Restriction on Passengers Is Proposed.

SUBMARINES NOT GIVEN UP

Americans Advised to Avoid Vessels With Contraband.

TONE TO BE CONCILIATORY

Wilson on Return to Capital Also to Take Up Note to Britain, but Will Consider It as Wholly Separate Question.

BY JOHN CALLAN O'LAUGHLIN, of this week will be signalized by the

following momentous developments: 1. Receipt and consideration of the German reply to the American demands growing out of the Lusitania tragedy. 2. Dispatch of a protest to London against British restrictions on American trade.

3. Inauguration of stern measures to restore peace in Mexico.

Germany's Reply to Be Friendly. Ambassador Gerard has notified the State Department, as a result of his conference yesterday with Herr von Jakow, German Minister for foreign assure the safety of innocent Ameri- Harvard instructor. can citizens traveling upon the high

her right to continue submarine operations, though she is willing to do so if Great Britain will fermit foodstuffs and other contraband consigned to her civilian population to pass freely upon the ocean.

Separate Contraband Ships Proposed. The main point of the German proposals, according to all the information citizens shall not take passage on the President's intimation that the United States will transmit any peace offers is not known, but the authorities are confident there will be a sug-

The United States has always insisted safely on their own business, but it the officers. is recognised that the German prothat their transportation ships will open a question of import There is no doubt that Mr. Bryan and others, including German sympathizers, will insist that this is a fair proposal and should be accepted. In anticipation of its submission the international law experts have been

Danger of War Seems Past. The important facts stand out, however, in the negotiations with Germany that there is no longer any likelihood that they will lead to war. On the other hand, the effort on the part of both governments is to reach an agree. The United States, which immediately after the Lusitania was marine warfare, now is in the position of being satisfied if this warfare shall be conducted in accordance with the rules of international law-that is, that visit and search be exercised and that wanton destruction of life and ships shall not take place.

Germany is perfectly willing to surrender the form if it can retain the substance. In short, the impression is growing that there is little prospect Lusitania negotiations.

Protest to London Separate Affairs. While the United States is thorough ly cognizant of Germany's dispositions stop mercantile attacks on merchant ships if the British government preventing the waters of Upper Kiashould permit foodstuffs and other noncontraband to reach the German people, there is no intention on the part of Secretary Lansing to base our attitude toward Great Britain on German representations. The protest to be sent to London will be entirely independent of the Lusitania negotiations of Germany's procedure. It will rest squarely on interference with legitimate Ameri-

can trade as evidenced by recent seiz-The latest British statement showing that, as a matter of fact, this interference has been comparatively mild and that there has not been any real suffering on the part of American ship pers was reassuring to the authorities, but it failed to correct the situation of which this Government objects and which is declared to be inimical to the principle of "freedom of the seas."

Editor's Condition Unchanged.

HOLT SUSPECTED

INFORMER SAYS MAN IS FOR-MER HARVARD STUDENT.

Disappearance From Eastern University, Reappearance Under New Identity, Is Related.

CHICAGO, July 4. - Information cointing to Frank Holt, the would-be ssassin of J. P. Morgan, as Erich Muenter, a former student at the Uni- DYNAMITE MEANT FOR USE ersity of Chicago, who disappeared from Harvard University following the death of his wife in 1906, was given to a newspaper here today by a college man, an assistant of Muenter during his Chicago days, who said he knew of Muenter's rehabilitating himself as Holt, and that he had known of him Vanderbilt University Nashville, and in Cornell.

The informer, whose anonymity was MR. pledged, says, as quoted by the newspaper: "Frank Holt, who shot J. P. Morgas, is the Erich Muenter who took his degree of A. B. at the University of Chicago in 1899 and later fled from Cambridge, Mass, following the death of his wife, and has since been a fugitive.

"There is no doubt that Muenter and Holt are the same."

DALLAS, Tex., July 4.-O. F. Sensa-baugh, of Dallas, father-in-law of WASHINGTON, July 4.—(Special.)—
The return of President Wilson the last Erich Muenter, of Harvard, exclaimed: "I can't believe it! It is so unreasonable compared with anything that I know of Mr. Holt. I have never heard or suspected anything of the sort."

> CAMBRIDGE, Mass., July 4.-The colice tonight awaited word from the New York police regarding the possible identification of Frank Holt, who shot J. P. Morgan, as Erich Muenter, the former Harvard instructor who disappeared from this city after the death of his wife on April 16, 1906, of

affairs, that on Thursday or Friday he police tonight. Captain Patrick F. and conciliatory and that it will make part in the investigation of the Muen-counter propositions designed to meet ter case, declared that the description counter propositions designed to meet ter case, declared that the description the demands of the United States and

However, Germany will not surrender BRITISH AVOID FRICTION

Courtesies of Discipline Observed in Relations With Allies.

BRITISH HEADQUARTERS, FIRMS. July 14.—One of the first considera- kept at a distance. Every incoming tions of the British army officials is train was watched. avoidance of all friction with the inhabitants of the occupied districts of available, however, is that American France and the maintenance of most citizens shall not take passage on cordial relations with the French sol- Morgan remained at the bedside of her liners carrying coairaband, especially diers. A principal factor in keeping on husband. Junius Spencer Morgan, Mr. munitions of war. What the Berlin good terms with the ailled army has Morgan's son, and his bride and Mr.

courtesies of discipline, mands that when a party of British speedy recovery. officers are saluted by a British prigestion which they can advance to the vate, only the senior officer acknowl- P. M. today by Mr. Morgan's physicians edges the salute. When, however, the was: salute is given by a French private, on the right of Americans to travel the acknowledgment is made by all domen and an X-ray examination lected from corporations in Oregon truck to the scene, but efforts to re-

limited to non-contraband-parrying DOCTOR SEEKS MAYORALTY

Klamath Falls Now Has Three Candidates in Field.

KLAMATH FALLS, Or., July 4 .-(Special.)-The third man to announce studying the question with care and his candidacy for Mayor of Kiamath will be ready to advise the President Falls is A. J. Lyle, manager of the Blackburn Hospital. Dr. Lyle has resided here for several years, having come to this city from Duluth, Minn. where he was for six years connected with the municipal government of that

He favors plainclothes policemen in a city of this size, and wants a nonment which will be satisfactory to salaried Board of Public Works. He public opinion in their respective also advocates the taking over of the local cemetery by the city and immediate steps against the old Ankeny destroyed required the cessation of sub- ditch, which runs through the center of the residence district

LONG DYKE IS COMPLETED

Eight Thousand Acres Reclaimed Near Klamath Falls.

KLAMATH FALLS, Or., July 4,growing that there is little prospect (Special.)—The big dyke, five and a of any real results coming from the half miles long, which has been under course of construction for months around the lowlands on the E. P. Mc-Cornack ranch on Upper Klamath Lake west of this city, has been completed. This dike will be the means of reclaiming 8000 acres of splendid tule land by

math from overflowing it. This land is practically the first instance of such a large tract in private ownership being reclaimed in this state. and Governor Withycombe on his recent visit here visited the ranch to inspect personally the work being accomplished, and was pleased at the result.

FOREST FIRE IS RAGING Dry Weather Makes Fighting Diffi-

cult Near Ashland.

So far as known, there has been no oss of life or property damage beyond for the past two months, is unchanged and dangerous and volunteers for the | work are scarce.

PORTLAND.

Holt Tells of Intent to Take Hostages.

Assailant Bares Details of Scheme to Police.

IMPROVING MORGAN

Physicians Say Bullet Did Not Enter Abdomen and That No Bones Were Injured-X-Ray Examination Is Made.

GLEN COVE, N. Y., July 4 .- Mrs. J P. Morgan and the Morgan children were to be held as hostages in their own home and killed with dynamite if J. P. Morgan refused to use his influto stop the exportation of wal munitions, Frank Holt, who yesterday attempted to assassinate Mr. Morgan at his home near here, told Police Commissioner Woods in his cell at Mineola

today. Holt said his plans miscarried; that he planned to send Mr. Morgan out to stop the exportation of munitions while he held the other members of the family in an upstairs room.

Mr. Morgan Still Improving. Fictures of Muenter and full descrip-tion were malled to the New York lets which Holt fired, continued to show improvement today. The only will receive the German reply. He has Hurley, in charge of the Cambridge bulletin issued was reassuring. It said been advised that it will be friendly detective force, who took an active the bullet did not enter the abdomen and that an X-ray examination showed case, declared that the description that no bones had been damaged. Late tonight it was said the finan cier was resting easy; that he had slept all afternoon. No reference was made to the other bullet, which was said

yesterday to have come out of the upper part of the leg. Neither Mr. Morgan nor members of his family were told of the startling statement made by Holt to Commissioner Woods. The Morgan home was closely guarded, and all suspictous-looking persons were

Prayers Offered for Recovery. No more than a dozen visitors were received at the Morgan home. Mrs. and Mrs. Herbert L. Satterice went to church at Lattingtown chapel, where Military etiquetic, for example, de- prayers were offered for Mr. Morgan's

The text of the bulletin issued at 3:10

"The bullet did not enter the abshowed that no bones have been damaged. Mr. Morgan's condition contin-ues most favorable. "JAMES W. MARKOE.
"H. H. M. LYLE."

(Concluded on Page 2, Column 2.)

INDEX OF TODAY'S NEWS

OREGON, MONDAY, JULY 5, 1915.

YESTERDAY'S Maximum temperature, Ti degrees; minimum, 58 degrees, TODAT'S Prohebly fair; westerly winds.

Pinance and Industry. Edward Cookingham doubts it state banks will join Federal reserve system. Page 8. Coeur d'Alene mining companies pay \$1,-106,405 in dividends in helf year. Page 8.

War. ondon's aristocratic artillerymen give good account of themselves in France, Page I.

Tuerta spends Fourth of July in Jall. rman reply will propose that American passengers refrain from traveling on ves-sels carrying contraband. Page 1.

J. P. Morgan's assailant planned to kill fam-ily if millionaire refused to stop munitions shipments. Page J. Liberty bell to start on journey today. Page 2.

Ex-Senator Burton and Representative Mann are regarded as aspirants for Republican Fresidential nomination. Page 2. Man who shot Morgan said to have been Harvard student who killed wife in 1806. Page 9.

Sports.

acific Const League results; Portland 7. Cakland 6 (11 innings); Salt Lake 6-4. Los Angeles 1-5 (second game 10 in-nings); Venice 5-5, San Francisco 3-6. Page 10. etroit puts dent in Chicago White Sox.

One killed and one injured in Tacoma auto Pacific Northwest. Century of British-American peace celebrated at Blaine, Wash. Page 3. Two girls drown at Salem in rescue effort. Page 1.

Portland and Vicinity. ill Portland will pay homage to Old Gler; (oday, Page 1, rmons deal with patriotism. Page 9.

ew motion picture programmes are offered. Page 7.
Patriotism runs high at Oaks. Page 14.
Mrs. Dellia Coulson, 90, says home and family should come first. Page 14.
Pitry boys from Cleveland Y. M. C. A. guests in Portland for day. Page 9.
Third Regiment of militia to entrain in Portland today for annual encampment at Gearbart. Page 14.
Vandeville to be stress for the Coulse Vaudeville to be given again in Orpheum Theater, Page 14. Large fleet of lumber carriers due. Page 11.

1000 INDIANS IN POTLATCH

Quiniault Tribe and Their Neighbors Are Gathered at Tabolah.

ABERDEEN, Wash., July 4 .- (Spemal.)-Nearly 1000 Indians are reported operated there last week and the young to be gathered at Taholah for the July potlatch for the Quiniault tribe. Seven fat beeves have been prepared for the

In addition to the Quiniaults and Willapas, the Hohs, Queets, Chehalis and Onkville Indiana are attending, From the Puget Sound the Squaxons, Nisquallys and Indians of Mud Bay are

NORTHWEST INCOMES PAY Individuals in Oregon Taxed \$121,-

305, Corporations \$184,435. OREGONIAN NEWS BUREAU, Wash-

amounted to \$184,425. In the Washington-Alaska district

the corporation income tax amounted Webb & Clough. Coroner Clough to \$320,742. The Idaho-Montana-Utah an inquest would not be necessary. Holt, who had spent a sleepless night district yielded \$120,727 individual tax and \$422,089 corporation tax

SAFETY FIRST.

TWO GIRLS DROWN IN RESCUE EFFOR

Heroism Exhibited In Salem Accident.

Cry for Assistance.

Dorothy Rauch, 14, of Hood River, and Maude Smith, 23, of Lebanon, Are Victims-Bodies Recovered Quickly, but Life Extinct.

SALEM, Or., July 4. - (Special.)-River here today two girls were drowned while trying to save a third. The one first in peril and two others who also went to her assistance were rescued. None of the girls could swim, and Salem has never known a finer diaplay of heroism

The dead: Dorothy Rauch, 14, high school fresh

Maude Smith, 22, bookkeeper in Leb-Rescued: May Rauch, 22, school teacher.

Ruth Rauch, 20, school teacher. Gretchen Brown, 15, high school treshman. Wader Gets Into Hole.

The happy party of girls was wading n the water not more than 10 feet from the Polk County shore near the sus pension bridge, when Miss May Rauch stepped into a deep hole. A dredge

near the bank. ister, Dorothy, was the first to respond. One after another in a few seconds the others became strugglers in the deep

omen did not know there were holes

John Tair, employed at Brown's not unlike in circumstances the affair off the Salem Fruit Union, and Harold cruisers sank the Drosden. starr, employed by the Salem Boat mpany, who were on the Salem side

was recovered in about 10 minutes, it flat to escape the shrapnel. ngton. July 4.-During the fiscal year | was evident that life was extinct. The ended June 30 the total income tax col- body of Miss Smith was recovered in lected from individuals in Oregon about 20 minutes. The Salem fire deamounted to \$121,305 and the tax coj- partment rushed its pulmotor on a fire availing. Their bodies were removed he individual tax netted \$203,135 and to the undertaking establishment of Webb & Clough. Coroner Clough said front.

The Misses Rauch are daughters of (Concluded on Page 2. Column &)

MEXICAN

BORDER

PINCHED

OUT, EH?

Sunday's War Moves

A T a rate estimated at five miles a day, General von Mackensen's forces are swinging northward in Salicia and Poland in a colossal and daring endeavor to drive a wedge into the Russian center and dislodge the Russians from the Vistula River and force them back over the Bug, thus splitting the Grand Duke's forces into of swamp and vie rah land between them.

O Library justro-Germans can continue two sections, with thousands of acres

progress another week, even the British press admits the Russians will have to give up Warsaw and with it the whole line. Meanwhile the Germans are massing more troops in the Baltic provinces, and the recent en counter in the Baltic seems to suggest Four, Unable to Swim, Answer that they contemplate co-ordinate naval action, but it is possible the sea operations were only a feint,

In Southeast Galicia the Russians are fighting tensciously and have the adetter to Kaiser, adstaing him to be "reasonable," found in sultrase of Mr. Mor- FIRST IMPERILED IS SAVED parallel rivers beyond the Guila Lipa. CHURCHES TO PARTICIPATE and the Austro-German advance is likey to be extremely costly,

Thus, on their two extreme wings he Russians appear to be firm, and where they are retreating, it is still daimed, their retirement is orderly and coompanied by vigorous rear-guard perations. The Austro-Germans are advancing in the center are, more over, getting deeper into a country cov ered with forests and streams and bar ren of railroads between the middle Vistula and the Bug-natural advan-While bathing in the Willamette tages to the Russians which military writers here repeatedly emphasize. They point out, too, the daily lengthening hain of the Austro-German communi cations, which brings an added burden Pendence day will be celebrated within to the Teutonic allies,

> Some sections of the British public think the time has come for Great Britain and France to begin a general offensive in the west and thus force a ransfer of German troops from the tion by every other means that can eastern theater, but the more conservative military writers think that the best aid England can lend is to pour few years back before the march of into Russia every ounce of ammunition that can be spared.

One of the main aims of the German perations in the East seems to be diected to a vast turning movement behind Warsaw, embracing Brest-Litovsk, ne of the strong Russian bases. Civilian residents of Warsaw, according to Petrograd dispatches, already are leaving the city, fearing German occupation. Circulars dropped from German aircraft on the Polish capital predict

Russia has not denied that in the recent naval engagement in the Baltic the Ruigian warships violated Swedish territorial waters and that the situation is

The Swedish papers comment on the

that since July 1 the Italians have of the day with patriotic exercises and suscitate, the young women were un- gained nearly ten miles to the east athletic events. of Carnia and that they are pushing The celebration by Portland people the Austrians back along the entire will extend outside the limits of the

late. They have bombarded a fort near railway lines leading out of the city. Harwich, England, and a British de- Fraternal organizations, National sostroyer flotilia. They have also at-ciettes, parish members and numberless tacked the town of Nancy and the rail- others will go by beat and rail today road station at Dombaste.

The concern felt in Italy over the grammes in the suburban groves. ecupation of Duranzo, in Albania, by the Serbians, is indicated by the report that the Italian Minister at Duranzo is proceeding to Rome for a conference a special excursion today and every with the Italian government.

were forcing the issue in that flercely ties, in addition to the special service contested territory to the north of for large picnic crowds. Arras: now the Germans have assumed the aggressive. Similarly, in the land extends—clear to the summit of Argonne the Germans have taken matters in hand and have captured 255 the day is clear and one watches the officers and men, 25 machine guns and a large number of mine-throwers. They have occupied a section of the forest east of Fey-en Haye, after having stormed the French positions. The Germans, in their attack north of Arras, suffered severely, according to the Pont-a-Mousson.

Heavy bombardments have been in rder in Belgium, along the Meuse and in the Vonges.

SERBIAN ACT STIRS ITALY Minister at Durazzo Goes to Rome,

Following Occupation.

ROME, via Paris, July 4 .- A dispatch Field to participate in it. from the Island of Corfu to the Corriere d'Italia says that the Italian Minlater at Duranzo is reported to have left for Rome to confer with his government on the situation in Albania, Durazzo having been occupied by two Serbian regiments.

Duraggo is an Albanian seaport on the Adriatic 53 miles south of Scutari.

MARSHALL IS THREATENED Vice-President Recipient of More Than Dozen Death Letters.

ST. LOUIS, July 4 .- Thomas R. Marshalt, Vice-President of the United Army line en route for the field. States, has been threatened with death here tonight.

Patriotic Celebrations Widely Planned.

ALL COMMUNITIES PREPARE

Mass Meeting to Be Held at Multnomah Field.

Games and Contests Will Replace Firecracker -- River Boats and Railroads Expect to Carry Thousands of Picnickers.

Though one may go from limit to imit of Portland today and never smell a whiff of powder, except when the National Guard fires a salute, Indethe city with a more nearly universal

observance than ever before, Since firecrackers and pinwheels ar contraband, every community has put forth a special effort to make the day be devised to fill up the time-honored uproar which was forced to give way a the "safe and sane" movement.

Mass Meeting Biggest Festure. The biggest celebration of the day, of course, will be the great mass meeting which will be held at the Multsah Field at 10 o'clock.

At the same hour, however, more than dozen community centers will begin their local celebrations in the parks and playgrounds throughout the city. and the attendance at these commits nity celebrations will involve practiear the bank.

Miss Rauch called for help and her the fall of Warsaw by the end of July. cally the entire population of the city aside from those who have gone on out-of-town picnics or have joined the great central gathering at Multnomah

Churches to Celebrate.

Churches and Sunday schools have joined forces for a great pageant and celebration at Columbia Park. At Peninsula Park another all-day celebraof the river, immediately put out in spisode in mild tone, assuming that an tion will be held. Irvington Park and notorboats to the aid of the girls, apology and explanation will be forth- irvington Club are ready with their They arrived in time to rescue Misses coming. According to Copenhagen ad- own local celebrations, the latter of May and Ruth Rauch and Miss Brown. vices the greater part of the battle was which will age all day and close with fought in Swedish waters, and the crew an open-air dance in the evening Ken-Although the body of Dorothy Rauch of the Oestgarns lighthouse had to lie liworth, Lincoln Park, Sellwood, Washington Park also will have celebrations, and so on through practically The effects of the Italian campaign the complete catalogue of the comm against Austria are somewhat obscure, nity centers of the city, one may find although an unofficial dispatch says everything in readiness for observance

> city into the parks and amusement re-German aviators have been active of sorts along the river and along all the to celebrate the Fourth with excursions to the country and patriotic pro-

Boots Are in Demand.

Every boat on the river is running one will carry practically full capacity of passengers. The same is true of Another striking feature of the late the railroads to the country and the war news is the return of the Germans seashore, on most of which special to the offensive in Belgium and France, schedules have been arranged for the For many days it was the French who accommodation of small individual par-

> Further yet, the celebration of Portsummit of Hood at noon today, it is probable he will catch a glimpse of the heliograph signals sent from a party on its summit to a party on St. Helens.

Outside Towns Observe Day. Or if one desires to attend a cels-

French War Office, being repulsed at bration organized by others than Portthis point, as well as in their attempt land people, Sandy, Gresham, Estacada, to storm the village of Fey, west of Oregon City, Vancouver and many other cities within easy auto or trolley distance are holding celebrations today.

It is probable that many of the pro-ple of Portland will go to Vancouver or other marby towns after the prin-cipal celebration of the morning here. The various celebrations in the playgrounds and parks are community affairs, but the big morning celebration is an event for the entire city, and it is expected that between 20,000 and 25,000 will assemble in Multnomah

Veterans Will March.

The Grand Army, Women's Relief Corps, Spanish War Veterans, Women's Auxiliary and other patriotic organizations will assemble at the Courthouse this morning at 3 o'clock and will march at 3:30 up Salmon street to Multnomah Field. Members of the various National societies which will take part in the programme will either join the line or go to the field individually, according to their own choice,

and Professor Boyer's chorus of school children will gather at the Lincoln High and Ladd schools and march down West Park street to join the Grand On Multnomah Field at 10 o'clock the

Professor Krohn's class of fing girls

in more than a dozen anonymous letters programme will be opened with patriwhich he has received during the last otic singing and a salute to the flag. six weeks. Vice-President Marshall followed by the drift by Professor made this statement to newspaper men Krohn's class of 250 girls. Governor (Centinued on Page 9, Column 2.)

ASHLAND, Or., July 4 .- (Special.)-A forest fire one mile north of Rogue River, covering a front of about three miles, has burned without control during the day, progressing nearly to the mountain summit. SEATTLE, July 4.- The condition of the value of the timber destroyed. Colonel Alden J. Blethen, editor and Dry weather for the past three weeks publisher of the Seattle Times, who has produced conditions in the lower has been critically ill at his home here, hills rendering fire-fighting difficult