

IMPORTANT DON CITY WRESTED FROM REDS

Rostov Is Retaken by Russian Voluntary Army.

SOVIET ENVOYS AT REVAL

Bolshevik Forces Reported to Have Seized Murmansk and Shipping in North Harbor.

LONDON, Feb. 23.—The recapture from the bolsheviks of the important Don by the Russian volunteer army, Denikine forces, is reported by the British military mission in South Russia today. The city was retaken February 20, together with 1500 prisoners and 22 guns.

The capture of Rostov-on-the-Don by the bolsheviks was reported in Moscow dispatches of January 15. The city is an important railroad center and the chief port of the Don river region. Formerly it was the capital of the Denikine government. Indications of a return blow by the anti-bolshevik forces to the east of the Don were given February 21 in a bolshevik communique which reported fierce fighting near Rostov. "The enemy has not an advance," the communique stated.

REVAL, Estonia, Feb. 23.—Two bolshevik delegations have arrived here, one to administer the provisions of the peace treaty between soviet Russia and Estonia and the other to direct the reopening of export trade with western Europe through the Russian co-operative societies.

An Estonian delegation will leave shortly for Moscow in connection with the execution of the peace treaty's terms.

LONDON, Feb. 23.—Bolshevik forces have seized Murmansk and shipping in the harbor there, following a revolution which broke out at that port Saturday afternoon, according to Lloyd's dispatch from Vardo, Norway. News of the capture was brought to Vardo by a Russian steamer. It was the only vessel to escape seizure, but was riddled with machine gun fire and the captain was wounded. Murmansk is situated on the Murman or Kola peninsula, jutting eastward from Finland and north of the White sea. It is northwest of Archangel. Last year Murmansk was the base of operations for allied forces fighting the bolsheviks along the western shore of the White sea.

COPENHAGEN, Friday, Feb. 20.—Maxim Litvinoff, Russian soviet representative here, has received confirmation of the capture of Murmansk by the bolsheviks. The message telling of the capture states that the whole of North Russia is in the hands of the soviet.

Litvinoff in an interview emphasized that the soviet had now secured an ice-free port for trade with western Europe. He said that just before the overthrow of the white authorities the governor-general at Archangel, Lieut. Gen. M. G. Muraviev, made overtures for complete capitulation.

LONDON, Feb. 23.—Premier Lloyd George and Premier Nitti are believed to favor resumption of relations with soviet Russia, although Premier Millerand of France is not inclined to agree to any immediate action, according to the Daily Mail. The question is called to attention by memorial sent to Mr. Lloyd George by a number of military men and others who during the past two years have been in Russia on official business. The newspaper says this problem must be considered by the supreme allied council at its sessions, which begin today.

The Chronicle maintains that "all candid minds must recognize that as no anti-bolshevik organization exists any longer, soviet Russia is now Russia." "Do we want peace," it asks, "or do we want to continue the blockade with the risk of incurring the hostility of the Russian government and military reprisals against the Lettish, Poles, Roumanians, India and Mesopotamia, at the same time depriving the rest of the world of the Russian grain supply? Surely there is only one answer, peace, which would be altogether better if it could be obtained on the proper terms."

Similar views are taken by the Daily News, which says: "By what right does a handful of politicians condemn their democracies to needless hardships and the enmity of Russia to hardships fourfold more acute by prohibiting a natural and beneficial exchange of needed commodities?"

The Manchester Guardian says that if the soviet government is as unsuccessful "as its opponents' publicity agents have told us, then why not throw Russia open and let the world see the failure, and the failure die of consequent obloquy?"

NO-CHANGE STAND IS HIT

(Continued From First Page.) itself free from any cut-and-dried programme when it takes up the subject.

Administration Is Staunch. The administration's staunch supporters in the senate, however, apparently are not fearful that these counsels will prevail. They indicated tonight that if any considerable number of democrats wanted a caucus, one would be called. But they flouted the suggestion that it might throw over the president's advice or show a

majority against the past and present party stand on reservations.

Among republicans it was said that the caucus proposal apparently had grown out of a stiffening in republican ranks which in turn resulted from the senate's action Saturday when irreconcilable opponents of ratification seized the balance of power and used it to prevent any modification of the republican reservations.

All Reservations Considered One. It was argued that mild reservation republicans were shown that modification in the interests of compromise would be impossible and that the whole reservation group, including article 10, must stand or fall together.

Hearing out this contention, mild reservationists who have predicted that the article 10 provision could be modified if necessary said today that the chance of ratification now seemed to rest in the possibility that enough democrats would accept the provision unchanged.

Who initiates the movement for a democratic get-together was not apparent, but the move was understood to be the endorsement of Senator Underwood of Alabama, a candidate for the democratic leadership, and other influential senators who have been urging that the effort be made to bring about ratification.

TURKS OPPOSE BRITISH CONTROL OF CONSTANTINOPLE

POINT AT ISSUE.

English Opinion Against Ottoman Dominance; Moslems Invoke Wilson Dictum.

LONDON, Feb. 23.—In the Evening Standard today Lord Robert Cecil gives it as his opinion that Turks must leave Constantinople on the ground that the "maintenance of Turkish sovereignty over that ground would be a menace to tranquility."

Lord Robert says the policy of the allies toward Turkey should be just and he could not conceive that anyone could doubt they were justly entitled to remove the Turkish government from Constantinople.

Protests against the Turks retaining their hold upon Constantinople were made in several churches here yesterday. A number of the most prominent people in the country, including the archbishops of Canterbury and York, have memorialized Premier Lloyd George, earnestly opposing a policy which would leave Constantinople in Turkish hands.

A Moslem delegation which is in Venice on its way to hold a mandate for 70,000,000 Indian Muslims, has sent a statement invoking President Wilson's 14th point on assurance of secure sovereignty of Turkish portions of the Ottoman empire. It begs that no final decision on Turkey's future be taken until the Moslem standpoint which is maintenance of the Ottoman empire intact, is heard.

CONSTANTINOPLE, Feb. 23.—The British battle squadron of five dreadnaughts and four destroyers anchored here is the most imposing naval force which ever entered the waterway.

Some circles look at the arrival as happening in the course of an ordinary cruise, while others connect it with the present critical position of Turkish affairs.

HARVEY LETTERS BARRED

WEEKLY CORRESPONDENCE FIGURES IN NEWBERRY TRIAL.

Effort by Prosecution to Introduce Evidence Regarding Subscriptions Is Failure.

GRAND RAPIDS, Mich., Feb. 23.—The government won and lost today in attempts to introduce testimony relating to Senator Truman H. Newberry's connection with others of the 122 men on trial with him. Frank E. Daley succeeded in bringing before the jury the fact that the chief exhibit was contributed \$1500 to the state central committee of the republican party, but failed in an effort to introduce letters relating to 147 subscriptions to Harvey's Weekly.

The government called numerous witnesses in an effort to connect Roger Andrews of Menominee and Judge Kitchens and Henry Dotch of Escanaba with payments of sums to men who were persuaded there to work in the Newberry interest in the 1915 primary campaign. Most of these witnesses got \$10 for their part.

A long argument came over the Harvey's Weekly letters. The barred exhibits were introduced through M. Gottfried, business manager of the North American Review and Harvey's Weekly, who came from New York to identify the correspondence. He were letters from Senator Newberry and the publishing company relative to the yearly subscription price and final order from the senator for 147 subscriptions "to friends in Michigan." This list included 72 of the defendants.

SPANISH WRITER HONORED

Novelist and Others Get Washington University Degrees.

WASHINGTON, Feb. 23.—The honorary degree of doctor of letters was conferred today upon Vicente Blasco Ibañez, the Spanish novelist, by George Washington university at the midwinter convocation.

Herbert C. Hoover, former food administrator; Senator William M. Calder of New York and Franklin MacVeagh, former secretary of the treasury, received similar degrees.

CARDINAL BLAMES WOMEN

Extravagant and Audacious Dress Held to Set Bad Example.

BRUSSELS, Feb. 23.—Cardinal Mercier, in his Lenten pastoral letter, blamed society women for setting a bad example for working women in what he terms the extravagant and audacious dress, sensual desires and luxury.

He decries bolshevik tendencies and calls attention to the necessity for reconstruction work.

New York to Send Woman. NEW YORK, Feb. 23.—Selection of a woman candidate as delegate-at-large to the national convention in San Francisco next June will be one problem before the unofficial democratic state convention to be held Thursday.

Canada-Australia Liner Sails. VANCOUVER, B. C., Feb. 23.—Regular steamship service operated by the Canadian government between Canada and Australia was inaugurated today when the steamer Canadian Importer left for Australia with a general cargo.

HASTY DEFLATION HELD DANGEROUS

Federal Reserve Board Report Sounds Warning.

LONG CREDITS OPPOSED

Countries Also Listed to Which Extension of Credit Is Not Needed to Continue Foreign Trade.

WASHINGTON, Feb. 23.—While the net trade balance in favor of the United States in 1919 was \$4,017,745,000, a number of South American and far eastern countries held balances against the country of \$484,085,000, the annual report of the federal reserve board in naming the countries to which extension of credit will not be necessary for the continuation of foreign commerce.

The board's analysis shows that imports from the British East Indies for the year exceeded exports by \$24,624,000. China was next with \$140,219,000 and Brazil followed with a favorable balance of \$118,516,000. To aid commerce with the United States and Japan with \$43,659,000 slightly exceeded Argentina's total of \$48,190,000. Chile had a balance of \$28,970,000.

Gold Assets Reported. These countries, the report says in general, are in a position to pay for either through exports or by the shipment of gold.

A bill carrying out the board's recommendations for limitation of bank borrowings was introduced by Representative Phelan, democrat, Massachusetts, chairman of the house banking committee, after presentation of the report to congress. The bill would authorize the federal reserve board to review reserve bank loans and increase interest rates on loans to individual banks as a means of reducing borrowings and increasing credit distribution.

Determination of the board to exert the full power of the reserve banking system in regulating and controlling the credit situation, a course designed to aid commerce and industry in restoring a pre-war equilibrium, was disclosed in the report.

"Healthy Liquidation" Urged. The board was prepared to "test the ability of the system to check expansion and to induce orderly liquidation." The board explained it was aware of the implied power to rectify the condition which confronts the country and this power necessarily followed the authority for an employment of an elastic system of reserve credit and note issue, it was added.

Recommendations also were made to congress for amendment of the reserve act, which would permit reserve banks to establish maximum lines of credit accommodation for member banks. An ascending scale of rates would be provided in event money was borrowed above the maximum line. This, the board believed, would work to the end of making expansion on a large scale would be stopped.

Rapid Deflation Warning Out. Warning was given that the country must guard against too rapid deflation. It was pointed out, however, that some remedial employment of direct deflation might create conditions worse than inflation itself.

Deflation merely for the sake of deflation and to speedily restore "normal deflation" merely for the sake of restoring security values and commodity prices to their pre-war levels without regard for other consequences, would be an insensate proceeding," the report said.

"It must not be forgotten that modern business is done on credit. One of its life-giving principles is credit. The ultimate test of a credit system must be found in what it does to promote and increase the production of goods. True in general, the truth of this observation is particularly emphasized in the present deranged state of world authority and trade, when production is the crying need of the hour everywhere."

Discount Rate Rise Explained. In explanation of its increase in discount rates the board said this had been the traditional method of credit control. Its use, however, presupposes normal conditions and, if it was pointed out, do not all exist at this time. While a high reserve bank rate was shown to act as a restraining influence upon borrowing, it may attract credit from other centers. It is this condition, among others, that was said by the board to make imperative the use of its power in controlling credit and starting deflation.

In checking expansion, the board declared, much depended upon operation of business and the community generally.

"There is, however, no need for drastic or precipitate action," the report continued. "There need be no apprehension as to our ability to effect the transition from war-time to peace-time conditions by suitable safeguards against the abuse of credit are respected. Our economic and financial position is, at the bottom, safe and sound. The processes of adjusting the volume of credit to a normal basis should be effected in an orderly manner."

A plea was made for complete absorption by investors of outstanding portions of war securities issues. As these pass into the hands of permanent holders and the national debt is reduced by the operation of the sinking fund, there gradually will come a proper balance between the volume of credit and the volume of concrete things," the board explained.

The specific need of greater production was urged again as one of the methods by which the "proper balance" might be materially aided. But the board directed attention to dangers which lie in the path of great production unless that production is immediately followed by distribution and avoidance of wasteful consumption.

"These are the fundamental economic processes upon which the proper functioning of the federal reserve banks must depend," the report said. "The federal reserve system can do much to assist these processes, but it cannot of itself alone compel them."

While the federal reserve board will always be mindful of the interdependence of credit and industry and the influence exerted on prices by the general volume of credit, the board nevertheless cannot assume to be an arbiter of prices. Its primary duty is to see that the banks under its supervision function effectively and properly as reserve banks."

The granting of extensive credits to foreign trade and the resultant keen competition in our own markets with the foreign buyer was charged by the board as being "one of the potent causes of high prices." It was shown that the demand for commodities from domestic as well as from foreign sources was so far in excess of the supply that the increased cost of credit can be and is absorbed in the price. Speculation, therefore, has not been effectively checked by advances in interest rates because of the anticipated—and usually realized—large profits according to the analysis.

The board restated its position to the financing of exports which require long term credits through banking operations as distinguished from appeals to the securities market. Of America's balance of trade for the calendar year—\$4,017,745,000—approximately \$2,000,000,000 was declared to have fallen as credit transactions on the commercial banks. Treasury advances during the year amounted to \$1,719,900,000, but this was regarded as sufficient to offset the corresponding measure of expansion necessitated by the carrying of the credit balance.

All of these credit arrangements, it was asserted, indirectly reflected back to the federal reserve banks. Although none of the paper tendered by the foreign buyers was discountable at reserve banks because of legal restrictions, commercial banks have received it were believed to have turned in order obligations for rediscounting, which otherwise would not have been sent through that channel.

DUBLIN FLOUTS BRITONS

City Corporation Issues Orders to Ignore Military Rule.

DUBLIN, Feb. 23.—The Dublin corporation today resolved to prohibit any employe or official from asking of the English military government permits for discharge of municipal duties. The corporation orders endangering the lives of its employes during the imposition of martial law, has issued instructions to reserve night watchmen and to extinguish lights, and refuses to authorize payment of overtime to any men working by permit between midnight and 5 A. M.

It is pointed out by the corporation that the darkened city would be at the mercy of burglars and other criminals. The rejoinder is made that the responsibility is the government's.

Streets tonight were in darkness within the city limits.

BRITONS HONOR PILGRIMS

Lord Mayor of London Presides at Mansion House Luncheon.

LONDON, Feb. 23.—A luncheon was given at the Mansion house today in celebration of the tercentenary of the sailing of the Pilgrim Fathers and Washington's birthday.

The luncheon was presided over by the lord mayor.

Refugees Reach Cairo.

CAIRO, Feb. 23.—(Havas.)—Two thousand five hundred refugees from Russia have arrived here. Aid has been extended to them by military authorities and the British Red Cross.

Flier Dies in Burning Plane.

EAGLE PASS, Tex., Feb. 23.—Second Lieutenant Horton H. Coray, killed here today when his airplane fell 1200 feet after suddenly bursting into flames. Coray was 24 years of age. His home was in Chicago.

Bargain in Highway Trailer.

A brand new 5-7 ton, 4-wheel reversible "highway" trailer, with extra good stake body is offered for sale by the Phez Co., Salem, Or. Write for full particulars.—Adv.

A Treasure in Your Home—

The delight of being independent of all laundry troubles will be yours if you order an

APEX

ELECTRIC WASHING MACHINE

The Apex is the ORIGINAL oscillating washer. Designed eleven years ago—and never has been equaled because it is impossible to infringe on Apex patents.

- ☞ The shining copper tub cannot rust; it is always sanitary and sweet smelling.
- ☞ The Apex method is FASTER than any other mechanical washer and handles the clothes more delicately. There are no moving parts in the tub to obtain action.
- ☞ Apex all-metal construction—guaranteed to serve years without expense. All mechanism fully covered.
- ☞ The Apex wringer swings to the position that is most convenient for you.



Simplex Ironers

Our professional demonstrator has had two years' experience with the Simplex. She will instruct you how to iron a great variety of garments in addition to flat pieces. Do Not Depend Upon Amateur Instruction

\$140 Copper
\$120 Galvanized Steel

Family Size

Don't Buy Before Seeing the Apex.

Buy Electrical Goods From an Electric Store

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Upstairs at 148 Fifth St., Bet. Morrison and Alder--Phone Main 143

A MILK DIET

- and all E's on the report card

Good grades in school come easily and naturally to the well-nourished child.

Ask any teacher and she will tell you how often the poor little tots from homes where no attention is paid to food values—and particularly where there is no milk—are dull and backward in their studies. If in the first few years of his life the child is undernourished, if his little body becomes underweight and poorly developed, the same condition is bound to apply to his mentality. And the tragedy is that he seldom regains this loss in after life.

The Portland Grade Teachers' Association, knowing that nothing can take the place of milk in the diet of the growing child, maintains a "Milk Fund" in order to supply those children whose lack of milk is retarding their mental and physical growth.

Give your child the start in life to which he is entitled—a healthy body and a normal brain. There is nothing in the world so essential to this condition as plenty of good rich milk. Let him have all he can drink.



As a Health Measure

For that, if nothing else, you should take the time daily to sit down at a table during lunch—comfortably while you are at it—and eat well-cooked, carefully selected food—appetizingly served in double-quick time, too—and after a sufficient period of time in which to make a demonstration, you will find that your strength and resistance will become much greater. Here, in either restaurant, you will find the best the market affords, cooked as only our chefs can cook, and at a price that will make you wonder how we can do it.

Imperial Hotel

Phil Mitchell



OREGON DAIRYMEN'S LEAGUE AND PORTLAND MILK DISTRIBUTORS

Sure Relief

6 BELLANS Hot water Sure Relief FOR INDIGESTION

