

ECONOMIC JUSTICE URGENT FOR RUSSIA

Bondage Imposed on Soviet Government Held Wrong.

VITAL ISSUE AT STAKE

Adjustment of Claims on Basis of Rehabilitation and Trade of Future Declared Safe.

BY JOHN MAYNARD KEYNES.
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GENOA, April 18.—(Special cable.)—Germany's agreement with Russia to wipe out debts is wise in itself, but unfortunate in its method, and its economic consequences matters. But it is also a warning.

Chitcheverlin agrees in principle to recognize the debts. Therefore an arrangement should be possible. But he draws back from acknowledging a paper liability which is more than his people are ready to bear and more than they regard in view of all that has happened.

If the bolshevik faith were as bad as is popularly supposed, Chitcheverlin would readily buy immediate advantage at the expense of promises which will cost nothing for five years and are easily repudiated thereafter. Perhaps Lloyd George had calculated thus.

Sensible Proposal Necessary.
If we practice on Russia what we already have practiced on Germany, and compel her to accept the economic pressure to recite a promise, which she cannot keep, and which we know she does not mean to keep, we shall have disgraced ourselves.

Our proposal must be sensible and practical, and one which both sides will think it advantageous to carry out completely. I think that such a settlement is possible. Many schemes would be imagined, differing in their details. I outline a scheme in order to indicate the sort of thing which Russia might accept and we could offer with advantage to ourselves.

More than six-sevenths of the debts are owed to Great Britain. We do not expect to be paid. Let us recognize as a first step the claims against Chitcheverlin's list of counter-claims.

National Debts Are Unpaid.
If the soviet power in Russia is recognized as the legal government of the country, holders of the Russian pre-war debt bonds can properly claim their money. It is recognized, but many governments which recognize their debt are in arrears with its interest, and the history of the last 20 years is a record of precedents of countries which suffered war misgovernment or revolution compounding with the creditor.

Private investors who lend money to a foreign government take a risk and there is no principle in international law which excuses them. Those who lent money to the czar's government took a big risk, and they will be lucky to get anything back. Russia, having recognized her debts, must be allowed, therefore, to compound with her creditors. I suggest that new bonds should, after a five-year moratorium, carry interest at 2 1/2 per cent, which at an outside estimate of pre-war debts would cost eventually £20,000,000 sterling a year.

Individual Claims Foremost.
There remains the question of compensation to individual foreigners whose property has been confiscated. They have the best claims on the grounds of both equity and experience to an integral reimbursement, in spite of the terms of Russia's agreement with Germany.

Much detail is involved and different cases must be treated on their merits. Wherever possible, the properties should be restored to their original owners or their heirs. If this is not possible, a profit-sharing arrangement with the bolshevik government, which the latter is prepared to offer.

These offers excite much indignation. Yet they open the way by which foreign capital can re-enter Russia with the much-needed extra security of common interest between the foreign industrialist and the soviet power.

But it should be a part of the settlement that where an arrangement of this kind cannot be mutually agreed upon, then the dispossessed owner should be entitled to receive bonds to the full value of his property as determined by an arbitral commission; such bonds to carry 5 per cent interest after a five years' moratorium.

Scheme Declared Modest.
I feel confident the amount of such bonds to be issued would fall short of £200,000,000, and might not exceed half that figure. Such a scheme is modest compared with our present demands. But looked at coolly, it offers a degree of satisfaction to Russia's creditors which a short time ago would have seemed almost incredible. Indeed, there is not much reason to hope even now that Russia will grant anything as generous as this.

But if we offer her something on these lines we will at least be talking sensibly and will be asking nothing impossible of sincere acceptance. If Russia's creditors stand out for more, very well; they certainly will get nothing.

What inducements can we offer the soviet power for meeting us half way toward the principles of western Europe? By sure recognition of the logical consequence of accepting the soviet as the legal heirs of the liabilities of the czar. If the soviet are not recognized as the government of Russia, we have no ground for demanding that they pay the czar's debts.

Credit to Russia Justified.
But in addition I suggest, though with doubt and hesitation, that credit to Russia can be justified not merely to induce a settlement, but for the sake of European reconstruction. Russia will not be able to borrow from bankers or private investors for some time to come. The political risk is too great. Business, therefore, will not get started without government credit. The United States being isolated, Great Britain probably is the only power now able to grant it, although her financial position is good ground for refusing.

I am generally opposed to a treasury opening its purse strings, and I am not guilty of underestimating the need for parsimony. But here is an opportunity for an expenditure which may have consequences altogether out of proportion to its magnitude.

Russia will export food again one year earlier than this way than she otherwise would and the lower price of wheat will be enough to save us a huge sum on our food bill alone. An increase of 20 per cent in the supply available on the world market may make quite a disproportionate difference to the price. It will take a long time to bring Russia back as a food exporter. But our interest

in doing so is enormous and the sooner we begin the sooner we will reap advantage.

British Loan Is Advocated.
In addition a definite act which leads to tangible results may jolt the whole machine into motion. We must get started by artificial assistance on a fairly substantial scale and then trust that business will run itself afterwards.

I propose, therefore, that Great Britain grant to the soviet power as a part of a general settlement, a £100,000,000 sterling loan to be spread over two years, the money to be expended on British goods to promote agricultural production, or for improvement of communications with the purpose of ameliorating the Russian famine, in the first instance, and encouraging exports thereafter.

Possibly part of the goods might be furnished from Germany, their value to be credited to her against the sums due Great Britain on the reparations account. If any other government desired to join in the credit, so much the better.

Settlement Might Be Restricted.
It is not essential that every power need come into this settlement. The terms outlined would be offered to the nationals of those powers coming in return accorded de jure recognition. If any country preferred to continue in the present situation, it would be entitled to do so.

I can understand the policy of repudiating the bolshevik government altogether. But Geneva meets a different present situation. The whole thing may be futile. But if we are to treat with them at all, we must treat on realistic lines.

It is with a sort of despair that one finds oneself back again in the dreary atmosphere of Versailles, discussing a bond issue which is insisted that as a first preliminary no other party shall make a public record of what both parties know to be false.

BOND DECISION DEFERRED

Recall Issue in Lane County to Go Over to November.

EUGENE, Or., April 18.—(Special.)—The petitions calling for an election on the question of recalling the unpaid portion of Lane county's \$2,000,000 bond issue will not be filed for the primary election, according to a statement advanced by members of the committee in charge, but will be filed as the question may be voted upon at the November election.

M. Cross of Clatskanie, filed for the office of representative from Douglas county at the republican primary election today, withdrew his candidacy. In his affidavit of withdrawal Mr. Cross said he would be unable to make the race because of his wife's illness. He said he was 70 years old and it decided would not be able to give the duties of the office the attention they deserved.

Orpheum matinee today, 15-25-50-Ad.

OUTLET FOR MUSICAL TALENT IN AMERICA HELD LACKING

Madame Mero, Who Plays at Hellig Tonight With Symphony Orchestra, Would Have Such Orchestra in Every Town.

BY LEONE CASS BARR.
OLANDA MERO has her own individual ideas upon topics, past and present and even the future, if one might make so bold as to reveal it. Ever since, as a great pianist, she came from Hungary ten years ago, she has been an individuality which fascinates the public, mainly because she rarely gives out an interview. When she does, it is to talk for print it is to the subject of music that she skillfully pilots her inquisitor, skirting any others so deftly and surely that after a while the reporter becomes resigned and follows Madame's lead and talks on music.

Embarrassment Is Encountered.
"When I first came to America I was interviewed on every conceivable phase of modern life. I was asked to give my opinions on the most astonishing things and sometimes I would say honestly what I thought and the next day I would see it in the papers and people would write to me or at me and agree with me or disagree and I found it embarrassing," said Madame Mero. "I think the personal side of an artist's life can not possibly be of consequence to her audience. Invariably I am asked about matrimony and if I think it affects the career of an artist. How can I tell? What is good for one may be bad for another."

"Matrimony is anyway and always a matter of the individuals who marry each other. Personally I am happily married and to a business man, an American who is non-musical in that he is not a musician, and knows little about music save that he appreciates good music. You read in one column of some artist whose career is made possible because of a right marriage and in the parallel column you read of some prima donna who divorces her husband because he interferes with a career. There can be no law, no rule governing these things."

"It is disheartening sometimes," said Madame, "to be asked for my favorite recipe, or how a luncheon should be served just before a recital, or what I think of free verse or Margot Asquith or bobbed hair. I am a woman, when I'm longing to spread the gospel of good music."

Ruse Found to Work.
Madame Mero sighed and when the fascinating Mero signs you crowd back down your throat the questions that were trembling on your lips, and Madame, being very clever, sees that her ruse has worked and speedily smiles and launches into her loved subject, music, especially as it is expressed in symphony orchestras.

"Do you know who are the biggest contributors to your symphony orchestra?" she asked. "It is the men who constitute that orchestra," she answered her own question. "To my mind they are more to be regarded as benefactors than as contributors. They are doing more to bring music closer to the hearts of your Portland populace than any other group of citizens and every time they play they plant a seed that develops and thrives. I am delighted to hear from local musical folk I have met since my arrival yesterday that your beautiful city is growing in its appreciation of good music."

Orchestra Held Important.
"I can easily believe, as I heard it said today, that the artistic and financial success made recently by the Chicago Grand Opera company was a result of the propaganda of good music spread by the concerts of your symphony orchestra. If the public hears good music in its home town it can better appreciate the good music that comes as a visitor. People who did not use to attend opera go to it now, having been edu-

BONUS BILL MAY BE TEST OF PRESIDENT

Harding Expected to Stand Firm for Sales Tax.

SENATE MORE YIELDING

Increasing Willingness Is Shown to Accept Leadership of Nation's Executive.

BY MARK SULLIVAN.
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WASHINGTON, D. C., April 18.—(Special.)—Interest in the bonus bill exceeds interest in the tariff and allied to both these questions is one in which there is the greatest interest of all, namely, whether Harding is going to assert leadership of congress. A test on this question of Harding's leadership may arise out of the bonus situation. Harding has said in substance that he does not approve of any bonus bill which fails to carry with it a specific provision for raising the money to pay it, and has said further that the bonus plan which carries the sales tax as one of the means of raising the money.

If the senate should pass the bonus bill in substantially its present form or in any other form which does not take account of what Harding has said, then it will be up to Harding either to veto it or to sign it. It is on the assumption that this dilemma will be presented to Harding that most of the present discussion turns. Bets are being made as to whether Harding will or will not veto any bill passed by a substantial majority through a republican house and a republican senate.

Bill May Be Changed.
Those who believe in Harding's firmness and have observed his quiet, but steadily increasing disposition to be a little more self-assertive, say that a bonus bill framed along these lines will use his veto, and are willing to bet money on their conviction.

There is, however, the alternative outcome for Harding to assert his leadership now in advance of action by the senate, and lead the senate to change the present bill into a form which will carry with it the sales tax as a fair and reasonable means of raising the money. Harding, so far as his personal fortune is concerned, is in a position to exert pressure on congress. The treaties arising out of the Washington conference have been ratified and are now being considered in the senate. Harding's place in history. Practically every administration has some such

SEATTLE CHAMBER FOR BASIN PROJECT

Sound City Comes Around to Spokane's Position.

POLICY SET FORTH FULLY

Future Action to Depend on Attitude Taken by Conference to Be Held at Pasco.

PUGET SOUND BUREAU, Seattle, Wash., April 18.—(Special.)—The Seattle Chamber of Commerce has come almost all the way over to a position in favor of the Columbia river basin irrigation project to be taken by the state development bureau of the chamber in executive session Monday night, and approved by the board of trustees pledged support to efforts for development of the project as the nature of that effort is defined in a statement by the Spokane Chamber of Commerce. At the conference, which has been called by Dan A. Scott, state director of reclamation, to meet in Pasco Friday, April 21, the Seattle chamber will be represented by a delegation headed by Frank Waterhouse, president, and Colonel Howard A. Hanson, chairman of the state development bureau.

The Seattle chamber's decision to participate in the proposed state-wide support of the Columbia basin project is in rather sharp contrast to the attitude hitherto assumed.

Policy Not Reversed.
It is not exactly a reversal of policy, but is a considerable recession from the position previously taken in direct opposition to the project. It was on January 5 that the delegation of Spokane business men came to Seattle to ask help in raising the funds necessary for the employment of General Goethals, and it was 12 days later that the Seattle chamber went on record not only with refusal to contribute to the fund, but with a declaration to the effect that the Columbia basin project ought not to be considered until smaller projects throughout the state had been developed.

"Thereafter our policy as to all Columbia river basin matters, including finance, will depend upon the report of that commission, and the policy of the Washington state department of conservation and development."

"Our opinion is that the report of such a federal Columbia basin commission should recommend a separate appropriation for the building of the project. We cannot, however,

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U. S. FINANCIERS ASKED

J. P. Morgan & Co. Invited to Consider German Loan.

PARIS, April 18.—(By the Associated Press.)—The allied reparations commission, it was announced today, has asked J. P. Morgan & Co. to accept membership on the financial sub-commission, which will convene in Paris in a fortnight.

The meeting will consider the possibility of floating an international loan for Germany.

Orpheum matinee today, 15-25-50-Ad.

IMPERIAL PRINCE COMING

Gus Meese of Knights of Khorassan Due Here Saturday.

Gus Meese, Imperial prince of the Dramatic Order, Knights of Khorassan, will arrive in Portland Saturday afternoon and will be escorted to the Imperial hotel by the brigade patrol and band and officials and members of the local temple. Arriving later he will be escorted to the armory for the ritualistic ceremonies. This will be followed by a lunch at the Washington street synd; Dr. Stephen Phelps of Vancouver; Rev. A. R. Keeler of Seattle, superintendent of the Home Mission board; Rev. J. P.

PASTOR TO BE INSTALLED

Ceremonies Tomorrow at Vancouver for Dr. C. E. Baskerville.

VANCOUVER, Wash., April 18.—(Special.)—Dr. Charles E. Baskerville, who has been acting pastor of the First Presbyterian church of this city, will be installed at 8 o'clock Thursday evening. Several representatives of the Columbia river Presbytery will be present and assist in the ceremonies. Among those who are to take part will be Dr. T. Davis Atcheson of Raymond, Wash., moderator of the Washington street synd; Dr. Stephen Phelps of Vancouver; Rev. A. R. Keeler of Seattle, superintendent of the Home Mission board; Rev. J. P.

SEAT SLASHERS ARE FINED

MONTERANO, Wash., April 18.—(Special.)—Charged with slashing the leather seat coverings in a Kay-Bee stage Saturday, Frank Warren and Henry Miller, loggers, were fined \$20.00 each, including costs, by Justice Lewis B. Bignold today. The convicted men say they will appeal.

OREGON CITY COUPLE TO WED

OREGON CITY, April 18.—A marriage license was issued here today to Ernest I. Newman, 28, and Hazel I. White, 24, both of Oregon City. Orpheum matinee today, 15-25-50-Ad.

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DOROTHY DALTON
THEODORE KOSLOFF

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