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PRICE FIVE CENTS.

HEMMED GERMANS TAKE 12,000 FOES

Way Chopped Through Russian Cordon.

BERLIN ADMITS HEAVY LOSSES

More of Kaiser's Ammunition Ships Are Captured.

RIVER COMMUNICATION CUT

Invaders of Hungary Reported in Retreat; Czar's Forces Continue to Push Defenders of Cracow Back, Says Petrograd.

BERLIN (via wireless to London), Dec. 2.—Referring to the Russian official communication of November 29, German headquarters says:

"A great story of success for the German troops has come to light in the fighting near Lodz. The German forces were operating against the right flank and in the rear of the Russians, when they, in their turn, were attacked by Russians, who pressed them hard, coming from the east and south.

"The German troops, turned from the Russians, with whom they were engaged, and fought a bitter three days' fight and broke through the Russian ring. In doing so they brought with them 12,000 prisoners, as well as 25 guns, and lost only one German gun.

German Losses Heavy.

"The German losses naturally were not small, but they certainly could not be described as 'awful.'"

LONDON, Dec. 1.—With reports both from Petrograd and Berlin announcing that the German force, which for days has been surrounded by a larger Russian force, has succeeded in cutting its way through the lines of the Czar's troops northwest of Lodz, it now seems that earlier reports of a decisive Russian victory were premature.

The Germans fought through the cordon, unimpaired of the enormous losses that the refusal to surrender cost them, according to one Petrograd dispatch.

Emperor William and Czar Nicholas both are with their respective armies in the field, the Kaiser being in East Prussia.

Russians Claim Success.

An official communication issued from general headquarters at Petrograd tonight and received here, says:

"On the left bank of the River Vistula, in the region of Lodz, the action continued to develop on November 29, the attacks of the enemy being directed principally against the front between Bielawy and Sienow. To the north of Lodz our offensive was crowned with success. In the region of Lodz the artillery action has been very energetic.

"On the left wing reconnaissances during the last few days disclosed the fact that the concentration of German contingents from Kalisz in the direction of Sieradz has been considerable.

Germans Resume Offensive.

"On November 29 the enemy resumed the offensive near Sieradz and in the region of Lask. Our advance guard engaged in a fierce combat, which lasted all day.

"To the south, after a battle, we took possession of Sieradz, where a German infantry brigade with five batteries was dislodged and fled in disorder.

"On the other fronts there is no essential change.

"At Plock, besides the four barges already mentioned, we took five steamboats and a barge loaded with cartridges.

Russians Take Rolling Stock.

"In Bukovina we captured considerable rolling stock.

"A communication received from the Caucasus reports that there was no action of importance on November 29.

The Times' Petrograd correspondent, reviewing the war situation, says it is still no definite decision in Poland, but that the Germans, while making desperate efforts to reinforce their army, which he believes has been only done from the Franco-Belgian theater, are holding their positions facing Lodz and Lwow despite the awful climatic conditions.

In Petrograd, the correspondent adds, there is no disposition to underestimate the magnitude of the task still before the Russians.

Situation is Unprecedented.

According to the view held in military circles, he says, the situation is one of extraordinary and unprecedented importance. Nothing like it in respect to interest and even danger, the correspondent concludes, has presented itself hitherto and all the indications point to the maintenance and even an increase of the present tension.

The Petrograd correspondent of the Post sends the following:

"Special significance attaches to the capture by Russians of the ammunition barges in the Vistula near Plock, inasmuch as the Germans are relying mainly upon the Vistula for securing easy communication to their armies in Poland.

Supply Capture Important.

"Lavish supplies of ammunition have been kept up by barges which, starting from Danzig, Elbing, Graudenz, Thorn and other points, easily reached the German railways, have brought supplies to the heart of the German positions in Poland. The capture of

(Concluded on Page 2.)

MIKADO RECEIVES THANKS OF WILSON

FRIENDSHIP OF NATIONS IS DECLARED PROVED.

Gift of Ruler of Japan to Christian Institution Without Precedent. Ambassador Conveys Message.

NEW YORK, Dec. 1.—The East and West Bureau made public today the following cablegram received by them from Tokio:

"The American Ambassador at Tokio, Mr. Guthrie, has communicated to the Foreign Office that he has received a telegram from President Wilson instructing him to convey to the Japanese Emperor the deep thanks of the President for the imperial gift made November 9 to the St. Luke's International Hospital.

"The communication further says that the President of the United States deems the gift a generous token of the sincere wish of the Emperor for the success of the charitable enterprise undertaken by Americans, and that it further affords a renewed proof of the close friendship and cordiality existing between the two countries."

The donation referred to was \$25,000 toward the foundation of a hospital at Tokio, the institution to be conducted under the auspices of the Episcopal Church Mission. The imperial gift to a Christian institution was without precedent in Tokio.

GERMANS TO VOTE LOAN

War Credit of \$1,250,000,000 to Be Taken Up Today.

BERLIN, Dec. 1, via London.—The Reichstag meets tomorrow for the purpose of voting a war credit of \$1,000,000,000 marks (\$1,250,000,000). Dr. von Bethmann-Hollweg, the Imperial Chancellor, conferred today with the leaders of the various parties, explaining the military and financial situation. He first received the Socialist leaders.

It is expected that the war credit will be adopted unanimously and practically without debate. The government does not intend to raise the new loan forthwith, and probably will not do so until Spring.

Chancellor von Bethmann-Hollweg, speaking to the Reichstag committee, said the military situation on both fronts was wholly favorable, but that he wished to defer further explanations until the meeting of the Reichstag tomorrow. He said he hoped the Reichstag would vote the loan unanimously, as this would encourage the troops to the greatest energy.

TRADE BALANCE GROWING

Last Week's Exports \$16,413,295 More Than Imports.

WASHINGTON, Dec. 1.—Exports from the 12 ports which handle 80 per cent of the business of the United States totaled \$49,083,352 for the week ended November 29, as compared with imports aggregating \$26,685,557, leaving a favorable trade balance of \$16,413,295.

The 22 working days of November yielded a trade balance in favor of the United States of \$53,183,992, which, according to official estimates, indicates an export excess of approximately \$70,000,000 for the entire country during November.

BRITAIN HOLDS AMERICAN

Desertion From German Army Admitted, Says Detective.

LONDON, Dec. 1.—Henry Beigel, of New York, who says that he is an American citizen, was remanded after a hearing today in the Bow-Street Police Court on the charge of being an alien enemy. He was arrested at the Savoy Hotel. The detective who made the arrest testified Beigel had admitted that he was a deserter from the German army.

The prisoner had an American passport dated August 4.

J. BORDEN HARRIMAN DIES

Former Partner of J. P. Morgan Passes After Lingering Illness.

WASHINGTON, Dec. 1.—J. Borden Harriman, of New York, died here today after a lingering illness.

NEW YORK, Dec. 1.—J. Borden Harriman was a prominent New York banker. He was 51 years old and until two years ago he was a member of the banking firm of Harriman & Co., retiring because of ill health. He was a member of several leading clubs of New York.

MAN, 61, WOULD MARRY

A. H. Sanford, of Lebanon, Licensed to Wed Brother's Widow.

ALBANY, Or., Dec. 1.—(Special).—Though he is 61 years old and had never been married, Amos H. Sanford, of Lebanon, secured a marriage license here today.

He will follow the Moalee law and wed his brother's widow, Mrs. Maggie Sanford, also of Lebanon, whose age is 47.

Marshfield Gives Saloons Life.

MARSHFIELD, Or., Dec. 1.—(Special).—George Cook, H. J. Kimball, Jr., and Carl Evensen were elected Councilmen at the city election today, making it certain that the saloons will not be closed in Marshfield before 1916.

John W. Butler was re-elected Recorder and the charter amendment to open all paving work to competition passed by eight to one.

FLOOD HITS NOME, BLIZZARD-SWEPT

Storm Increases Fury as Day Progresses.

DOCKS' PILING CARRIED AWAY

No Loss of Life Reported Yet; Ice Floes Dangerous.

TRAILS ARE IMPASSABLE

Several Mining Camps Along Shores Entirely Surrounded by Water Forced Back by Bering Sea Ice Pack as in 1913.

NOME, Alaska, Dec. 1.—A furious blizzard which has been raging the last three days has forced the Bering Sea pack up against the backs of the buildings, where so much property was destroyed by the great storm in October, 1913, and has driven the water farther inland than it has been in several years.

All trails are impassable and several mining camps along the shores are entirely surrounded by water. All attempts to move the mails have been abandoned because the dog teams cannot cross the bridges and are unable to go against the blizzard.

Water Gradually Rising.

The water along the beach is rising, but it is believed the ice pack which has been jammed against the buildings and bulkheads along the waterfront at Nome will protect them from the water and it is thought there is little likelihood of their being washed away, as they were a year ago.

At the smaller camps along the shore conditions are not so favorable.

Solomon, 32 miles east of Nome, and Dickson, the railway terminus at the mouth of the Solomon River, are surrounded by water and ice.

Storm's Fury Increasing.

The storm is increasing in fury. Early today all the telephone lines along the coast were torn down by the storm.

Before communication by telephone ceased a message from Safety Roadhouse, 24 miles east of Nome, told of the water pouring in from the sea, forcing the inmates to seek refuge on the second floor. It is impossible to rescue them as the ice floes would crush any boat which attempted to approach the house.

A. A. "Scotty" Allen, the noted racing-dog driver, and others living near Dry Creek bridge were flooded out. Allan saved his provisions and the famous Darling-Allen sweepstakes dog racing team, owned by Allan and Mrs. Charles B. Darling, of Berkeley, Cal.

The only property damage thus far at Nome was at the Sesonon oil docks, where the piling was carried away by the ice.

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Armistice almost destroyed by German bombardment. Page 3.

Mexico.

Coalition generals waiting for Gutierrez to enter Mexico City. Page 1.

Foreign.

President Wilson's thanks to Mikado for gift to Christian hospital conveyed by Ambassador. Page 1.

National.

Persons unable to procure revenue stamps ordered to be begun today. Page 2.

Rear-Admiral Mahan, U. S. N., retired, dies. Page 2.

Man accused of impersonating member of Congress to obtain job for lawyer, put on trial. Page 4.

Domestic.

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"Human element" blamed for wreck of steamer; second officer charged to have erred; captain exonerated. Page 3.

Electrician willing to execute 10 men is appointed at Arkansas Penitentiary. Page 3.

Progressive leaders favor "drifting" policy. Page 4.

Sports.

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Hockey season to open in week. Page 14.

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Pacific Northwest.

Official canvass of votes cast in November election to be begun today. Page 1.

Trial of Copperfield suits against Governor set. Page 6.

Lawyer disbarred for three months for defying court. W. W. members from Marshfield. Page 6.

Commercial and Marine.

Coffee war in local market may last longer than week. Page 13.

Lighter Southwestern receipts lift wheat at Chicago. Page 13.

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Day's business on Almsworth Dock nets 28 cents in war tax. Page 13.

Neptune's cargo when Olson and Mahoney unloaded groceries at San Francisco. Page 13.

Portland and Vicinity.

Everybody is reminded everywhere that war tax prevails. Page 13.

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Treason in Oregon cannot be punished, lawyers say, due to abolishing death penalty. Page 13.

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Weather report, data and forecast. Page 13.

JOFFRE WELCOMES ALSACE

"We Have Come for Good" Is Promise of French General.

PARIS, Dec. 1.—General Joffre during a recent visit to Thann, Alsace, welcomed, in the name of France, the Alsatians gathered there. "We have come back for good," declared General Joffre; "you are Frenchmen forever."

The citizens of Thann gave General Joffre assurance of their absolute loyalty, it is said, and when he was leaving shouted: "Long live France! Long live French Alsace!"

IRRIGATION DICTUM CONSIDERED ERROR

Act Opposite Promise of Secretary Lane.

FEDERAL PACT RECORDED

Added \$450,000 Reclamation Burden Puzzles.

FUND DEEMED AVAILABLE

Announcement That Oregon Must Duplicate Expenditure to Obtain Government Aid Surprises, as Letters Assure Help.

Citizens who are interested in the development of reclamation projects in Oregon are at a complete loss to understand the present attitude of Secretary of the Interior Lane that the Oregon Legislature must appropriate an additional \$450,000 before the Government makes available the \$450,000 allotted for expenditure on irrigation projects in this state.

The State of Oregon already has appropriated \$450,000 and spent it on the Tumalo project. In view of this appropriation by the state the Government set aside an equal amount for work in Oregon. Official correspondence shows that this allotment was made with the express approval of Secretary Lane. That he should now assume the position that Oregon must contribute an additional \$450,000 at a time when rigid economy in state expenditure is necessary is regarded as a severe blow to the progress of reclamation work.

Report Thought to Be Mistake.

Every effort will be made to induce the Government to carry out its original understanding. Is Oregon, from which large sums of money justly due it for irrigation work have steadily been diverted, to suffer still further at the hands of the Government? Is a question that is being asked.

That there is some mistake connected with the reported declaration, is the belief of E. G. Hopson, supervising engineer of the United States Reclamation Service, with offices in Portland, and J. N. Teal, chairman of the Oregon Conservation Commission. They point out that the Secretary's present statements do not harmonize with letters received by Governor West and Mr. Teal from P. H. Newell, director of the reclamation service, and with the records in the local offices of the service which show that the \$450,000 has been allotted for expenditure in Oregon.

"The financial statements in our office, which are matters of public record, (Concluded on Page 2.)

Tuesday's War Moves

THE battle in Northern Poland, concerning the progress of which there has been so much mystery, is now being fought out under the eyes of the German Emperor on the one side and the Russian Emperor on the other. These two monarchs left for the front today, so that virtually the heads of all the nations at war are with their troops.

The King of England is in France; the King of Belgium, as usual, is spending all his time with his soldiers, while President Poincare of France started yesterday for another visit to the northern battlefield.

Official news from Poland continues to be scanty, and with both headquarters claiming success it is impossible to say how the battle is going. Of its intensity, however, there can be no doubt.

The Germans, when they started for Warsaw, dashed full tilt into a mass of Russian troops, and forced their way so far in that the Russians closed on them. This was taken in Petrograd to mean that some of the German divisions had been cut off and that their surrender or annihilation was inevitable.

It appears, however, that fighting for their lives, and in the knowledge that a great defeat would end the German offensive and compel them to fall back on their own frontiers, the German troops succeeded in breaking through the Russian lines at one place and at another in holding their own against all the Russian attacks.

Their flanks still are being harassed by the Cossacks, but seemingly the Russians are not now in a position to gain the sweeping victory they had expected.

The losses, with the desperate fighting that has been going on for a fortnight, must necessarily be exceedingly heavy on both sides.

Against the Austro-German forces in the south the Russians continue to gain more decisive results. They are now in possession of all the Austrian positions protecting the Carpathian passes and are said to have arrived abreast of Cracow, while their captures for three weeks number 50,000 men.

In the west, although the German official report says there is nothing to commiserate, the French official statement notes a somewhat lively campaign in Belgium and German activity to the north of Arras. This may mean that the Germans have begun, or are about to begin, another attempt to get through to the French ports. Certainly the disposition of Poland, which occurred there, is a question that is being asked.

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COALITION CHIEFS WAIT ON GUTIERREZ

Villa-Zapata Forces Are Keeping Order.

CRIMES QUICKLY PUNISHED

Efforts Made to Redress Damages at Mexico City.

BUSINESS BEING RESUMED

Zapata Orders Amends for Looting of Dairy of American—Villa General Is "Attentive, Obliging and Friendly."

WASHINGTON, Dec. 1.—Optimistic reports showing that the Villa-Zapata coalition, supporting the provisional government of Eulalio Gutierrez, was maintaining order in Mexico City and restoring normal conditions there, were made public today at the State Department.

Two dispatches from American Consul Silliman and the Brazilian Ambassador at Mexico City, which were read to President Wilson and his Cabinet by Secretary Bryan, were given out in paraphrase tonight. They show that while General Emiliano Zapata has been in Mexico City, he has declined to go to the National Palace, keeping his headquarters in the suburbs.

Generals Await Gutierrez.

Unofficial information from the Mexico capital is to the effect that General Villa similarly has arrived in the outskirts of the city and that both chiefs await the arrival of Provisional President Gutierrez.

The official dispatches gave a much more hopeful and optimistic review of conditions than the American Government has received in many weeks. Following is the summary issued by the State Department of a telegram from the Brazilian Minister, dated 2 P. M., Sunday, and just received:

"A few cases of robbery and violence by irresponsible bands were reported in the suburbs during the first two days of occupation by Zapatistas. These were against Mexicans and foreigners indiscriminately. Americans included, but such cases have been punished—even with the execution of the culprits in some instances.

Spaniards Especially Protected.

"The Zapatistas authorities are doing their best to redress the damages done. Everything is being attended to, even to the point of securing a safe conduct for the Spanish Consul, ordering everyone to obey and help in behalf of Spaniards. A good amount of money having been secured from the extraordinary tax, a small loan of 50,000 pesos made voluntarily by bankers and business men was repaid yesterday. The property and funds taken from the tramway company have been returned. The Foreign Affairs Office has been reopened with former employees serving under the protocol.

"The diplomatic corps is being attended to and due consideration is being shown, requests being complied with as far as possible. The Financial Department has issued a decree making valid and acceptable all bills until present bills are replaced by a new issue. This measure meets popular approval and will greatly help the financial situation.

Wrong Threatened With Death.

"Zapata arrived two days ago. He has refused to come to the National Palace to receive the popular demonstration, but stayed at a modest hotel in the suburbs, from which place he will start for Puebla to conduct further military operations.

"General Orozco arrived with Villa's advance guard yesterday but is waiting for Villa to make proper entry into the city. Villa has published a general order to the effect that full guarantees will be accorded to all, any wrong to be punished by death. Censorship was abolished, but is strict at Vera Cruz. Complaint has been made by correspondents that their messages did not go through. Up to this time, the general situation in the capital can be considered as good."

The State Department later issued the following supplementary statement:

"A dispatch from Silliman sent at 5 P. M. on the 30th and received here at 8 o'clock this morning corroborates the optimistic reports by the Brazilian Minister. Mr. Silliman had an interview with Zapata Saturday night and expressed the appreciation of foreigners for the order that has prevailed since occupation by Zapata's troops. He presented the case of Mr. Hill, an American, whose dairy had been looted. This was one of the few cases of disorder. In Mr. Silliman's presence, Zapata dictated an order requiring the restoration of Hill's property and punishment of those guilty. He left the City of Mexico yesterday, but his followers are in charge of the city and quiet prevails.

No Political Arrests Made.

"The city is well policed; no political arrests have been made. The Zapatistas have not molested either natives or foreigners except in a few aggravated cases. On entry into the suburbs they arrested the manager of the cable office—an American—on information that false notices were being sent from the city. In connection with

(Concluded on Page 2.)

IN THIS COUNTRY OUR DUTY IS TO SHOP EARLY AND AVOID THE RUSH.

