

## GERMAN EFFORTS FOR PEACE DENIED

### Grey Says Chancellor Distorts Facts.

## BRITISH NEUTRALITY DESIRED

### "Wreck of Hopes" Declared Result of Frustrated Plan.

## BELGIUM IN REAL PERIL

### Foreign Secretary Retorts Truth Was Told in First Statements by Von Bethmann-Hollweg and Herr Von Jagow.

LONDON, Jan. 26.—Sir Edward Grey, British Secretary of State for Foreign Affairs, authorized today the following statement in reply to an interview with Dr. von Bethmann-Hollweg, the German Imperial Chancellor, obtained by a representative of the Associated Press and published in London January 26 and in the United States January 25.

"The Secretary of State for Foreign Affairs authorizes the publication of the following observations upon the report of an interview recently granted by the German Chancellor to an American correspondent.

"It is not surprising that the German Chancellor should show anxiety to explain away his now historic phrase about a treaty's being 'a mere scrap of paper.'

"The phrase has made a deep impression because the world largely depends upon the sanctity of the agreements between individuals and between nations, and the policy disclosed in Herr von Bethmann-Hollweg's phrase tends to debase the legal and moral currency of civilization.

"What the German Chancellor said was that Great Britain, in requesting Germany to respect the neutrality of Belgium, 'was going to make war just for a word, just for a scrap of paper'—that is, that Great Britain was making a mountain out of a molehill. He now asks the American public to believe that he meant the exact opposite of what he said, that it was Great Britain who really regarded the neutrality of Belgium as a mere trifle and that it was Germany who 'took her responsibility toward the neutral states so seriously.'

"The arguments by which Herr von Bethmann-Hollweg seeks to establish the two sides of this case are in flat contradiction of the plain facts.

"First, the German Chancellor alleges that 'England in 1911 was determined to throw troops into Belgium without the assent of the Belgian government. This allegation is absolutely false. It is based upon certain documents found in Brussels which record conversations between British and Belgian officers in 1906 and again in 1911.

## BIG MAIL ORDER MELON IS COMING

### LARGE SURPLUS ACCUMULATES IN CHICAGO COFFERS.

### Special Disbursement, if Made, Expected to Take Form of Stock Dividend of 25 Per Cent.

CHICAGO, Jan. 26.—(Special.)—The directors of Sears, Roebuck & Co. will hold a special meeting in Chicago next Saturday for the purpose of deciding upon a policy concerning the distribution of an extra dividend. The New York members of the directors will attend the meeting and, according to President Julius Rosenwald, it will not be known definitely what action will be taken until the subject has been discussed thoroughly.

## MAN'S WILL BENEFITS DOG

### Wealthy Bachelor at Riddle Gives Property if Puppy Gets Care.

ROSEBURG, Or., Jan. 26.—(Special.)—"I hereby bequeath my entire estate, consisting of money in banks and property to the children of Mr. and Mrs. A. E. Nichols, of Riddle, and the understanding that they are to care for my dog-puppy as long as it lives," was the essential part of a will filed by James Rice, of Riddle, in the Probate Court here today.

Mr. Rice has lived in Southern Douglas County for many years and is a great admirer of the Nichols children. Recently he decided that they should have his property and money following his death. The puppy, of which Mr. Rice speaks in his will, has been his constant companion for several months. It is understood that Mr. Rice is moderately wealthy. He is about 60 years of age and unmarried.

## POLICEMAN ARRESTS SELF

### Sentence Suspended on Promise to Secure License for Dog.

Patrolman John L. Green placed himself under arrest Monday night for not having a 1915 license on his dog, when he found that John L. Green was among those upon whom he was ordered to serve warrants, sworn out by Poundmaster Boyd Welch. He guaranteed that he would be safe on his own recognizance and released himself, appearing in court yesterday. Upon his promise to secure a license at once, his case was continued for sentence.

## RAID ON ESSEN DENIED

### Cologne Gazette Says No Bombs Fell Near Krupp Works.

BERLIN, via London, Jan. 26.—The Cologne Gazette says it learns the report that bombs were dropped on Essen during an air raid last week is utterly unfounded.

A passenger who arrived at Arnhem, Netherlands, January 21, said that allied airmen the previous day had thrown bombs on Essen, where the Krupp steel works are situated and destroyed several houses.

## DEAD MAN'S BROTHER RICH

### L. B. Babbitt, of South Dakota, Seeks Information of Death.

ROSEBURG, Or., Jan. 26.—(Special.)—That James Hugel, the aged mining prospector whose body was found on Starvout Creek last Spring, is a brother of L. B. Babbitt, a wealthy resident of Huron, S. D., was the information received by the coroner here today.

## ICE LOCKS UP COLUMBIA

### Navigation Halted by Blockade at Mouth of Deschutes.

THE DALLES, Or., Jan. 26.—(Special.)—Heavy ice floes still are coming down the Columbia River. The big stream is blocked at the mouth of the Deschutes River.

## BRITONS DAMAGED, TOO, IN SEAFIGHT

### Battle Cruiser and Destroyer Are Disabled.

## NONE SUNK BY GERMAN FLEET

### All Ships of Squadron in Sunday Engagement Safe.

## 1 OFFICER, 13 MEN KILLED

### Lion, Leading Vessels and Bearing Brunt of Fight, Receives Shells Below Water Line and Is Towed Back to Land.

LONDON, Jan. 26.—The British fleet did not escape unscathed in the naval battle in the North Sea with the Germans last Sunday. The battle cruiser Lion, which led the British squadron and the torpedo-boat destroyer Meteor both were disabled and had to be towed into port while one officer and 13 men were killed and three officers and 26 men wounded on three of the ships—the Lion, Tiger and Meteor.

## Speedy Repairs Possible.

The announcement was made by the Secretary of the Admiralty, whose statement said:

"All the British ships and torpedo-boat destroyers engaged in Sunday's action have returned in safety to port. The Lion, which had some of her forward compartments flooded by shells below the water line, was taken in tow by the cruiser Indomitable. The destroyer Meteor, which also was disabled, was taken in tow by the destroyer Liberty. Both vessels were guarded by strong escorts of destroyers. Repairs to both vessels can be speedily made.

## One Officer Is Killed.

"The total number of casualties among the officers and men reported to the Admiralty is: On the Lion, 17 men wounded; on the Tiger, one officer and nine men killed and three officers and eight men wounded; on the Meteor, four men killed and one man wounded. "It is not believed that any other casualties occurred, but if so they will be immediately published.

"As soon as Admiral Beatty's report (Concluded on Page 2.)

## INDEX OF TODAY'S NEWS

The Weather. YESTERDAY'S—Maximum temperature, 54.5 degrees; minimum, 28.6 degrees. TODAY'S—Probably fair; northerly winds. Legislatures. Oregon Agricultural College may win fund for experimental stations. Page 4. Anti-sportsmen win in House over game fund. Page 4. Senate votes to submit single item veto plan to people. Page 4. Governor of Washington and Legislature at war over \$50,000 patronage. Page 5. National. Tillman advises Congress to defer battleship building until after war is over. Page 7. Ex-Governor Fort quoted as saying Minister Sullivan's table manners proved him unfit for diplomatic post. Page 7. Domestic. Federal authority over elections for members of Congress evoked in Indiana fraud case. Page 8. James A. Frazier says state of mind of people affects prices of commodities. Page 2. Pacific Northwest. Restaurant cook confesses he started Baker fire. Page 9. Supreme Court modifies Cox divorce decree, two-thirds of property now going to wife. Page 15. Commercial and Marine. Course grain stocks in Northwest are closely sold up. Page 19. Cargo of 1915 wheat sold in East for export. Page 19. Bond market strong and low-priced issues advance. Page 19. Portland man among members of old crew of battleship Oregon gathering for cruise through canal. Page 18. Sports. George Stovall angered by E. Johnson's hop in Oregon promises war on Coast League. Page 14. Columbia University basketball team trims Portland Academy, 41 to 34. Page 14. Sportsmen go to Salem on special train to protest against diverting license fee fund. Page 15. Christi, Methodist thinks suit Federal League's last stand. Page 14. War. British warships damaged also in Sunday's use of Norwegian flag by German mine layers is suspected by British. Page 2. British Foreign Secretary says Von Bethmann-Hollweg and Von Jagow told truth in first statements concerning violation of Belgium's neutrality. Page 1. Human life valued as dust, says American writer in Belgium. Page 3. Germans take vigorous offensive at many points on western battle line. Page 2. Finland and Velocity. George C. Thacher declares new evidence points to Siekka as murderer of Mrs. Wehrman and child. Page 13. Celilo Canal committee plans celebration of opening. Page 13. Belgian relief steamer Cranley, delayed, to get away today. Page 13. C. C. Colt new head of Commercial Club. Page 20. Retail hardware dealers in session discuss plans to meet mail-order competition. Page 8.

## SON SAYS JOHN D. BEGAN GIVING EARLY

### Benefactions Estimated at Quarter Billion.

## CURB ON OPINIONS DENIED

### Young Man Ignorant of Abuses Reported in Colorado.

## "BLACKLIST" IS FAVORED

### Employers Generally Regarded as Not to Be Trusted With Welfare of Employees—Conference Is Promised "Mother" Jones.

NEW YORK, Jan. 26.—John D. Rockefeller, Jr., today told the United States Commission of Industrial Relations, which is investigating the great philanthropic foundations and the cause of industrial unrest, that he felt justified in placing the amount of money his father had devoted to philanthropy at \$250,000,000.

The bulk of this sum, he said, had been turned over to the Rockefeller Foundation, the University of Chicago, the General Educational Board and the Rockefeller Institute for Medical Research.

## Gifts "Date From Boyhood."

John D. Rockefeller, his son said, has been making gifts of money since his early boyhood. The witness had no data in his possession which would show "how much more the world would have benefited" if this \$250,000,000 had been given to labor in increased wages. Mr. Rockefeller announced after the hearing was adjourned late today that when he concluded his testimony before the Commission he would have a conference with "Mother" Jones, the aged labor organizer, regarding conditions among the workers in Colorado. Mr. Rockefeller and "Mother" Jones shook hands and talked over the coming conference in the room in the city hall in which the Commission is conducting the inquiry.

## Testimony to Be Continued.

When he stepped from the stand at the close of the proceedings today Mr. Rockefeller had given testimony for 19 solid hours—five today and five yesterday. He will give some more tomorrow. The Commission dug deeply into the charges that the Colorado Fuel & Iron Company controlled politicians in the mining districts; furnished Deputy Sheriffs with firearms when trouble seemed imminent; and paid them salaries; controlled utterances of ministers; exercised power of removal from (Concluded on Page 7.)

## Tuesday's War Moves

THE GERMANS, who are reported from Y. land to be making preparations for a big military venture to Emperor's birthday to Court Big already have made a somewhat more determined effort than usual against the French and British lines in Flanders and Northern France. They have delivered an attack on the French to the east of Ypres and no less than five attacks on the first division of the British force on either side of La Bassée canal.

Both British and French official reports say that all these attacks failed of their object and that the Germans suffered heavy losses.

The Germans, on the other hand, while admitting that their attack on the British north of the canal was unsuccessful, say that on the south side of the waterway their efforts have ended in complete success and that the British attempt to recapture these trenches was repulsed with heavy losses.

These attacks followed a heavy bombardment by British artillery of the German positions beyond La Bassée in which, according to reports from Boulogne, one big German gun was destroyed, while the Germans were prevented from getting a second heavy gun into position. This was on Saturday. On Monday the Germans made their attacks and some of the hardest fighting of the campaign took place. The hospital at Bethune was shelled by the Germans and the wounded had to be removed to Boulogne. There also has been heavy fighting to the east and west of Craonne, in the Argonne and in Alsace.

The Russians are making another effort to advance in East Prussia, while in Poland there has been a slackening in the fighting on both sides for the moment. The Russians appear to be concentrating themselves on their offensive north of the lower Vistula, while the Austro-Germans are busy making preparations to meet the Russian advance through the passes of the Carpathians and in Southeastern Bukovina.

Russian submarines have made their appearance in the western portion of the Baltic Sea and have succeeded in torpedoing the German cruiser Gassel, which, however, reached port with the assistance of a Swedish steamer. Their activity has stopped the trade carried on by German steamers between Germany and Sweden.

## RUSSIANS DROP ZEPPELIN

### Balloon Raising Liban Is Destroyed and Crew Captured.

LONDON, Jan. 26.—It was officially announced in London this evening that the Zeppelin dirigible balloon which on Monday dropped bombs on the Russian port of Liban, in the Baltic Sea, was destroyed and that the members of its crew were taken prisoners.

The Admiralty tonight made public the following official statement from the general staff at Petrograd concerning the incident: "Monday morning a Zeppelin appeared above Liban and had time to drop nine bombs on the undefended part of the town. After being fired at by the forts, the Zeppelin fell into the water. Small craft sent out destroyed the Zeppelin and took her crew prisoners."

Reports by way of Copenhagen from Russia say 20 persons were killed and 50 injured in a bombardment of Kielce, Poland, recently by Austrian aircraft.

## GERMAN CRUISER DAMAGED

### Submarine Disables Foe in Baltic Sea Engagement.

LONDON, Jan. 26.—The German cruiser Gassel, according to a Copenhagen dispatch to the Exchange Telegraph Company, was struck yesterday by two torpedoes discharged by submarines and was discovered adrift off Rugen, in the Baltic Sea, by the Swedish ferry steamer King Gustave, which towed her to Sassnitz. The Gassel was badly damaged.

A Reuter dispatch from Amsterdam quotes a Berlin telegram received there as saying that the Gassel was attacked near Rugen by a hostile submarine and suffered slight damage. There were no losses among her crew. The dispatch added that the cruiser had entered a German harbor in the Baltic.

## COURT AND SOLONS CLASH

### Judge Lindsay of Denver Objects to Boy Acting as House Page.

DENVER, Jan. 26.—The Colorado House of Representatives and the Juvenile Court over which Judge Lindsay presided, clashed today over whether Frank Dennis, aged 15, should be permitted to continue as a House page.

The court issued a warrant charging the lad's mother, Mrs. Anna Dennis, with contributing to juvenile delinquency in permitting the boy to act as a page. The House adopted a recommendation of a special committee that every lawyer member be appointed to defend Mrs. Dennis at her hearing next Friday.

## KAISER'S GRANDSON ILL

### Infant Prince of Brunswick Suffers From Affection of Ear.

AMSTERDAM, Holland, Jan. 25, via London.—A dispatch received here from Berlin says that the hereditary Prince of Brunswick, infant son of the Duke of Brunswick, whose wife is the daughter of Emperor William, is seriously ill. The child has been suffering from inflammation of the ear and an operation was performed recently. There is, however, no cause for immediate anxiety. (Concluded on Page 3.)

## BOTH HOUSES NOW FAIRLY UNDER WAY

### Legislature to Reach Glory or Ruin.

## BIG ISSUES UP FOR ACTION

### \$7,000,000 Lease of Salt Lakes by State Debated.

## BUREAU MERGERS PLANNED

### Prohibition Bill May Please Ultra-Drys and Liquor Dealers. Lawmakers Change Their Minds Often.

BY RONALD G. CALVERT. STATE CAPITOL, Salem, Or., Jan. 26.—(Staff Correspondence.)—It may be safely said that the Legislature is now fairly embarked on its way to glory or to ruin, whichever road it finally adopts. Most of the big issues are now up for consideration in some form or other. Committee hearings have begun on the leasing of Summer and Abert Lakes, which is a proposition that may mean a return to the state of \$7,000,000 in revenues within the next 40 years and the investment at once of \$70,000,000 in hydro-electric and industrial plants, pipelines and reduction works.

## Merger Bodies at Work.

Both House and Senate committees on centralization of state departments have been appointed and the members are conferring on a plan of procedure. The compensation bill, formulated along the lines of the Michigan act, was introduced in the Senate today. It promises to become one of the big issues. The prohibition bill probably will be reported out of committee tomorrow.

The bill repealing capturing appropriations may be said to be under process of debate. The House will dispose of it finally tomorrow. The bill abolishing special funds and placing fees and licenses which had supported them in the general fund has passed the House.

The single-item veto amendment today got through the Senate. Tax payment bills and reform of the structure of the state courts are before the proper committees.

## Dry Act Foremost.

These constitute most of the legislation that had been forecast and had attracted general attention. Perhaps there is a more intimate interest in the Prohibition measure than any other. The alcoholic traffic committee will recommend one provision which, it seems to me, has the delightful prospect of satisfying both the ultra-dry and the liquor dealers. This seemingly impossible provision is the limitation on shipments of liquor for private consumption. The bill will put no restriction on the amount of liquor one may keep in his cellar for his own use, provided he can get it, but no person will be permitted to import from without the state more than two quarts of spirituous liquors or 15 quarts of malt liquors in any one month.

## Stock-Providing Invited.

If the law is finally passed in that form I fancy all persons who keep liquors in the home will begin to stock up for the ensuing dry period about next December. They will do this to avoid as long as possible the annoyance of shipping in small quantities, or do it to satisfying both the ultra-dry for more than one or two drinks a day. If the saloonmen have accepted the inevitable, and most of them seem to see nothing else to do, they surely ought to welcome the opportunity to unload what would otherwise become dead stock.

So, as heretofore remarked, there ought to be a placid joy among the liquor dealers and the ultra-dry. What the man who has no cellar, or having one, has not sufficient money to stock it, and still can't quench his thirst on a pint of beer a day—what such man thinks about it is quite another matter.

**Accident Fund Unsatisfactory.** Coincident with the introduction of Michigan compensation law, figures and complications are appearing which on their face show the state accident fund to be in a more unsatisfactory condition than has yet been admitted.

On the same basis that 10 awards in fatal cases have been settled, there is just about enough cash on hand to settle 19 pending death claims. There is due from the state as its contribution to the fund \$46,525.56, but in addition to the 20 death claims to be adjusted, there are 288 other claims in process of adjustment, and payments to keep up for 122 injuries where the disability still continues. On the face of things a deficit is in prospect before a great while.

## Hazard Figures Presented.

Other figures have been prepared for perusal of the legislators which show that the less hazardous employments have been carrying a part of the greater risks of the hazardous ones. For example, for every dollar paid into the fund by firms and employes engaged in transportation, there has been paid out for accidents \$2.66. In other employments the cost per one dollar contributed runs as low as a (Concluded on Page 3.)

## CARTOONIST REYNOLDS GOES TO THE LEGISLATURE.

