



## PRESIDENT READY TO SUBMIT VIEWS

### Assertion of Rights on Sea Expected.

## ISSUE NOT TO BE DIVERTED

### Germany's Hint Concerning Mediation Held Secondary.

## AMBASSADOR IS CONFIDENT

### Von Bernstorff Thinks Attacks Without Warning Will Not Be Repeated—Lansing Would Accept Oral Guarantees.

WASHINGTON, July 16.—The situation that has arisen between Germany and the United States over Germany's failure to grant the American demands growing out of the sinking of the Lusitania will be laid by President Wilson before his Cabinet next Tuesday.

Several drafts of a note setting forth the course which the United States intends to follow as a result of the German reply have been prepared and will be discussed by the President with Secretary Lansing Monday and submitted to the Cabinet the next day.

### Definite Assertion Expected.

Although officials generally are reticent, the purpose of the United States to continue to assert its rights on the high seas probably will be announced in definite form in the next note. In authoritative quarters it was said that the new note likely would indulge in no extended discussion of the principles already stated and reiterated.

It became known in official quarters, too, that there was a little likelihood that the United States would subordinate the Lusitania case or assertion of its rights to the intimations from Germany of a willingness to have the United States mediate between Great Britain and Germany in an effort to restore reciprocity on the principle of the freedom of the seas.

### Purpose Not to Be Diverted.

Much stress was placed on this point by Count von Bernstorff, the German Ambassador, in an informal interview with Secretary Lansing today, but high officials, realizing that the subject of submarine warfare and contraband already has failed, indicated that the step would not be repeated unless specific request was made by one or the other of the belligerents.

Inasmuch as Count von Bernstorff had no instructions from his government and brought no communication from his foreign office, his visit today, some officials said, was unlikely to change the purpose of the United States to take into consideration solely what was said by Germany in its last note.

The Ambassador exchanged views with Secretary Lansing on all phases of the question and sent a long report to Berlin.

### Results May Be Seen Later.

The interview, it was believed, might have tangible results during the course of later negotiations, since the American viewpoint was explained to some extent by Secretary Lansing. Mr. Lansing, however, did not commit himself in the absence of the President to the course that the United States would follow.

The Ambassador expressed confidence late today that the situation between the two countries was not critical and that a rupture of relations seemed impossible, because of the desire of both governments to avoid it. He believes that there will be no repetition of attacks without warning on passenger vessels of belligerent nationality, and bases his optimism on the fact that German submarines recently have exercised great precautions.

When asked if oral assurances that Americans would be safe on unarmored and unarmed belligerent ships would be acceptable, Secretary Lansing told inquirers that if such assurances were given by direction of the German government they would be as satisfactory as those of a formal character. As yet he had heard nothing from Berlin on this phase of the situation since the last note arrived.

## WILSON FORMS HIS VIEWS

### President Now Ready to Submit Questions to Cabinet.

CORNISH, N. H., July 16.—President Wilson today virtually put in shape the views on the German situation which he will communicate to Secretary Lansing and other members of his Cabinet on his return to Washington next week.

No announcement on the subject will be made, however, until the President has met with his Cabinet and determined finally on the details of the next step in the American policy.

The protest from Austria-Hungary against the shipment of large consignments of munitions of war to the allies, and the situation growing out of the interference by Great Britain with commerce between the United States and neutral nations in Europe, came in for a share of the President's attention today, but he let it be known that all information would have to come from the State Department.

The President worked for several hours today in his study on official business, and spent the remainder of the time golfing, automobiling and resting.

## FLOOD DAMAGE IN OHIO IS \$2,000,000

### FIVE DEAD, SCORES INJURED, RAIN FALLS IN TORRENTS.

### Vast Areas Imperiled by Weak Embankments—Favorable Weather Alays Fears for Future.

COLUMBUS, O., July 16.—Five dead, scores injured and more than \$2,000,000 worth of property damage were the toll of floods which last night and today resulted from torrential rains throughout Central Ohio. Hundreds of acres of land are under water and vast areas imperiled by weak levees and embankments.

In several places in Ohio the disastrous flood of March, 1913, was exceeded, but most of the swollen streams were stationary tonight and fears of further damage were allayed by favorable weather predictions.

At Lima, where three lives were lost, more than 300 homes submerged and a large area flooded, the Ottawa River began to rise again today, and the city tonight faced unprecedented flood conditions. Mayor Standish issued a proclamation, inasmuch as there would exceed \$500,000, no outside aid in relief work would be asked.

KANSAS CITY, July 16.—The Missouri River had reached the 27.3-foot stage here today, the highest in the history of the local bureau, excepting in the disastrous flood years 1903 and 1908. The stage marked a rise of four-tenths since morning and the water continued to ascend at about the same rate tonight.

P. Connor, observer, however, announced tonight that the situation appeared somewhat less threatening than this morning, because of the absence of heavy rains in the valley of the Missouri and Kansas rivers since early today.

## 50 TEACHERS HERE TODAY

### Committee to Entertain Cleveland Pedagogues During Stay.

Fifty teachers from Cleveland, O., will arrive in Portland this morning at 7:30 o'clock and will remain in the city until 11:30 o'clock, when they will go on to Seattle.

The Chamber of Commerce and the schools of the city are co-operating in their entertainment. L. R. Alderman, superintendent, and W. T. Fletcher, principal in charge of the Summer schools, head the committee representing the schools, and O. C. Bortzmyer is on the committee from the Chamber of Commerce.

Arrangements are made for visits to the Summer schools, sightseeing trips about the city and a luncheon of dinner in honor of the visiting teachers.

## EX-COUNCILMEN ARRESTED

### Four Accused of Making Loans of City Money to Themselves.

BAKER, Or., July 16.—(Special.)—Charged with lending to themselves money which belonged to the town of Granite, J. N. Ford, Elmer Thornburg, Charles Alexander Benjamin Austin, ex-councilmen of Granite, 14 miles west of Sumpter, have been arrested and held before the Grant County Court at Canyon City.

The transaction is said to have occurred several months ago, and the men have never denied that they made the loan as alleged.

## T. R. TO HEAR REPORTS

### Washington Bull Moose to Relate Party Prospects in State.

SEATTLE, Wash., July 16.—Theodore Roosevelt, on his way to the Panama-Pacific Exposition, will arrive in Seattle by steamer from Vancouver, B. C., next Sunday night at 9 o'clock.

Upon his arrival at the hotel he will receive a delegation of 25 Progressive party leaders, who will report the condition of the party in Washington. At 7:45 o'clock Monday morning Mr. Roosevelt will breakfast with a leading Republican editor of Seattle, and at 9 o'clock he will leave by train for San Francisco.

## LIMIT PUT ON LAWMAKING

### Virginia Grant Held to Forbid Referendum in Five States.

SUPERIOR, Wis., July 16.—The initiative and referendum cannot be legally adopted in Wisconsin, Minnesota, Illinois, Indiana and Michigan, the five states formed out of the original Northwestern Territory, lawyers attending the annual convention of the Wisconsin Bar Association were told today by Addison C. Harris, of Indianapolis.

He took the position that Virginia, in turning the territory over to the Union, provided that the area disposed of always should have a strict Republican form of government.

## AUSTRIA REGULATES PRICE

### Compromise Grain Schedule Fixed Until After 1916 Harvest.

ZURICH, via London, July 16.—The Austrian government has fixed the following prices of grain until the harvest of 1915 per 220 pounds: Wheat, 54 crowns (a crown is 24 1/2 cents); rye and malting barley, 28 crowns; other barley and oats, 26 crowns.

The prices are midway between the war and the normal ante-war prices. The government also promises shortly to permit the sale of pure wheat flour and rye meal.

## AUSTRIA ACCUSES FOES OF INHUMANITY

### Red Book Says Rules of War Are Violated.

## CONSULAR OFFICIALS MISSING

### Belgians Charged With Brutal Treatment of Aliens.

## MANY INSTANCES CITED

### Malignant Punishment, Neglect, Atrocious Assaults, Poisoning, Wells and Other Crimes Laid to Entente Allies.

WASHINGTON, July 16.—Austrian Hungary's indictment of the methods of warfare of her enemies, giving scores of instances of "barbarous treatment" of nationals and prisoners and breaches of international law, was made public today in a "Red Book" issued by the Austro-Hungarian Ministry of Foreign Affairs through its embassy here. The publication is called a "Collection of Evidence."

"The first two parts," says a prefatory note, "contain evidence concerning the treatment of Austro-Hungarian diplomatic and consular officers by the government officers of the hostile countries. The cases adduced deal with the violations of the most elementary rules of the right of hospitality. Never before have so many cases of the violations of this right been instanced.

### Citizens Roughly Treated.

The third part contains evidence of the treatment to which Austrian and Hungarian citizens have been subjected in most cases before the opening of hostilities—in hostile countries. Even if it be conceded that the prevention of the enemy's nationals from joining the war is to a certain extent justifiable, the methods employed by the hostile countries, and especially the arrest and the incarceration of aged men, sick persons, women and children, are contrary to the elementary usages of humanity.

### Fourth Part Comprises Proofs of Violations of the Laws of Warfare.

To the numerous cases of disregard of the regulations concerning the use of prohibited projectiles contained in The Hague agreement and the Geneva convention, must be added the unspeakable outrages of which the Serbian and Montenegrin troops have been guilty. This ruthlessly illegal way of conducting war operations and the cruel and treacherous participation of the entire population in acts of war certify once more the lapse from civilization which the people of these countries have undergone.

### Consuls Still Missing.

"Up to this day the Ministry of Foreign Affairs is still without information concerning the fate of several consular officials."

(Concluded on Page 2, Column 2.)

## INDEX OF TODAY'S NEWS

The Weather. YESTERDAY'S—Maximum temperature, 69 degrees; minimum, 53 degrees. TODAY'S—Fair and warmer; northwesterly winds.

War. Austria issues "Red Book" accusing enemies of many violations of rules of war. Page 1. Paris editors say Austria-Hungary seeks to divert discussion from real issue with Germany. Page 2. British damage in manufacturing industry demoralized by war. Page 2. Welsh coal miners defy government. Page 2. Zepelin's "Red" again routed. Page 2.

National. Wilson ready to submit views on relations with Germany to Cabinet, rights on sea. Page 3. Government publishes guide book for travelers. Page 10.

Domestic. Trading in "war shares" reaches boom proportions as result of large contracts. Page 2. Postmaster who stole \$200,000 says he was tempted by knowledge he could open safe. Page 3. Flood damage in Ohio reaches \$2,000,000. Page 1. Thaw set free, starts home in high-speed auto. Page 3.

Pacific Northwest. Senator Kellogg opposes extra session as well as Governor's plans. Page 10. Land Board demands bond for forfeit of J. J. Moore, salt lake lessee, by Monday. Page 10. F. Eugene Baker at Chautauque advises hears to "Play Number 1." Page 11.

Sports. Pacific Coast League results—Portland 1, San Francisco 7; Los Angeles 4, Vernon 2; Salt Lake 6, Oakland 3. Page 14. Coast players easily win doubles of East vs. West today at Fair. Page 14. Ed Walter comes back and pitches White Sox to victory over Athletics. Page 14.

Commercial and Marine. Chartering for grain leading is on 80s basis for December. Page 11. September wheat brings high prices at local exchange. Page 12. Thrashing delays responsible for higher wheat market at Chicago. Page 13. Manipulation of war stocks continues in Wall street market. Page 15.

Portland and Vicinity. Dr. P. P. Claxton, United States Commissioner of Education, speaks at Chamber of Commerce luncheon today. Page 4. Delegates to convention of Rotary Clubs entertained here. Page 7. Senator Tillman visiting his daughter in Portland. Page 8. Thousands of Shriners pay visit to Portland. Page 10. Perjury charge entitles Dodge trial. Page 10. Prosecution trying to show where Cashier stock profits went. Page 1. Senator Tillman, of South Carolina, here on visit. Page 8. Weather report, data and forecast. Page 15.

## STOCK SOLD AT \$14 NETS COMPANY \$6

### Features in Cashier Promotion Shown.

## EUGENE MAN NOW INVOLVED

### Treasury Shares Represented as Personal Holdings.

## SPECIAL ACCOUNT CARRIED

### Sales Declared Made by Vice-President of Corporation at Less Than Half Price Being Obtained by Agents Elsewhere.

What became of a certain little item of \$8 a share from the sale of several hundred shares of United States Cashier Company treasury stock to investors in Eugene, Or., at \$14 a share?

This interesting question occupied much of yesterday's session in the trial of officials and salesmen of the company before a jury in Federal Judge Bear's court.

The Government introduced testimony to show that the stock was sold for \$14 a share and that the company received only \$6 a share for it. Who got the other \$8, or where it went, the books did not show, according to the testimony.

### Sales Made by Eugene Man.

United States Attorney Reames endeavored to show by witnesses that the mystery of this missing \$8 a share could be cleared up by at least one of two defendants in the case—Frank Menefee, president of the company, or Oscar A. Campbell, of Eugene, vice-president and director. The testimony against Mr. Campbell was the first so far given to implicate him in the alleged conspiracy to use the mails to defraud, for which the defendants are on trial.

Mr. Campbell, it was testified, made the sales at \$14 a share, and the books show later that Mr. Menefee placed \$6 for each such share to the credit of the company. Whether the other \$8 was turned over to Mr. Menefee, or whether he never saw it at all, was not brought out yesterday.

### Wide Margin on Sales Shown.

The part of the transaction that stood out clearly was that shares of the company of the par value of \$10 were sold for \$14, at a time when they were supposed to be on sale at \$20 a share, and that only \$6 of the sale price got to the company's treasury.

Somewhere in the shuffle the \$8 had dropped out and got lost.

Another peculiar feature of these sales, according to the testimony of witnesses who had bought the stock, was that it had been represented to them by Mr. Campbell that it was "resold" stock—that is, stock originally bought by other persons who were unable to hold it and so willing to let it drop.

(Concluded on Page 3, Column 1.)

## Friday's War Moves

THE Austro-German armies, which now appear to be working in perfect concert as the result of the German organization, are giving the Russians little rest or time to reorganize themselves after their retreat from Galicia.

Simultaneously with the German effort to reach Warsaw, or the Russian lines serving that fortress from the north, the Austrians have attacked along the Dniester and have succeeded in crossing that river at several points. General von Mackensen's army, which doubtless had been waiting for Field Marshal von Hindenburg to move in the north, has also come to life again, and the fighting has been resumed in Southern Poland.

In fact, there is fighting of more or less severity all along the Russian front except in Central Poland, where the Russians are in such strong positions that, in the opinion of military men, it would be impossible to break through.

The Germans say they have made their progress with their northern operations, but with the Russians retreating it is not likely that the main forces have clashed as yet. The combined operations are the most gigantic yet undertaken, the aim being, according to military experts, to squeeze the Russians out of Warsaw and the great slice of country which they hold to the north, south and east of that city, and at the same time to attempt an invasion of Bessarabia.

So long as this effort to crush Russia or to break her power of offensive continues, there is little possibility, military writers say, that the Germans will attempt any important movement in the West, for it is believed that the Austro-Germans will for a long while require all their available troops in the East. Four German army corps, composed of Pomeranians and men from Schleswig, are said to have left Thorn to reinforce General von Hindenburg.

The German Crown Prince did try to break through the French lines in the Aronne, but it is the opinion of military experts that his intention was simply to weaken the French hold on Verdun. A German official statement claims that one result of this offensive was the capture of 7000 French soldiers in three weeks. On the other hand, the French assert that they have regained most of the ground they have been forced to give up and which they say did not exceed 400 yards in depth. British critics describe the effort of the Crown Prince as a costly and partially successful advance, followed by a counter-offensive which definitely checked his progress.

Fighting is now in progress on the Lorraine frontier and in Artois. Here the French continue their attempt to capture Souchez.

Further progress is unofficially reported from Artois. The French are said to be on the offensive in the Dardanelles campaign, and as the Athens dispatches are generally ahead of the official reports, this statement is credited in London.

More important is the news that Roumania has declined to accede to Germany's demand that Roumania allow munitions to pass through that country for Turkey.

The entente allies announce another victory in Africa, where they captured Nguandere, an important trading center of Kamerun, a German colony in Western Equatorial Africa.

## IRISH LEADERS BANISHED

### Three Opponents of Recruiting Ordered Out of Country.

LONDON, July 16.—The government has ordered three members of the Sinn Fein—Ernest Blythe, of Ennistimon; William Mallowa, of Athenry, and H. J. Pim, of Belfast—to leave Ireland. The immediate cause of their expulsion is believed to be their campaign from public platforms against war and recruiting.

All of the trio were active in the Sinn Fein section of volunteers that broke away and opposed the followers of John E. Redmond, leader of the Irish Nationalists in the House of Commons. Pim had written books under the name of A. Newman.

## TRAINING OFFERED POLICE

### New York Officials Invited to Federal Military Camp.

NEW YORK, July 16.—A plan to give inspectors, captains and lieutenants of the New York police force military instruction was divulged today when Police Commissioner Woods sent notice to these officers, 719 in all, asking how many would like to enter the United States military camp at Plattsburgh, N. Y., for four weeks' training, beginning August 15. The notice was sent at the request of Major-General Leonard Wood, commander of the Department of the East.

Police Commissioner Wood said the salaries of the men who accept would be continued.

## VAST TIMBER TRACT TO GO

### Forest Service Announces Sale of Billion Feet on Burnt River.

BAKER, Or., July 16.—(Special.)—That more than 1,000,000,000 feet of timber on the west fork of Burnt River shortly will be thrown on the market by the Forest Service, was the statement of Albert Wiesendanger, district forestry clerk, who was in Baker last night. He was returning to Portland after putting a crew of men to work nine miles from Audrey.

The cruise in the tract embracing 72 square miles will probably take about two months, it is estimated. The tract is reported singularly free from burns.

## SHRINERS DESCEND ON CITY IN FORGE

### Thousands Arrive to Pay Brief Visit.

## DOZENS OF AUTOS EMPLOYED

### Al Kader Commandeers Every Available Car for Day.

## SCENIC RIDES ATTRACTION

### Old Friends Hunted for Guests, Streetcars Chartered, and Delegations Piloted From Depots to Hotels by Portland Nobles.

From And to Zorab—taking them alphabetically—the Shriners descended upon Portland yesterday.

The Aads came from Duluth and the Zorabs from Terre Haute, while added thousands with names equally peculiar came from almost every other corner of the country.

But nevertheless—also notwithstanding—the same generous hospitality was extended by their fellow nobles of Al Kader in Portland.

It made the Al Kader chaps get up and don their turkey-red fezzes at unreasonable and unreasonable hours—the way those victors insisted on reaching Portland along about 4 and 5 o'clock in the morning.

It kept the Al Kaders constantly on the jump the way they persisted in arriving at odd moments within the day without previous announcement and with little untoward ceremony.

### Squads of Autos Handle Task.

But the Portland Shriners had learned to expect the unexpected and were prepared to meet almost every emergency.

But what would they have done without the aid of the faithful automobile? The automobile batteries—under direction of Noble Ira F. Powers—were divided into half a dozen squads. One squad did service exclusively between the North Bank station and the hotels. Another served between the Union station and the hotels.

A third did nothing but carry visitors from the hotels out over a short scenic ride on the West Side of the city. Another section covered a longer route that included both the East Side and the West Side.

Then there was sort of an unattached, disorganized squad of machines that didn't do anything but odd errands for accommodation of the visitors. If Noble Powers, from Missoula, for instance, had a friend in Portland whom he hadn't seen since childhood, the Shriners had a machine there ready to take him out to his friend's residence.

If the nature lovers wanted to go out to the parks and see the trees and flowers a group of special cars was there to take them.

### Sightseeing Cars Chartered.

It was utterly impossible for a visiting Shriner with power to make his wants understood to lack for anything in Portland yesterday.

Then, besides all this, the Al Kaders just chartered all the sightseeing streetcars that the Portland Railway, Light & Power Company possessed, and kept them running around the scenic loops all day long. Folks could go on an automobile trip in one direction, come back and go on a streetcar ride into some other part of town.

While the Imperial Hotel—headquarters for Al Kader—was the natural rendezvous for the great bulk of the guests, the crowds were so great that they overflowed and spilled into all the leading hotels in the downtown district—the Portland, the Benson, the Benson, the Multnomah, the Perkins and some of the others.

The entertainment provided by the local Shriners was so elaborate in its arrangements and so perfect in its execution that the visitors easily could have been made to believe that it was a part of the programme for the Seattle convalescence from which they were just returning.

### Seattle Sets New Pace.

And, speaking of the Seattle convalescence, all were agreed that Seattle established a new top-notch record so far as entertainment is concerned, and that Shrinerdom reached a climax so far as enjoyment is concerned.

"Seattle set such a pace," said "Jack" Jones, of Oklahoma City, imperial marshal of all the Shriners, "that it will be hard for convalescing cities in the future to keep it up."

"I don't believe they'll try to keep it up."

All were agreed, though, that as an incidental entertainment Portland's display of enthusiastic hospitality yesterday harmonized well with the big week-end of festivities in the Rose Garden.

A few weeks ago W. J. Hofmann, general chairman of the local entertainment committee, with Arabic foresight, appointed a series of committees—ones committees for each separate temple scheduled to visit Portland this week.

### Plans for Groups Go Astray.

But lo and behold! When the fox tops began to pass through the depots, they were all mixed together like a Russian army on a rout. They refused to stay in their respective groups and the local committees had a fine, sweet time trying to keep them separated. But there was no use to keep them there. (Concluded on Page 4, Column 1.)

