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LEY NEWS SERVICE

The Daily Capital Journal

Weather Report
Oregon: Tonight and Wed-
nesday rain, increasing south-
westerly winds.

FORTY-SECOND YEAR NO. 12 SALEM, OREGON, TUESDAY, JANUARY 21, 1919. PRICE TWO CENTS ON TRAINS AND NEWS STANDS—FIVE CENTS

ARMOUR FLATLY DENIES CHARGES OF CONSPIRACY WITH PACKERS IN INVESTIGATION BY TRADE BOARD

THROUGHOUT HEARING, HE MADE THE FEDERAL TRADE COMMISSION HIS TARGET, ATTACKING ITS METHODS

Urged Congress Not To Pass Pending Bills Providing Government Licensing Of Packing Houses, Or Government Ownership And Operation Of Stockyards Or Other Adjuncts To Packing Business.

By Raymond Clapper
(United Press Staff Correspondent.)
Washington, Jan. 21.—Flatly deny-
ing charges of conspiracy with other
packers, J. Ogden Armour replied to
the recent fire of the federal trade
commission today.

Testifying before the house interstate
commerce committee, he built up an
elaborate defense of his concern's busi-
ness conduct.

Armour finished with his sweeping
denial:
"I say to you positively that we have
not for many years been and are not
now in any pool, combination or ar-
rangement of any kind, either directly
or indirectly, or openly or secretly or
under cover. All such charges are ut-
terly unfair and untrue."

Throughout Armour made the federal
trade commission his target, attacking
its methods during the recent investi-
gation directed by Francis J. Heney.

Armour's First Appearance.

This was Armour's first appearance
before a government body. His com-
pany has not previously been given a
chance to answer accusations, he said.

"In the investigation made by the
federal trade commission, and which
has resulted in the pending bills, it
has been admitted by Chairman Colver
that we were afforded no opportunity
to produce witnesses to introduce testi-
mony or to explain or answer any of
the documents introduced at that hear-
ing," Armour asserted.

He earnestly urged congress not to
pass pending bills providing govern-
ment licensing of packing houses, and
government ownership or operation of
stockyards, refrigerator cars, branch
houses and other adjuncts to the pack-
ing business.

"If a monkey wrench is thrown into
the gears of this business, its effect
will not be confined to the meat pack-
ing industry," Armour went on.

"The theories on which pending leg-
islation is based are not constructive,
they are not progressive. They are re-
actionary."

"Such laws probably will be uncon-
stitutional, Armour's legal advisers be-
lieve.

Touched High Prices.

"Touching briefly on high prices, the
witness said live hogs had increased in
price 245 per cent in four years. Labor
and fuel costs have also gone up, he
pointed out.

Charges of excessive profits, how-
ever, were denied. In 1918 Armour's
profits are said to have been 1.8 cents
on each dollar of sales, as compared
with 3.7 in 1917.

As a packer, I am interested in
seeing the yards handled in the most
efficient way possible and it is also
equally immaterial to me who owns them.
Ownership by the government im-
plies red tape and restrictions which
cannot help but add to the costs of the
service. I am entirely ready and will-
ing at once to relinquish my holdings
upon being allowed just compensation.
"Some of our critics charge that our
interests in stockyards and exchange
buildings give us a club over the head
of the commission man who must do
our bidding or be relegated to undesirable
offices and pens. Such charges are
utterly untrue."

Existence of pools in the days when
they were common was admitted by Ar-
mour.

High Business Ethics.

"The business of Armour and com-
pany is conducted in accord with the
highest and best business ethics of the
day. A generation ago when pools and
combinations of various kinds in rail-
roads and in every kind of business
were common and of every day occur-
rence, were ethical, and were sup-
ported by law, we were then sometimes a party
to them; but when new legislation or
new interpretations of existing legisla-
tion made such pools and combinations
improper we absolutely ceased to be
parties to any of them."

Priety agreements as to land substitu-
tions were not a result of "collusion,"
Armour told the committee. They were
fixed by the food administration to sta-
bilize prices.

He went into detailed explanation of
the famous "fifty-fifty" letters which
the federal trade commission took as
evidence of a working agreement in
Denver between Swift and Armour.

Armour denied there was such an
agreement in a criminal sense.

When Philip D. Armour wrote from
Denver that "everything here is on a
50-50 basis, he meant," the witness
said, that the division was about equal
on a natural competitive basis, a con-
tinuation of an even start, each concern
had in 1912, when the National Pack-
ing company was split by the two pack-
ers.

"The 400 per cent stock dividend
was merely a bookkeeping transaction
perfectly honest and legal in every re-
spect," according to Armour. "It
merely gave each stockholder five
shares of stock where formerly he held
one, the value of which was equal to
the five which replaced it."

Several More Cruisers And Transports Sail

Washington, Jan. 21.—The cruiser
Frederick Brest for New York, is due
January 29 with groups from the 82d
division to be demobilized at Camp
Sherman.

The transport Conia, Brest for New
York, is due January 24 with eastern
troops.

The transport Easterner, Bordeaux
for New York, is due February 4, with
four casual officers.

The transport Alsecon, St. Nazaire
for New York, is due February 3 with
an Ashaba casual detachment and six
teen casual officers.

The transport Suesquehanna, St. Na-
zaire for Newport News, is due Jan-
uary 31 with casual companies, includ-
ing the 44th (Illinois), 130th (Ida-
ho); 47 casual officers, about 600 sick
and wounded, and six officers and 71
men of the navy.

BRITISH MISSION IN FIGHT.

Budapest, Jan. 19.—Members of the
British mission in Lemberg narrowly
escaped death during bombardment of
that city by the Ukrainians when a
shell exploded in a street near them,
according to a dispatch received here
today.

SENATE FAVORS BIG EDUCATIONAL BILL PENDING IN CONGRESS

Adopts Bill Providing That Soldiers And Sailors Be Given Preference.

This morning the senate passed sen-
ate joint resolution No. 4, introduced by
Senator I. S. Smith, which urges con-
gress to pass the big educational bill
now pending before that body. The
bill creates a separate department of
education, which shall be headed by a
"chief" who shall be a member of the
president's cabinet, and provides for
the government to co-operate with the
states in advancing industrial educa-
tion, training of teachers and along
other lines.

The revision of laws committee, of
which Senator Eddy is chairman, made
a favorable report on Senator Euston's
bill which provides that ex-soldiers and
sailors must be given preference in all
public employment and all public con-
tracts. The committee made a few mi-
nor amendments and the report and
amendments were adopted.

Senator Eddy introduced a bill which
provides that municipalities having a lien
on property must be made a party to all
tax foreclosure suits against such prop-
erty. It also gives the municipality
authority to use its funds to redeem
property against which it has a lien
and against which the taxes are delin-
quent. In the case of the sale of prop-
erty on foreclosure of tax liens, the mu-
nicipality having a lien may be a bidder
and buy in the property. Money spent
for this purpose may be added by the
municipality to the amount of its lien
and in case the property is redeemed
the entire amount can be recovered
from the property owner.

SENATE AND HOUSE TO TALK ROADS TONIGHT

Date Of Meeting Changed After Much Sparring Between Two Houses.

A public meeting of the senate and
house committees on roads and high-
ways will be held tonight in the house
of representatives for the purpose of
hearing addresses from members of the
state highway commission on proposed
road legislation.

This date was fixed after much spar-
ring between the senate and house, and
was a decided victory for Senator
Thomas, who introduced the resolution
providing for the meeting. The final
date was fixed by conference commit-
tees, which were appointed by the sen-
ate and the house after the senate had
refused to concur in an amendment
made by the house postponing the date
of the meeting until next Monday night.

The original resolution called for a
public meeting last night. The senate
amended the resolution, postponing the
time until next Thursday night. Then
the house amended it again, postponing
the meeting until next Monday night.

This was too much for Senator
Thomas and some of the other support-
ers of the resolution, so when Senator
Orton made a motion to concur in the
house amendment Senators Thomas and
Lachmund jumped all over him. The
senate stood by them and voted down
the amendment.

"I can't understand the motive for
seeking this delay," said Senator
Thomas, "unless somebody is waiting
for some outside person to draft a bill
and bring it in when it is too late to
give us time to consider it. I am op-
posed to any further delay in getting
the information which the highway
commission can give us."

Senator Lachmund opposed the de-
lay, saying if there was any informa-
tion which the members do not have
about roads and highways now is the
time to get it.

A committee of three, comprised of
Senators Wood, J. C. Smith and Nicky
Olson, was appointed by President Vin-
ton to co-operate with a like committee
from the house in drafting regulations
for guarding against the flu.

With unanimous vote, the senate
adopted Senator Ritter's resolution pro-
viding for a joint session of the two
houses of the legislature on February 9
as a memorial to Theodore Roosevelt.

MAYOR AUTHORIZED TO LIFT BAN WHEN HEALTH BOARD RECOMMENDS IT

Quantity And Variety Of Business Disposed Of At Council Meeting.

The regular council meeting last eve-
ning brought out all but two of the
aldermen, and the two-hour session
touched a high mark in the variety and
quantity of business disposed of. Re-
ports from the various departments
were presented by the recorder and sent
through almost without comment. The
oratory of the session focused upon
the influenza situation, the proposed
suit against the state fair board and
the long drawn city water case, while
an overflow of brain energy was de-
voted to minor features of janitor's sal-
ary.

The committee on health brought in
a report showing the Red Cross emer-
gency work had created to date an ex-
penditure of \$122, a large part of which
was used in purchasing equipment for
the emergency hospital. It was suggest-
ed that this amount might be materi-
ally lessened later by re-selling un-
used furniture, etc., and it was thought
that eventually the cost of the hospi-
tal would be reduced by at least \$200
which would be paid in by patients
who were able to pay for the service.

An additional expense of \$384 had been
incurred for the services of nurses in
caring for cases in different parts of
the city. A motion that four doctors
be named by the mayor to act in con-
junction with the health committee in
dealing with the situation was carried
without dissent. But when later a re-
solution was presented authorizing the
mayor to declare the ban removed on
the recommendation of the health
board, there was a flare-back of oppo-
sition, the objectors holding that as
the town had been closed by action of
the council, that body should act in
lifting the ban. Dr. Ufer reassured by
stating that it was only desired to en-
able the mayor to act in the matter
without the formality of a special ses-
sion of the council, the resolution finally
carried with two dissenting votes.

SEATTLE AND TACOMA STRIKES ASSUMING LARGE PROPORTIONS

Seattle, Wash., Jan. 21.—With 30,000
shipyard workers on strike in Seattle
and 13,000 in Tacoma, the greatest in-
dustrial battle in the history of the
northwest began at 10 o'clock this
morning.

In addition to this number 8,000 car-
penters in Seattle are thrown out of
work although they opposed the strike.

Sirens and whistles screamed at the
appointed time, notifying the men that
the strike hour had arrived. Immedi-
ately they laid down their tools, and
walked out. They poured out of the Skinner
and Eddy yards by the thousands,
12,500 men in all quitting at the banner
shipyard of the country. Approximately
2,500 quit at the Ames yard and similar
numbers left work at the Duthie plant
and the Seattle North Pacific Shipyard
company. Besides the shipyards, 150
small plants and contract shops are
affected. While the streets were fog-
ged when the strikes walked out,
no disturbances of any kind occurred.

Strike Followed Refusal.

The strike order was issued by the
Metal Trades Council following the re-
fusal of the employers to accept the
new basic wage scale of \$8 for machin-
ists, \$7 for skilled labor and \$6 for un-
skilled labor for an eight hour day.

"We'll win this strike and secure
substantial American wages for Seattle
labor," declared Bert Swain, secretary
of the metal trades council at noon to-
day.

"Public sentiment is with us."
The entire northwest, as represented
by organized labor, is solidly back of
the local strike, Swain declared.

"I have nothing to say," stated D. E.
Skinner, president of the big Skinner
and Eddy plant when told the men at
his plant had stopped work.

"Our case seems to be clear. It is
one of the unfair demands on us, that
the public must recognize without elab-
oration or comment," said Edgar Ames
president of the Ames plant.

MAJORITY SOCIALISTS LEADING IN RETURNS OF GERMAN ELECTION

Apparently Elected Philip Scheidemann In Berlin, While Independent Socialists Elected Hugo Haase And Police President Eichorn.—Mathias Erzberger Also Received High Vote In German Capital.

Berlin, Jan. 20.—Spartanists suc-
ceeded in preventing the national elections
Sunday in Hamburg and several Rhine
land towns, it was learned today. In
this region, it was believed the vote
would have favored the centrist
(church) party and the German democ-
rats (liberals) so the apparent country
wide margin of the majority socialists
in the national assembly is not serious-
ly affected.

According to the latest available re-
turns the various parties won the fol-
lowing districts:
Majority socialists, city of Berlin
(recent close); Wurttemberg, Lorraine,
Mecklenburg, Lubek, Northern Schles-
wig, Hanover, Dresden, Bremen, Ham-
burg, Nuremberg, Chemnitz.

Centrists—(coalition of Catholics and
protestants)—Bavaria (including sev-
eral districts), Freiburg, Waldshut,
Sackingen, Constance, east Prussia.

German democrats—Mannheim, Dan-
zig, Barren.

Independent (independent socialists
and Spartanists)—Frankfurt-on-the-
Main, Brunswick.

Nationalist—Elberfeld, Magdeburg.
Peoples party (pan-Germans)—None.
Scheidemann Elected

In Berlin the majority socialists ap-
parently had elected Philip Scheid-
mann, Richard Fischer, Wilhelm Fagan-
nebeck, Robert Schmidt and Hugo
Heidmann; the independent socialists,
Hugo Haase, Police President Eichorn,
Louis Zeles and Herr Lauhaat; the
German democrats, Gustave Hartmann
and Herr Naumann and the centrist,
nationalists and peoples party, co-op-
erating, Wilhelm Karl, Herr Kardoff
and Herr Ledowitow.

Later returns showed that Mathias
Erzberger, chairman of the German
armistice commission and leader of the
centrist party, Friedrich Von Payer,
former vice chancellor; Herr Haase-
mann and Herr Groeber also had been
elected in Berlin.

The majority socialists won a easy
victory in northern Schleswig which
was one of the first districts to join
the revolution. Prussia, which hitherto
has been regarded as strongly against
that party, polled 100,000 votes for
the majority socialist candidates,
against 117,000 for the conservatives.

In Hanover the majority socialists won
overwhelmingly getting 120,000 votes
to 3000 for the independent socialists,
returning from Dresden, Bremen and
Hamburg showed similar victories for
the majority socialists over the inde-
pendents.

7 BILLS INTRODUCED IN HOUSE TODAY IN HALF HOUR SESSION

House of representatives is about
out of a job. That it, things are run-
ning along so smoothly that after the
roll call this morning and the second
reading of bills by titles only, and a
reading of bills by titles only, and a
no committees to report and no bills
coming up for final passage, there was
nothing to do except to adjourn until
this afternoon.

SEATTLE AND TACOMA STRIKES ASSUMING LARGE PROPORTIONS

Unions Affiliated With Metal Trades Council Walk Out This Morning.

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"Our case seems to be clear. It is
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the public must recognize without elab-
oration or comment," said Edgar Ames
president of the Ames plant.

It is intimated by those in touch
with the employers, who have obtained
"inside" information from the em-
ployers' conferences of last week that
the strike will be a long one.

When the strike whistles blew, the
men laid down their tools quietly and
walked out without disturbance. Instead
of loitering about the gates, the strikers
boarded cars for their homes, some
stopping down town to purchase sup-
plies for their families.

A number of small yards and contract
shops, having signed the new blanket
agreement, continued operating.

The Pacific Coast Steel company at
Youngstown, was not affected by the
strike. The strike conference commit-
tee of the metal trades council was in
Seattle.

5.36 INCHES OF RAIN HAS FALLEN IN 1919

Precipitation Thus Far Indicates Heavier Rainfall Than Usual In January.

Although it has been raining pretty
steadily off and on for the past week
there has no great amount of rain fall-
en since Jan. 15 when the wet spell be-
gan.

Last Wednesday the precipitation
was .38 of an inch followed by .30 of
an inch Thursday. On Friday Jan. 17,
the rain fall was heavier with 1.90 in-
ches and the next day with .15 of an
inch.

The heavy rainfall for this wet spell
was for the 24 hours ending at 8 o'clock
Sunday morning when the precipitation
was 2.20 inches. For the 24 hours end-
ing Monday morning of this week it
was .15 of an inch and for the same
time ending 8 o'clock this morning it
was .28 of an inch. These records are
from the government's official rain
gauge.

Hence for the past week there has
been 5.36 inches of rain up to the re-
cord of the 21st, all of which indicates
pretty well that January of 1919 will
be somewhat wetter than the average
first month of the year. For the past
five years the rainfall in January has
been as follows: 1914, 8.69 inches;
1915, 4.65 inches; 1916, 5.12 inches;
1917, 1.30 inches and 1918, 4.39 inches.

The river this morning at 8 o'clock
was 17.5 feet above zero. The flood
stage of the sudden rise the past week
was Monday morning when the water
reached 18.6 feet above and was cov-
ering the dock of the Oregon City
Transportation warehouse. About noon
yesterday the water began receding and
by 6 o'clock last night had fallen to
13.2 feet. According to the estimates
of the weather office, the flood stage
has been reached and the river will
gradually fall, notwithstanding the lo-
cal rains.

WISCONSIN PARTICULAR

Alcohol and gasoline can't
be mixed in Wisconsin's aerial
domain. A state dry law now
being framed provides no whis-
key shall be carried or drunk
in an airplane.

THREE STEAMSHIPS ARRIVE

New York, Jan. 21.—Three steam-
ships arrived today with more than 4,
500 troops and civilian passengers.
The transport George Washington
carried 3474 men.

The Italian steamer Verdi from Ge-
nova and Gibraltar, brought 656 civilian
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Arrangements have been made to
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