGTON, Feb. 3.—(By the Associated Press)—The American debt funding commission has been called to meet late today for a discussion of the form of the recommendations it will make to President Harding in connection with the plan for funding Great Britain's war time debt, finally approved by the commission last night.

It is the hope of the commission to place the draft of its recommendations in the hands of the president tonight. While there was no official statement, indications were that the discussions today will embrace mainly methods of procedure, authorization for which the president will be urged to ask of congress in transmitting the results of the commission's negotiations into law.

It was said to be the president's intention to send the commissions' recom-

A TERRIFIC EARTHQUAKE IS RECORDED

One of Worst Seismic Disturbances in History, Recorded Throughout U. S. A.—Center of Disturbance Believed Near Japan—Needles Thrown Off Machine.

REDDING, Cal., Feb. 3.—Lassen Peak, the only active volcano within the limits of the United States was without its usual winter covering of spotless white as a result of an eruption yesterday which was continuing at latest reports. The eruption at first consisted only of steam, which was mistaken for the swirling of snow, but later smoke billowed out in great puffs and apparently carried with it some ashes, as the snow was darkened for some distance down the mountainsides. The mountain has lain dormant for several months prior to yesterday.

WASHINGTON, Feb. 3.—A tremendous earthquake was recorded on seismographs throughout the United States today. Its location was uncertain. Father Tondorf, observer at the famous Georgetown observatory, said it might be in Argentina, but observers at other places suggested Alaska, the Philippines, Japan or China, as the probable center of the disturbance.

Before 1 p. m. two of the recording needles had been thrown entirely off the record.

At that hour the quake had been in progress for some time, but it was impossible to determine exactly when it started or estimate its distance from Washington. Indications were that the center of the disturbance was between 4,000 and 5,000 miles from Washington, about the same distance as the two disturbances recorded Thursday and Friday, neither of which has been determined as to location.

CLEVELAND, Ohio, Feb. 3.—"If the earth shakes are on land we may expect to hear very bad news," Father Odenbach of St. Ignatius Observatory, said today.

The shocks as recorded on his instrument, he said belittle any of recent years. At intervals the seismograph would reach high points equalled by the Mount Pelee volcano eruption in 1900.

Heavy winds and disturbed weather conditions surrounding the observatory prevented any accurate reading of the instruments until the shocks were definitely concluded, he said.

The seismograph was still recording the tremors at 2 p. m. Father Odenbach said, but not so violently as at noon.

"The shocks may be in South America or Alaska, if on land, or in the Pacific ocean if on water," he said. "I am inclined to believe we may hear from South America later."

First and secondary primary readings of the tape tomorrow morning will be necessary before the distance or location can be estimated, he said.

SAN FRANCISCO, Feb. 3.—(By the Associated Press)

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