

ENTIRE SEA ISSUE MAY BE REOPENED

Von Bernstorff Is Confident Berlin Would Negotiate With Britain.

MEDIATION IS WELCOME

Acceptance by Great Britain of Services of United States Would Be Necessary—Submarine Policy Is Softened.

WASHINGTON, July 15.—Count Von Bernstorff, German Ambassador, will present to Secretary Lansing tomorrow the view that Germany's reply to the American note on submarine warfare was intended to pave the way for negotiations on the part of the United States with Great Britain, as well as Germany, to adjust questions that have arisen over contraband and submarine warfare affecting the rights of neutrals.

Entire Question May Be Opened. Count Von Bernstorff is confident that his government emphasized in the last note its willingness to work "hand in hand" with the American Government for the establishment of the freedom of the seas with the express purpose of entering into negotiations now on the entire question of maritime warfare.

German Practice Modified. Officials of the American Government in the last few days have heard the reports concerning possible mediation of the question, but always have indicated that negotiations along such lines could be begun only if there were assurances that in the meantime German submarine commanders would be guided by the principles for which the United States is contending—that American merchant ships are unarmed and do not resist capture and are not to be destroyed.

Submarines Give Warning. The loss of human life was remarkably small, the submarines using every precaution and giving ample warning and time for crews to leave their ships, if no resistance were attempted. It added that the submarines here who read the statement admitted that if this practice were continued the principles for which the United States asked assistance in its next note is causing concern, even in German quarters.

Big Task Up to Banks. AMERICA SOON TO BE CALLED ON TO FINANCE HUGE TRADE. Commerce Bureau Chief Urges Lending to Customer Nations Rather Than to Belligerents.

WHITE SULPHUR SPRINGS, W. Va., July 15.—Banks of the United States were warned today that they must prepare to handle the financial and wide American foreign trade. The warning was given by Dr. E. E. Pratt, chief of the bureau of foreign and domestic commerce, in a speech before the West Virginia Bankers' Association convention here.

Dr. Pratt said American banks are now establishing branches in South America and other parts of the world to handle American business, and that the European war has resulted in the extensive substitution of American dollar exchange for English pounds sterling exchange in international transactions.

West Linn Orders Rail Repair. OREGON CITY, Or., July 15.—(Special.)—The "Safety First" principle, emphasized in the West Linn paper mills, has spread to the Council of that town, judging from the record of the meeting last night.

Dr. Milliken, called to the stand by

THREE DEFENDANTS IN THE UNITED STATES CASHIER COMPANY TRIAL AND TWO OF THE ATTORNEYS



MORE LETTERS READ

Government Aims Now at Head of Cashier Company.

BANKER RELATES SCHEME

"Message" Offering Place on Advisory Board Reported by Agent and Warning Given of Enemies Opposing Sales.

(Continued From First Page.)

sued and three allowable applications on same held by us in patent office, assignments on record. Have several other assigned applications pending for computing machine, change-maker and currency-paying attachments.

Letter Mentions Fake Message. Then the United States Attorney introduced a long letter written to Mr. Menefee by Hopson from Fort Jones, Cal., on June 12, 1912. Here are some extracts from the letter:

"My Dear Mr. Menefee: Hope to pull Dr. Milliken across the plate tomorrow for \$5000 worth of our stock at \$20.50 per share. It will make the total sale \$188,500. The reason for this odd amount is this:

Warning to House Issued. "He, like Campbell, is well-to-do and can and will buy more later. We had to give him personally 5 per cent of our commission, which is 10 per cent, to keep him from getting into our hands."

Letter Follows Request. The next evidence introduced by Mr. Reames bearing on this deal was a letter from Mr. Menefee to the salesmen, written June 22, 1912. Here is an excerpt:

"I appreciate the full explanation you have given in regard to Dr. Milliken and I think the letter I wrote must have done the work properly inasmuch as you were able to close him."

Dr. Milliken, called to the stand by

MORE LETTERS READ

Government Aims Now at Head of Cashier Company.

BANKER RELATES SCHEME

"Message" Offering Place on Advisory Board Reported by Agent and Warning Given of Enemies Opposing Sales.

(Continued From First Page.)

sued and three allowable applications on same held by us in patent office, assignments on record. Have several other assigned applications pending for computing machine, change-maker and currency-paying attachments.

Letter Mentions Fake Message. Then the United States Attorney introduced a long letter written to Mr. Menefee by Hopson from Fort Jones, Cal., on June 12, 1912. Here are some extracts from the letter:

"My Dear Mr. Menefee: Hope to pull Dr. Milliken across the plate tomorrow for \$5000 worth of our stock at \$20.50 per share. It will make the total sale \$188,500. The reason for this odd amount is this:

Warning to House Issued. "He, like Campbell, is well-to-do and can and will buy more later. We had to give him personally 5 per cent of our commission, which is 10 per cent, to keep him from getting into our hands."

Letter Follows Request. The next evidence introduced by Mr. Reames bearing on this deal was a letter from Mr. Menefee to the salesmen, written June 22, 1912. Here is an excerpt:

"I appreciate the full explanation you have given in regard to Dr. Milliken and I think the letter I wrote must have done the work properly inasmuch as you were able to close him."

Dr. Milliken, called to the stand by

MORE LETTERS READ

Government Aims Now at Head of Cashier Company.

BANKER RELATES SCHEME

"Message" Offering Place on Advisory Board Reported by Agent and Warning Given of Enemies Opposing Sales.

(Continued From First Page.)

sued and three allowable applications on same held by us in patent office, assignments on record. Have several other assigned applications pending for computing machine, change-maker and currency-paying attachments.

Letter Mentions Fake Message. Then the United States Attorney introduced a long letter written to Mr. Menefee by Hopson from Fort Jones, Cal., on June 12, 1912. Here are some extracts from the letter:

"My Dear Mr. Menefee: Hope to pull Dr. Milliken across the plate tomorrow for \$5000 worth of our stock at \$20.50 per share. It will make the total sale \$188,500. The reason for this odd amount is this:

Warning to House Issued. "He, like Campbell, is well-to-do and can and will buy more later. We had to give him personally 5 per cent of our commission, which is 10 per cent, to keep him from getting into our hands."

Letter Follows Request. The next evidence introduced by Mr. Reames bearing on this deal was a letter from Mr. Menefee to the salesmen, written June 22, 1912. Here is an excerpt:

"I appreciate the full explanation you have given in regard to Dr. Milliken and I think the letter I wrote must have done the work properly inasmuch as you were able to close him."

Dr. Milliken, called to the stand by

GERMANY REGRES NEBRASKAN ATTACK

Washington Not Willing, However, to Admit Justification for Act.

PRECEDENT IS INVOLVED

Berlin's Assumption of Liability Regarded as Insufficient by Washington, Which Insists Ship Must Be Visited.

WASHINGTON, July 15.—Although officials were pleased today by receipt of a memorandum from Ambassador Gerard, formally transmitting Germany's admission of liability and expression of regret for the attack by a German submarine on the American steamer Nebraska, they practically decided that the legal points raised by the incident would require the dispatch of a note on the subject further to conserve American rights in the war zone.

Legal officers of the American government who examined the German memorandum pointed out that in many respects the case resembled that of the William P. Frye, an American ship being attacked by the submarine U-156 in both cases the German government has expressed regret at the occurrence and offered to compensate American citizens for loss sustained, but the action of the German commanders has been declared justified under the circumstances.

To admit this, officials here say, would establish a dangerous precedent. Germany, in the Frye case, contended that it was a fair inference from the language of the Prussian-American treaty of 1825 that the American ship carrying contraband could be destroyed if there were no other way to stop the transportation of the contraband. The United States vigorously objects to this construction of the treaty, and in the case of the Nebraska probably will place on record its view that the attack, even though payment is assured and regrets expressed, nevertheless was an illegal act under international law and treaty relations between the United States and Germany.

Officials take the view that the case of the Nebraska proves conclusively that a merchantman must be visited in order to determine its nationality and the character of its cargo before it is allowed to proceed. Some high officials do not believe the United States would insist that in exercising the right of visit the submarines commander actually be required to board a merchantman, but would hold that a ship could be "visited" by signaling a warning to the ship and asking the submission of papers to the submarine commander.

This was done recently in the case of the American bark Normandy, which was halted by a German submarine and allowed to proceed. The official report of the attack forwarded by Ambassador Taft after investigation by Lieutenant John H. Towers, naval attaché of the embassy, said that the Nebraska was in water below, outbound from Liverpool for Delaware breakwater, and that although her flag had been hauled down just after sunset, as in the customs there were painted on her sides the letters six feet high the words "Nebraska, New York." After the attack the ship headed about for Liverpool and, conveyed by British ships, reached the port safely. No one was seriously hurt in the explosion, which left evidences causing some doubt at first whether the ship had been struck by a torpedo or a mine. American naval officers, however, finally came to the conclusion that it was a torpedo.

TURKS TO MAKE PROTEST

(Continued From First Page.)

to representations from the American Government on the question of the newly proclaimed war zone, the legal right of the citizens of the United States to trade in arms was conceded, but it was argued that it was equally right of neutrals "to stop trade in contraband, especially the trade in arms with Germany's enemies."

Because of violations of other neutral rights by Great Britain a memorandum from Count Von Bernstorff, the German Ambassador, dated April 4, was devoted entirely to the discussion of alleged violation by the United States of infractions of international law by Great Britain, and pointed out that it was necessary in connection with such shipments of arms to take into consideration "not only the formal aspect of the case but also the spirit in which the neutrality is carried out."

TRUST POSLAM TO HEAL THE WORST ECZEMA. Poslam deserves the confidence of all who seek a remedy for eczema and itching skin. Not only does it possess known merit and ability to heal, but it is absolutely harmless and no injury can possibly result from its use.

Should a Mother Tell. SHOE POLISHES

Politz Great 1/2 Price Sale! Now for the grand wind-up. Your unrestricted choice of any Suit, Overcoat or Raincoat in our entire shop for just one-half the original price. This is the most unprecedented clothing offer ever announced in Portland's history. All the season's most favored fabrics and styles are included in this offer, also blues and blacks. This announcement will be a great sensation. First come, first served.

NATIONAL THEATER PARK, WEST PARK, NEAR WASHINGTON TODAY AND TOMORROW ONLY Mary Pickford In Her Foremost Success Tess OF THE Storm Country Supported by HAROLD LOCKWOOD TIME OF SHOWS 11:00, 12:30, 2:00, 3:30, 5:00, 6:30, 8:00, 9:30

TODAY, SATURDAY ONLY TWO DAYS MORE BLANCHE SWEET of the BIGGEST PHOTO-PLAY IN TOWN The Devil's Daughter with THE VAMPIRE WOMAN THEDA BARA at the PEOPLES STAR

SHOE POLISHES For Men, Women and Children Any kind of Shoes BLACK, WHITE, TAN 2 in 1 gives the "Shine of Satisfaction" The F. DALLEY CO., Ltd. Buffalo, New York Hamilton, Can.

ANCIENT CHARGE FAILS

DEFENDANT ACCUSED OF MURDER MANY YEARS AGO SET FREE.

Grand Jury Not to Be Asked to Consider Charges Against Old Men. Neighbors Cheer Outcome.

REDFORD, Ia., July 15.—The so-called "treasure murder" case, in which four aged men were accused of having committed a murder nearly half a century ago, were dropped today after Bates Huntman, the defendant, whose hearing was in progress, was set free by Justice Sawyer.

Cheers greeted the announcement of Justice Sawyer that he would dismiss the Huntsman case. The officers in the storing order, so enthusiastic were the neighbors of the old defendants who had gathered to witness the final stir of the court drama which has stirred the community for the last week. Finally Justice Sawyer succeeded in getting the room quiet and the defendants would stand dismissed.

This second announcement was a signal for another outburst. Huntman and Samuel Scribner stood with tears in their eyes as they received the congratulations of their friends.

The motion to dismiss came from B. J. Flick, an attorney representing Huntman, after Samuel Anderson had left the stand, where he had just added a few details to his testimony of yesterday.

Attorney Flick declared that the corpus delicti had not been established and that the charges against his client had not been borne out by the state's evidence. Attorney-General Casson at the important witness testified that he had first met Mr. Menefee in Portland while on a visit here in November, 1910, and that Mr. Menefee had sought to interest him in stock. He did not buy, but after considerable correspondence between them he bought at different times 70 shares at prices ranging from \$8 to \$12.50 a share.

Expert Finds Money Kept. After the witness had said he bought stock from the company, and had identified a receipt from Mr. Menefee, dated August 2, 1912, for 50 shares for \$625, the United States Attorney called Hiram House, expert accountant for the Department of Justice, to the stand. Mr. House testified that on January 3, 1911, 10 shares were sold to Klein, and 50 shares sold him on August 9, 1912, for \$625. He transferred the shares to Frank Menefee, and that none of the money had gone to the company.

While on the stand Mr. Klein had