CONCESSION FROM BRITAIN EXPECTED

Settlement Probable.

CO-OPERATION ALREADY BEGUN

Cargo of Cotton Inspected and be hit but all got away safely. Transport Facilitated.

Officials Surprised That Note Has Been Regarded as "Brusque" and Insist Only Matter-of-Fact Statement Is Made.

WASHINGTON, Dec. 30 .- While the American note to Great Britain, concerning interruptions of the commerce sorb official Washington, there was manifest a tone of confidence that the numerous difficulties which had arisen BATTLESHIP IS TORPEDOED in the last five months eventually

would be amicably adjusted. Already the discussion had turned to measures which the United States could properly take in co-operation with Great Britain to reduce to a minimum agents of the Treasury Department, has torpedoed the Austrian dreadacting in co-operation with the State nought Viribus Unitis at Pola. Department in one case, already had It is said the hull of the dread-inspected a cargo of cotton, which in-nought was pierced, but that she sucspection had satisfied the British em- ceeded in reaching her dock, bassy and facilitated the progress of the shipment to its destination.

Mutual Understanding Expected.

The belief was held in official quarters that a mutual understanding might Austrian navy. be reached whereby legitimate cargoes could be certified before their depart- Venice in September said that one side ure from this country and thereby made of the Viribus Unitis had been badly immune from detention.

Government were somewhat surprised that the American note has been re garded as "brusque" in some London 40 CONVICTS ARE FREED quarters. They said the British Cabinet, which has it under consideration, Blease, Pardoning 1554 in All, after a single reading of the documen must be convinced that the United States had spoken in the most friendly spirit, though none the less earnestly and emphatically, on points on which New Year's pardons, paroles and comit considered itself thoroughly justi-fied under the laws of nations. Blease reduced the number of prisonfied under the laws of nations.

who are familiar with its contents. in his four years of office at 1544. They say it is a matter-of-fact and perienced by American shippers, and sentences of 15 commuted. Twenty-the failure of the British government eight of the 55 were serving terms for to meet the various protests which have homicide.

In all, it became known today, 30 totaling millions, have been detained. ally, however, that reimbursements for previous damages alone cannot cure the situation, as the activity of the British fleet has restrained many exporters, whose business has become stagnant for fear of the numerous technicalities and risks involved in shipments.

Violations Cause Suspicion.

the case of one or two illegitimate car- be a total loss. goes, it is recognized, has caused the

cealed in cotton cargoes, but Great government. Britain has made two specific complaints of it. Although not vouching for or confirming the charges, the NORSE NATIONS MAY UNITE United States Government has thought warning that one fraudulent shipment must produce embarrassment to cargoes

Secretary Bryan discussing the note with callers today, declined to give any learns from thoroughly trustworthy details. He described it as a general statement summarizing the American ing from the recent conference of the position in several specific cases. Those Scandinavian Kings at Malmoe, will be neutral diplomats who called to ask about the note did not receive a copy of it, but were informed that the first intended, it is not improbable that the text of the communication to foreign into three independent families. governments generally, as it still regarded the note as confidential, the having authorized its publication in part or in whole.

CABINET CONSIDERS ISSUE

British Reply Not Expected to Be Ready for Several Days.

LONDON, Dec. 30 .- The British Cabinet held a special session today to con-sider the American Government's note "cousin of the King." concerning the delay to American shipplug by the searching of vessels by the the ceremony of baptism of the newly-British fleet. The note reached the born Princess Maria. He speke warm foreign office only today. The subject ly of the services rendered to the state of American shipping continues to by the Premier. monopolize interest here. It is not expected a reply to the note will be ready for several days. It is pointed out that a document which it took weeks to draft hardly could be digested by the

Cabinet in one meeting. Information must be sought at the Admiralty, which department is responsible for the examination of ships cargoes. The permanent officials of the Foreign Office and the law offices of the Crown necessarily will be called

(Concluded on Page 2.)

GERMAN AIRCRAFT ATTACK DUNKIRK

Morning

15 KILLED, 32 WOUNDED AND MANY BUILDINGS WRECKED.

Washington Thinks Four Aeroplanes Make Several Trips Over Town, While Fifth Stands Guard-Fortifications Hit.

> LONDON, Dec. 31 .- Four German aeroplanes flew several times over the city of Dunkirk Wednesday, dropping bombs as they went, according to the Dunkirk correspondent of the Dally Mail. Soldiers in the streets fired on the machines and one Taube seemed to

> The official returns of the casualties shows that 15 persons were killed and 32 wounded. The bombs were filled

with shrapnel. For half an hour the whole city NO IRRITATION IS SHOWN crackled with rifle shots and bombs, which threw up dense clouds of black smoke. No sooner did one aeroplane seem to depart than another arrived. Buildings in all parts of the city were wrecked.

The first bomb fell on the fortifications, two more near the railroad station, and many others in different parts of the town and in the suburbs of Rosendall and the districts of Cudekerque and Furnes. One child's arm was blown off and an old woman was killed outright.

The fifth aeroplane remained as sen try outside the town, ready to attack of this country, continued today to absect to repel the air assailants. successes in Southern Poland, Galicia

French Submarine Cripples Austrian Vessel, Says Venice Report.

LONDON, Dec. 31 .- A dispatch to the necessity for extending search on Daily Mail from Venice contains a the high seas. It become known that report that a French submarine boat Petrograd official communication.

The Viribus Unitis is of 20,000 tons displacement, and has a complement of 1000 men. She is one of the four ships constituting the largest type of the

A London newspaper dispatch from damaged in a fight in the Adriatic but the third attempt of the Germans to High officials of the Washington that she escaped her pursuers.

Leaves Only 149 in Prison.

COLUMBIA, S. C., Dec. 30 .- Fifty-five Blease reduced the number of prison- the Germans, under an intense fire another Zeppelin escaped only by rising and swine, and in prices, and more estroops have landed at Vladivostok or at ing constructed on the classical lines, rapidly in the air. state farms and in county convict There is nothing of a peremptory camps to 149. The Governor's action character in the note nor is it phrased today put the total number of prisonin tones of irritation, according to those ers to whom he has granted elemency Sixteen full pardons were granted tofrank statement of the difficulties ex- day, 24 prisoners were paroled and the

American ships and cargoes, their value ARMY CARGO SHIP ON ROCK The American note points out specific- British Supplies and Vessel Believed Doomed in Bay of Fundy.

YARMOUTH, N. S., Dec. 30 .- The steamer Navarra, a St. John, N. B., vessel bound for France with a full cargo of hay, oats, automobiles and army supplies for the British, struck Holes ledges, Tucket Island, in the Bay With respect to cotton shipments, of Fundy, last night and probably will

The steamer went on the ledges in British government to suspect all ship- a fog, and the heavy sea pounded her hard on the rocks, which pierced the The United States has no evidence hull. The Navarra registers 2848 tons that there has been contraband con- and was under charter to the British

it advisable nevertheless to issue a Entente Just Formed Is to Continue After War Ends.

LONDON, Dec. 30 .- The Daily Mail's Copenhagen correspondent says he sources that the Triple Entente, result-

continued after the war has ended. Although no political alliance is yet newspaper report of it was accurate understanding between the three small They were told that the State Depart- nations eventually may result in a ment probably would not deliver the strong Scandinavian nation, divided

United States Government itself not KING DECORATES PREMIER Highest Honor, Cousin to Ruler, Is

ROME, Dec. 30 .- King Victor Emnanuel has decorated Premier Salandra, with the Order of the Annonciade, the highest Italian decoration, which en

Bestowed in Italy.

The King decorated the Premier at

KAISER IS REPORTED ILL

Persistent, but Unconfirmed, Rumon Is Heard in Rome.

ROME, Dec. 20 .- It is persistently umored here that the Kaiser has had a relapse and that his condition is serious.

It is impossible to confirm these rumors at present.

The Weather.
YESTERDAY'S—Maximum temperature, 50.5
degrees; minimum, 40 degrees.
TODAY'S—Occasional rain; southerly wind.

Russians report further gains in Poland and Galicia. Page 1. Galicia. Page 1.

Allies advance six consecutive days, says official report. Page 2.

Beiglum protests to Washington that German requisitions violate convention of The Hague. Page 2.

Allies repel German attacks and make some gains; artillery duels continue. Page 3.

Burial by Emden commander of dead foes with military honors is revealed, Page 3.

German aircraft make raid on Dunkirk. Germans Go Back, Aus-

Jerman aircraft make raid on Dunkirk. Page 1. WARSAW SAFE, SAY EXPERTS

trians Flee in Panic.

Third Attempt to Reach City

Believed Abandoned.

CZAR'S CAVALRY RETIRES

Force Is Driven Out of East Prussia.

Vienna and Petrograd Both Say

Victory in Carpathian Moun-

tain Pass Is Theirs.

LONDON, Dec. 30 .- With Petrograd

tonight reporting further important

and in the Carpathians, Berlin con-

tents itself with the assertions that

sive in various parts of Poland con-

Train Loads of Loot Taken.

Many train loads of war material,

which, with 50,000 prisoners, was taken

from the Austrians, are passing

With the defeat of the Austrians, the

Germans evacuated their strong posi-

tion in Mistrzewice, from which they

Germana Brave Heavy Fire.

The Russian official report, received

"Along the whole front of the armies

south of Malagoszc, where fierce fight-

troops by an impetuous counter at-

tack slaughtered with their bayonets

Losses Are Enormous.

(Concluded on Page 9.)

few who were made prisoners.

attempt to advance on Warsaw.

tonight from Petrograd, follows:

delivered their furious attacks in an

through Lemberg, according to a dis-

patch from that city.

reach Warsaw.

ing persists.

National. Output of American farms eclipses all records in 1914. Page 1. Washington confident difference with Brit-ain will be adjusted amicably, Page 1. enatorial candidates in last campaign spent \$460,777. Page 5. enate committee pleads vigorously for ship purchase bill. Page 3.

Domestic. "Oregon First" idea predominates at dedi-cation of state building at Panama-Pa-cific Exposition, Page 1. Governor-elect of Hansas pleads for Nation-wide prohibition. Page 4.

Waiter McCredie says he'll live up to \$5000 salary limit set in league. Page 10.

Joe Shugrue's stock jumps skyward with practical defeat of Charlie White. Page 10.

Harry Wolverton becomes new boss of Seals Page 10. Commercial and Marine. Possibilities of Argentine market for Ore-gon apples, Page 15, Wheat lower at Chicago because of diffi-culties with England. Page 15.

Stock trading narrow, but last prices firm Page 15. Water rates on northbound commodities from California to be raised. Page 12. Portland and Vicinity. Volunteer workers rush building of E Side Tabernacle for revivals. Page 11.

Russian cavalry have been driven out of East Prussia and that the offensive in various parts of Poland constant in various parts of Poland Interstate bridge to be biggest highway span in America. Page 12.

Vienna admits defeat in Galicia, but says the Russian advance in some of the Carpathian passes has been checked. This is in conflict with the Patrogram official communication. Fist fight staged in Judge McGian's court. Page 11.

Fun prevails in new films at moving picture theaters. Page 11. Governor revokes parole of J. C. La France. Page 11. Three boys confess several robberies and blame neighboring shopkeeper as leader. Page 15.

Port Commission makes statement regard-ing Harriman bridge franchise, Page 12. Thousands to watch new year in tonight. Page 4. Weather report, data and forecast. Page 15.

Russian military experts believe this is the first step in the abandonment of CUXHAVEN RAID EFFECTIVE Super-Zeppelin Destroyed by Britons, Says Geneva Report.

GENEVA, via Paris, Dec. 23.-News was completed two months ago, was of this class of products." entirely destroyed in its shed by bombs "Taking the offensive from Bolimow, dropped by the aviators and that creases in production, except for sheep

near Goumine (Gombin), but our inland of Cuxhaven, where the Zeppelins were stationed, came as a com-plete surprise. The Friedrichshafen tered. "It must be borne in mind that the all of the enemy with the exception orders to hasten the completion of two amounts of these estimates do not stand Zeppelins now building in order to re- for net wealth produced, nor for eash "In this engagement we captured place the big machine destroyed at receipts, nor for profit, nor for income German machine guns and inflicted Cuxhaven. The men in the factory are in any sense. Each product is valued, enormous losses on the enemy, who working overtime. Count Zeppelin ar- as in the census, when it reached combrought into action, successfully in rived at Friedrichshafen from the front mercial form and the grand aggregate yesterday to supervise the work.

THE HORRIBLE EXAMPLE OF 1914.

INDEX OF TODAY'S NEWS | AMERICAN

GRAIN CROP IS ENORMOUS

Loss in Cotton Almost Compensated by Other Items.

Small Increase in Price of Eggs and More Widespread Increase in Cattle and Calves Contribute to Result.

WASHINGTON, Dec. 30.-American farms during 1914 eclipsed all records for combined value of their products 000. Secretary Houston, of the Department of Agriculture, announced today that the value of all farm crops, farm and slaughtered aggregated \$9,872,-936,000.

That was \$83,000,000 more than the grand total for 1913, the previous record year, and more than double the value of all farm products in 1899.

Cotton Brings Total Down.

value of the animal products and of the animals sold and slaughtered was \$3,828,456,000. The value of crop production this year was slightly less than in 1913 on account of the reduced value of the cotton crop, brought about principally by the European war.

The corn and wheat crops, however, were the most valuable ever produed in the United States, bringing the year's crop value total to only \$88,279,-000 less than the total for last year, despite the loss of more than \$300,000,-000 in the value of the cotton crop. Value of Animals Increases.

"Along the whole front of the armies has reached Romans form from Frindoperating on the left bank of the
richshafen to the effect that during the the Agricultural Outlook today. "Is
the English Channel for an examinasible, to reproduce your forestry buildrecent British aerial raid on Cuxhaven distinctly higher than in 1913, which in the region of Bolimow, Inowlodz and one of the latest super-Zeppelins, which was itself a record year in the value causing a delay of 24 hours.

"This is due to general, but slight, in-It is said that the British attack erage farm price of eggs and to a more considerable increase in the farm price

(Concluded on Page 8.)

Wednesday's War Moves

Oregonian.

saw has been definitely checked, cording to the view of the military situation in Poland held by the offi-cials at Petrograd. In that territory the Germans, who have been fighting fiercely for weeks past, have suffered great losses, and they have failed to reak through the Russian line, which has been greatly reinforced before the Polish capital.

The failure of the Austrian advance through the Carpathians is said to have had a serious effect on the Austro-German campaign in the east.

There has been a lull of late in the fighting on the left bank of the Vistula, except at some isolated points where the Russians apparently have Place of Priority Won by

Vienna asserts the Austrians have brought the Russian advance in the Carpathians to a standstill, but the Russian general staff records an important success near Lisko and the re-VALUES GENERALLY HIGHER pulse of the Austrian counter attacks at Uzsok Pass, as well as sorties by the garrison at Przemysl.

The allies, although making no dramatic attacks on the German lines, are steadily hammering away with their artillery and when opportunity offers push their line a few yards forward. A French eyewitness, in a description of the battles from December 16 to 24 gives a good idea of the kind of fightng in progress and records gains which, while each is marked only in yards, amount in the aggregate to a considerable advance at many points. A few hundred yards in Flanders were taken by primitive methods. Having the breeches of their rifles choked with mud, the allies used them as clubs Exposition set a new record for other animal products and farm animals sold and in many cases fought the Germans with their fists.

In one little French village within sound of the guns, Princess Patricia's light infantry, the first of the Canadian contingent to go to the front, is billeted, waiting its turn to go into the trenches. The men had a splendid re- her building ready fer turning over to Crops this year were valued at ception from their comrades in arms the State Commission, so today the \$6,044,480,000, and the estimated total

It is expected in London that the British government will require several days to consider fully the representations made in the American Government's note with regard to the searching of American vessels by British warships before replying to them. The Cabinet already has given the pro test a preliminary reading. Public feeling in Great Britain seemingly inclines to the belief that the difficulty will be smoothed over amicably.

United States since the war began has a special reaso "The estimated value of the animal reached Rotterdam. The American

The Japanese Foreign Office gives denial to the reports that Japanese to your own state as well, than a build-

way of Geneva says that in the recent British aerial raid on Cuxhaven one of super-Zeppelins was destroyed by bombs.

The Belgian borders will be closed by and say, with pride, 'Look, here is Orehe German administration, beginning gon." January 1, to all persons except those holding special military passes. measure, it is understood, has been here a building that thoroughly suits taken to prevent espionage.

DISCOUNT RATE REDUCED gratulate you."

Cut in Short Maturities.

SAN FRANCISCO, Dec. 20 .- (Spe. cial.) - The rediscount rate of the Fed- full uniform marching under the direceral Reserve Bank of San Francisco, tion of Captain Krohn, they visited and representing the Twelfth Federal Disserenaded the newspaper buildings, trict, was reduced today from 5 per marched with their band through the cent to 41/2 per cent for maturities not Palace Hotel and kept necks craning exceeding 30 days.

unchanged, 5% per cent and 6 per they made their headquarters. Big obcent for maturities not exceeding 60 servation automobiles carried them days and 90 days, respectively.

BELGIUM TO BE CLOSED Precaution of Germans Believed Directed Against Espionage.

Dec. 31 .- Beginning January 1 the Ger- Oregon building. man administration in Belgium intends to close the Belgian borders against gathered at any function in a state all comers. No passports will be issued building as there is in the Oregon or recognized, except the special mill- building today," said one of the news-

The cause for this unusual precau-

NEW YEAR'S CITY HOLIDAY Charge of the Foster-Vogt Company, Employes Given Day Off Despite

Protest of Commissioner Brewster.

city employes. Over the protest of they were conferred through John F. Commissioner Brewster, the Council Logan into the custody of W. L. yesterday decided to give the employes Thompson, secretary of the Oregon the day off with a full day's pay for commission. Mr. Logan delivered the those engaged on a monthly salary address of the day in behalf of the basis.

Commissioner Brewster said holidays are too numerous and he opposed the recognition of New Year's day.

KAISER CABLES WILSON events, there was a burst of applause

58th Birthday Are Received.

WASHINGTON, Dec. 30 .- President from Emperor William of Germany, warmly congratulating him on his 58th birthday anniversary.

King George of Great Britain is the only other ruler of a belligerent nation who has congratulated the President. Cable difficulties are supposed to have delayed other messages.

OREGON FIRST WITH CALIFORNIA FOLK

Rosarians Win Place in People's Hearts.

STATE BUILDING DEDICATED

Promptitude in Action.

GREAT CROWD TURNS OUT

Formal Ceremonics at Exposition Marked by Many Tributes to Enterprise of State-Oakland to Act as Host Today

SAN FRANCISCO, Dec. 30 .- (Staff special.)-The tradition of "Oregon

first" was splendidly maintained by the

Rosarians today when they stormed San

Francisco and in the dedication of the Oregon building at the Panama-Pacific states to follow. As Oregon was first with her great excursion in 1912 to select the site for her building at the Exposition, and as she was first to break ground for the new building in the excursion of the Rosarians in 1913, and first to complete

mal dedication ceremony that any state organization has yet held for its build-Oregon First in Affections.

President Moore, of the Exposition, in his address before the Rosarlans and others who attended the ceremony of dedication in the auditorium of the Oregon building, dwelt on the "Oregon first" idea.

"As she was first in selecting a site, in breaking ground and in completing her building," he said, "Oregon is also, The first shipment of cotton from the I may say, first in my affections for

"When I asked Mr. Clark, chairman similar lines, saying that I believed that such a building would do more good, not only to the Exposition, but A report from Friedrichshafen by on the matter to arrange for just such a building.

> Building Inspires Pride. "Now, when I am escorting the great men of other nations through the grounds, I always stop here with them

"In size, in effectiveness and in the This uniqueness of its quality you have the Exposition, one that you may well be proud of and one for which I con-

The Rosarians made San Francisco San Francisco Reserve Bank Makes realize that Oregon holds a large place on the map of the Pacific Coast from the moment they rushed off the ferry from Oakland. With hand blaring and Rosarians in

all along Market street until they Rates for other maturities remain turned off to the Hotel Sutter, where from the hotel to the fair grounds and trumpets announced their progress all along the route.

Gathering Breaks Record.

Thousands, visiting the exposition grounds paused and turned to follow with their eyes the progress of the Rosarian marchers through the gates ROTTERDAM, Dec. 30. via London, and streets of the exposition to the "There has never been such a crowd

paper men present. L. W. Buckley, as chairman of the

tion is not known here, but it is be- day, introduced D. O. Lively, director lieved to have been ordered to prevent of livestock exhibits, who as one of the charter members of the Rosarians during his residence in Portland, took charge of the dedication ceremonies. turned over the plans of the completed building formally to O. M. Clark, chairman of state commission, who delivered them to General W. E. Finzer, New Year's day is to be a holiday for representing Governor West. By him Oregon commission.

Tribute to Oregon Applanded. When President C. C. Moore, of the exposition, was escorted into the assembly hall by Eugent Shelby and by Hollis E. Cooley, chief, of special which was exceeded only by the ap-German Ruler's Felicitations on plause which followed the tribute he paid to Oregon and Oregon's building in his address.

Equally enthusiastic in their praise Wilson tonight received a cablegram of Oregon's part in the exposition were Edward Rainey, secretary to Mayor Rolph, and R. B. Hale, first vice-president of the exposition, who paid his compliments to Oregon as first, not only in her work in the exposition among other states, but as the guide of other states of the Pacific Coast

(Concluded on Page 3.)

