

BANKERS START OFFENSIVE ON H. C. L.

FED. RESERVE GETS AFTER PROFITEERS

Withdrawal of Credit From Food Speculators Urged by Governor Harding—Bankers Are Expected to Act at Once—Will Reduce Prices Quicker Than Any Remedial Legislation—Cut Out "Frozen Loans" Declares Harding, Avoid Disaster.

WASHINGTON, May 19.—Adoption by American bankers of the recommendations of Governor Harding of the federal reserve board, to liquidate frozen loans was expected by the board officials to alleviate the financial situation and to go far toward bringing down prices.

Governor Harding applied the term "frozen loans" of credit extension which was permitting large stocks of merchandise to be held in storage for speculative purposes. Additional accumulation of goods in storage, he indicated, could be prevented by strict supervision of credit.

Although legislation designed to drive foodstuffs from storage is now pending in congress, it was said today that careful withdrawal of credit from speculators in food products might accomplish more than statutory regulation. It was emphasized, however, that bankers should discriminate inasmuch as in many lines the summer months see an accumulation of commodities for the following winter.

Curtail Frozen Loans

WASHINGTON, May 19.—Curtailment of long term loans covering "non-essential operations" and discouragement of unnecessary borrowings of all kinds will be the foundation of the federal reserve system's new policy designed to deflate the national finances. American bankers have pledged themselves to cooperate with the reserve board in the effort to carry out the plan.

Governor Harding of the board believes liquidation of superfluous loans will go far toward rectifying present inflation. Expansion of banking credit due to war requirements, he said, amounted to \$11,000,000,000 while money in circulation had increased about \$1,900,000,000 during the war period.

The slowing down of "industrial effort," as indicated by decreased production in important lines, represented the most unsatisfactory element in the country's economic problem, he said.

Avoid Real Crisis

Governor Harding warned of impending dangers in the cycle of continued borrowings and speculation and appealed to bankers and public alike to be conservative in its demands for banking credit.

"It is evident," Mr. Harding said, "that the country can not continue to advance prices and wages, to curtail production, to expand credits and attempt to enrich itself by non-productive operations and transactions without fostering discontent and radicalism and that such a course, if persisted in, will eventually bring on a real crisis."

The federal reserve banks, Mr. Harding declared, could do much in the direction of curtailing credits of member banks by informing them of the normal amounts they could borrow from the reserve institution. He said this would compel the individual banker to examine carefully all applications for loans.

MAYOR GATES ISSUES A PROCLAMATION FOR LEGION WEEK DRIVE

AMERICAN LEGION WEEK
This week has been set aside as American Legion week. A membership drive is being made to induce every soldier of the Great World War to join the Legion. This order is due to become the largest in the world. They have passed the experimental stage and have functioned long enough to have proven their stability and worth. I appeal to the patriotic citizens to assist our noble boys in every way possible to increase their membership and to all ex-soldiers to affiliate with this organization, which is the pride of this, the greatest country in the world.
(Signed) C. E. GATES, Mayor.

SUDDEN BOOM PRICE CUTTING SWEEPS U. S. A.

Wearing Apparel, Shoes and Silks Reduced From 20 to 50 Per Cent—Scramble to Gratify Demand for Lower Prices Sweeps From Texas to Chicago, New York to Pacific Coast—Fresno, California, Announces Reduction in Silk Prices.

CHICAGO, May 19.—Reports of price cutting in wearing apparel continued to sweep the country today. Owners of department stores announced reductions ranging from 20 to 50 per cent. The price of shoes was reported in some quarters to have been cut one-fifth, while a ready-to-wear establishment in Omaha announced it was offering its stock at figures from 30 to 50 per cent below the market price. Dentists also have stepped into the procession and reports from Omaha show some dentists have cut their scale 25 per cent. Silk shirts and suits for men were reported to have suffered 20 to 30 per cent cuts in Indianapolis. Ready to wear clothing for women and children were also offered at greatly reduced prices.

Terre Haute, Ind., reported twenty per cent reduction in all men's and boys' garments and shoes by one of the largest outfitters of men and boys in that territory.

In Youngstown, Ohio, all but one of the larger department stores placed on sale today their entire or greater portion of their stocks at discounts ranging from 20 to 50 per cent.

A report from the Pacific coast said retailers of Fresno, Cal., had announced general reductions on silk goods of from 20 to 25 per cent, while El Paso, Texas, sent word that 33 1-3 per cent had been taken off the price of staple shoes and 25 per cent off the price of clothing, the latter announcement coming from the largest department store in the city. There was little material price change in Chicago, but an officer of one of the

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FOCH SEES SECOND WAR WITH BOCHE

French Marshal Warns France She Must Prepare for Future Conflicts—Can't Trust a Nation Whose National Industry Is War and Who Makes Might Right—Must Maintain Big Armies on German Frontier in Future.

PARIS, May 19.—Warning that France must, in the midst of peace, make preparations for future wars, was uttered by Marshal Foch, who presided at the annual meeting of the Polytechnic school for army engineers today. He said the present economic struggle in the first part of the peace program, but preparation for war is the second part.

"Which of us," he asked, "dare believe Germany is renouncing war on the morrow of her ruin? Germany's neighbors, whether they wish to or not, will be forced to keep up armies and maintain strong frontiers, because there are historic realities and racial appetites, just as there are geographical realities.

"How can we help mistrusting a nation," he continued, "which, reduced to impotence by the great Napoleon, was able, by its martial ardor, to re-establish itself and bring about complete overthrow of the colossal Napoleonic empire, and by superlative militarism and methodic development, extend its authority from the east Prussian marshes to beyond the Rhine? Making war is its national industry and might is its right."

BERLIN, May 19.—The German war criminals on the list recently presented the government by the allies have been summoned by the chief imperial republic prosecutor to appear before the supreme court at Leipzig between June 7 and June 20, according to the Tageblatt.

BERLIN, May 19.—Surety police, consisting of 400 men and forty officers have taken possession of the barracks at Frankfurt as a result of the withdrawal of French and Belgian troops from that city, according to advices received here.

HOUSE REFUSES TO FEDERALIZE GUARD

WASHINGTON, May 19.—The house refused today to approve a compromise agreement with the senate permitting states to federalize the National Guard. The vote was 209 to 106.

By its action the house sent the army re-organization bill back to conference with instructions to its managers to insist against changing the pre-war basis of the guard organization.

WASHINGTON, May 19.—President Wilson today signed the army and navy pay bill, providing for a temporary adjustment of pay scales for officers and enlisted men pending permanent legislation on the subject at a later date.

WASHINGTON, May 19.—Republican leaders in the house agreed today to accept the peace resolution adopted by the senate as a substitute for the house resolution and decided tentatively to call it up Friday for final action.

BOLSHEVIKI ARMY LANDS IN PERSIA

LONDON, May 19.—Bolshevik forces landed from thirteen ships near Enzeli, in Persia, on the Caspian sea, yesterday, it was learned here today. The officer in charge of Enzeli was compelled to accept the bolshevik terms, owing to the superiority of the bolshevik, and the same night the British evacuated Enzeli.

CALIF. RETAIL SUGAR PRICE BOOSTED UP TO 26 CENTS PER POUND

SAN FRANCISCO, May 18.—The price of sugar was increased today to \$23.25 a hundred pounds to the trade, it was announced by the California and Hawaiian Sugar Refining company. This is an increase of 50 cents a hundred in price, the last allotment having been \$22.75.

The recent announcement by Attorney General Palmer that a fair profit under the Lever act would be one cent a pound on sugar to jobbers and two cents to retailers, would indicate a "fair price" on this allotment to be twenty-six and one-quarter cents a pound.

FOREST FIRES IN SISKIYOU COUNTY BECOME SERIOUS

SAN FRANCISCO, May 19.—The breaking out of seven forest fires in the state within the past few days has compelled the air service office of the western department of the army to cancel tentative arrangements to send a detachment of air planes from the ninth aerial patrol squadron to the aerial landing field celebration at Eugene, Oregon, May 20, it was announced here today.

The fires were all said to be controlled with little damage except at Big Gulch, a tributary of the Salmon river in Siskiyou county, where a blaze starting in a ditch-tender's cabin destroyed the cabin, a small saw mill and 500 feet of mining flume. A force of 25 men controlled this fire after it had burned over 1500 acres.

Of the remaining fires two were reported in the Angeles forest in southern California, three in the Lassen peak region and one on the southeast side of Mount Shasta. The air service was said to have been invaluable in the detection of these fires and in transmitting directions as to how they should be fought.

CARRANZA TAKEN IS REBEL REPORT

HOUSTON, Texas, May 19.—General Carranza has been captured by revolutionary forces and has been given a safe conduct to Vera Cruz provided he leaves Mexico at once, according to unofficial messages received today by a local newspaper. The report could not be confirmed.

WILSON'S REQUEST IS REFUSED BY PARKER

BATON ROUGE, La., May 19.—Governor Parker has declined to accede to the request of President Wilson that he ask the Louisiana legislature to ratify the federal suffrage amendment.

Census Returns

WASHINGTON, May 19.—Salt Lake City 118,119, increase 25,233 or 27.3 per cent.
Pittsfield, Mass., 41,534, increase 9413 or 29.3 per cent.
Rhinelander, Wis., 6654, increase 1017 or 18 per cent.
Roanoke, Va., 50,842, increase 15,968 or 45.8 per cent.
North Bridge, Mass., 10,704, increase 1267 or 14.4 per cent.

ODESSA IS REGAINED BY BOLSHEVIKI

Important Successes Over Poles Also Reported Along Dvina River by Soviet Government—Capture of Odessa by Poles Reported May 11—English Labor Leaders Denounce Great Britain's Complicity in Polish Offensive.

LONDON, May 19.—The bolshevik won important successes over the Poles in passing the Dvina river at Polotsk, in the government of Vitebsk according to an official statement sent out by the soviet government at Moscow today. The Poles were forced to withdraw, the statement adds and the population received the bolshevik troops with enthusiasm.

CONSTANTINOPLE, May 19.—(By the Associated Press)—Odessa is still claimed by the Russian bolshevik and rumors of its capture by Ukrainian forces have not been supported by subsequent messages. Allied commissioners here are without official information.

Capture of Odessa by the Ukrainians was reported May 11 and what purported to be official confirmation was received in Paris and London the next day.

The British war office issued a statement May 14 declaring that reports that Ukrainians had occupied Odessa had not been substantiated.

LONDON, May 19.—Denunciation of the Polish attack on bolshevik Russia and what is regarded as Great Britain's complicity in that offensive, is contained in a manifesto issued here by a number of labor leaders.

The British government is accused of violating its pledges by sending munitions to Poland, the manifesto declares, "the ferociously cruel blockade of Russia is actually maintained, although legally non-existent, while a stream of goods is flowing into Poland."

The tri-ennial conference of the dockers' union has adopted a resolution forbidding the loading of any more munitions to be used against Russia.

WOMAN TO BE MEMBER CREW LIPTON'S BOAT

NEW YORK, May 19.—A woman will be a member of a crew in America's cup race for the first time in history, it was learned today. Mrs. W. P. Burton, wife of Captain Burton, skipper of the Shamrock IV, has been appointed by Sir Thomas Lipton as a member of the after-guard of the challenger.

Mrs. Burton won many prizes in regattas of the Royal Corinthian Yacht club.

Chicago Eats Imported Meat.

CHICAGO, May 19.—Chicago, met center of the world, is eating meat imported from Australia, and New Zealand.

W. D. FENTON, PORTLAND IS VERY SERIOUSLY ILL

PORTLAND, May 19.—William D. Fenton, formerly chief counsel for the Southern Pacific company in Oregon, is seriously ill of pneumonia which he contracted Monday. His condition has been considered grave, but last night it was reported at his home, where he is confined, that he was considerably improved.

GENERAL WOOD WINS VERMONT PRIMARY IN A ONE-SIDED CONTEST

MONTPELIER, Vt., May 19.—Incomplete returns early today from Vermont's presidential preference primary yesterday gave Major General Leonard Wood approximately 70 per cent of the republican vote, the total of which was about one-twentieth of normal. The democratic vote was negligible.

Senator Hiram W. Johnson, California, and Herbert C. Hoover were in a close race for second place, their names being written in Governor Calvin Coolidge of Massachusetts and William Grant Webster, an attorney of New York, were contesting the next position.

General Wood, whose name was alone printed on the ballot, ran better in the country towns than in the cities.

U. S. EXCHANGE FRANCE DROPS: MARKS REVIVE

Fixing of Germany's Indemnity Has Immediate Effect on Foreign Exchange, Both in New York and Paris—Allies for First Time Assured Bosche Will Pay.

NEW YORK, May 19.—Exchange on Germany was very active and strong today, bills on Berlin rising to 2.19 cents to the mark, the highest quotation since their decline to one cent in February last.

Dealers in exchange ascribed the strength of these remittances to the fact that the terms of Germany's war indemnity finally has been fixed. As a result it is believed the bankers and industrial interests of Germany will now be able to formulate a definite program of reconstruction, involving heavy purchases of raw material from their former enemies.

Dollar Declines

PARIS, May 19.—Another marked decline in foreign currency occurred in the Paris market this morning. The pound sterling opened at 48 francs and the American dollar at 12 francs, 50 centimes.

Yesterday closing quotations were 53 francs for the pound and 13 francs 74 centimes for the dollar.

A high official of the Bank of France expressed the view today that the sharp decline of the exchange rate meant the beginning of a return to the old equilibrium, ruled by the law of supply and demand. He considered that the French government decree prohibiting importations of luxuries from England and the United States was the starting point and that other reasons were the results of the Hythe conference, where the settlement of the German indemnity question began to take definite shape.

The French business world becoming for the first time confident that Germany would pay.

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DEMAND OF RAIL LABOR MEN DENIED

U. S. Railway Labor Board Flatly Refuses to Hear Petitions of Outlaw Leader for Raise in Wages—Lawless Strikers Won't Be Listened to—Serious Coal Shortage in Chicago—Only Five Day's Supply on Hand—Birmingham Strike.

CHICAGO, May 19.—The United States railway labor board today flatly refused to hear petitions for increased wages presented by John Grunau, president of the Chicago Yardmen's association, and officers of other organizations which went on strike recently in defiance of orders from the National Railroad Brotherhoods.

The board, in a ruling handed down by Judge R. M. Barton, chairman, announced that:

"It must be thoroughly understood that the board can not and will not undertake to hear any disputes or controversies except those which it is authorized by law to hear, and cannot and will not hear the application of parties who are acting in disregard of the law and who are not complying with the law and the rules of the board.

The ruling bars representatives of all the strikers who quit work last month from a hearing. It sustains the contention of the brotherhood officials that the strikers could obtain representation before the board by returning to their own organizations.

A. K. Mahoney, vice president of the Cleveland Yardmen's association, which, he said, has 2,600 members on strike, characterized the board's decision as "an outrage." The board is ready to hear everybody but the men who could restore traffic to normal conditions, he said.

Coal Crisis Chicago

CHICAGO, May 19.—The coal supply here reached the lowest mark in recent history today, coal dealers declared, because of the freight congestion and car shortage. Practically all coal received is rushed to manufacturing plants and orders for coal for homes are not being acceded, dealers declared.

William H. Leland, vice-president of one of the largest fuel companies in the city, estimated that the supply on hand would hardly last five days. Officials of several railroads centering in Chicago denied emphatically charges by some dealers that they were hoarding coal by storing it in cars.

BIRMINGHAM, Ala., May 19.—Between 2000 and 3000 men quit work today in widely separated sections of the Alabama coal mining district, according to reports received here. Operations have been suspended in a number of mines.

NEW YORK, May 19.—Final prices today on Liberty bonds were: 3 1/2's 90.30. First 4's 83.30; second 4's 82.00. First 4 1/2's 84.50; second 4 1/2's 82.20; third 4 1/2's 86.30; fourth 4 1/2's 82.60. Victory 3 1/2's 94.92; Victory 4 1/2's 94.94.

MEDFORD WILL BE BASE FOR AIRPLANE FOREST PATROL STARTING ON JUNE 10

SALEM, Ore., May 19.—That airplane forest fire patrol service will be resumed in western Oregon as early as June 10 of this year is indicated in a letter received yesterday from F. A. Elliott, state forester, from western department of army air service with headquarters at San Francisco. Precious information received in Salem was to the effect that this year's airplane patrol would be confined to California.

Included in the letter received by Mr. Elliott was a blank contract pre-

pared by the government, which, if signed by the Oregon forestry officials, will bind the state to furnish proper landing fields, guards to care for the planes when they are not in use, radio operators to accompany the pilots in their flights, auto service at the bases and free telephone and telegraph privileges.

If the contract is signed, it was indicated in Mr. Arnold's letter that bases would be established at Eugene, Medford and Portland and that the service would be conducted along the same lines as last year.

STRIKES IN 1918 COST U. S. LABOR 725 MILLIONS AND INDUSTRY OVER BILLION

NEW YORK, May 19.—An incomplete list of direct losses due to strikes in 1918 places the cost to labor in wages at nearly \$725,000,000 and to industry at more than one and one-quarter billion dollars, Francis H. Sisson, vice president of the Guaranty Trust company of New York, told the silver jubilee convention of the National Association of Manufacturers here today. The chief danger in the present situation Mr. Sisson said is that the desirability of low prices as an end in itself may be so exaggerated as to lead to the attempt to force prices down thru harmful measures for the control of credit.

The banker analyzed the effect of industrial unrest on the country's economic condition, blaming strike fever for high living costs and increased rents.

"We have heard much about rent profiteers," Mr. Sisson said, "but organized labor either does not realize or closes its eyes to the fact that every time men employed in the building trades go on a strike or shirk at their tasks they penalize society—which includes themselves—by increasing the cost of building, thus increasing rent and as a result make prices for goods and services higher."