

GERMANS NUMBERED BY WAR REVERSES

Overtures for Peace Engage Attention of Leaders.

AUSTRIAN EMPIRE PASSING

Emperor Carl Declared Resigning Himself to Inevitable Break-Up of Dual Kingdom.

BY ARNO DOSCH FLEUROT. (Staff Correspondent of the New York World. Copyright by the Press Publishing Company, the New York World. Published by Arrangement.)

COPENHAGEN, Oct. 19.—(Special.)—The Vorwarts says the reply of President Wilson to the peace overtures by Germany was the subject of a detailed discussion by the war cabinet in Berlin on Thursday.

Prince Maximilian, the Chancellor, presided. Statements were received from the military commanders. Several days may elapse before another note may be completed. Members of the Bunderrat have been consulted in the matter.

The meeting of the Reichstag was postponed because the note was not ready.

The Germans have been so numbed by the catastrophes tumbling about their heads that they are apparently unable to react to Austria-Hungary out of the war and the turn of the Slave and Czech people against the central powers.

The Hamburger Fremdenblatt acknowledges that Emperor Carl of Austria remains only as supervising director of new federated states and casts considerable doubt on the willingness of the states to federate.

Solution Merely Promised.

The difficulties are so many, the newspaper says, that it finds in the Emperor's proclamation no solution of the troubles, but merely a promise of a solution. It says the Emperor is unbending himself of tradition and is aiding with President Wilson.

The connection between the new federation and the hope of peace is easily seen. The Fremdenblatt adds, resigning itself to the impending breakup of the Austrian Empire.

The Czechs and Ukrainians, with no support in Vienna, count on outside forces to help them reconstruct independent states. Nor will the Poles let their future be decided in Vienna. Emperor Carl says he will not try to prevent their independence.

The editorial ends by saying the German view with sorrow the passing of the Austrian Empire. The Vienna correspondent of the Vossische Zeitung telegraphs that the Czechs, Southern Slavs and Ukrainians have politely refused the peace offer with Baron von Hussarek to discuss the formation of a federation and that the Poles are counting on Warsaw for orientation.

Old Austria Vanishes.

"Old historical Austria is gone," says the Vorwarts, now the administration paper. "Will a new Austria follow? The Poles are free to leave Austria, perhaps the Austrian Polish settlement is not dead. The fact that they are no longer bound to the house of Hapsburg remains the best guarantee for the Polish King from that house. The Czechs and South Slavs are taking new attitudes of reserve."

It must lean on Germany should a new economic union prove impracticable. The Czechs and Slavs will certainly demand the formation of separate states if the Hungarians do not find a basis for rapid agreement with the entente.

It is incomprehensible how they can resist the free trade treaty, which the Slavs who are supported by President Wilson.

The Vossische Zeitung admits that Poland is seething. It has a dispatch telling briefly of the killing of German gendarmes in Warsaw. There is revolt in Clebanow, where the German have imposed penalties taken from hostages to check further outbreaks.

Workmen Are Warned.

Today's issue of the Vorwarts spreads over the front page a warning to workmen which is significantly reminiscent of the early phases of the Russian revolution. It shows that the new government fears both the Pan-German reactionaries and the Bolsheviks, and it confirms the impression conveyed by the German press in the last few days that the moderate liberals who are leading the new government are sincere in their expressions of fear that extreme action of some sort will follow continuous military defeat.

Vorwarts, which is the organ of the majority of the socialists, has come warmly to the support of the new government, has an editorial explaining why the Moderate Socialists see salvation for Germany in the Maximilian Ministry. The ministry is staking all on an armistice and on democratization and the paper says "Dark forces of counter-revolution are at work against this peaceful revolution," in a caution against reactionaries and also against the Bolsheviks. The editorial continues:

People Held Deceived.

"Pan-Germans, Chauvinists, fanatics, profiteers and irresponsible camarillas with mendacious tongues and high-sounding palaver have enveloped the German people in a cloud of lies. They have not reached the limit of their infamy by trying to turn against the new movement. The Pan-Germans have become so bitter that possibly they will induce agrarian elements to increase the difficulties of the new government by withholding foodstuffs."

Dealing with the other type of counter-revolutionists the Vorwarts warns workingmen against Bolshevik phrases demanding revolution made by irresponsible people who hope to stir up the working people to strikes and demonstrations against the government, thereby making peace and democratization more difficult and also thereby supporting the Pan-German reactionaries. It begs the working classes to refuse to become the tools of counter-revolution or of imperial advocates of force.

"The recovery of Germany," it says, "cannot come through the reaction, Bolshevik chaos or by unfettered civil war which would bring fresh disaster and add streams of blood to the blood-streaming front. We are on the road to peace and democracy. All revolt against the government can only serve the cause of counter-revolution."

BOCHES DECLARED STRONG

Reichstag Member Says Humiliating Peace Not Necessary.

AMSTERDAM, Oct. 23.—Advices received from Berlin say Matthias Erzberger, member of the Clerical center in the Reichstag, and member without portfolio in the German government, has sent this telegram to the center party:

"The new government must labor with all resoluteness and energy to give the fatherland peace after the hard struggle. The German people are so strong they do not need to conclude a humiliating peace; but useless bloodshed must cease."

TURK DECLARES ARMENIANS ARE ENEMIES AND MUST BE CRUSHED

"We Have Got to Finish Them," Says Talaat—Moslem Admits That He Makes Mistakes, but "We Never Regret."

BY HENRY MORGANTHAU, Formerly American Ambassador to Turkey. (Published by special arrangement with The McClure Newspaper Syndicate. Copyright, 1918, by Doubleday, Page & Co. All rights reserved in Great Britain, Canada, and Australia. All rights reserved for France, Belgium, Holland, Italy, Spain, Russia and the Scandinavian countries.)

INSTALLMENT VIII. My repeated protestations evidently persuaded Talaat that at least I was entitled to an explanation of the official attitude of the Ottoman government in the early part of August, therefore, he sent a personal messenger to me, asking if I could not see him alone, as he wished to go over the whole Armenian situation. This was the first time that Talaat had admitted that his treatment of the Armenians was a matter with which I had any concern. The interview took place two days afterward. It so happened that the last time I had visited Talaat I had shaved my beard. As soon as I came in the burly Minister began talking in his customary bantering fashion.

"You have become a young man again," he said; "you are so young now that I cannot go to you for advice any more."

"I have shaved my beard," I replied, "because it had become very gray—made gray by your treatment of the Armenians."

Armenians to Be Crushed. After this exchange of compliments we settled down to the business in hand. "I have asked you to come today," began Talaat, "so that I can explain my position on the whole Armenian subject. We base our objections to the Armenians on three distinct grounds. In the first place, they have enriched the expense of the Turks. In the second place, they are determined to dominate over us and to establish a separate state. In the third place, they have openly encouraged our enemies. They have assisted the Russians in Caucasus and our failure there is largely explained by the actions of these traitors. They come to the irrevocable decision that we shall make them powerless before this war is ended."

On every one of these points I had plenty of arguments in rebuttal. Talaat's first objection was merely an admission that the Armenians were more industrious and more able than the thick-witted and lazy Turks. Massacre as a means of destroying business competition was certainly an original conception. His general charge that the Armenians were "conspiring" against Turkey and that they openly sympathized with Turkey's enemies was equally without foundation. His original elements, that the Armenians were constantly appealing to the European powers to protect them against the Turks, was the result of centuries of ill-treatment and injustice. There could be no orderly system of government in which all citizens were to be treated with equal rights, and in which all offenses were to be punished as the acts of individuals and not as people of a race.

I argued for a long time along these and similar lines.

No Use for Argument. "It is no use for you to argue," Talaat answered, "we have already disposed of three-quarters of the Armenians; the remainder will all die in Bitlis, Van, and Erzurum. The hatred between the Turks and the Armenians is now so intense that we have got to finish them. I don't, they will plan their revenge."

"If you are not influenced by humane considerations," I replied, "think of the material loss. They are your business men. They control many of your industries. They are very large taxpayers. What would become of you commercially without the Armenians?"

"We care nothing about the commercial loss," replied Talaat. "We have figured all that out and we know that it will not exceed a million pounds. We don't worry about that. I have asked you to come here so as to let you know that our Armenian policy is absolutely fixed and that nothing can change it. We will not have the Armenians anywhere in Anatolia. They can live in the desert, but nowhere else."

I still attempted to persuade Talaat that the treatment of the Armenians was destroying Turkey in the eyes of the world, and that his country would never be able to recover from this infamy.

Turk Errs but Never Regrets. "You are making a terrible mistake," I said, and I repeated the statement three times.

"Yes, you may make mistakes," he replied, "but—and he firmly closed his lips and shook his head—"we never regret."

I had many talks with Talaat on the Armenian, but I never succeeded in moving him to the slightest degree. He always came back to the points which he had made in this interview. He was very willing to grant any request I made in behalf of the Armenians, even of the French and English, but I could obtain no general concessions for the Armenians. He seemed to me always to have the deepest personal feeling in this matter, and his antagonism to the Armenians seemed to increase as their sufferings increased. One day, discussing a particular Armenian, he told Talaat that he was mistaken in regarding this man as an enemy of the

Turks; that in reality he was their friend. "No Armenian," replied Talaat, "can be our friend after what we have done to them."

One day Talaat made what was perhaps the most astonishing request I had ever heard. The New York Life Insurance Company and the Equitable Life of New York had for years done considerable business among the Armenians. The extent to which they insured their lives was merely another indication of their thrifty habits.

Turk Could Use Money. "I wish," Talaat now said, "that you would get the American Life Insurance Company to send us a complete list of their Armenian policy-holders. They are practically all dead now and have left no heirs to collect the money. It, of course, all escheats to the state. This government is the beneficiary now. Will you do so?"

This was almost too much, and I lost my temper. "You will get no such lists from me," I said, and got up and left him.

One other episode involving the Armenians stirred Talaat to one of his most ferocious moods. In the latter part of September, Mrs. Morgenthau left for America. The sufferings of the Armenians had greatly preyed upon her mind, and she really left for home because she could not any longer endure to live in such a country. But she determined to make one last intercession for this poor people on her own account. Her way home took her through Bulgaria, and she received an intimation that Queen Eleanor, of that country, would be glad to receive her. Perhaps it was Mrs. Morgenthau's well-known interest in social work that led to this invitation. Queen Eleanor was a high-minded woman, who had led a sad and lonely existence, and she was spending most of her time attempting to relieve the condition of the poor in Bulgaria. She knew all about social work in American cities, and a few years before she had made all her plans to visit the United States in order to study our settlements at first hand. At the time of Mrs. Morgenthau's visit the Queen was in Sofia, and she was accompanied by Henry Street Settlement, of New York, instructing a group of Bulgarian girls in the methods of the American Red Cross.

Queen Hears of Horrors. My wife was mainly interested in visiting the Queen in order that, as one woman to another, she might make a plea for the Armenians. At that time the question of Bulgaria's entrance into the war had reached a critical stage, and Turkey was prepared to make concessions to gain her as an ally. It was therefore a propitious moment to make such an appeal.

The Queen received Mrs. Morgenthau formally, and my wife spent about an hour telling her about the Armenians. Most of what she said was entirely new to the Queen. Little had yet appeared in the European press on this subject, and Mrs. Morgenthau was precisely the kind of woman from whom the truth would be concealed as long as possible. Mrs. Morgenthau gave her all the facts about the treatment of Armenian women and children and asked her to intercede in their behalf. She even went so far as to suggest that it would be a terrible thing if Bulgaria, which in the past had herself suffered such atrocities at the hands of the Turks, should now become their allies in war, or was greatly moved. She thanked my wife for telling her these truths and said that she would intercede immediately and see if something could not be done.

Teuton Duke Displeased. Just as Mrs. Morgenthau was getting ready to leave, she saw the Duke of Mecklenburg, who was in the door. The Duke was in Sofia at that time attempting to arrange for Bulgaria's participation in the war. The Queen introduced him to Mrs. Morgenthau; his highness was polite, but his air was rather cold and injured. His whole manner, particularly the stern glance which he cast on Mrs. Morgenthau, showed that he had heard a considerable part of the conversation. As he was exerting all his efforts to bring Bulgaria in on Germany's side, it is not surprising that he did not like the plea which Mrs. Morgenthau was making to the Queen that Bulgaria should not ally herself with Turkey.

Queen Eleanor immediately interceded herself in the Armenian cause, and as a result the Bulgarian Minister to Turkey was instructed to protest against the treatment of the Armenians. He accomplished nothing, but it did arouse Talaat's momentary wrath against the American Ambassador. A few days afterward, when my wife and I were called to the Sublime Porte, I found him in an exceedingly ugly humor. He answered most of my questions savagely and in a most unbecoming manner. He was afterward told that Mrs. Morgenthau's intercession with the Queen had put him into this mood. In a few days, however, he was greatly interested ever, for Bulgaria had taken sides with Turkey.

Talaat Indulges in Boast. Talaat's attitude toward the Armenians was summed up in the proud boast which he made to his friends: "I have accomplished more toward solving the Armenian problem in three months than Abdul Hamid accomplished in 30 years." (To be continued.)

obtaining possession simultaneously of the leading minds of America and this country."

War Industries Board Requests That Imports Be Reduced.

OREGONIAN NEWS BUREAU, Washington, Oct. 23.—After further conference today with Senator McNary regarding the chrome mining industry in Oregon, the War Industries Board made a formal request on the War Trade Board to prohibit all imports except from Canada and Cuba.

It was decided not to fix a price for chrome as that might hurt the market, but it was deemed probable that if imports were cut off the normal market would pay a profitable price for the output of mines already in operation.

Western States Press Claims. WASHINGTON, Oct. 23.—Request that more Government war work be diverted to Western states was laid before Chairman Baruch of the War Industries Board, and officials of the War Department yesterday by a delegation of Western Senators.

It was said the conference was entirely satisfactory.

RETAIL FOOD PRICES SOAR

Cost of Necessities Increase 4 Per Cent in Month.

WASHINGTON, Oct. 23.—Retail prices of food increased 4 per cent from August 15 to September 15; 14 per cent from September, 1917, to September, 1918, and 22 per cent from September, 1912, to September, 1918.

This was announced by the Bureau of Labor Statistics today.

Soldier Sends Liberty Bonds Home.

PASCO, Wash., Oct. 23.—(Special.)—Through the War Department the Bank of Pasco has received for sale a Captain's Liberty bond purchased by Captain Donald O'Leary, a Pasco boy who is now with the 1st division, A. E. F.

NOTE OF PRESIDENT ANSWERED BY SENATORS

Highest Expectations Held to Be Fulfilled.

SPRIT OF U. S. IS SHOWN

Austria Regarded as Having Merely Duplicated Germany's Appeal for Negotiated Peace.

WASHINGTON, D. C., Oct. 20.—(Special.)—Members of the Senate yesterday expressed their entire approval of the attitude taken by the President in his reply to the Austrian note.

That the President had advanced from his position of January 8, when he stated that the peoples of Austria-Hungary "should be accorded the freest opportunity of autonomous development," was acknowledged and indorsed both as the inevitable result of the altered conditions in the dual monarchy and a step in the highest degree in accord with the spirit in which the United States entered the war, and to which the President has again given diplomatic expression.

The Austrian note, it was felt, was practically a repetition of the German government's appeal for a negotiated peace.

Senator Hitchcock, of Nebraska, chairman of the Senate foreign relations committee, said: "The President's reply to Austria fulfills the highest expectations not only of Americans who want the full fruits of victory exacted but of those representing the oppressed nationalities of the Austria, who depend on the United States so largely for the recognition of their claims."

Old Terms Not Accepted. "It is to be presumed that Austria will feel that the President is adding to the two Amos of peace which he made last January, and to some extent he is, but since those conditions were laid down in January without being accepted by the United States has publicly entered into obligations to those subject nationalities which the President very wisely and justly purposes to live up to."

We have recognized the Czech-Slovak peoples, not only as part of the Austrian Empire, but as a nation at war with Austria, and the same in substance as the Jugo-Slavs. "What the United States has done with regard to Poland and Bohemia and the Jugo-Slavs, Great Britain, France and Italy have done, and the President's note merely puts the matter into proper diplomatic form to require the assent of Austria as a condition of peace."

Senator P. J. McCumber, of North Dakota, a member of the committee on foreign relations, said: "Personally, I am opposed to any negotiations with the Government of the United States with either Austria or Germany. I think an armistice with either of them would be ruinous."

What Congress declared war on the Central Empires it pledged the resources of this great Republic, both in men and money, and directed the President to carry the war to a successful conclusion.

"I do not believe that this war can be carried to a successful conclusion in any other way than by smashing the armies of our enemies in the field of battle. When this has been done, there will be no need for any negotiations."

Note Will Help Czechs. Senator Pomerehne of Ohio, Democratic member of the foreign relations committee, said: "The effect of this note will be further to arouse the revolutionary spirit of Austria. It is a distinct recognition of the Czechoslovak claim for independence. It will correspondingly increase their strength and at the same time weaken the Austro-Hungarian government. It indicates very clearly that this is a war of democracy against the powers of autocracy, and our allies will applaud it."

Senator Simmons, of North Carolina, Democratic, said: "The reply of the President is very proper in the circumstances."

Senator Kenyon, of Iowa, Republican, said: "The splendid note, particularly that part relating to the Czech-Slovaks, should seal the doom of Austria."

OLD MANILA CABLE BROKEN

Line That Dewey Cut Again Out of Commission.

NEW YORK, Oct. 23.—The old cable line between Hongkong and Longcong, which Dewey cut in 1898, is temporarily out of commission, interrupting direct communication between the United States and South China. It was announced here today by the Commercial Cable Company.

The interruption is believed to be due to natural causes. Communications with Hongkong and South China are being routed via Shanghai until the cable is repaired.

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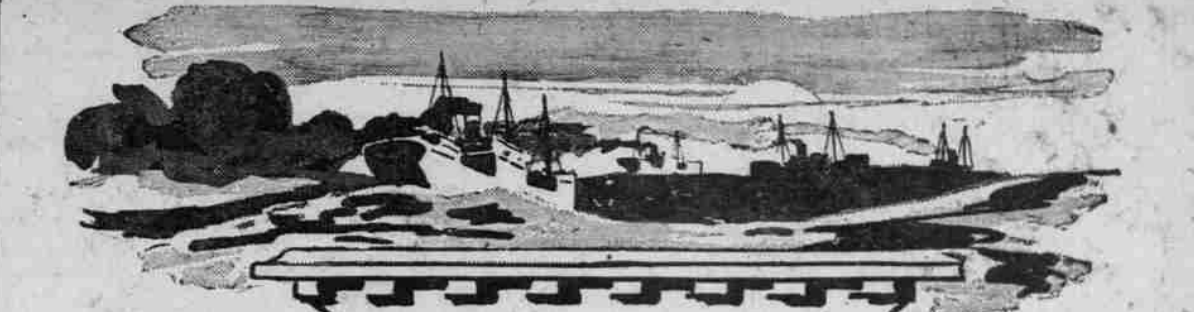
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YANKEE GALLANTRY PRAISED

FIELD MARSHAL HAIG LAUDS 27TH AND 30TH DIVISIONS. American Boys Siam Boches Back Many Miles in Three Weeks and Take Over 5000 Prisoners.

LONDON, Oct. 20.—A resume by Field Marshal Haig of the operations of the American troops fighting on the British front, given out tonight, says: "In the last three weeks the 27th and 30th Divisions of the Second American Corps, operating with the Fourth British Army, have taken part with great gallantry and success in three major operations, besides being engaged in a number of lesser attacks. In the course of this fighting they displayed soldierly qualities of a high order and have materially assisted in the success of our attacks."

"Having fought with the utmost dash and bravery in the great attack of September 29 in which the Hindenburg line was broken, and having on this occasion captured the villages of Bellecourt and Nauroy with a large number of prisoners, on October 8 the troops of the second American Army Corps again attacked in the neighborhood of Montrehain.

"In three days of successful fighting they completed an advance of 10 miles from Montrehain to St. Souplet, overcoming determined resistance and capturing several strongly defended villages and woods. Throughout the last three days the two American divisions have again attacked daily and on each occasion with complete success, though the enemy's resistance was most obstinate."

"Fighting their way forward from St. Souplet to the high ground west of the Sambre Canal, they have broken the enemy's resistance at all points, beating off many counter-attacks and realizing an advance of nearly five miles. Over 5000 prisoners and many guns have been taken by the two American divisions in these several engagements."

PLANES BOOST LOAN DRIVE

Remarkable Exhibition of Aircraft Witnessed at San Diego.

SAN DIEGO, Cal., Oct. 20.—What is declared to have been the largest and in other respects one of the most remarkable airship exhibitions ever given in this country was that given here yesterday by Army aviators from North Island to mark the success of the local Liberty Loan campaign. For nearly two hours 115 machines swept in massed formation over the city, some of them "boom-bom" the streets with printed liberty loan appeals. The machines were of three types and of three different speeds, ranging from 70 to much more than 100 miles an hour. All of them ascended and descended almost exactly on schedule time, and

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