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VALLEY NEWS SERVICE

# The Daily Capital Journal

Weather Report.  
Oregon: Tonight and Wednes-  
day fair cooler tonight east  
portion; warmer Wednesday ex-  
cept near the coast, continued  
warm in the interior Thursday  
gentle winds, mostly westerly.

FORTY-SECOND YEAR NO. 195.—EIGHT PAGES. SALEM, OREGON, TUESDAY, AUGUST 19, 1919. PRICE TWO CENTS. OREGON AND NEWS STANDS—FIVE CENTS

## AMERICAN TROOPS CROSS BORDER TO MEXICO

### READJUSTMENT OF NATIONAL LIFE TO NORMAL CONDITIONS DEPENDS ON SENATE—WILSON

**President Tells Foreign Relations Committee So-Called Doubtful Provisions Are All Clear.**

**ASSERTS CLAUSES MEAN JUST WHAT OPPOSITION WOULD HAVE THEM MEAN**

**Reservations Interpreting American Point Of View Must Be Kept Separated From Treaty, He Says.**

By L. C. Martin  
(United Press Staff Correspondent.)  
Washington, Aug. 19.—Urging that the senate expedite the ratification of the peace treaty, President Wilson today opened his conference with members of the senate foreign relations committee at the White House by making a long statement in which he said:  
"That the readjustment of our national life to normal conditions absolutely depends on getting the treaty out of the way.  
"That until it is out of the way, the mines, factories and business of the country, both domestic and foreign, will be at a tremendous disadvantage.  
"That Great Britain and other nations that have ratified the treaty will get the jump on the United States in a trade way.  
"That the only obstacle which appears to stand in the way of immediate ratification is doubt about the meaning of certain provisions of the league of nations.  
"Provisions All Clear.  
"That there is no doubt in the minds of those who wrote the covenant that the so-called doubtful provisions mean exactly what the United States senate wants them to mean.  
"The president discussed the effect of reservations on Article X, the Monroe doctrine, withdrawal and domestic questions. He declared there can be no objection to passing a resolution interpreting these provisions from the American point of view, but this resolution, he added, must be kept from the subject of ratification. If it is made a part of the ratification, the president said, it will force the United States to go to Germany begging her to accept our construction of the covenant and that is something, Wilson declared, which he is very reluctant to do.  
"By 10 o'clock, the hour set for the conference, practically every member of the committee was in the blue room of the White House, where the president met them.  
"Text of Message.  
"The text of the president's address follows:

"I am sincerely glad that the committee should have responded in this way to my intimation that I would like to be of service to it. I welcome the opportunity for a frank and full interchange of views.  
"I hope, too, that this conference will serve to expedite your consideration of the treaty of peace. I beg that you will pardon and indulge me if I again urge that practically the whole task of bringing the country back to normal conditions of life and industry waits upon the decision of the senate with regard to the terms of the peace.  
"I venture thus again to urge my advice that the action of the senate with regard to the treaty be taken at the earliest practicable moment because the problems with which we are face to face in the readjustment of our national life are of the most pressing and critical character, will require for their proper solution the most intimate and disinterested cooperation of all parties and all interests and cannot be postponed without manifest peril to our people and to all the national advantages we hold most dear. May I mention a few of the matters which cannot be handled with intelligence until the country knows the character of the peace it is to have? I do so only by a very few examples.  
"Examples Are Cited.  
"The copper mines of Arizona, Montana and Alaska, for example are being kept open and in operation at a great cost and loss in part upon borrowed money; the zinc mines of Missouri, Tennessee and Wisconsin are being operated at about one-half their capacity; the lead mines of Idaho, Illinois and Missouri reaches only a portion of its former market; there is an immediate need for cotton belting and also for lubricating oil which cannot be met for want of raw cotton of which the central empire alone formerly purchased nearly four million bales. And these are only examples. There is hardly a single raw material, a single important food stuff or a single class of manufactured goods which is not in the same class. Our full, normal profitable production waits on peace.  
"Our military plans, of course, wait upon it. We cannot intelligently or wisely decide how large a naval or military force we shall maintain or what our policy with regard to military training is to be until we have peace, not only, but also until we know how peace is to be sustained, whether by the arms of single nations, or by the concert of all the great peoples. And there is more than that of difficulty involved. The vast surplus properties of the armies in clude, not food and clothing merely, whose sale will affect normal production but great manufacturing establishments also, which should be restored to their former uses, great stores of machinery and all sorts of merchandise which must be sold, until peace and military policy are definitely determined. By the same token there can be no properly studied national budget until then.  
"The nations that ratify the treaty, such as Great Britain, Belgium and France, will be in a position to lay their plans for controlling the markets of central Europe without competition with us, if we do not presently act. We have no consular agents, no trade representatives there to look after our interests.  
"Delay Is Dangerous.  
"There are large areas of Europe whose future will lie uncertain and questionable until their people know the final settlements of peace and the forces which are to administer and sustain it. Without determinate markets our production cannot proceed with intelligence and confidence. There can be no stabilization of wages because there can be no settled conditions of employment. There can be no easy or normal industrial credits because there can be no confidence or permanent revival of business.  
"But I will not weary you with obvious examples. I only will venture to repeat that every element of normal life amongst us depends upon and awaits the ratification of the treaty of peace; and also that we cannot afford to lose a single summer's day by not doing all that we can to mitigate the winter's suffering, which unless we find means

**Senate Told It Must Ratify Peace Treaty And Covenant Of League As One Or Reject Both.**

**NEITHER RESERVATION NOR AMENDMENT CAN BE HAD WITHOUT NEW PACT**

**Cross Fire Of Questions Between President And Senators Features Conference Lasting All Day.**

By L. C. Martin  
(United Press Staff Correspondent.)  
Washington, Aug. 19.—The senate must accept the peace treaty and the league of nations covenant as they stand, or reject them utterly, President Wilson told the senate foreign relations committee at the White House today.  
"There can be neither amendment nor reservation in the ratification resolution, if the senate would avoid sending the compact back both to the allies and Germany for reconstruction and acceptance, he said.  
"The president added, however, with reference to Article X:  
"I do hope that we are at liberty, contemporaneously with our acceptance of the treaty to interpret our moral obligations under that article."  
"In a prepared statement to the committee the president also declared there could be no reasonable objections to interpretations accompanying the act of ratification, providing they do not form a part of the ratification resolutions.  
"Conference Drawn Out.  
"The conference between the president and the committee members was expected to last throughout the day. In addition to emphasizing the fact that in his opinion either amendment or reservation would throw the treaty back into the turmoil of new negotiations, the president urged on the committee the imperative need of speedy ratification, declaring that the Austrians, Hungarians and other treaties still to be completed are delayed by waiting disposition of the German treaty and that American prosperity awaits the restoration of peace.  
"Meeting a rapid fire of most searching questions, which went into minute details of the drawing up of his plan for a league of nations, the president answered every inquiry promptly.  
"That article ten may some time impose on this country a compelling moral obligation," the president did not deny, but when the time comes, he asserted, complete freedom of action remains with the United States.  
"The committee's questions were directed in large measure to learning the extent to which the United States is bound to the league, the Shantung settlement and the effect of reservations.  
"Senators Ask Questions.  
"Immediately after the president had concluded his statement senators began questioning him. The questions centered about the league of nations and the effect of reservations.  
(Continued on page six)

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### FULL RANSOM PAID

San Antonio, Texas, Aug. 19.—(United Press.)—Official reports to the headquarters of the southern department here today said the full \$15,000 ransom was paid Mexican bandits for the release of Lieutenants H. G. Peterson and Paul H. Davis.  
According to headquarters here, the formal report of the deliverance of the captured aviators said Captain Leonard Matlock of the Eighth cavalry deposited \$7500 across the line near Candelaria, returning a few moments later he found Lieutenant Peterson. The remaining \$7500 was then deposited. Captain Matlock departed. Returning again he found Lieutenant Davis.  
Major General Dickman's headquarters here refused to comment on rumors of expeditions into Mexico. Statements that the Eighth cavalry was ready to dash across the border were not discussed by the officers.  
El Paso, Texas, Aug. 19.—Eighth cavalry troops crossed into Mexico below Candelaria, Texas, early today in pursuit of the Mexican bandits who released Lieutenants Peterson and Davis for \$15,000 ransom.  
Aeroplane are scouting with the cavalry in an effort to pick up the bandits' trail as Matlock returned safely with the two aviators.  
Colonel George Langhorne at Marfa sent the American troops across the Mexican line in accordance with his standing orders from the war department authorizing such punitive expeditions when he had a "hot trail."  
This was the sixth crossing by Langhorne's men after Mexican raiders during the past two years.  
There is no undue activity among the American armed forces at Fort Bliss here, and General James B. Erwin, district commander, had received no information from Washington that any movement into Mexico on a large scale would take place. However, in view of the tense situation along the border, General Erwin postponed a visit to army camps around Cloudcroft, N. M., and will remain at his headquarters in El Paso.  
Hunt to Be Short.  
The hunt through the bad lands below the Big Bend sector is expected to be over today and the pursuing troops should be back on the American side tonight, according to military officers here.  
Lieutenants Peterson and Davis joined the cavalry and acted as guides in the chase according to an unofficial report reaching here.  
The expedition consisted mainly of the mounted guard led by Captain Matlock which escorted F. M. Fennell, Marfa banker, with the \$15,000 ransom.  
The crossing was made in accordance with a pre-arranged scheme for these

### EIGHTH CAVALRY GOES IN SEARCH OF BANDITS WHO KIDNAPPED FLYERS

#### Ransomed Aviators Join In Pursuit of Outlaws Thru Big Bend Bad Lands.

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### UNITED STATES CONTROL OF YAP ISLAND LIKELY UNDER TERMS OF TREATY

Washington, Aug. 19.—(United Press.)—The United States may obtain control of the island of Yap in the Pacific for naval and communication purposes, it developed today at President Wilson's conference with the senate foreign relations committee.  
Japan's secret agreement with Great Britain for disposal of Shantung and Germany's Pacific islands would not interfere with the United States getting a base in the Pacific, Wilson said.  
American naval authorities have pointed out the importance of the United States having such a base and Wilson said he specified at the peace conference that control of Yap should be reserved for a general conference which is to be held on the ownership and operation of cables.  
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### City Council Washes Hands of Proposition to Establish Municipal Telephone System

A solar plexus blow was delivered municipal telephones in Salem when the council last evening even refused to discuss the matter. And in addition to refusing to talk about it, the council turned down the motion of Alderman Wiest to send E. T. Busselle to Portland August 27 to represent the city at the hearing on telephone rates before the public service commission.  
As the council is now organized, there is but little chance of municipal telephones coming up even for discussion. Alderman Wiest thought the people should have a chance to vote on the proposition just to find out what was wanted.  
Alderman Uffer said that a committee appointed April 21 of this year had investigated, and that it seemed the more the committee heard about erecting a local plant at about \$250,000 and listened to the confusing array of figures, the less it was inclined to favor a city-owned telephone.  
Referring to the answers from the mayors of a number of Oregon cities and their opinions on city-owned telephones, Uffer said he cared nothing for what a lot of mayors said, as they knew nothing about telephones. "Nor did he care what other experts thought of the experiences of E. T. Busselle."  
Wiest wanted each member of the council to come out and talk about municipal telephones. But it seemed all present were prepared to go on record against another phone system in Salem. Volk of the fifth ward and Hager of the first ward spoke briefly against having another telephone system in the city. Wiest said he did not want a city owned telephone unless it could be learned in advance whether the system would be permitted to make physical connection with the old phone and whether a city owned phone would put the Bell out of business.  
The consensus of opinion seemed to be that even if Salem spent a quarter of a million dollars on its own phone,

### U. S. NOT TO RELINQUISH CLAIMS FOR SINKING OF LUSITANIA SAYS WILSON

Washington, Aug. 19.—President Wilson told the foreign relations committee the United States had not waived its claim to reparation for the sinking of the Lusitania, but that the amount of reparation to be awarded America will rest with the reparations commission.  
"The president said he claimed nothing under the general reparation clauses because he "coveted" the moral advantage that that would give us in the councils of the world."  
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### HOUSE ORDERS INVESTIGATION OF SHOE PRICES

Igoe Resolution Requesting Trade Commission Probe Is Passed Today.

### PALMER'S FOOD CONTROL ACT KEEPS SENATE BUSY

Sub-Committee Appointed To Confer With Attorney-General On Measure.

Washington, Aug. 19.—The house today passed the Igoe resolution asking the federal trade commission to investigate shoe prices.  
The senate agricultural committee failed to reach a vote on amendments to the food control act, proposed by Attorney General Palmer, and appointed a sub-committee to confer with Palmer.  
"I doubt very much whether the amendment will be reported out by the committee," Chairman Groves said today. "A majority seem opposed to them. It is possible, however, that they may be modified by exemption farm organizations from proposed penalties."  
The amendments would extend the food control act to cover clothing and would add a heavy penalty for profiteering. Farmers contended their

### STATE'S FRUIT INDUSTRY YET INFANT SAYS PAULUS

Horticultural Society Is Told This Season's Production To Be Record.  
That the latent possibilities of the fruit growing industry in Oregon are realized by but a few of those closest in touch with the industry and that the current year will by a wide margin establish a record in the production of fruits in the state were the outstanding assertions made by Robert C. Paulus, manager of the Salem Fruit Union and vice-president of the Oregon State Horticultural society, in his address before the society at its meeting in Astoria, Saturday.  
Mr. Paulus also cited the formation of the Oregon Growers Co-operative association as one of the big steps forward being taken in the interest of the industry this year.  
"The present season will go down in history as the most prosperous from all standpoints that the grower in Oregon has ever had," said Mr. Paulus. "Not only has there been, in most instances, average or better than average crops, but prices have ruled, in practically all cases, at the highest point ever reached, and fruit growers who for ten years have had mortgages on their places will find themselves out of debt and able to purchase and enjoy a few of the luxuries which their city friends enjoy and which they have had to deny themselves."  
"From the fruit growers' standpoint the season has been a very profitable one and the fruit growing has become a very desirable occupation, with the results that land values are increasing and thousands of families, who have been working in cities, are looking back to a return to the soil for making their living. This cannot help but produce a heavy increase in planting of various kinds of fruits, which will lead to enormously increasing the size of the fruit business in Oregon."  
"There will very soon be in bearing one hundred thousand acres of fruit in Oregon, and increased planting will cause this acreage to double within ten years. The possibilities of the fruit business in Oregon are immense; in fact, those in close touch with the industry believe it has not yet even been scratched."  
"From the manufacturing end of the business, particularly the canning industry, there has been an enormous increase in the number of plants causing fruit

### LOOK WHO'S HERE

What do you think of this?  
The Liverpool, England, Daily Post and Mercury, its leading paper of that great city, under the date of July 12, has the following:  
"The loganberry, a cross between the raspberry and blackberry, is an English fruit that is becoming increasingly popular."  
This surprising information regarding our own loganberry was found in an article in the Liverpool paper, telling its readers what berries were special- ly adapted to jam making.  
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