

TURKS LEAVE VAN DISTRICT

Russians Possess Much Territory Following Fall of Erzerum.

FLEEING SOUTHWARD, CLOSELY FOLLOWED

Turkish Reinforcements Turn Back—Considerable Damage Done on English Coast by Raid of Four German Aeroplanes—Attack Centers on Factories and Gas Plant at Lowestoft—British Aircraft Gives Pursuit.

London, Feb. 21.—The Russians have occupied the entire Lake Van district, the Turks retiring southward and even evacuating Bitlis, according to a Petrograd dispatch received in Rome and given out here by the Wireless Press.

On the other wing, according to the dispatch, the Russian advance guards have arrived within a short distance of Trebizond, on the Black Sea coast. [Bitlis, a city of more than 25,000 population, is on the direct line of a force pushing from Lake Van toward Diarbekr about 100 miles away, fifty miles beyond which city runs the Bagdad railway.]

Reinforcements Turn Back. Petrograd, via London, Feb. 21.—A dispatch from Tiflis to the Boerse Gazette says that two Turkish army corps which were on their way to reinforce Erzerum, have turned back on being informed that the fortress had fallen.

Turk Army Menaced. The Russians are pressing at the advantage gained at Erzerum on both flanks. On the right, along the Black Sea coast, by the co-operation of the sea and land forces, they are driving the Turks from one position after another to the east of Trebizond, and it is expected that active operations against that important seaport will not be long deferred.

In the last two days the Russians have occupied Witde (Widje) and pressed forward ten or twelve miles westward. The fleet has destroyed several shore batteries which might have been of assistance to the Turks. By destroying bridges, the fleet has made the Turks' retreat more difficult.

Take Mugh by Storm. On the left flank, after the occupation of Koph, the Russians pushed on to Mugh and Achlat, the latter on the north shore of Lake Van. From Koph to Mugh, sixty miles over mountain roads, they fought several battles and occupied Mugh by storm. The Turks fled southward toward Diarbekr, the next objective of the Russian army. Diarbekr is only a day's march to the Bagdad railway the last remaining communication into Syria.

The rapid Russian offensive beyond Erzerum, it is believed here, makes it probable that the retreat of the Turkish corps operating along the Black Sea coast and of those troops which were active in the Mugh district before the Russian occupation will be cut off and that the main Turkish armies will be surrounded. This fate has already overtaken the thirty-fourth division of the Tenth corps, which was ordered from Olti to Erzerum before the fall of the fortress.

RAID BRITISH COAST.

German Aeroplanes Drop Bombs on Factories at Lowestoft. Berlin, via London, Feb. 21.—The official German account of the raid by German naval air craft on the British coast yesterday issued by the German admiralty, follows:

German naval aeroplanes on Feb. 20, at noon, attacked the British coast. Bombs were hurled with good success on factories in the rear of the railroad and on the docks and gasometer at Lowestoft. The aeroplanes also attacked the docks in Lowestoft where several times the gasometer broke down under the effect of bombs. In addition two tank steamers were bombed. "In spite of the enemy's fire and pursuit by aeroplanes all the aircraft returned safely."

The British Version. London, Feb. 21.—Four German seaplanes Sunday made a raid over the east and southeast coasts of England, according to an official announcement by the war office. The total casualties are given as two men and one boy killed and one marine wounded. Considerable material damage was done.

In view of the distance of the district raided from the nearest hostile aviation base, it is recalled that a German newspaper recently described a new arrangement whereby a submarine was combined with an aeroplane, the submarine acting as a submersible hangar, from which a small seaplane could operate, after being conveyed within suitable distance of its objective.

Text of Official Statement. The official communication says: "Four German seaplanes made a raid over the east and southeast coasts at noon Sunday."

"The first raiders, two biplanes, appeared over Lowestoft at 10:55 a. m., and circled over the south side of the town for five minutes and dropped bombs. In about five minutes they rose to a great height and seemingly vanished. At 11:50 a. m. the two seaplanes were again over the town and then vanished eastward."

Drop Seventeen Bombs. Altogether seventeen small high explosive bombs were dropped. There were no casualties. Considerable damage was caused to the outbuildings of

a restaurant and to two dwelling houses. Two naval seaplanes went up at 11:05 and pursued the raiders but without result.

"Meanwhile, two other German seaplanes were making for the Kentish coast. The first passed over the Kentish Knock light vessel, dropping bombs in that vicinity at 11:20 a. m. The last raider made straight for Lowestoft. Reaching that town at 11:27 a. m., flying at less than 2,500 feet, it dropped six bombs and turned sharply to the east.

Causes Damage to Church. "Two of the bombs that fell destroyed roofs and broke windows in the neighborhood. One of them fell close to a church, blowing in the windows as the congregation was singing 'Te Deum.' A third bomb fell on a roadway running along the beach, killing one civilian and injuring one marine.

"The total casualties were two men and one boy killed and one marine wounded. Two of our aeroplanes which went up from Dover pursued the raider, but apparently could not overtake him."

GREEKS FEAR INVASION.

Cruiser Sent to Durazzo to Protect Residents From Bulgars. Paris, Feb. 21.—The Greek cruiser Helle has arrived at the Albanian port of Durazzo to protect the Greek residents in that district in case the Bulgarians should succeed in entering the city, says the Rome correspondent of the Petit Parisien.

In the Austro-Hungarian official report, dated Feb. 20, it was stated that an advance Italian position had been taken in the Austro-Hungarian near Bazar-Sjak, which lies about six and one-quarter miles to the northeast of Durazzo. It had previously been intimated that the Bulgarians were operating against Avlona, about eighty miles south of Durazzo.]

RUSSIAN DUMA TO MEET.

Government Decides to Call Legislative Body After Long Delay. Petrograd, via London, Feb. 21.—The duma has been convened to meet to-day.

The duma was prorogued on Sept. 16 last, and on Dec. 7 Emperor Nicholas issued a rescript postponing indefinitely its reopening as well as that of the council of the empire, this action being taken, it was announced, to await the results of the peace negotiations. The duma had not completed the preparation of the budget. Demonstrations were reported as having taken place in Petrograd and Moscow in protest against the refusal to permit the reassembling of the duma.

Investigating China Incident. American consular representatives in China, particularly at Shanghai, today were instructed to gather full information concerning the removal of thirty-eight Germans from the American steamer China on the high seas last week.

It was said that when full information was at hand a note would be addressed to Great Britain along the lines of the communication sent to France when the Descartes removed Germans and Austrians from American ships near Porto Rico recently.

Germans in Air Attack. Berlin, via London, Feb. 21.—An official statement issued here today says that German naval aeroplanes on Sunday dropped a large number of bombs on the aerodrome and camp at Furnes, in west Flanders, near the North sea, and returned safely.

Hand Grenade Attacks Repulsed. Berlin, via London, Feb. 21.—Repulse of a British hand grenade attack against the new German position on the Yser canal north of Ypres, was announced today by the German war office.

IGNATIUS LINCOLN AGAIN IN CUSTODY

Agents of Department of Justice Investigating Circumstances Attending Escape—Arrests May Result if Others Are Found to Be Implicated.

New York, Feb. 21.—Agents of the department of justice here are investigating the circumstances attending the escape of Ignatius T. Lincoln, the self-styled international spy, who was recaptured Saturday after enjoying nearly a month's freedom. It is believed that more arrests may result if it is found that Lincoln was wilfully assisted in his escape or given shelter by persons who knew he was a fugitive.

He was in the Brooklyn jail today awaiting a decision of the United States circuit court of appeals on the question whether he shall be extradited to England to answer to the charge of forgery on which he was arrested. Lincoln contends that if he is sent back to England he will be executed as a spy.

It is learned that Lincoln spent a portion of his month's liberty on a farm near Red Bank, N. J., as a boarder seeking health in the country. He became involved in a dispute with the farmer and left hurriedly for this city. The farmer's effort to recover damages for which he held Lincoln responsible during the latter's hiding place, and give a clue to his identity.

BEAUPORT CHURCH BURNS.

Parish House of Worship, Near Quebec, Destroyed With \$500,000 Loss. Quebec, Feb. 21.—The parish church at Beauport, near this city, was destroyed by fire today. The loss is estimated at about \$500,000. It is feared that a boy who entered the church to save a statue was buried in the ruins.

Floods in Belgium.

Amsterdam, via London, Feb. 21.—The river Meuse has overflowed its banks over a stretch of country in the neighborhood of Liege and a number of villages north of the city and part of the city itself are inundated.

Fire in Government Printing. Washington, Feb. 21.—Fire broke out in a rag pile in the government bureau of engraving and printing this afternoon. Two fire alarms were turned in

"SUB" DISPUTE STILL GRAVE

State Department Considers Controversy Far From Settled.

NO ASSURANCES AS TO FUTURE

Lusitania Agreement Fails to Hold Out Promise to Protect Lives of Neutrals—Germany Sends Protest Against Seizure of Steamship Appam by United States Deputy Marshals—Demands Explanation of Petrolite Case.

Washington, Feb. 21.—State department officials said today they considered the submarine situation with Germany still in a grave state, as the new policy of the Teutonic powers contains no assurances for the future.

The situation created by the announced intention of sinking armed merchant ships without warning after Feb. 23, officials said, was still in the abstract, and was being exercised as such, but the Lusitania agreement itself, as it now stands, they explained, merely treats of the past and, altho it gives all in that respect for which the United States has contended, officials do not feel that it clearly guarantees against another such disaster.

Secretary Lansing already has told Count von Bernstorff, the German ambassador, that assurances that the previous declaration of war was abandoned in the new campaign are highly desirable. Representations against the presence of United States deputy marshals on the captured British liner Appam, German steamer, at Hampton Roads, were made to the state department by the German embassy today.

Prince von Hatfeldt, consul of the embassy, discussed the whole subject with Consul Polk. It was said that while the embassy realized that that feature was out of the hands of the state department and in the courts, it was anxious to know when some decision might be expected. The presence of the marshals was objected to, it was said, because it was feared some friction might develop.

Present Petrolite Case. Vienna, Feb. 21.—The Austrian government today has presented the American note asking for investigation and explanation on the attack on the American tanker Petrolite near Alexandria, several weeks ago, and had promised a prompt reply, it was said at the state department. The reply probably would give basis for further negotiations.

Wants Prompt Reply From Britain. Secretary Lansing today asked the London foreign office for prompt replies to the American notes protesting against the seizure of the Appam and against the application of the trading-with-the-enemy acts against American firms and interests.

TEACHERS' SOCIETIES MEET.

Educational Associations Open Conventions in New York. New York, Feb. 21.—Three of the many organizations affiliated with the National Education Association, which are to hold conferences and conventions here this week, began their sessions today.

They are the Council of State Department of Teachers of Education and the National Vocational Guidance Association. Rural schools and vocational training were the principal subjects discussed.

ARMY SCHOOL OF FIRE.

Ninth Session Opens at Fort Sill With 200 Officers Present. Fort Sill, Okla., Feb. 21.—Artillery fire, declared by army tacticians to be "the dominating factor in modern warfare," holds the interest at the United States army school of fire, the ninth session of which opened here today. In conjunction with the school of marksmanship, which is chiefly concerned in the training of officers in directing and control of fire of bodies of troops was held. About 200 commissioned and non-commissioned officers are here.

SAFETY FIRST EXPOSITION.

Government to Show What Has Been Done to Conserve Life and Property. Washington, Feb. 21.—To show what the federal government is doing toward the conservation of lives and property of American citizens on land and sea is the object of the national safety first exposition, which opened in the national museum here today. Twenty-five American bureaus and the Red Cross are participating.

Secretary Lansing of the interior department will formally open the exposition tonight with an address on "Safety First."

REAL FARMERS MEET.

Convention in Kansas Marked by Absence of Business Men. Kansas City, Mo., Feb. 21.—A national farmers congress composed of real farmers and minus the usual delegations of business men, convened here today to formulate plans for a permanent organization that will strive to perfect a market system for farm products. The meeting was called by C. D. Resler, of Chanute, Kan., and I. M. Wright, of Waukecha, Wis., representing a temporary association.

According to the promoters, it is the intention to organize a farmers' association somewhat the nature of the Landwirtschaftsrat in Germany, that will look after the business end of the producers' affairs, to establish market bureaus in all market centers of the United States and a main central clearing house, thus providing for the producers' interests to be under the supervision of the producer and friendly to his interests; a system that will be in a position to locate the demand as well as the supply and provide a means of getting the two interested together on the most equitable and economical terms possible.

The meeting is to last three days. Delegates were appointed by governors of several states, while farm organizations named others. No one was permitted a voice in the meeting unless he had a certificate to show he was a fully qualified farmer.

Discussions of how to make farm life more attractive, development of education for rural communities and several other subjects will be discussed during the convention. The plans of those having the meeting in mind are that the delegates themselves will deliver the addresses each being given the opportunity fully to discuss conditions.

It has been proposed that the new organization be known as the National Farmers' Association of America.

CRONES HAS NERVE; CALLS UP NEWSPAPER

Has Two Conversations Over Telephone With Newspaper Men and Says He Will Remain in New York Until Thursday.

New York, Feb. 21.—The police today expressed confidence that the desire for notoriety shown by Jean Crones, the Chicago anarchist who attempted to poison Archbishop Mundelein and 200 other guests, would result in his capture in the same manner as a similar desire for publicity trapped Ignatius T. Lincoln, the German spy.

Crones' latest exploit was to call up a local newspaper twice and announce that he intended to stay in New York until Thursday. His announcement was coupled with a threat against his brother, Paul Crones, on account of an interview Paul had given to the newspapers.

LAMAR CONTINUES FIGHT.

Applies to Supreme Court For Order to Reinstate Appeal.

Washington, Feb. 21.—Counsel for David Lamar, the so-called "wolf of Wall street," advised in New York for reinstating an appeal from the United States, in an attempt to defeat J. P. Morgan and others, today applied to the supreme court for an order to compel the circuit court to reinstate Lamar's appeal.

The government opposed the application, but the circuit court, taken at once to send Lamar to prison.

DISCUSS WAGE SCALE.

Mine Workers Committee in Conference With Operators.

New York, Feb. 21.—Members of the wage scale committee of the United Mine Workers of America, headed by John P. White, president of the union, conferred here today with representatives of anthracite coal mine operators in an attempt to reach an agreement to govern the relations of the miners and their employers after March 31, when the agreement now in force expires.

KENYON INTRODUCES NATIONAL PARK BILL

Proposed Purchase of 2,000 Acres in Northeastern Iowa, Near McGregor, by Federal Government—Movement Strongly Endorsed in Iowa.

Special to Times-Republican. Washington, Feb. 21.—Senator Kenyon today presented in the senate the bill for a national park in northeast Iowa near McGregor. This movement is strongly endorsed all over Iowa. About 2,000 acres, of which a small part is in Wisconsin, is included in the park plan.

ATTACKS CHILD LABOR BILL.

Measure Unconstitutional Says Counsel For Manufacturers. Washington, Feb. 21.—James A. Emery, counsel for the National Association of Manufacturers, today attacked the child labor bill before the senate interstate commerce committee, as unconstitutional. The association, he says, opposes the bill not because of legislation safeguarding children, but of the principle of federal control it embodies.

Mishap Fatal to Dr. Morris.

Atlantic, Feb. 21.—Dr. Thomas Boyd Morris, well known physician and surgeon, who was injured Thursday when his automobile was hit by a Rock Island passenger train, died Saturday night without having regained consciousness. Specialists from Omaha and elsewhere were unable to save the man's life.

Deserted at the Altar.

Mrs. Kenneth S. Clark Alleges Husband Departed After Wedding. Sioux City, Feb. 21.—Charges that her husband had deserted her within an hour after their marriage last June at Canton, S. D., were made by Mrs. Kenneth S. Clark in a suit for divorce filed today against her husband, son of a wealthy LeMars, Iowa, family. Mrs. Clark asks extensive alimony.

TYPHUS INVADES TEXAS.

Cases of Fever Discovered and Warnings Are Sent Broadcast. Austin, Tex., Feb. 21.—Typhus fever has crossed into Texas from Mexico, according to reports received at the state health department. The disease is spreading to inland points, the reports say. Dr. W. E. Davis, state health officer, has sent warnings to health officers in all border counties.

ASQUITH ASKS FOR BILLIONS

Great Britain's War Expenses Mounting to Enormous Sums.

COMMONS TO VOTE TWO MORE CREDITS

Appropriations of 120,000,000 and 300,000,000 Pounds Each Requested by Premier—Great Britain Calls Out Boys of 18 and 19 Years, For Duty in Near Future—Conference of Representatives of Allies Being Held.

London, Feb. 21.—Premier Asquith introduced two votes of credit in the house of commons today. The premier's speech was confined entirely to the financial aspect of the war.

The first vote of credit was on the supplementary estimate for the current fiscal year, bringing up the total war expenditures for the year to 1,420,000,000 pounds. This appropriation is for 120,000,000 pounds. The second vote to provide funds for the first part of the financial year beginning April 1, amounts to 300,000,000 pounds.

Interest in Asquith Speech. Premier Asquith's speech was delivered in the house of commons on the financial situation is awaited with keen interest and indeed public attention is attracted in advance to proceedings in both houses of parliament during the present week, as several important projects are coming up for consideration.

One of the important debates of the week in the house of lords will begin tomorrow when the question of the so-called leakages in the blockade will be opened on Baron Sydenham's motion, which declares that more effective uses could be made of the fleets of the allies to prevent supplies from reaching the central empire.

On Wednesday Philip Snowden, solicitor general, will raise the question of peace terms. It has been previously stated in London dispatches that the 300,000,000 pound vote of credit above alluded to is expected to finance the war for only two months, that until the end of May. Including the 120,000,000 pound vote of credit for the period till March 31, a total of 1,420,000,000 pounds will have been supplied by votes of credit for the twelve months of the financial year which ends on that date. With the amount voted in 1914, the vote of credit which the war began will thus reach 2,082,000,000 pounds. These figures, it is estimated, will be exceeded by the total cost of the war, as large sums furnished from revenue are also used to defray the expenses.

BOYS CALLED TO ARMS.

Youngest Class in Great Britain Called For Service.

London, Feb. 21.—A royal proclamation has been posted calling to the colors the recruits of class one under the military service act. They are to report before March 31. The class mentioned comprises the youngest of the recruits available. The youngest of the boys who have attained the age of 18 on Aug. 15 last. It is believed that the majority of them have now attained 19 years of age, and have thus become eligible for the military service.

The present summons completes the calling up of the single men.

ALLIES IN CONFERENCE.

Paris, Feb. 21.—The British delegation to the Anglo-French parliamentary committee, headed by Viscount Bryce, have arrived in Paris to confer with the British delegation. The senators and deputies under the chairmanship of former Premier Clemenceau. A series of meetings, to extend over three days, begins tomorrow.

The program provides for intimate discussions of the conduct of the war. From Paris the British delegation will go to Bordeaux for public meetings and perhaps to other cities. The visiting Englishmen were received today by President Poincare and Premier Briand.

AGED EDUCATOR DEAD.

Frances A. Grout, Teacher in Waterloo Schools For Forty Years, Dies. Waterloo, Feb. 21.—Frances A. Grout, aged 63, sister of Senator H. W. Grout, died suddenly at her home in this city this morning. During the last session of the legislature, Mrs. Grout was a member of the senator's household at the capital. For forty years she was a teacher in the Waterloo public schools and that time she was never absent or tardy due to any disability on her part.

DESERTED AT THE ALTAR.

Mrs. Kenneth S. Clark Alleges Husband Departed After Wedding. Sioux City, Feb. 21.—Charges that her husband had deserted her within an hour after their marriage last June at Canton, S. D., were made by Mrs. Kenneth S. Clark in a suit for divorce filed today against her husband, son of a wealthy LeMars, Iowa, family. Mrs. Clark asks extensive alimony.

TYPHUS INVADES TEXAS.

Cases of Fever Discovered and Warnings Are Sent Broadcast. Austin, Tex., Feb. 21.—Typhus fever has crossed into Texas from Mexico, according to reports received at the state health department. The disease is spreading to inland points, the reports say. Dr. W. E. Davis, state health officer, has sent warnings to health officers in all border counties.

T.-R. BULLETIN. NEWS OF THE DAY

The Weather. Sun rises Feb. 22 at 6:43, sets at 5:45. Iowa—Partly cloudy and probably unsettled tonight and Tuesday; warmer in north and east portions tonight; cooler in north and west portions Tuesday.

PAGE ONE.

Telegraphic News: Submarine Crisis Still Grave. No Assurances From Germany. Asquith Asks For Billions. Turks Abandon Large Territory. Mexico to Adopt U. S. Financial System.

PAGES TWO, THREE AND FOUR.

Iowa News: Business Booming. Suffragists to Make Whirlwind Campaign. "Paul Reverse Ride" by Wireless. No Crime to Carry Booze. Rev. P. V. Marston Dead. Fatal Fight at Ames.

PAGE FIVE.

General News: Laying Plans For Control of Congress. Uncle Sam, Esquire. The "Third House" of Congress.

PAGE SIX.

Editorial: Organized For Cosson. Playing With Disaster. The Business Prospect. Topics of the Times. Iowa Opinion and Notes.

PAGES SEVEN, NINE, TEN, ELEVEN

Local News: Bond County For Grading and Bridging. Important Step For Good Roads Taken. Marshalltown Now City First Class. County Teachers in Meeting. State Center Wins Basketball Tournament.

Jinks F. Patton, Laurel Banker, Dead. PAGE TWELVE. Markets and General: Liberal Receipts Weaken Wheat. Heavy Arrivals Pull Down Corn. Cattle Firm. Hogs Unchanged to 5 Cents Higher.

NON-PARTISAN BOARD.

President Desires Privilege of Appointing First Commissioner. Washington, Feb. 21.—President Wilson prefers having the proposed tariff commission composed of members appointed by himself and equally non-partisan. He made this clear today to Representative Barnhart, of Indiana, who suggested that the committee consist of one man appointed by the president and the others appointed by the senate and house.

The president said that because of conditions created by the war he believed the commission should be removed entirely from politics. Des Moines, Feb. 21.—The Rev. W. S. Kendall, of Cleveland, O., secretary of department of stewardship of the United Brethren church, in an address today scored the laxity of the church in missionary enterprise. "The churches today are not providing a man's program," he said. "It all goes to talk and to do the work of one-talent men."

KENDALL SCORES CHURCH.

Critiques Laxity of Organization in Missionary Enterprise. Des Moines, Feb. 21.—The Rev. W. S. Kendall, of Cleveland, O., secretary of department of stewardship of the United Brethren church, in an address today scored the laxity of the church in missionary enterprise.

"The churches today are not providing a man's program," he said. "It all goes to talk and to do the work of one-talent men."

Approximately 2,000 delegates are registered for the convention of the church now in session here.

ENTER PLEAS OF GUILTY.

Indicted Pair Admit Attempting to Export Rubber to Germany. New York, Feb. 21.—Heinrich Bachman, a Swiss, and Mrs. Elsie Schroeder, of Berlin, pleaded guilty today to the indictment found against last week, charging them with attempting to export rubber from this country to Germany as personal baggage. Both said they would return to Germany.

IOWA'S HEALTHIEST TOWN.

Not a Death in Mount Auburn During Entire Winter. Vinton, Feb. 21.—The village of Mount Auburn, about 400 citizens, believes it has established a new record this winter. The town has not had a death or a case of serious illness this winter, and much of the time has not had a resident physician.

WILSON FILES IN IOWA.

First Presidential Affidavit Ever Recorded in State. Des Moines, Feb. 21.—President Wilson today filed affidavit with Secretary of State Allen as a candidate on the democratic ticket at the presidential primary in Iowa. This is the first presidential affidavit ever filed in Iowa.

Storms and Floods in Bavaria.

Amsterdam, via London, Feb. 21.—Inundations and storms are reported from Thuringian woods and other parts of southern Germany. Some of the smaller places in Bavaria are completely inundated. A number of children have perished and many cattle have been drowned.

Manufacture Auto Plates.

Special to Times-Republican. Ackley, Feb. 21.—Local capitalists are contemplating the erection in this town of a plant for the manufacture exclusively of number plates for automobiles. That the field is not overcrowded is shown by the difficulty experienced by the state in securing the plates and the promoters expect to make the plant pay from the start.

Osage Storage Plant Sold.

Special to Times-Republican. Osage, Feb. 21.—The cold storage building owned by John B. Agen, of Seattle, changed hands Saturday, becoming the property of H. L. Wilson, of this place. The building was somewhat damaged by fire last September. It is understood that Mr. Wilson will repair it and use it for a storage plant.

Killed While Felling Tree.

Special to Times-Republican. Hubbard, Feb. 21.—W. R. Thompson, a prominent farmer north of here, was killed this morning while cutting trees near his farm.

MEXICO TO HAVE NATIONAL BANK

Federal Depository Proposed in New Currency System Plan.

PATTERNED AFTER AMERICAN SYSTEM

To Be Operated Under Conditions Resembling the Federal Reserve Plan—Retirement of Present Carranza Currency Proposed by Financial Advisors of De Facto Government—Carranza Troops Defeat Zapata Forces.

El Paso, Tex., Feb. 21.—A plan for a new currency system in Mexico, including the establishment of a national bank under conditions resembling the federal reserve system of the United States, and a new currency system, retiring the present Carranza currency, has been presented to the first chief of the de facto government by his financial advisers, according to an official who has arrived here from Guadalupe.

The statement applies previous statement by de facto government officials to federal employes at Juarez, who protested against being paid in Carranza currency, and were told the new issue already had been printed in New York.

The new system, it is said, will be based on the \$250,000,000 metal reserves said to be held in Mexican banks.

Retire Present Currency.

The present Carranza currency would be retired gradually, a moratorium having been suggested by the de facto government's financial advisers to prevent the liquidation of debts against the present fiat money, pending the establishment of the new issue of notes as legal tender.

The national bank, which would be known as the Bank of Mexico, would under the plan as outlined, have a total stock of 250,000,000 pesos.

Zapata Forces Defeat.

Galveston, Tex., Feb. 21.—Successes for the constitutional government operating in Morelos, according to a cablegram to the United States consulate. The towns of Osumba, Cana alpan and Teuango, Del Aire have been taken from the Zapata forces, says the dispatch, and quantities of arms and ammunition captured.

The Zapata forces are described as having almost completely evacuated the city of Cuernavaca. General Gonzales reports that his men are vigorously