



FEDERAL BANK TO CURB CREDIT ABUSE

UPPER MICHIGAN REGION REVOLTS AGAINST DRY LAW

Prohibition Director of Central States Ordered to Proceed in Enforcement of Prohibition Regulations

"HOAX" SAYS OFFICIAL
Iron River, Mich., Feb. 23.—"There hasn't been such a hoax put over on the country since the fake armistice report as this report of the 'ram rebellion' in Iron county," said District Attorney Martin McDonough in an interview today with a correspondent of the Milwaukee Journal. Continuing McDonough said:
"There is no rebellion in Iron county. Prohibition is being enforced to the limit and my office is giving the federal agents every aid possible."

Chicago, Feb. 23.—Major A. V. Dalmeyre, federal prohibition commissioner for the central states, received word at 12:33 o'clock that telegraphic authorization for him to lead an armed expedition into the upper peninsula of Michigan had been sent from Washington.

Prohibition Director Kramer, at the capital, was in communication with Mr. Dalmeyre by long distance telephone.
Dalmeyre, with about thirty men, will leave Chicago at 6 p. m. for Negaunee, Mich., where they will be joined by a troop of Michigan state constabulary.

Chicago, Feb. 23.—Major A. V. Dalmeyre, federal prohibition commissioner for the central states, with six armed aids today was en route to Iron county, in the upper Michigan peninsula, to quell what revenue agents regarded as an incipient whiskey insurrection. The prohibition director informed Washington last night that the county was "in open revolt" against federal authority after he had received reports that prohibition agents leading a party of Michigan state constables were held up February 10 by Iron county officials and wine they had confiscated was taken

(Continued on Page Five.)

MEXICO THREATENED BY NEW REVOLUTION NEWSPAPER CLAIMS

El Paso, Texas, Feb. 23.—Fresh revolution threatens Mexico as a result of the coming presidential elections according to Excelsior, one of the leading newspapers of Mexico City.

"To judge by the indications," Excelsior says, "there is not left the slightest hope that the coming elections will assure the triumph of democracy. Nay, not even the public peace, it seems, will be assured by the approaching declaration of the great nuts (the people)."

"Not only has the (present) revolution been shattered into a thousand pieces but it has split itself into factions. It has broken up into coteries that are rending each other with a fury greater because they are branches of the same tree, parts of the same whole, heirs of the same act."

"Thus we are groping forward, without, without orientation, without direction, without a know path, over a rugged region, bounded by abysses in the midst of a violent tempest in which even the name of patriotism seems to have been erased from the conscience of Mexicans."

Congress Recesses To Honor First President

Washington, Feb. 23.—Both senate and house today refrained from discussion of matters before them long enough to hear the reading of Washington's farewell address, while other departments at the capital were closed to celebrate the birthday of the nation's first president. Senator Penrose of Ohio read the address before the senate, while in the house it was read by Representative Rodenbarger, Illinois. Representative Montague, Virginia, spoke on Washington's life and character.
Outbursts of applause punctuated the reading of the farewell address in particularly applauding Washington's admonitions against foreign al-

Harding Blames Wilson Delay In Ratification Of Treaty By Senators

Columbus, Ohio, Feb. 23.—Declaring the republican party "will welcome" the responsibility of Americanizing the peace treaty, United States Senator Warren G. Harding at a rally of his home state republicans here today, held President Wilson solely responsible for the senate's delay in ratifying the treaty.

"Essentially alone he negotiated the surrender of American nationality and still essentially alone, one in a hundred million, he blocks its final disposition," Harding said.

While democratic senators from the south generally have supported the president in this stand, Harding said the people of the south are for protecting America's rights.

Senator Harding enumerated a number of things which he declared the

REVOLT LANDS SIX ALLEGED RADICALS IN SOLITARY CELLS

Montesano, Wash., Feb. 23.—Six of the ten alleged Industrial Workers of the World, on trial here for the murder of Warren O. Grimm, Centralia Armistice Day parade victim, spent today in solitary confinement for throwing their food into the jail corridor.

Jail officials said the six prisoners were satisfied with the food but threw it away just to show their contempt for the prison rules. Before being placed in solitary confinement the men were made to clear the corridor of the food and utensils they threw out.

The six were Elmer Smith, O. C. Bland, Bert Bland, James McInerney, John Lamb and Eugene Barnett.

New Juror To Serve.
Montesano, Wash., Feb. 23.—Trial of ten alleged Industrial Workers of the World charged with the murder of Warren O. Grimm, Centralia Armistice Day parade victim will be resumed here tomorrow with a new juror chosen by lot from the alternate list, sitting in the place of Edward Parr, juror, whose illness halted the trial Friday.

The new juror will be either A. R. Johnson, Hoquiam, or James A. Ball, Montesano, alternates selected to serve in case of illness among the permanent jurors. The selection will be made by lot.

Announcement that an alternate juror will be chosen was made by Judge J. M. Wilson, who is trying the case, yesterday, when Dr. J. H. Fitz, county health officer, reported that Parr, who is suffering influenza, would be confined to his quarters for ten days.

Private Control Success Depends On Restrictions

Minneapolis, Minn., Feb. 23.—Success or failure of private operation of the railroads of the country depends upon the liberal administration of the present railroad legislation, Ralph Budd, president of the Great Northern railroad told members of the Northwestern General Contractors association today at their annual convention here.

"The amount of credit the railroads will be able to obtain during the next few years will determine their success or failure," said Mr. Budd. "In my opinion the failure of the railroads to obtain sufficient money and credit to make needed improvements and provide adequate service will mean the end of private ownership."

Liiances. A score of democrats joined with the republicans in cheering the announcement that the "great rule of conduct" for the United States was to have "as little political connection as possible" with foreign nations.
An innovation in the day's observance was the decoration of the Washington monument with the flags of the 48 states and a pilgrimage to Mount Vernon by the Southern Society of Washington. The program included an address by Former Speaker Clark, of the house of representatives and the laying of a wreath on Washington's tomb.

republican platform should contain. Chief among these were:
"Perfecting Americanization to be held jealously American hereafter."
"Adequate national defense with an ample navy as a first line of defense, world leadership in aviation, stronger army than heretofore and voluntary military training for young men."
"Repeal of every extraordinary war statute."
"End of bureaucracy 'crowned with autocracy.'"
"Opposition to government ownership and nationalization of industry."
"Curbing of government extravagance and 'get to thinking again in millions instead of incomprehensible billions.'"
"Government subsidy for the merchant marine."

Sailors Rescued After Drifting In Disabled Vessel

New York, Feb. 23.—After having drifted helplessly for two months in the schooner Rostellan with its rudder gone, its sails carried away and the hull leaking, the captain and eleven men were brought here today by the American steamer Weep Water, bound from Genoa, which picked them up 450 miles east of Bermuda February 18. The Rostellan was bound from Loango, Africa, to Liverpool with a cargo of palm oil and ivory when she met with misfortune.

WAGE PROPOSAL OF WILSON BITTERLY ASSAILED BY UNION

Washington, Feb. 23.—President Wilson's proposal for settlement of the railroad wage controversy and the compromise railroad bill, pending in the senate, were bitterly assailed in the conference here today of the railroad union officials and grievance committee men who were called to Washington to discuss the settlement policy laid down by the president.

Indications were that perhaps a majority of the union leaders would demand that railroad labor stand together in an appeal to the president to veto the Cummins-Esch measure because of its labor provisions. Some regarded it as destroying all progress made during the negotiations with Director General Hines toward a settlement of their demands for higher pay.

Representatives of the fifteen organizations concerned in the settlement proposal met in secret session in as many different halls. Their purpose was to formulate their own views by majority rule and later meet in a general conference. Heated arguments which were admitted to have developed in virtually every meeting, were expected to be continued in the main conference.

Chinese Charged With Being Head Of Drug Sellers

Vancouver, B. C. Feb. 23.—J. J. Wing, Chinese, was held by police here today while an investigation was made of charges that he is the head of a ring which has been selling drugs to customers in Vancouver, Seattle, Tacoma, Butte, Spokane, Denver and other cities.

Police raided Wing's house yesterday and reported they found drugs estimated worth over \$20,000 at wholesale, secreted beneath the floor of a bedroom. The officers reported translated letters found in Wing's rooms contained orders from several cities for drugs quoted at from \$75 to \$80 an ounce.

The officers said that during the hour and a half they were in Wing's house, they received about thirty calls for drugs. The calls came from all parts of the city and the parties who made them were impatient when the police, who answered the phone, put them off with excuses while they took their names and addresses.
Wing, the police said, sometimes uses the Chinese name of Chan Chin. The officers said the drug haul was one of the largest ever made on the Pacific coast.

SENATOR PENROSE ILL

Philadelphia, Feb. 23.—Senator Boies Penrose left today for "The Bungalow" on Indian river, Florida, after being ill at his home here for nearly two months. The trip is being made in a private car.

HOOVER STATES OPPOSITION TO RESERVATIONS

Declares Injection of Treaty Issue Into Campaign Would "Obscure Pressing Domestic" Questions at Polls

Baltimore, Md., Feb. 23.—Herbert C. Hoover, former food administrator, declared today in an address at Johns Hopkins university his opposition to making the ratification of the treaty with Germany an issue in the presidential campaign. He insisted the injection of the arguments for and against reservations would "obscure our pressing domestic issues by conflict over a question in which the country already has made up its mind," and added, "it is my impression that there is no party credit in this position."

Hope for immediate ratification of the treaty rested, he said, in the acceptance by the "lesser reservationists" in the proposals of the "mild reservationists." The two combined, he said, could secure ratification.

"It also appears to us," he continued "that even from the point of view of the lesser reservationists they will have secured all of the major functions and values of the league. For my part, if the league cannot prove its value under the latest proposals of the 'mild reservationists' it will never prove them under the proposals of the 'lesser reservationists.'"

The present danger Europe is facing, Mr. Hoover said, is not so much a revolutionary cataclysm as a "steady degeneration of the standard of living and the slow decay of the forces of stability."

Restored productivity, he insisted, is essential if the allies are to receive the maximum reparation. "Until then we shall not have real peace," he said. "It will be delayed as long we hang the treaty in the air for we are a part of it."

Charges Petty Quibbling.
"It would appear to an outsider that both sides were in agreement on all the great major ideas of the league and the major ideas of reservations, but that they are in disagreement mostly over secondary questions in the reservations. In the meantime the world is held in suspense. Infinite misery goes on accumulating. Forces are set in motion that many yield new conflicts. Already the distrust and undermining of confidence and credit in the world has crippled our export market."

Regarding the part of the United States will take in the rehabilitation of Europe, Mr. Hoover counseled moderation. "We have two extreme views among our people," he said upon this matter. One contends that the ideal is isolation of Europe to herself; the other contends for at least moral domination as a mission of international justice. Many of us want neither extreme."

Hopes for Ratification.
Assuming that the treaty would be ratified "some day," in "some form" he reached a hope that it might serve to bring about a reduction of armament and the "development of conciliation, of arbitration and codes and courts of international justice."

Except where the interests of the United States are vitally concerned, Mr. Hoover declared himself as opposed to American members on the missions provided for in the treaty for the settlement of questions recommended by the war. The loaning of money except to alleviate distress was also opposed. "Our best assistance in healing Europe's economic wounds lies in the promotion of the great processes of private commerce," he said, "not in loans from our government."

Mr. Hoover's reference to the peace treaty and its ratification were preceded by presentation of statistics calculated to indicate what he called the "heartbreaking underpayment" of school teachers.

Absence Of Light At S. P. Driveway Causes Accidents

Avoiding a serious accident only by sharply swerving from the driveway, R. T. Pickett, driver of the Hotel Marion bus reported an accident which occurred 7:30 Saturday night at 12th and Bellevue streets.

A horse drawn vehicle, in which a man, a woman and two small children were riding, was struck a glancing blow by the bus, and that no one was injured, was considered fortunate by those who witnessed the circumstances of the incident.

This is one of many mishaps which have been reported from this locality, the cause being an entire absence of light at this point. Drivers who use the driveway to the Southern Pacific depot have reported to council members and to the police that the dangerous condition exists, but to date no relief has been afforded by the city council.

Republicans Of Ohio Organizing For Big Campaign

Columbus, Ohio, Feb. 23.—Plans for the national and state campaigns were sizzling here today in connection with the Washington's birthday rally of Ohio republicans.

Of major importance among the events was to be reorganization of the Ohio Republican Editorial association, perfection of the state league of republican clubs, and organization of the republican women of the state.

Major General Leonard Wood, republican candidate for the presidency, had carried the fight into Ohio today by filing his declaration of candidacy for the republican presidential nomination and also a statement authorizing candidates for delegates to pledge themselves to his support at the republican national convention.

WOMAN RUN DOWN BY AUTO; ACCIDENTS ON STREETS HERE GROW

The increase of auto accidents in the city is noted by records at police headquarters Monday morning. Saturday night and during Sunday four auto collisions or accidents were reported to police.

Saturday evening Mrs. W. E. Kurtz, 1105 Leslie street, reported that the machine she was driving collided with another at the intersection of State and Liberty streets. The other car did not stop. Mrs. Kurtz's machine was slightly damaged.

Woman Is Hurt
A woman, whose identity has not been determined by police, was thrown to the pavement and slightly injured Sunday when she stepped backward and in front of an auto driven by Frank Borgelt, route 3, Salem. The accident occurred near Liberty street, on State. Mr. Borgelt told police, he said that he thought the woman was clear of the machine when she suddenly stepped back and into the fender of the car. She walked to a nearby drug store and received liniment for her bruises.

Boy Run Down
Wholly Chenoweth, a small boy residing at 700 North 16th street, had a narrow escape from injury Sunday when a bicycle he was riding was struck by a swiftly passing auto. The auto did not stop, the lad told police, who also said that it bore Oregon license number 7230. The boy escaped without any injury; but the bicycle was badly damaged.

Faulty parking requirements is attributed to be the cause Sunday of a collision on State, between High and Liberty streets, of an auto driven by D. Takagi, 445 Ferry street, and E. Roberts, riding a motorcycle. The collision occurred when Takagi and Roberts strated their machines at the same time, Takagi swinging the opposite direction Roberts was going, causing the machines to come together. Both machines were damaged. But neither Takagi or Roberts were hurt.

Wilson To Make Adriatic Notes Public, Report

Washington, Feb. 23.—The notes exchanged between the United States and the entente powers on the Adriatic question will be made public by President Wilson within a few days, it was stated today officially. The publication, it is understood, will be made with the consent of the foreign governments.

It is expected that the notes will be given to the public as soon as the president's latest reply to the entente premiers is delivered. It will be sent to Ambassador Davis at London who will deliver it to the premiers.

Visitors Barred At Penitentiary

No visitors will be admitted into the state prison here until the present influenza epidemic has abated, according to instructions just issued by Warden L. F. Compton. There are no influenza cases in the penitentiary yet and the quarantine order is made with the object of keeping the disease out of the institution, according to Compton.

The ban is still up at the state hospital here where, reports indicate, there has been no material increase in the number of influenza patients since this emergency action was taken a week ago.

JOHNSON TO BEGIN CAMPAIGN MARCH 1

Sioux Falls, S. D., Feb. 23.—Senator Hiram W. Johnson of California, independent republican candidate for president at the March primaries will open his South Dakota campaign March 1, it was announced here today. Senator Johnson will deliver only four speeches on this trip, but will return to the state just before election for another series of speeches, it is said.

RESTORATION OF PRE-WAR STATUS IN INDUSTRY TO BE ATTEMPTED THROUGH ENFORCEMENT OF RESERVE SYSTEM

Board Announces Determination "To Test Ability Of System To Check Expansion And Induce Healthy Liquidation," In Annual Report Made Public Today.

Washington, Feb. 23.—Determination of the federal reserve 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 board's annual report, made public today.

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

Amendment Asked
Recommendations also were made to congress for amendment of the reserve act which would permit reserve banks to establish normal 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 that credit expansion on a large scale would be stopped.

Warning was given that the country must guard against too rapid deflation. It was pointed out, however, that some remedies employed to counteract deflation might create conditions worse than inflation itself.

"Deflation merely for the sake of deflation and a speedy return to '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 inordinate proceeding," the report said.

Must Control Credit
"It must never 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 deserves to be particularly emphasized in the present deranged state of world industry and trade when production is the crying need of the hour every where."

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 these 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 borrowings, 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.

Cooperation Needed
In checking expansion, the board declared much depended upon co-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 affect the transition from war time to peace time conditions if reasonable safeguards against the abuse of credit are respected. Our economic and financial positions, 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 holder and the national debt reduced the operation of the sinking fund, there gradually will come a

(Continued on page two)

FULL HONORS PAID MEMORY OF PEARY AT FUNERAL TODAY

Washington, Feb. 23.—The body of Rear Admiral Robert E. Peary, discoverer of the north pole, was laid to rest in Arlington national cemetery today with full naval and military honors and with high officials of the officers of the government and diplomatic corps present. There ceremonies were in charge of the navy department and Captain Carroll Q. Wright, chaplain at the Washington navy yard, conducted the religious services.

The casket was carried to the cemetery on a gun limber, draped in the national flag which Admiral Peary raised at the north pole. A troop of cavalry and a battery of artillery formed the military escort which led the way, while a long procession of official and private automobiles carried the distinguished mourners to the graveside. At the cemetery a company of bluejackets fell into line with the army escort and the three volleys of the last salute were fired by a squad of sailors from the presidential yacht Mayflower. A navy bugler sounded taps.

The honorary pall bearers included Vice President Marshall, M. Jules Jusserand, French ambassador; Chief Justice White of the supreme court; Speaker Gillett of the house of representatives; Secretary Daniels and Assistant Secretary Roosevelt; Secretary Lane, Rear Admirals Coby, M. Chester, M. T. Endicott and C. W. Parker; Gilbert Grosvenor, president of the National Geographic Society; Allan R. Hawley, former president of the Aero Club of America; Captain Robert A. Bartlett, Vilhjalmur Stefansson and Donald MacMillan.

MURMANSK IS TAKEN BY BOLSHIEVKE AND SHIPPING IS SIEZED

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 a 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.

Capital Journal's Straw Vote for President

Vote for One, placing X after name; then cut out and mail or bring to Capital Journal Office.

BRYAN	OWEN
COX	PALMER
GERARD	PERSHING
HARDING	POINDEXTER
HOOVER	POMERENE
JOHNSON	TAFT
LOWDEN	WILSON
McADOO	WOOD

Party Affiliation _____

Name _____

Address _____