

5250 CIRCULATION
(25,000 READERS DAILY)
Only Circulation in Salem Guaranteed by the Audit Bureau of Circulations.
FULL LEASED WIRE
DISPATCHES
SPECIAL WILLAMETTE
VALLEY NEWS SERVICE

The Daily Capital Journal

Weather Report
Oregon: Tonight and Friday fair, gentle westerly winds.

FORTY-SECOND YEAR NO. 197--EIGHT PAGES. SALEM, OREGON, THURSDAY, AUGUST 21, 1919. PRICE TWO CENTS

PRESIDENT SAYS PACT MUST BE RATIFIED TO MAKE STATE OF PEACE

Wilson Declines He Has Power To Mend Relations Before Treaty Approved.

Washington, Aug. 21.—Replying to a series of written questions submitted by Senator Fall, New Mexico, President Wilson today declared in his judgment that he has not the power to proclaim a state of peace before the ratification of the treaty by the senate.

The president, in addition to declaring that he had no power to declare peace clearly indicated he would not consent to take such a step if he did have the power. He declared that such a course "would put a stain upon our national honor which we could never efface."

The president also says that renunciation of territory rights by Germany does not carry title to the allies, but does put disposition of the territory in their names.

The Fall questions were submitted at the White House conference between the president and senate foreign relations committee Tuesday.

The president's letter in reply was written yesterday and reads:

"You left yesterday in my hands certain written questions which I promised you I would answer. I am hastening to fulfill the promise.

"I feel constrained to say in reply to your first question not only that in my judgment I have not the power by proclamation to declare that peace exists, but that I could in no circumstances consent to take such a course prior to the ratification of a formal treaty of peace. I feel it in time in perfect frankness to say that it would, in my opinion, put a stain upon our national honor which we never could efface if after sending our men to the battlefield to fight the common cause we should abandon our associates in the war in the settlement of the terms of peace and dissociate ourselves from all responsibility with regard to those terms.

"I suggest that, having said this, I have in effect answered also your second, third and fourth questions so far as I myself am concerned.

"Permit me to answer your fifth question by saying that the provisions of the treaty to which you refer operate merely to establish peace between the powers ratifying, and thus it is questionable whether it can be said that the league of nations is in any true sense created by the association of only three of the allied and associated governments.

"In reply to your sixth question I can only express confident opinion that the immediate adoption of the treaty along with the articles of the covenant of the league as written would certainly within the near future reduce the cost of living in this country and elsewhere, by restoring production and commerce to their normal strength and freedom.

"For your convenience I will number the remaining paragraphs of this letter as the questions to which they intended to reply are numbered.

"7—I have had no official information as to whether Norway, Sweden, Denmark, Holland or Switzerland will join the league.

"8—I answered your eighth question in reply to a question asked me at our conference the other day.

"9—In February, 1917, Spain was requested to take charge of American interests in Germany through her diplomatic and consular representative and, no other arrangements has since been made.

"10—The committee to prepare plans for the organization of the league for the establishment of the seat of the league and for the proceedings of the first meeting of the assembly has been appointed but has not reported.

"11—Article 118 of the peace treaty, part four, under which Germany renounces all her rights to territory formerly belonging to herself or to her allies, was understood, so far as special provision was not made in the treaty itself for its disposition, as constituting the principal allied and associated powers, the authority by which such disposition should ultimately be determined, it conveys no title to those powers but merely intrusts the disposition of the territory in question to their decision.

"12—Germany's renunciation in favor of the principal allied and associated powers of her rights and titles to her overseas possessions is meant similarly to operate as vesting in those powers a trusteeship with respect to their final disposition and government.

"13—There has been a provisional agreement as to the disposition of these overseas possessions whose confirmation and execution is dependent upon the approval of the league of nations, and the United States is a party to that provisional agreement.

Portland Girls "Beat Way" To Los Angeles In 11 Days

Los Angeles, Cal., Aug. 21.—Taken into custody last night, Miss Theresa Bostino and Miss Marie Schrader, 17 and 18 years, respectively, revealed a story of traveling from Portland, Or., to Los Angeles on less than \$10 in 11 days.

According to the story told police they "hiked" and "bummed" automobile rides arriving here two weeks ago in time to "see the ships come in."

Miss Bostino lives at 509 Woodward avenue, Portland.

Bottle-A-Day Plan Of Home Brewer Foiled By Police

Spokane, Wash., Aug. 21.—Charles Durant, of Hillyard, prepared to have his quart of beer a day for the next year, according to deputy sheriffs who raided his building here.

Two trucks brought in 365 quarts of beer and brewery equipment.

TOWN OF WALLACE IS THREATENED BY FIRE

Spokane, Wash., Aug. 21.—With ashes falling on Wallace streets and Missoula seriously fire menaced "out of control" reports are flooding forestry officials from a score of camps in forests in northern Idaho, eastern Washington and western Montana today.

Nine years ago today part of Wallace was a smoking ruin. Forest fires had wiped out scores of homes and 35 men. The mining city today fears another visitation.

Help is being rushed to Missoula from Denver. Smoke in the city is so heavy that business is practically suspended.

The Meadow creek fire progressed 20 miles yesterday, jumping the Selway forest and racing down into the Salmon river country.

The Pioneer creek fire, south of Wallace, is spreading rapidly.

The Selway forest phone system around Kootenai has been destroyed.

Fires are forcing the fighters back. Clearwater and Nez Perce fires are beyond control.

Inland Empire towns have been drained of all available men for fire fighting.

Five Companies Of State Troops Guard Against Renewed Rioting

Washington, Aug. 21.—Protest against the American cavalry expedition into Mexico after bandits who captured two army aviators will be made to the state department today or tomorrow by the Mexican ambassador.

A Mexican foreign office statement, which said Ambassador Bonillas, had been ordered to protest was received in Washington today. The statement said: "Two aviators of the army of the United States, through error, so they state, flew over our territory, landing approximately 112 kilometers to the south of the frontier, where they were captured by a band of twenty bandits. They have now been liberated.

"Some troops of the Eighth cavalry of the United States crossed the frontier in pursuit of the outlaws. The department of foreign relations gave instructions at once to our embassy in Washington to make appropriate representations protesting and requesting immediate withdrawal of the invading troops."

Mexico City newspapers take the view that the solution is to obtain a better understanding between Mexico and the United States. A manifesto issued by the federation of labor at Mexico City urges Carranza to form a representative cabinet and immediately adjust difficulties with the United States. The liberal constitution party has published a circular urging its adherents throughout Mexico to work for a good Mexican-American understanding.

A group of deputies of the Mexican congress plans to petition Carranza to change his policy. The Mexican Herald in an editorial said that the Mexican government is showing disposition to change its policy and urges it to listen to public opinion "which is not in favor of a war."

The American embassy at Mexico City has reported to the state department that the Mexican foreign office has nothing to communicate regarding Dr. A. Guernaga, a Porto Rican, reported to be held for ransom by Mexican rebels in the mountains near Mexico City. The foreign office statement was made in response to an inquiry following representations by this government.

MEXICO TO ASK WITHDRAWAL OF YANKEE TROOPS

Mexican Government Has Confidence In Good Intentions Of President.

PAIR OF KIDNAPPERS CAPTURED IS REPORT

Withdrawal Of Cavalry To "Avoid Difficulties" Merely Suggested.

Washington, Aug. 21.—(United Press.)—Twelve passengers and a brakeman were injured when a northbound fast Norfolk and Western train was derailed a short distance north of here early today.

American Warships Rushed To Honduras; Election On

Vallejo, Cal., Aug. 21.—The United States has rushed warships to the coast of Honduras, fearing an outbreak there. It was disclosed today by Captain E. S. Jackson, who arrived here on the cruiser Tacoma.

Captain Jackson said an outbreak is feared during the coming elections. The cruisers Chicago and Denver are at Ana Palo, Honduras and the Cleveland is waiting at Colon.

There are large American interests in Honduras which would be threatened by an outbreak, said Captain Jackson.

WRECKS INJURES 12

Boyer, Va., Aug. 21.—(United Press.)—Twelve passengers and a brakeman were injured when a northbound fast Norfolk and Western train was derailed a short distance north of here early today.

CARRANZA SOLDIERS HELD FOR ROBBERIES

Losses Of American Oil Companies In Tampico Laid To Troopers.

Laredo, Texas, Aug. 21.—Charges that Carranza soldiers have been implicated in the robbery of American oil companies in the Tampico district have resulted in a number of arrests in Donna Cecilia, a suburb of Tampico, according to reliable information in Nuevo Laredo today.

Mexican secret agents, posing as soldiers, have been working in all remnants in the Tampico district for several weeks. Yesterday agents under Orlos Orozco made the arrests, which are said to include members of the gang which robbed several American sailors from the American warship Cheyenne, recently.

Delayed messages received from Monterrey in Nuevo Laredo today stated a mass meeting held in Monterrey Tuesday night to protest the American punitive expedition south of Cuernavaca was attended by thousands of persons.

Governor Zambrano of Nuevo Leon, in a speech urged there be no violence, but deplored the fact the Americans had entered Mexico. He was enthusiastically cheered.

Dispatches from Mexico City declared that Rafael Nieto, former sub-secretary of the treasury, published an open letter in Mexico City today, declaring that the assassination of Peter Crane, an American recently killed and robbed of cattle on his ranch near San Luis Potosi, was Eleanor Sequerro, a subordinate of General Larraga, Carranza commander. Nieto said the fact was well known in San Luis Potosi and that Larraga's troops had threatened to mutiny.

Sequerro is now sequestered under protection of Larraga on a ranch near San Luis Potosi, the letter stated.

PITTMAN RESOLUTION TO REMAIN ON TABLE SAY DEMOCRAT HEADS

No Vote To Be Taken on Senator's Plan For Settling Treaty Controversy.

By L. C. Martin
(United Press Staff Correspondent)

Washington, Aug. 21.—Senator Pittman's resolution embodying President Wilson's suggestion for peace treaty reservations outside of the resolution of ratification is to lie on the table "indefinitely," democratic leaders said today.

Senator Lodge, republican leader, sent a special call to all republican senators to be in their places when the senate met, in anticipation of a vote on the Pittman measure, but Pittman decided not to call it up today.

Later democratic senators explained that Pittman had never intended to bring it to a vote, although Pittman himself said yesterday he did so intend. He merely introduced it as a suggestion to reservationists, Senator Hitchcock explained.

Mexican secret agents, posing as soldiers, have been working in all remnants in the Tampico district for several weeks. Yesterday agents under Orlos Orozco made the arrests, which are said to include members of the gang which robbed several American sailors from the American warship Cheyenne, recently.

Delayed messages received from Monterrey in Nuevo Laredo today stated a mass meeting held in Monterrey Tuesday night to protest the American punitive expedition south of Cuernavaca was attended by thousands of persons.

Governor Zambrano of Nuevo Leon, in a speech urged there be no violence, but deplored the fact the Americans had entered Mexico. He was enthusiastically cheered.

Dispatches from Mexico City declared that Rafael Nieto, former sub-secretary of the treasury, published an open letter in Mexico City today, declaring that the assassination of Peter Crane, an American recently killed and robbed of cattle on his ranch near San Luis Potosi, was Eleanor Sequerro, a subordinate of General Larraga, Carranza commander. Nieto said the fact was well known in San Luis Potosi and that Larraga's troops had threatened to mutiny.

Sequerro is now sequestered under protection of Larraga on a ranch near San Luis Potosi, the letter stated.

PACKERS DEFENDED AND SCORED IN SENATE TALK

Bitter Charges Against Methods Made By Dr. Lewis H. Haney.

By Raymond Clapper
(United Press staff correspondent)

Washington, Aug. 21.—Charges that the packers through private ownership of refrigerator cars are able to control groceries, canned goods and other commodities, as well as meat shipments in the southwest, were laid before the senate agricultural committee today by Dr. Lewis H. Haney.

Haney, who is director of research and publicity of the Southern Wholesale Grocers' association and former head of the department of economics of the University of Texas, appeared in behalf of the Kenyon packer regulation bill.

He presented to the committee a twenty nine page report to back his statement that private refrigerator cars give the packers undue advantage in shipping, and two petitions, one signed by 200 residents of Chattanooga, Tenn., requesting previously expressed opposition to the Kenyon bill, and a second signed by 1000 residents of San Antonio in support of the measure.

In explaining his statements to the committee, Haney said the packers are able to make deliveries in four days from Kansas City to Gore, Oklahoma, a distance of 311 miles. Using ordinary freight facilities it requires a wholesaler in Fort Smith, Ark., four days to make deliveries to Gore, though the lat-

EXTENSION OF FOOD CONTROL ACT URGED

House Committee Agrees On Inclusion Of Wearing Apparel In Provisions.

Washington, Aug. 21.—(United Press.)—Extension of the federal food control act to include wearing apparel and giving the department of justice power to act against profiteering retailers, were agreed upon by the house agricultural committee today.

The amendments to the war time act will be reported to the house late today and consideration asked tomorrow, Chairman Taugen said.

The committee also agreed to penalties of \$5000 fine and imprisonment for two years as the punishment for hoarders and profiteers, as asked by Attorney General Palmer, but withheld authority to act against farmers and farm organizations.

The program of allowing the president to fix prices on all commodities was rejected.

Authority to reach retailers and other little profiteers was given.

Senator Walsh, Massachusetts, today proposed an attack on the profiteers from a new angle in a resolution directing the president to make available to a proposed senate committee income tax data showing profits of large corporations and business concerns.

Walsh's resolution stated that the names of concerns who "took advantage of the distressed condition of their country during the war to amass wealth" should be known to the public.

Walsh further asked for the names of "dollar a year" men and other government employees who directly or indirectly obtained government contracts during the war.

Swansea, Wales.—Drums of mustard gas washed ashore here caused several bathers to be badly burned and gassed.

STEARNS DENIES FEW FIRMS WERE FAVORED

Claims "Cost Plus" Corporations Furnished Little Airplane Spruce.

Seattle, Wash., Aug. 21.—Less than eight per cent of the airplane spruce produced during the war came from four favored corporations, which employed soldier labor, it developed from the testimony of Colonel C. E. Stearns, former chief of staff in spruce production division under Brigadier General Brien P. Disque, at the hearing before the congressional investigating committee today.

The balance of the spruce destined for airplane construction—82 per cent—was turned out by private mills and logging camps which had to cope with I. W. W. sabotage and other forms of industrial unrest.

The four "cost plus" corporations that turned out less than 8 per cent of the total spruce production were the Siem's-Carey-H. S. Kerbaugh corporation, Warren Spruce company, Airplane Spruce company, and the Grant Smith-Porter Brothers company.

Colonel Stearns' admission that the four "cost plus" companies produced only 7.4 per cent of the airplane spruce during the period of the war—a year and seven months—was gained after a spirited cross examination of an hour and a half by Representative W. W. McGee of New York.

"The United States will not be out of pocket more than \$12,000,000 as a result of the activities of the spruce division," Colonel Stearns told the committee.

"I have here a salvage statement issued by the spruce division," Representative McGee informed the witness. "It says here that railroad construction that takes it."



IMMENSE PEARL HARBOR DRYDOCK IS DEDICATED

Mrs. Josephus Daniels Officially At Opening Of Gates This Morning.

By M. D. Tracy
(United Press staff correspondent)

Honolulu, Aug. 21.—Mrs. Josephine Daniels, wife of the secretary of the navy, pressed a button shortly after 10 o'clock this morning, opening the gates of Pearl Harbor drydock.

Hundreds of whites, Hawaiians and Japanese witnessed the ceremony that, according to Secretary Daniels, marked the opening of a new era in the history of the Hawaiian Islands.

Secretary Daniels in the chief address of the ceremonies, declared the dock will be open to merchant ships as well as ships of war. He said he expected make Pearl Harbor one of the world's greatest marine stations.

Daniels appeared draped in flower wreaths, according to the quaint old Hawaiian custom. The wreaths had been placed across his shoulders upon his arrival. They signified friendship. Mrs. Daniels was also decked with long wreaths of brilliant native flowers.

A feature of the reception given the super-dreadnaught New York, which brought Daniels and his party here, was a duplication of the welcome given the first American warship which visited the islands nearly a century ago. Scores of native outrigger canoes met the New York in the harbor and preceded it up the channel. In this parade was Duke Kahonamoku, the swimmer, riding in the same canoe in which King Kamehameha greeted the first American warship.

The huge naval drydock, dedicated today at Honolulu is large enough to dock the largest warship now afloat or in contemplation. It represents an expenditure of \$9,000,000 and ten years of construction work.

The structure has been one of the most difficult engineering projects ever undertaken by the navy. It was practically completed in 1913, and was being pumped out, when it was twisted into a shapeless mass by the pressure of water.

It was reconstructed on a still larger scale. As completed, the drydock is 1061 feet long, 32½ feet deep and 138 feet wide at the top.

TRAIN HELD UP
Nashville, Tenn., Aug. 21.—Three masked bandits held up a Louisville and Nashville passenger train between Columbia and Pulaski early today and escaped with valuable mail and express packages.

DYERS AND CLEANERS STRIKE
Chicago, Aug. 21.—Seven hundred union dyers and cleaners went on strike here today closing scores of shops and throwing 2000 persons out of work. Dyers want \$50 a week, while cleaners want \$40. Both have asked a closed shop.