

HUN REPLY BALKS OVER MAIN TERMS

COUNTER PROPOSALS TAKE ISSUE ON NEARLY ALL IMPORTANT PHASES

ITALIAN DIFFICULTIES ARE REPORTED SETTLED

Conservative German Press Condemns the Counter Proposals as Being Suicidal—People Doomed to Slavery Until a New Germany Arises to Break the Chain

(By Associated Press to The Observer)

Germany made a formal reply today to the treaty terms presented to her on May 7. The German counter proposals appear to take issue with the allies on nearly all important phases of the treaty, according to the published summaries. Count von Brockdorff-Rantzau, will leave for Spa as soon as the council of four receive the proposals.

Dispatches indicate that an agreement has been reached by the council of four on the Adriatic and Flume questions. The understanding appears to include the making of Flume an independent municipality; certain Dalmatian islands to go to Italy, but it is understood she is not to get the ports of Zara and Sebenico.

Premier Lino has issued a statement attacking Bela Kun, chief of the Hungarian soviets. Leno asserts that "Moscow is the center of the world revolution and must be obeyed."

Conservative Germans Protest BERLIN, May 29.—The conservative German press condemns the counter proposals as suicidal. The Post says: "The German people are doomed to slavery between two masters until a new Germany arises to break the chains."

J. F. OAKLEY IS UNDER ARREST ON SERIOUS CHARGE

J. F. Oakley was arrested yesterday on a warrant sworn out by L. C. Smith, who for the past two years has been employed by him as bookkeeper at his garage on Fifth street. Bonds were fixed at \$1,000 and he is being given a hearing this afternoon before Judge A. C. Williams. The warrant for Oakley's arrest was sworn to by Smith following the examination of his books by an expert. The alleged defalcations are said to have extended over a period of about twelve months.

WANTS INCREASE MADE PERMANENT

WASHINGTON, May 29.—N. C. Kingsbury, vice-president of the Bell Telephone company, urged the senate interstate commerce committee today to enact permanent legislation validating the increased telephone rates and placing the system under federal regulation to prevent financial embarrassment when it is returned to private ownership.

YAWTER NAMED ON BOARD OF REGENTS

SALEM, May 29.—Governor Elliott has named Y. M. Yawter, cashier of the Jackson County Bank, of Medford, as a member of the board of regents of the University of Oregon to succeed W. H. Goss, of Medford, whose term has expired.

AUSTRIA COMPLETES TERMS SATURDAY

PARIS, May 29.—The treaty session to inform the nations which broke relations with Austria, of the Austrians peace terms, has been postponed until Saturday when the treaty will be completed.

KOLCHAK AGAIN DRIVES ONWARD

PARIS, May 29.—Dispatches received in Paris Tuesday announce the reversal suffered by the forces of Admiral Kolchak, the anti-Bolshevik commander in Russia, was effective only temporary and that Kolchak's army again are advancing against the Bolsheviks, who are falling back on the Volga line.

WON'T LET ARMY GO ACROSS TEXAS

EL PASO, Tex., May 29.—Gov. Hobby has withdrawn his approval of sending of Mexican troops through Texas en route from Sonora to Juarez to campaign against Villa, according to a telegram signed by him and received by State Senator Dudley here Tuesday night. The telegram says the governor regrets having given his approval and has withdrawn it, in view of information sent him Tuesday by Dudley in a protest against the proposed action, which was approved Monday at the request of the state department, on petition of the Mexican government.

WEATHER FORECAST

PORTLAND, May 29.—For Oregon. Probably showers tonight; Friday, fair; moderate westerly winds.

AN EPIDEMIC AMONG BABIES

MANY DEATHS IN AN INFANT HOME IN PORTLAND

Total of Fourteen Babies Have Died Within Two Weeks, Twelve Others Suffering.

PORTLAND, May 29.—Two babies died last night at the Waverly Baby Home from an epidemic of dysentery of mysterious origin, making a total of fourteen infants who have died in the past two weeks. Twelve others are suffering from the trouble. All the other babies at the home were removed today to another building. The Red Cross, Vancouver Barracks and local surgeons furnished equipment and aid.

BOLSHEVIKI DISCIPLINE IS SEVERE

OMSK, Siberia, (Correspondence of the Associated Press).—There are many spies among the soldiers in the Bolshevik army on the Ural front, according to an engineer who has investigated conditions there. He says that the discipline of the Bolshevik army is severe and effective and is strengthened by the reign of fear caused by the operations of these spies. The custom, he said, was to make the Lefts and Jews commissioners in the army and these commissioners ruthlessly shot down any officers and soldiers suspected of intrigues or double-dealing or whenever there was an error in strategy.

MEXICANS BOUND OVER TO JURY ON ROBBERY CHARGE

Sheriff Warnick came in Tuesday night from Palmer Junction with two other Mexicans who are alleged to have been implicated in the robbery of the post office store at that place last Friday. The two prisoners were given a hearing yesterday morning before E. W. Eastman, U. S. Commissioner, and were committed to the grand jury under bail at \$10,000 each. It was stated that here yesterday to take them to Pendleton. The official will sit at Pendleton to pick up the third member of the trio of alleged robbers, who was arrested there Saturday and placed under bail at \$2,000.

NOTE TO FRENCH AT LIEBOW ON MOUNTAIN

Dr. A. Lincoln Shatt, noted Methodist preacher and Centenary lecturer, will preach Sunday, June 1st, at Liebaw. The service will be held at 11:00 a. m.

HAINES BANK ROBBED YESTERDAY POLICE HUNT LONE HOLD-UP MAN

CASHIER WRIGHT AND STAFF LINED UP AGAINST THE WALL, WHILE ROBBER POCKETED CASH AMOUNTING TO OVER THREE THOUSAND DOLLARS.

Cash to the amount of \$3,115 was taken from the Haines bank in a daylight robbery yesterday afternoon about 4 o'clock by a man believed by the police to be Charles Conners, aka Charles Burke, who broke jail at Pendleton last Sunday, May 25th, in company with the Mexican who had been arrested for post office robbery at Palmer Junction. The Mexican was recaptured but Burke got away. The robbery occurred just after the bank had closed for the afternoon and before the clerks had had time to get their cash put away. The hold-up man entered the bank and held up Charles Wright, the cashier, and his staff at the point of his gun, gathered up a tidy sum in cash and then left town again in the taxi in which he had evidently made the robbery very quietly, for the taxi driver, sought to have no idea of the character of his passenger. The driver told the police at Baker that the man alighted from his car at Second street in Baker and shortly afterward left in another car in the general direction of Eagle Valley.

The description sent from Haines of the robber fits almost exactly the description sent out by Sheriff Taylor of Pendleton, of the man Burke, who escaped from the jail there Sunday. He was about 23 or 24 years of age, medium height, of a light, sallow complexion, hair cut military fashion, slanted cheeks, consumptive, a red spot on his nose, and an inveterate cigarette smoker. He had been in the army and it is thought he may try to secure an army uniform again. Burke had been jailed at Pendleton on a forgery charge, and \$25.00 reward had been offered for him after his escape Sunday.

Bank Force Was Stunned. The bank force was completely stunned when they realized that a robber was standing before them. He had come in, it was said, representing himself to be a government official, and had thus obtained admittance into the cashier's department.

WASHINGTON PIONEERS SEATTLE, May 29.—Pioneer Washingtonians from all parts of the state are expected to come to Seattle for the annual reunion of the Pioneer Association of the state of Washington June 3 and 4. The reunion will be held at the Pioneer Home on the shore of Lake Washington. Many former residents now living in other states are expected to attend.

CANADIAN VETERANS PLAN CONVENTION

Winnipeg, Man., May 29.—Great War Veterans associations of Canada are in communication with like associations in other parts of the British dominion concerning a world convention next year in South Africa, which is regarded as the most central meeting place in the empire. It is understood an international association of war veterans is being considered. Statements have been made in view of the fact that soldier sacrifices made victory possible, the soldiers should formally outline their views on soldier relief, reconstruction, peace conditions and other measures. The National Union of Mutilated and Restored Soldiers of France has exchanged greetings with the Dominion Great War Veterans association. The Union is expected to send delegates to the proposed one world convention.

JAPAN SURRENDERED

TOKIO, (Correspondence of the Associated Press).—Several political groups in the House of Peers have joined in an indictment of the government's foreign policies, especially toward China. As a result, the Peers expressed their opinion that the peace question is of importance equal to the Chinese question, and that the real injury which Japan suffered at Paris was the disclosure of Chinese antagonism. The Peers expressed the view on the Russian question as follows: "What about our policy towards Siberia? America's plans are fast being carried out and as a result of America's success in Siberia it is possible that the peace of the Orient will be destroyed. But there is one among the government authorities here who can clearly answer the question what shall be done with Siberia." As far as Korea is concerned the Peers said that the government should establish a permanent policy of befriending the Koreans, so as to give them ease of mind and contentment.

RANDY BELIEVED TO BE MAN ESCAPED FROM JAIL AT PENDLETON ON SUNDAY LAST.

Cashier Wright and Staff Lined Up Against the Wall, While Robber Pocketed Cash Amounting to Over Three Thousand Dollars.

Not long ago when L. L. McKennon, of La Grande, visited Cashier Wright, who is a son-in-law of Mr. McKennon, the subject of bank robbing was discussed and Mr. McKennon suggested that Haines might be one of the favored points for the professionals who were then operating in coast cities. Cashier Wright assured his father-in-law that there was apparently no danger of such a venture, and that the bank was well insured against such things.

It is probable that when Mr. Wright looked into the barrel of the robber's gun yesterday afternoon he recalled the remarks of Mr. McKennon. La Grande Robbery Might Connect. With the loss of several highly bred saddle horses, which were stolen night before last from the Hunt club, it was thought when the Haines bank robbery was pulled yesterday afternoon that possibly the robbers had "staked the horses in order to have mounts handy after robbing the bank. Developments today hardly justify that belief, and it would seem that the robbery was committed by someone who is trusting to the speed of automobiles rather than horses.

Officers Guarding All Roads. Eastern Oregon highways are being guarded today in all directions and especially between Union and Baker counties. With information from the Baker taxi driver that the robber started for Eagle valley the help officials that he will not go to Eagle valley, at all, but after journeying towards that place leave the road and make it back over the mountains into the Grande Ronde valley where he has a chance to get all transportation and leave the country.

CITY BOARD MET SHORT HANDED

Application for a permit to close the Jap house on Adams avenue, across from the post office, was the only matter which concerned the city commissioners in any extent at their meeting last night. Commissioners McCann and Brandy held the handling of the business, in the absence of Dr. H. S. Browning, president of the board, who is away on a holiday.

The application for the removal of the building was made by the owner, H. C. Lawler. The space which the building now occupies was used as a store for a new garage which was to be moved to the building down to Second street. Mr. Lawler wishes to move the garage to Adams, and the commissioners agreed that today they could look into the best way in which the removal of the building might be handled.

START FROM LISBON MAY BE TOMORROW

BREAST, May 29.—The NC-4 will probably start from Lisbon tomorrow, if the weather permits, so as to arrive in England on Memorial Day, according to a message picked up by a ship here.

EIGHT MISSING FROM FIRE AND EXPLOSION

SEATTLE, May 29.—A system of recruiting new in the northwest receives its initial try-out in Seattle and southwestern Washington this week. Major Joseph Kemp, in charge of a detachment of four officers and thirty-four enlisted men, will conduct a recruiting campaign in motor trucks, visiting Everett, Tacoma, Olympia, Chehalis, and Centralia, winding up at Camp Lewis. The recruiting detail assembled in Seattle today and after two days stay during which parade and band concerts will be given, a tour of the northwest lasting three weeks will be commenced. The first of the infantry band of 25 pieces will accompany the detail and fourteen army trucks will carry tentage and other supplies. A radio truck, tank truck, kitchen and a five-ton tractor used in towing guns of heavy caliber, will be taken along.

DEMORITION OF HOTEL TOWER

PARIS, (Correspondence of the Associated Press).—The Eiffel tower has joined the ranks of the demobilized—its military role being ended although its wireless telegraph station will be maintained and indeed strengthened to bring it equal to the German post at Naumen. It will be accessible to tourist visitors after being unapproachable for over four years. During the war a dozen machine guns were mounted on the highest platform as protection against air attacks. On the first platform were four inch guns and searchlight, and later a powerful siren to give warning against air raids.

YANKEES MAY MOVE TOWARD BERLIN

COBLENZ, May 29.—General Payne, group commander of two French armies of occupation, arrived here on Monday for a hurried conference with Lieutenant-General Hunter Liggett, regarding the emergency plans of the allies in the event the Germans refuse to sign the terms of peace. The activity among the troops within the bridgehead area has been more marked during the last few days than at any time since they reached the Rhine. The American doughboys are preparing for action some of them stating that in the near future they will probably be moving in the direction of Brandenburg gate, Berlin, or toward the statue of liberty in New York harbor.

ARGENTINA DEPORTS ALL ANARCHISTS

BUENOS AIRES, May 29.—As the result of another roundup of anarcho-syndicalist agitators Saturday, the number of deportations aboard two army transports has increased to 800. Agitators who are natives of Argentina are being sent to the prison on the island of Terra del Fuego. The government refuses to say how many Argentinians are involved.

L. BRAZILLE IS LAID TO REST

RANCHER OF COVE PASSES ON—WAS OLD RESIDENT

Deceased Well Known Throughout the County and Skoed High With All

Today the last respects were paid the earthly remains of L. Brazille, of the Cove country who died Tuesday night after a long illness. The funeral today was held by immediate relatives and friends but was largely attended by people of the Grande Ronde for Mr. Brazille had resided here for many years and stood very high among his neighbors. He was a very successful rancher and has been identified with the progressive movements of Union county.

He was a man of first convictions, a leader in his community and was ever active in the support of any movement where one hundred per cent Americanism is needed. Coming to Union county from Illinois a number of years ago he at once took up the spirit of the great west and fitted into the general scheme of life on this side of the mountains. He made a good Grande Ronde valley home, that which there is no better.

Pears to Represent Oregon K. of C. at Buffalo Convention

Returning home this morning from Portland where he had been attending the state convention of the Knights of Columbus J. H. Pears expressed considerable pleasure at the different things done by the K. of C's, one of which was to make a substantial donation to the Joanne D'Arc home for girls. All officers of the state organization were re-elected and the increase in membership in the Knights of Columbus permitted the choosing of an associate representative to the Supreme council which meets at Buffalo in August. Mr. Pears was elected to that honorable position. Before adjournment the convention endorsed the Salvation Army drive now on in Oregon.

COMMUNITY CHORUS WILL GO TO COVE TONIGHT

The La Grande Community Chorus will give a concert at Cove tonight, their program consisting of popular and classic songs. Popular prices will be charged. Three numbers by Cove talent will be given, and the balance will be largely chorus work. The members of the chorus will meet promptly at 6:30 o'clock at the Presbyterian church, where plans in cars will be provided for them. A full attendance is requested by the president.

PRESENT PAINTING TO ABERDEEN

ABERDEEN, Wash., May 29.—Children of Samuel Benn, founder of Aberdeen, on next Wednesday will present to the city of Aberdeen a painting of their father. The picture will be hung in the new executive chamber of the Aberdeen city hall. Mr. Benn, aged eighty-five, is still hale and hearty.

FURTHER TROUBLE IN MEXICO

SOUTHERN MEXICAN RAILROAD SEIZURE BY REVOLUTONARIES

TRAIN WAS DYNAMITED, NEARLY FIFTY KILLED

WASHINGTON, May 29.—Revolutionary outbreaks buffeted large in advance Wednesday from Mexico City. General Ernesto Daza, a major, four other officers and 49 men composing a train guard on the Tehuantepec railroad were killed recently in an attack by rebels under Felix Diaz command.

The train was dynamited by the rebels. In written notices scattered broadcast, the rebels say they intend to stop all traffic on the Isthmus line and the line from Mexico City to Vera Cruz but that they do not wish to kill or injure innocent men.

Block houses built along these lines to protect transportation are destroyed by the rebels as fast as they are built, according to these reports. The troubles in the south, coupled with the fact that Villa's activities in the north have necessitated sending troops to campaign against him, have reacted in the capital seriously, it is reported. Military guards in Mexico City have been doubled and machine guns have been placed on the roofs of the national palace and the cathedral.

Permission is Withheld WASHINGTON, May 29.—Caranza has been notified that permission for the passage of Mexican troops through American territory will be withheld for the present. Caranza had asked to have 2000 men from Agua Prieta to Juarez for operation against Villa. The United States believes the force will not be able to protect American citizens in northern Mexico. This attitude might be altered if Caranza could show there was greater necessity for his men at Juarez than at Agua Prieta, where the Yaqui Indians are becoming troublesome.

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