

The East Oregonian has the largest paid circulation of any paper in Oregon, east of Portland and over twice the circulation in Pendleton of any other newspaper.

Forecast for Eastern Oregon, by the United States Weather Observer at Portland.

Fair, colder tonight; Sunday fair.



SOUTHERN PACIFIC MUST DISPOSE OF STEAMSHIP STOCK

Holdings Will Have to be Given up or Vessels Will Not be Allowed Through the Canal.

COMMISSION MAKES RULING

Sixty Days Are Given to Alter Service of Pacific Steamship Company, Now a Subsidiary of the S. P.—Present Operation Declared to Be Illegal.

WASHINGTON, Feb. 13.—The Southern Pacific railroad must dispose of its holdings in the Pacific Mail Steamship company unless the operation of vessels of the steamship company through the Panama canal is stopped within 60 days. This was the decision of the interstate commerce commission today. The commission held that the operation of vessels through the canal made the Southern Pacific's holdings in the steamship line illegal under the law. Under the canal act, a steam carrier cannot lawfully hold stock in a steamship line operating through the canal which may be a possible competitor of the steam carrier. The commission ruled that there were potential possibilities of competition between the Pacific Mail and the Southern Pacific companies, particularly from San Francisco. The net result of the decision is that the Pacific Mail's service operating via the canal, as proposed, would make both carriers liable to the canal act and that a divorce will be necessary. It is set forth that the Southern Pacific owns \$11,000,000 of the \$20,000,000 capital stock of the Pacific Mail company. The commission held that unless the Pacific Mail's service via the canal to Colon on the Atlantic side is changed, and unless the steamers are run from San Francisco to Balboa on the Pacific side of the isthmus, it will refuse to allow the steamship company to operate through the canal under the present status as a subsidiary of the Southern Pacific company. Sixty days from February 1 are allowed for the Southern Pacific company to amend its petition so as to include only the San Francisco-Balboa service. Occasionally a man makes a hit by doing the wrong thing at the right time.

BLOCKADE WILL BE ENFORCED DESPITE AMERICAN PROTEST

Note to Germany Regarding Extension of War Zone Has Complicated International Situation.

OTHER NATIONS COMPLAIN

Norway, Sweden and Denmark Lodge Protest at Berlin Against German Plan—Holland and Italy May Send Similar Protests—American Note to Be Considered Soon.

BERLIN, Feb. 13.—The German foreign office considers that the American note regarding the extension of the German war zone has complicated the international situation. Officials today admitted this. The imperial chancellor considered with the foreign secretary the outlines of the note. He assumed the position of the American demand greatly embarrassed Germany and will have to be a subject for a cabinet council. It is understood the entire text of the message has been forwarded to the kaiser at the eastern battle front. Chancellor Von Bethmann-Holweg will leave immediately to confer with the kaiser. Although the possibilities presented as a result of this note are fully recognized, it was insisted in official circles that Germany cannot change her position. It is absolutely vital, the kaiser and his advisers have agreed, that England's commerce be checked. The proposed German blockade of England will be enforced, it was declared, beginning next Thursday.

WASHINGTON, Feb. 13.—It has been learned that Norway, Sweden and Denmark have protested to Germany against the latest decree extending the German war zone. The Scandinavian protest was couched in language less vigorous than the American protest, but it was said to stand squarely behind the principle announced in the American note. It is understood Holland and Italy will probably send similar protests.

WASHINGTON, Feb. 13.—The government was advised today that an unfavorable outcome of the test case to be made in a British prize court of the seizure of the American steamer Wilhelmina's cargo destined for Germany will bring retaliatory measures against England by Germany in which America may suffer commercially. Ambassador Von Bernstorff presented this warning to Bryan. He declared the kaiser would not tolerate England's plan to starve German civilians. It was hinted that American commerce might be shut off as a part of Germany's proposed course. Von Bernstorff suggested that the United States ought not to acquiesce in the seizure of the Wilhelmina, which was declared to be arbitrary in view of the German assurance that American food shipments would be used only to supply the needs of civilians.

Astoria Company Incorporates ASTORIA, Ore., Feb. 13.—Articles of incorporation of the Tyler Dry Goods Company were filed in the County Clerk's office. The capital stock is \$25,000 and the incorporation are M. T. Tyler, W. A. Tyler and C. S. Tyler.

SETTLERS GET THREE TO FOUR ONE-HALF ACRE FEET OF WATER IN HINDENBURG INDIAN CASES WILL NOW BE CARRIED TO THE SUPREME COURT

By decision of the state board of control, commonly known as the state water board, the water rights on the Umatilla river have been adjudicated and settlers are guaranteed the use of from three to four and a half acre feet of water annually, dependent upon the character of the soil. The case of Mrs. Sophia Byers versus claimants upon the reservation, including the United States government, was decided in favor of Mrs. Byers but will be appealed by the government. Local attorneys interested in the water adjudication have not received copies of the decision and the Byers decision was known to Col. Haley, attorney for the Byers interest, only through the fact he had received notice of appeal from R. R. Rankin, deputy United States attorney. In a long distance interview with the East Oregonian this afternoon, J. H. Lewis, state engineer and member of the state board of control, said the board had allotted users on the river the amount of water specified above. It was reported here that by the decision old land will be restricted to three feet of water and that new land may have four and a half feet. According to Mr. Lewis no distinction at all is made between new land and old land but the water is allotted entirely in accordance with the character of the soil. Not Enough Water. How the decision of the board will please waterusers is not yet fully clear. According to D. C. Brownell of Umatilla the board allows sufficient water for land where the water table is high but he is frank to say new land under his holdings cannot be reclaimed with the amount of water allotted by the board. He thinks the same will be true of new land in some other districts, though the conditions will vary in accordance with the differences in soil. Under the state law enacted by the legislature two years ago it was necessary for waterusers to develop their (Continued on page five.)

VON HINDENBURG CRUSHES RUSSIAN DRIVE IN PRUSSIA

Slav Forces Attempting Drive Against Konigsberg and Thorn Have Been Thrown Back.

GERMAN STRATEGY WINS BATTLE

30,000 Russians Reported to Have Been Captured, Together With Many Guns and Supplies.

BERLIN, Feb. 13.—Once more German strategy, as in the case when the Slav forces were led into a trap and almost annihilated at Alerstein early in the war, Von Hindenburg again lured them on. The Germans withdrew before the advance guard of the Russians until Von Hindenburg thought the time was ripe. Then he struck the Slav front and both flanks with such crushing strength as to throw the enemy back in disorder. Only a Russian scout saved the Russians from a complete rout. He discovered the German maneuver and advised the Russian commander. A retreat was ordered before the Germans completely surrounded the Slav troops. Once more the Russians have been the victims of Von Hindenburg's strategy. As in the case when the Slav forces were led into a trap and almost annihilated at Alerstein early in the war, Von Hindenburg again lured them on. The Germans withdrew before the advance guard of the Russians until Von Hindenburg thought the time was ripe. Then he struck the Slav front and both flanks with such crushing strength as to throw the enemy back in disorder. Only a Russian scout saved the Russians from a complete rout. He discovered the German maneuver and advised the Russian commander. A retreat was ordered before the Germans completely surrounded the Slav troops.

General von Kluck and His Whole Staff



This is the first photograph published of General von Kluck, one of the greatest of the German leaders, and his staff. He it was who came nearest taking Paris for his army was once within twenty-five miles of that city. He was repulsed at the last moment when an army of several hundred thousand fresh troops was sent from the city to turn him. They succeeded and the city was saved.

NEWS SUMMARY

General. Germans stop Russian advance in east. S. P. must give up steamship holdings. Local. Umatilla river water rights finally adjudicated; water board grants settlers from 3 to 4 1/2 feet. Boy scouts celebrate anniversary by competitive hike. Correspondence marriage results in filing of third divorce suit in two years. Northern Pacific makes freight rates from Seattle same as rates from Portland.

BUFFALO PATROL, BOY SCOUTS, WINS FIRST COMPETITIVE HIKE

Buffalo patrol of the Washington school, Pendleton Boy Scouts, led by Floyd Ulrich arrived in the city shortly at 12:50 o'clock this afternoon and won the first competitive hike held by the local boy scouts and became the possessor of a large pennant in recognition of their ability. Eagle patrol of the Hawthorne school led by Hubert Smith, won second honors, arriving at 12:55 o'clock. The hike today was held in observance of the fifth anniversary of the founding of the Boy Scout movement in America and was participated in by about 50 boys divided into five patrols. Scout Commander Clarence Tubbs yesterday measured off five three-mile distances from Pendleton on different roads, using his speedometer on his motorcycle for the purpose and the patrol captains were acquainted with their destination. This morning at 10 o'clock the five patrols set out for their camping places. Under the rules of the hike, each patrol was to spend two hours at its camping place before beginning the homeward journey. The first pa-

COMPROMISE IS PROPOSED ON SHIP PURCHASE BILL

RESOLUTION WOULD LIMIT CONSIDERATION TO 6 HOURS NEXT WEEK.

WASHINGTON, Feb. 13.—A compromise resolution on the administration ship purchase bill was launched in the house by Chairman Padgett of the house naval committee. It carries a rule limiting consideration of the bill to six hours next week. Administration forces began work on a compromise bill to be passed through the house. Leaders on that side of the capitol, however, were far from confident that the proposed compromise would unite the divided senate democrats or win support from republicans. They declared the administration did not concede enough in the proposed compromise to secure its passage. The cloture rule presented in the senate met the same republican filibuster that had characterized the shipping bill, and a new conference of members of the senate was called for today to consider the advisability of continuing the fight on the cloture proposal or of abandoning it and returning to a direct contest for the shipping bill. The new bill in the house was developed after Postmaster General Burleson went to the capitol and definitely recommended the compromise measure and would have taken the government out of the shipping business two years after the termination of the European war. Mr. Kitchen declared that conferences had assured the passage of his measure through both branches of congress.

NEW FREIGHT RATES WILL GO INTO EFFECT APRIL 1

WILL BE SAME FROM SEATTLE AS FROM PORTLAND TO PENDLETON.

Starting April 1 the Northern Pacific freight rates from Seattle to Pendleton will be identical with the rates from Portland to this place. This is in accordance with an announcement from Seattle and the action seems to be the result of efforts by commercial interests on the sound. Formerly the Seattle and Portland rates were the same and jobbers in the two towns had an equal chance for business here. However, the Oregon commission brought about a reduction in the rates from Portland to eastern Oregon and this reduction the Northern Pacific did not meet. As the tariff now stands, the class rates out of Portland to Pendleton are one, 75; two, 85; three, 95; four, 105; five, 115. The present rates from Seattle to Pendleton are one, 50; two, 55; three, 60; four, 65; five, 70. It is therefore to be seen that in some classes a decided reduction will be made in the sound rates.

CHICAGO WHEAT MARKET HAS SHARP BREAK AT OPENING

OPTIMISTIC REPORTS ON CONDITION OF WESTERN CROP RESPONSIBLE.

CHICAGO, Feb. 13.—Wheat broke sharply at the opening of the market. May opened at a dollar fifty-nine and a half. July at a dollar thirty-four. At ten o'clock May receded to a dollar fifty-six and a half. July receded to a dollar twenty-nine and seven-eighths. The cotton market declined 14 points at the opening. NEW YORK, Feb. 13.—As a result of unconfirmed rumors of the sinking of several British merchant vessels, the cotton market declined 14 points at the opening.

WOMAN GOLFER AFTER NEW TITLES

PALM BEACH, Fla., Feb. 13.—Lillian B. Hyde, metropolitan woman golfer champion, has fallen this winter to establish a new record for the Palm Beach course, and her best performance is one stroke behind the record she set last year—76. Miss Hyde is known as "the longest woman driver in the world." She expects to go to California to play this winter.

WOMAN GOLFER AFTER NEW TITLES



AIR RAID DOES NO DAMAGE DECLARES OFFICIAL BERLIN

REPORTS THAT GERMAN POSITIONS SUFFERED HEAVILY ARE DENIED.

BERLIN, Feb. 13.—Reports that German military positions had suffered heavily as a result of yesterday's British aerial raid were denied in an official statement. "Near the coast," the statement said, "the enemy's aviators dropped bombs on the civilian population and property. The German military losses are irrelevant. On the west front artillery shells have been found which doubtless were manufactured in the United States. All attacks of the enemy have been repulsed. North of Massiges and northwest of St. Memehould, our forces have occupied 1200 meters of the enemy's positions. Near Sudelkopf, in the Vorges the enemy has been repulsed.

RITNER BILL IS PASSED IN THE SENATE; HAS LITTLE OPPOSITION

SALEM, Ore., Feb. 13.—The senate yesterday passed the railroad commission district bill with but little opposition. As amended the bill provides one railroad commission. shall be elected from eastern Oregon one from western Oregon and the other at large.

BIG SHAKE-UP IN BUREAU OF INDIAN AFFAIRS IS PREDICTED

WASHINGTON, Feb. 13.—A big shake-up in the bureau of Indian affairs, it was predicted, will result from a joint congressional committee investigation which is to be started on the Osage country soon after the adjournment of congress. Chairman Robinson of the senate committee on Indian affairs, promised a complete exposure adding: "Members of the Osage tribe of Oklahoma have been grossly mistreated. Persons have been looting money to non-competent Indians charging them from 40 to 100 per cent interest."