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GERMANY REFUSES PROPOSAL

WILL NOT ASSENT TO USE OF HER MERCHANT SHIPS BY THE ALLIES.

COUNTER PROPOSAL HAS BEEN OFFERED

Will Release Ships in Return for Definite Promise That Enough Food Will Be Sent to Germany to Offset the Bolshevik Movement—Negotiations Temporarily Halted.

(By Associated Press to The Observer)

PARIS, March 7.—Germany has refused the proposal for use of her merchant ships by the allies made to her by the armistice commission at Spa. The Germans made a counter proposal that they will release the German ships desired in return for definite assurance that enough food will be sent to Germany to enable the government to withstand the Bolshevik movement.

Temporarily Halted.
LONDON, March 7.—A German wireless message says that negotiations at Spa regarding the shipping questions have been temporarily called off.

BONDS STOLEN IN NEW YORK

(By Associated Press to The Observer)
NEW YORK, March 7.—Robbers operating in the brightly lighted corner of the Adams Express company building on lower Broadway, today robbed a broker's messenger of \$50,000 worth of Liberty bonds and other securities. The messenger boy is said to have been badly beaten.

COXEY'S ARMY TO MAKE FIGHT

(By Associated Press to The Observer)
NEW YORK, March 7.—General Jacob Coxey declared here Thursday that he proposes to lead another "army" to Washington as a protest against national prohibition. He has decided, however, that he will not go on foot, but will travel in a touring car and motor transportation will be provided, he said, for all his cohorts.

COLORADO SENATE INDORSES LEAGUE

(By Associated Press to The Observer)
DENVER, Colo., March 7.—The senate today adopted a resolution favoring the adoption of the League of Nations.

STARVATION AND DISEASE WORKS HAVOC IN RUSSIA

LONDON, March 7.—Starvation prevails throughout Bolshevik Russia and is killing off the population by thousands. Diseases due to under-nourishment are rampant and food is so scarce in Petrograd and Moscow that cats sell for \$1 each. The undertakers cannot cope with conditions as there is not enough wood for coffins. The British government received these reports within the last week from British subjects recently returned from Russia.

COAST TROOPS HAVE LANDED

LATE ARRIVALS INCLUDE AERO SQUADRONS.

Two Steamships Reached New York Today With Large List of Returning Veterans.

(By Associated Press to The Observer)

NEW YORK, March 7.—With 2500 troops, who are members of various aero squadrons the steamship Meacham arrived from St. Nazaire today. Forty-four hundred more arrived from St. Nazaire on the Magnolia, including three officers and one hundred and sixty men from the 316th trench mortar battery of the 91st division and national army troops from the Pacific coast.

DOES NOT ACCEPT THE RESIGNATION

(By Associated Press to The Observer)
AMSTERDAM, March 7.—Chancellor Scheideemann handed in his resignation to President Ebert to enable the president to have a free hand dealing with the present situation. President Ebert declined to accept the resignation and asked the cabinet to remain in office.

SHOE FACTORIES TO QUIT

Seventy Thousand Swedes to Be Idle as Result, It Is Said.
WASHINGTON, March 7.—Seventy thousand Swedish shoe workers will be thrown out of employment April 15 by suspension of operation in all shoe factories of the country.

JEWIS OBJECT TO SEPARATE NATION

(By Associated Press to The Observer)
PHILADELPHIA, March 7.—A statement signed by 300 prominent American Jews, setting forth their objections to the organization of a Jewish state in Palestine as proposed by the Zionist societies in this country and Europe, to be presented to the peace conference in Paris, was made public here Tuesday night. Objections to the segregation of the Jews as a nationalistic unit in any country is also made in the statement, which will be presented to the peace conference by Representative Julius Kahn of California.

MORE DESERTIONS TO SPARTACANS

(By Associated Press to The Observer)
LONDON, March 7.—A German wireless dispatch says that part of the Second guards regiments and the Guard Fusiliers regiment have gone over to the Spartacans. The reported strike may end today as a result of a compromise reached at Weimar.

Young Man Injured in Box Factory at Palmer Lumber Mill

Clarence Campbell, a young man about 16 years old, will go through life minus a thumb and finger from the right hand, due to an accident that occurred yesterday while he was working in the box factory at the George Palmer mills.

ISLAND CITY M & M CO. CHANGES HANDS

Business men of La Grande will now agree that anything may happen in the business world, for today Fred J. Holmes made public the information that the Island City M. & M. company had passed to the ownership and management of a new corporation to be known as the Oregon Hardware & Implement company, with H. K. O'Brien and Edward L. Holmes of Wallawa as active managers and principal stockholders.

which he has held so long and which is so well known to everyone in Eastern Oregon, Mr. Holmes remarked: "I have hit the ball for a good many years. The ups and downs have been many, but throughout it all I have had a good time in business. From now on I am going to kick up my heels, as it were, and take life easy. It is time for the younger men to do the business and I have been very fortunate in securing young men that are the right kind to take over a business which I have nursed and looked after until it has almost become a part of myself. To the multitude of customers of the company I wish to say that the new managers will be on the job every minute and the best of service will be given, while at the same time the co-operation of the company which has long been in existence to every customer will not be in any way diminished."

AMERICAN RED CROSS MEMBERS ENDANGERED IN BERLIN FIGHT

(By Associated Press to The Observer)
LONDON, March 7.—When the Spartacans captured the telegraph office in Berlin yesterday, members of the American Red Cross missions, endangered by the shooting, took refuge in a hotel behind the battery of machine guns. The fighting was the worst Berlin has seen. Between two and three hundred were killed. The government forces are attacking successfully today.

DROWNED IN SANDY RIVER

(By Associated Press to The Observer)
PORTLAND, March 7.—Mrs. J. R. Norton of Hood River, was drowned in the Sandy river today, when the automobile driven by her husband went down an embankment into the river. He swam ashore.

YANKEE HEROES HOME

New York Soldiers Who Helped Break Hindenburg Line Have Returned.
NEW YORK, March 7.—Fourteen thousand New York soldiers, members of the famous 27th division, who proved that the "impenetrable" Hindenburg line could be broken, arrived here yesterday on the Transports Leviathan and Mauretania.

TRY TO BOMB SYNAGOGUE

SALONIKI, March 7.—An anti-semitic movement of serious proportions in Bulgaria is reported in the Jewish newspaper for 13 liberal, Saturday, February 15, which was found in the central Jewish synagogue in Salonika. It was found to contain a list of names of Jews who had been killed and a number of names of Jews who were being persecuted.

SPARTACANS CUT PHONE WIRE

(By Associated Press to The Observer)
COPENHAGEN, March 7.—The police headquarters at Berlin, besieged by the Spartacans for two days, was cut off from all communication with other government forces yesterday when the Spartacans cut the telephone wires. Eight were killed and a number wounded in the fighting Thursday.

NEW STOCK YARDS RECORD

(By Associated Press to The Observer)
ATLANTA, Neb., March 6.—The Omaha stockyards broke all records for receipts during the month of January with a total of 449,301 head.

MORE LEAVE FRANCE

Five Transports Sall From Brest for Home Ports.
WASHINGTON, March 7.—Five transports, bringing home 242 officers and 6610 men, sailed from Brest, Marselles and Bordeaux Monday for New York. The ships are the Francesca, Italia, Hollandia, Agamemnon and Awa Maru.

STUDENTS SUSPENDED

Stanford Men Who Held Parade in Women's Garb Let Out.
STANFORD UNIVERSITY, Palo Alto, Cal., March 7.—Suspension of forty-three male students until the opening of the fall semester in October was ordered today by the student affairs committee of Stanford university because of a Washington's birthday parade held by freshmen in women's garb.

WYOMING IS A YOUNG STATE WITH YOUNG BLOOD AT THE HELM

CHEYENNE, Wyo., March 7.—Robert D. Carey, governor of Wyoming, is no exception to the precedent that young men have been in charge of state affairs since Wyoming entered the union. Only four of the eleven governors the state has had were 50 years of age when inaugurated. J. M. Carey, father of the present governor, was the oldest governor the state had, being 66 when inaugurated. Governor Carey is 49 years old.

LEVIATHAN BRINGS 10,000

NEW YORK, March 7.—The steamship Leviathan with troops of the 27th division docked yesterday. The troops on the Leviathan number more than 10,000.

116th ENGINEERS WILL RETURN

OMAHA, March 7.—The 116th engineers reached this city Thursday, on their way to Fort Collins, Colo., where they will be mustered out. The unit will reach Fort Collins today, and the 10th men expect to be discharged within three or four days. The men are all well and anxious to reach their home towns.

OLCOTT WANTS NO CHANGE IN THE HIGHWAY COMMISSION

(By Associated Press to The Observer)
SALEM, March 7.—Immediately after his arrival in office today Governor OLCOTT perforce his first official act by dispatching a message to R. A. Booth, asking him to reconsider his announced decision to resign from the state highway commission. The governor hopes to keep the commission with the same personnel as is, and has announced that he will appoint a commission of W. L. Thompson of Pendleton, as that was the late Governor Withycombe's intention. Justice McSide administered the oath of office to OLCOTT who overcame with emotion during the administration of the oath of office.

SINNOTT HEAD OF COMMITTEE

OREGON CONGRESSMAN IN LEAD ON PUBLIC LANDS.

Agreement Reached on the Organization of the Next Congress and Important Places Filled.

(By Associated Press to The Observer)

WASHINGTON, March 7.—With every important committee chairmanship settled, Republican leaders on the committee on committees yesterday completed the foundation of the house organization for the next congress, but held in abeyance selection of the floor leader, whip and steering committee. Strict application of the seniority rule prevailed in the assignments, including the chairmanships.

HEADS OF IMPORTANT COMMITTEES

Among the important chairmanships determined Thursday were: Banking and currency, Platt of New York; public lands, Sinnott, Oregon; education, Fess, Ohio; insular affairs, Towner, Iowa; public buildings, Langley, Kentucky; immigration, Johnson, Washington; Indian affairs, Snyder, New York; territories, Curry, California.

NORMAL PRICES ARE PREDICTED

(By Associated Press to The Observer)
WASHINGTON, March 7.—A general tendency toward a restoration of a normal price level is foreseen by Secretary Redfield. The industrial board to determine fair prices met for the first time today.

WEATHER FORECAST

PORTLAND, March 7.—Fair, moderate southwesterly winds.

99 PER CENT SHELL SHOCKED RECOVER

American Soldiers Stand This Type of War Injury Better Than Those of Other Nations.
NEW YORK, March 7.—Ninety-nine per cent of all shell shock cases in the American army in France completely recovered, according to Col. Thomas Salmon of New York, chief medical officer in charge of such soldiers, who returned Thursday on the Leviathan.

WILL STOP THE RATIFICATION

(By Associated Press to The Observer)
PARIS, March 7.—If the Irish question is not settled by the peace conference, friends of Ireland will stop ratification of the League of Nations in the American congress, John O'Kelly, delegate of the provisional Irish republic to the peace conference, declared today. He expressed a doubt that the league will be formed.

SEC. BAKER TO GO TO FRANCE

(By Associated Press to The Observer)
WASHINGTON, March 7.—Secretary of War Baker will sail for France about April 1 to be absent a month to close up the business operations of the expeditionary forces. Many big projects remain to be settled as the result of the presence abroad of millions of American soldiers.

YOUNG MEN IN CHARGE

Wyoming Is a Young State With Young Blood at the Helm.
CHEYENNE, Wyo., March 7.—Robert D. Carey, governor of Wyoming, is no exception to the precedent that young men have been in charge of state affairs since Wyoming entered the union. Only four of the eleven governors the state has had were 50 years of age when inaugurated. J. M. Carey, father of the present governor, was the oldest governor the state had, being 66 when inaugurated. Governor Carey is 49 years old.

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OCCUPIED GERMANY OVERRUN

THE RESIDENTS OF UNOCCUPIED PORTIONS OF COUNTRY SEEK A ZONE OF SAFETY

AMERICANS ADOPT A RULE OF RESTRICTION

All Who Seek to Enter the Occupied Portions Must Be Provided With Passes and These Are Admissible Only on Grounds of Urgent Business.
COBLENZ, March 7.—Disturbances in Berlin and other parts of unoccupied Germany have resulted in such an increase in the number of civilians eager to reach the occupied area where conditions are more normal that the Americans have been compelled to prevent the Germans overreaching the occupied region along the Rhine.

WORK TO BEGIN AT PENDLETON

PENDLETON, March 7.—Work on two new wings for the St. Anthony's hospital to cost \$150,000 will start about April 1 according to Sister Superior Regula of the Sisters of St. Francis. Architect L. Beezer of Beezer Brothers of Seattle returned last night after spending a day looking over the hospital. His firm will commence on the plans at once and work will be rushed to completion.

HUNS MUST PAY UP FIRST

French Socialist to Ask No Tax Be Demanded of French.
PARIS, March 7.—The radical socialist group of the chamber of deputies, the largest group in that body, held a meeting yesterday to discuss the attitude it would assume in tomorrow's financial debate and unanimously agreed that no tax should be demanded of the French taxpayer before Germany was obliged to pay the utmost she was able.

TWO UNIONS VOTE AGAINST STRIKE

(By Associated Press to The Observer)
SEATTLE, March 7.—Two unions have voted to return to work. Others are balloting, and the results will be announced tomorrow.

HUN OFFICERS MUST SALUTE

COBLENZ, Germany, March 7.—All German officers and men on duty in the zone occupied by American troops must wear uniforms when they appear in the street, according to an order effective Thursday, issued by General Dickman. The order is a result of tendency on the part of certain German senior officers to wear civilian clothes to evade a general order to salute all American officers. The German claimed that it was distasteful for German officers of rank to have to salute American lieutenants.

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