



DEFINITE STEP IN MEXICO PROMISED

United States to Act on Problem at Once.

NATURE OF MOVE IS SECRET

President Said to Be Studying Several Courses.

CONVENTION CALL LIKELY

Mr. Wilson May Give Carranza One Last Chance to Confer With Other Leaders and Then Call on Other Factions.

WASHINGTON, July 26.—A definite step toward settling the Mexican problem will be taken by the United States Government in the near future. Authoritative announcement to this effect was made today at the State Department, although the nature of the contemplated action was not disclosed. President Wilson is understood to be revolving several suggested courses in his mind. His decision probably will not become known before his return to Washington from Cornish, N. H.

Mr. Wilson is known to have been reviewing the situation for some time, the warring Mexican factions having failed to heed his suggestion of two months ago that they accommodate their differences and restore peace in the distressed country. Apparently he has determined that the other measures which the Washington Government announced it must take if the battle of the factions continued must now be resorted to.

Final Effort for Peace Likely.

The President's most probable course, it was reported tonight, would be to urge General Carranza for the last time to confer with other faction leaders in an effort to bring about peace. Should Carranza again refuse this plan, it is said efforts will be made to assemble other Mexican leaders who will represent a majority of the Mexican people.

Such a conference, it was suggested, might be held in Northern Mexico, if it is possible to free it from military interference. If not, it might be held across the border in the United States.

The conference would arrange for a constitutional convention which would plan for an election and establishment of a government which the United States would recognize and help maintain.

Villa Column in Retreat.

Changes in the military action in the vicinity of Mexico City were reported from several sources. The Carranza agency here was advised from Vera Cruz that General Gonzalez was returning to Mexico City, the Villa "Flying Column" under General Plazas having fled northward from Pachuca without a battle. A State Department report from Mexico City dated July 20 said the capital was quiet and that water and light service had been restored, but that the food situation was causing great concern. The Zapata forces were reported at that time 200 miles from the city under command of General Castillo.

Official advice from Vera Cruz dated July 24 said:

"There is no communication with Mexico City except by courier from Puebla. It is further stated that should Pachuca be occupied by the Carranza forces, which is momentarily expected, Mexico City probably will be recaptured within three or four days."

Yaqui Attack Confirmed.

Reports that a band of Yaquis attacked a town of Yaquis on the west coast, killing 15 persons, no Americans being among them, were officially confirmed. The Yaquis ambushed their pursuers. Two soldiers, including the chief of police of Guaymas, were killed.

Jalapa has been taken by the Carranza forces, according to advices today and communication from Tampico to San Luis Potosi and Guanajuato cut off.

A report from Vera Cruz, with reference to the strike of the Huasteca Oil Company's employees near Tampico, says the strikers threaten to call a general strike of all oil well employees in the region unless their demands are granted within 48 hours. The report will be dated Saturday. Consul Hillman, it is said, has made representations to the authorities to safeguard lives and property of foreigners.

BRITISH TAKE TURK CITY

Gunboat Shells Nasiriyeh as Forces Capture Entrenched Positions.

LONDON, July 26.—Official dispatches concerning the operations along the Euphrates River in Asiatic Turkey announce that the British forces, after rushing and capturing the Turkish advance and main entrenched positions, occupied the town of Nasiriyeh on the morning of July 25.

A British gunboat shelled the city on the previous night, and the Turks, disorganized, retreated northward.

The British, during their advance, captured 11 guns and two machine guns. Several hundred prisoners were taken and 500 dead Turks were counted in the main position. The British casualties numbered between 300 and 400.

50-CENT PAINTING PROVES \$2000 GEM

TREASURE BY HERRING SOLD TO PURCHASE DRUG.

Seattle Art Store Finds Masterpiece Among Discarded Heliciums and Grime-Covered.

SEATTLE, Wash., July 26.—(Special.)—One day, more than a year ago, a man whose hand trembled for want of a drug, walked into a second-hand store and sold a painting, the last of a series of family heliciums for 50 cents. A short time ago Mrs. Edwin G. Ames, of 803 Thirty-sixth avenue North, wife of the vice-president of the Seattle National Bank, bought it for \$5. Today the painting, with its coat of grime removed, hangs on exhibition in a Seattle art store, as probably it did more than 50 years ago in the Royal Academy of London. The painting is the work of John Frederick Herring and J. A. Williams, celebrated artists, and is valued at \$2000.

The lower right-hand corner of the painting, which measures 12 by 36 inches, contains the signatures of the two artists, scarcely discernible. The picture represents a farm scene with several horses, cows and a barn in the background. It bears the date, 1858. Herring was one of the most successful of animal painters, like his father, who was even more distinguished than he. All of his work was exhibited in the Royal Gallery. His masterpiece is "The Baron's Charger."

NAVAL CADETS TO SUFFER

Dismissals and Courts-Martial Will Follow Examination Scandals.

WASHINGTON, July 26.—Court-martial for some of the members of the Naval Academy graduating class involved in the charges of irregularities in examinations, and outright dismissal for some others, are recommended in the report of the special court of inquiry which investigated the scandal.

Captain Russell, who headed the court, delivered the report today and Judge Advocate-General McLean will add his indorsement for consideration by Secretary Daniels.

MAILMAN'S BICYCLE TO GO

Motorcycle Use Also Forbidden by Carriers on Rural Routes.

WASHINGTON, July 26.—Use of bicycles or motorcycles in the rural delivery service is prohibited by an order issued today by Postmaster-General Burleson effective January 1, 1916.

In announcing his order, Mr. Burleson holds that vehicles of these types do not have the carrying capacity needed for the parcel post service and do not afford necessary protection for the mails in bad weather. The order will affect about 8000 carriers who now use bicycles or motorcycles to cover their routes.

TURKS DENY PERSECUTION

Greek Papers Treat Expulsion Argument as Reasonable.

PARIS, July 26.—The Turkish government in its reply to the Greek protest against persecution of Greeks in Turkey, explains that the expulsion en masse of thousands of Greeks from their homes was a simple military measure to assure the security of the Turkish Empire and that it should not be considered as persecution of the Greeks.

The Embros and other Athenian journals, considered to represent official opinion, seem to admit the reasonableness of the Turkish argument.

VIENNA PRESS DOUBTS U. S.

American Refusal of Berlin Proposition Not Understood.

VIENNA, via London, July 26.—The Neue Freie Presse expresses itself as unable to understand why the United States refused Germany's proposal for protecting the lives of American citizens at sea, and although seeking the sanctity of American passengers, declined the practical means offered for securing them.

"It is a question," the paper says, "whether the same stiff-neckedness would be observed against England."

GERMANY DEFIANT, OFFICIALS REALIZE

Torpedoing of Leelanaw Berlin's Reply.

TWO NOTES ARE DISREGARDED

Destruction of American Ship Held Treaty Violation.

NO LIVES LOST ON VESSEL

Cargo of Flax Admittedly Contraband, but Washington Officials Point Out That Treaty Prohibits Sinking of Craft.

WASHINGTON, July 26.—Destruction of the American ship Leelanaw by a German submarine drew sharply to the attention of officials of the United States Government today the fact that Germany was insisting on her own interpretation of the Prussian-American treaty of 1828 in disregard of two American notes on the subject.

The Leelanaw, from Archangel, July 8, for Belfast, with a cargo of flax, was sunk July 25 by a German submarine off the northwest coast of Scotland.

All the members of the crew were saved. They were taken into Kirkwall in their own boats.

In three instances of American ships destroyed or damaged—the Gulfight, the Nebraska and the William P. Frye—Germany has agreed to pay damages. In the last case the Berlin government took the position that it had not violated the treaty of 1828, but had exercised a right given her by inference from the language in the pact. Officials of the Washington Government were apprised of the destruction of the Leelanaw, but beyond adding another incident to the already strained relations between the two governments, there was no indication that the case would lead to a new turn in the general situation.

Further Warning Possible.

The fact that the members of the crew were saved caused a relief in official circles, but there were many evidences of apprehensions that if Germany continued to ignore payment, yet destroy more American ships, a new situation might be created which would require further warning to the Berlin government.

The fact that the Leelanaw carried a cargo of flax, declared absolute contraband by Germany on April 18, does not alter the view of the United States Government that the contraband might have been removed and the vessel spared. Under the general rules of international law, the destruction of a neutral vessel carrying contraband was not admitted until the famous "Hunso-Japanese war."

Frye Case Up Again.

The declaration of London in 1909 embodied the principle as applicable in extreme cases, but stipulated that passengers and crew must be transferred to a place of safety and the case itself sent to a prize court for determination of the legality of the act.

The United States in the case of the William P. Frye, however, took its stand irrespective of the general principles of international law as set forth in the unratified declaration of London, going back to a prior authority—the Prussian-American treaty of 1828—as a document that covered completely any attacks on American vessels carrying contraband. That treaty especially permits traffic in contraband by the United States or Prussia in time of war, and outlines that no contraband owned by citizens of either power may be confiscated, but can only be detained and paid for. Vessels, according to its provisions, must be allowed to proceed after giving up their contraband.

Cargo Ownership Not Issue.

In the case of the William P. Frye, (Concluded on Page 3, Column 1.)

INDEX OF TODAY'S NEWS

The Weather. YESTERDAY'S—Maximum temperature, 68 degrees; minimum, 50 degrees. TODAY'S—Tuesday unsettled and threatening; winds mostly westerly.

War. Germans push on toward Warsaw after unsuccessful air raid. Page 2. Berlin regards American note as unsatisfactory. Page 3.

Foreign. Loss of life from fire and flood at Canton estimated at tens of thousands. Page 2. Japanese editor says war expends Christian weakness. Page 1.

Officials at Washington regard sinking of American ship Leelanaw as deliberate defiance on part of Germany. Page 1. America's next note to Great Britain will be delayed. Page 2. United States to take definite action toward settling Maritime problem. Page 1.

Domestic. Probe may show Eastland victims in Chicago total 1200. Page 1. English-speaking voters at all works agree under American flag to return to jobs. Page 1. Ex-Lieutenant Becker gets two-day respite. Page 2.

Sport. Braves blank Cubs in fast game. Page 10. Pennant hopes for Beavers on rise again. Page 10. California tennis star is easy winner in first round at state tournament. Page 10.

Commercial and Marine. Oregon hope advance fast in London market. Page 13. Active demand for cattle and hogs at local stockyards. Page 13. Wall street quickly recovers from effect of Leelanaw disaster. Page 13. Sharp decline in wheat in Chicago market. Page 13. Water lines, following reduction by railroads, cut charges so Pacific Coast ports. Page 13. Defense in Dodge timber land suit calls opposing counsel to stand. Page 5. Yacht race starts for new bills. Page 7. Ostracism complete details of entertainment for National Convention. Page 14. Resolution asking County farm tract for Park use to come up in Council today. Page 7. Cruise Albany, missed by Oregon Naval Militia, sets for Astoria, with Governor Withycombe aboard. Page 9. Arrest of North End saloonman said to be forger in campaign against saloon robbery. Page 9. Cashier's Complaint former auditor retracts on witness stand charges he made in letter. Page 2. Cases against boy voters heard in Juvenile Court. Page 5. Weather report, data and forecast. Page 9.

TEXTBOOKS TO BE FREE

Cosmopolis Board Will Make Purchase Next Month.

ABERDEEN, Wash., July 26.—(Special.)—Cosmopolis will furnish its school children free textbooks, according to a resolution unanimously adopted by the Board of Education there Saturday night.

The necessary books for the children in the schools there will be purchased within the next month and placed at the disposal of the children of that city in September.

LASSEN EXPECTED TO QUIT

United States Geologist Finds Volcano Is Subsiding.

REDDING, Cal., July 26.—J. S. Diller, geologist of the United States geological survey, announced today, after a study of Lassen peak for several weeks, that the volcanic action is subsiding and probably there will be no more violent eruptions.

Professor Diller predicted the activity of the last year in a report made to the geological survey more than a year ago.

GERMANS SINK NORWEGIAN

Fimerite Is Torpedoed and Crew Lands in Scotland.

LONDON, July 26.—The Norwegian steamer Fimerite, of 3819 tons gross, was sunk today by a German submarine. The crew was landed at Stornoway, Scotland.

The Fimerite was built in 1906 at Middlebrough, England. She was 331 feet long, 49 feet beam and 25.7 feet deep. She was owned by A. Olsen & Co. of Bergen, Norway.

CITY OF ANTWERP FINED

Celebration of Belgian Fete Day Brings Punishment.

LONDON, July 27.—Telegraphing from Amsterdam the Morning Post correspondent says:

"The city of Antwerp was fined 250,000 francs (\$50,000), for popular demonstrations there on the Belgian fete day."

STRIKERS SEE FLAG AND AGREE TO WORK

Sheriff Unfurls Stars and Stripes and Wins.

HALF OF MEN OUT TO RETURN

Protection Against Attacks Is Promised

FOREIGNERS REFUSE OFFER

English-Speaking Men and Americans Accept County Officer's Advice to Return to Jobs; Leader Makes Confession.

NEW YORK, July 26.—Developments in the strike situation at Bayonne, N. J., tonight indicated that probably half of the approximately 5000 employees of the Standard Oil Company of New York would return to work tomorrow.

In response to an appeal by Sheriff Eugene Kinkead at a mass meeting tonight, the English-speaking men and American citizens among the employees agreed to return to work, although the foreign-speaking element earlier in the day had refused an offer from the company, which the Sheriff had urged them to accept. It is estimated that 1500 men signified their intention of returning to work and that probably half of the employees speak English, or are American citizens. What the foreign-speaking workers will do when the others go back is problematical.

Sheriff Appeals to Men.

Sheriff Kinkead declared he had every reason to protect the men if they returned to work, and announced that Superintendent G. B. Hennessey, of the Standard plant, would have the whole works open at the regular time tomorrow. The Sheriff appealed to two meetings of Standard employees, composed either of strikers or men thrown out of work because of the strike.

At one attended by the foreign-speaking men, the men refused to accept the appeal of Superintendent Hennessey that they return to work, after which he would ask the company to increase their pay. The same proposal was accepted by the second meeting of those who speak English and those who are citizens among the workers.

Strikers Cheer Flag.

Sheriff Kinkead dominated the meeting by virtue of his right, it was said as the county's chief peace officer. He walked in with a squad of his men, took possession of the proceedings and had two of his men unfurl an American flag and asked the strikers to cheer the colors, which they did.

Jeremiah J. Baly, chairman of the strikers' committee, was arrested today. It was learned later that Frank Tannenbaum, of New York, who has been active in the work of Industrial Workers of the World, was placed under arrest during the meeting. The charge was inciting to riot.

Leader Confesses Falsehood.

Baly, in a signed statement which was made public by Sheriff Kinkead, who ordered his arrest and who is investigating his career, said that he had "falsely and maliciously represented" himself and "regretted the part he had played."

The unrest among oil workers reached Jersey City today, when the coopers employed by the Eagle Oil Company at Caven Point, a subsidiary of the Standard Oil Company, struck. The strikers asserted that all of the 2500 men in the plant would join them tomorrow.

NEW YORK, July 26.—The strike of 1800 longshoremen employed by the

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Monday's War Moves

FIELD MARSHAL MACKENBEN'S sustained effort to throw any considerable body of Austro-German troops astride the Lublin-Czornin Railway, having to date met with no success, the Germans are now centering their main offensive north of the Warsaw salient, and having crossed the Narew River along a 40-mile front, are driving the Russians toward the Bug where it joins the Narew north of the Polish capital.

Warsaw still holds out, but the general belief is held here that its loss by the Russians is only a matter of time.

Dispatches that reached London last night from Petrograd predict that the much discussed climax to the great struggle in Poland will come within a fortnight, with simultaneous attacks on the city from the north and south. In a meantime General von Buelow's troops, driving south from Courland, are 25 miles southeast of Shavil, having reached the Zolniew railway junction, linked with the Dvank line, which the German cavalry is attempting to seize preparatory to cutting the more important Korov-Vienna line. The effective German cavalry in this area is estimated at Petrograd at 20,000.

The reported cession by Turkey to Bulgaria of the Turkish portion of Dedaghat railway has created considerable discussion in England, but the Bulgarian legation at London insists that it had no confirmation of such an arrangement. It is stated in circles professing to understand the situation that it would have no effect on Bulgaria's neutrality, although this, of course, is doubtful.

By a treaty signed at Constantinople, Turkey granted Bulgaria free use of the line for ten years, but this provision is not contained in the agreement, which is contended, has frequently been revoked of late. Turkey repeatedly stopping freight traffic Bulgaria protested against this, and finally, a fortnight ago, forbade the movement of Turkish consignments across her border.

To remedy this situation appears to be the immediate object of Turkey's present move.

BASE ROAD SURVEY NEXT

Location of Highway Around Mount Hood to Begin Next Week.

If plans of the Forestry Department are carried out, two crews will be sent to the field next week to begin the location of the new highway that is to be built around the base of Mount Hood. The road will be close to 20 miles in length and will be of the same high class of construction as the Columbia River Highway. Government engineers estimate that three months will be required to locate the entire 20 miles, and they also think that a maximum grade of 4 per cent can be obtained.

The new road will start from Mount Hood Lodge and circle the base of the mountain until it meets the Barlow road. This point of intersection will probably be but a few miles from Government Camp.

GERMANS YET HOLD SHIP

American Citizenship of Captain of Dunsyre Now Questioned.

WASHINGTON, July 25.—The American ship Dunsyre, taken into Swinemunde by German warships, has been transferred to Stettin. Dispatches to the State Department today say the German government questions her recent change of registry from British to American, and also the American citizenship of her commander, Captain Thomas W. Smith.

The Dunsyre, although under British registry until last November, was owned by an American firm in San Francisco for five years. The question of contraband in the Dunsyre's cargo also has been raised.

TAXI MUST POST RATES

Mr. Daly Announces Ordinance Is to Be Enforced Hereafter.

The ordinance requiring taxicab drivers to post their rates where they may readily be seen by the public hereafter will be enforced. This was announced by Commissioner Daly yesterday.

All vehicles for hire except street-cars are subject to the requirements of the ordinance.

Itney Inspector Gallup announced yesterday that he had passed eight more applications.

ITALIANS TAKE PELAGOSA

Group in Adriatic Occupied, Says Report From Rome.

ROME, July 26.—An official statement issued tonight says:

"The Italian fleet, important on account of its strategic situation, has been occupied by the Italian forces."

The Italian island group of Pelagosa lies in the Adriatic Sea, about midway between the promontory of Gargano and Dalmatia. The group consists of two islands, Grande and Piccola.

PRESIDENT IS UNDECIDED

State Department Counselor Soon to Be Named Is Intimation.

CORNISH, N. H., July 26.—President Wilson told friends here today that he has not finally decided whom he will appoint a counselor of the State Department to succeed Secretary Lansing, but he intimated that he will make up his mind soon.

Ex-Representative A. Mitchell Palmer, of Pennsylvania, is expected to get the position.

PROBE MAY SHOW 1200 ON BOAT DIED

Company Report Questioned by Sleuths.

CORRESPONDENCE IS SEIZED

Detectives Estimate 320 More Aboard Than Admitted.

INQUEST TO BEGIN TODAY

Dozen More Eastland Victims Recovered in Chicago by Divers. Steamer May Not Be Righted for Several Days.

CHICAGO, July 26.—Plans for investigations by Federal, state and city official bodies to determine who was to blame for the capsizing of the steamer Eastland, in the Chicago River Saturday, with a loss of hundreds of lives, were completed tonight.

A coroner's jury will start an inquest tomorrow, while Federal departments, headed by Secretary of Commerce Redfield, and officers from the police department and the representatives of the State Attorney's office will proceed with the gathering of evidence, holding formal inquiry in abeyance until the inquest has finished its work as far as possible.

Some Believe 1200 Dead.

The probability of swelling the list above 1000 was suggested by the announcement of detectives from the State Attorney's office that they had seized the tickets taken from passengers boarding the Eastland for the excursion to Michigan City, Ind. They asserted that the 2400 previously announced by officers of the Indiana Transportation Company, lessees of the ship.

The State Attorney Hoyme, in pursuing his investigation, seized correspondence which had passed between officers of the Western Electric company, which gave the excursion and the Indiana Transportation Company, operating the Eastland and four other steamers, set aside to carry more than 7000 persons across the lake on this excursion.

The State Attorney says this correspondence disclosed the fact that the steamer company had advised those in charge of the picnic that the more tickets sold the greater would be the rebate paid to the employees' organization. Tickets were to be sold to the employees of the Western Electric Company for 75 cents at the factory or \$1 at the wharf.

The State Attorney, the letters he took showed that there would be rebate of one-third on all tickets over 4000, and something less on those above 2500.

Compulsory Purchase Hinted.

Complaint had already been made by several employees of the Western Electric Company that they had been almost compelled to purchase tickets for the excursion for fear the Indiana would discriminate against them. The picnic to Michigan City has been an annual affair, and these men said that employees who had refused to buy tickets in previous years had been discharged, although probably without the sanction of the executives of the company.

To the confusion of determining the total number of lives lost, there was added much wrangling among officers of different jurisdiction over the tentative plans to right the Eastland, which still lies on its port side where it sank within 20 feet of the south bank of the river, which is 300 feet wide at that point, just west of the Clark bridge.

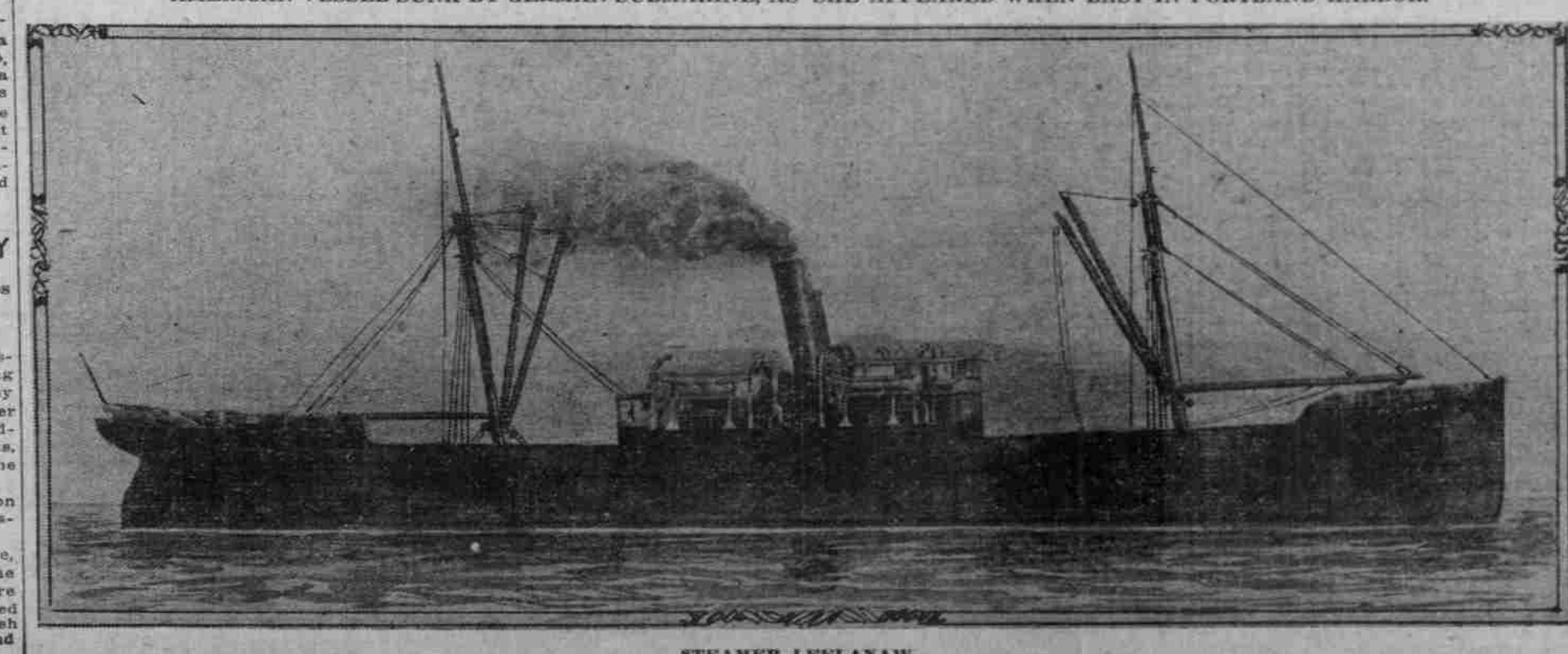
Despite an all-day search of the bulk by divers and a constant dragging of the river bed between the wreck and a net stretched across the river a block down the current from the ship, only a dozen bodies were found today.

Time Required to Right Vessel.

Estimates by marine engineers showed that it would take from 10 to 20 days to put the Eastland on its keel. Plans to use dynamite in raising bodies embedded in mud were abandoned for the time being, for fear the explosion might destroy any evidence the ship might give of possible mismanagement of the water ballast system, said by several marine engineers to be the probable cause of the capsizing.

Coroner Hoffman today placed W. J. Wood, a naval architect who has dubbed the Eastland "the crank of the lakes," in charge of all work at the wreck, so that any evidence in regard to the faulty construction of the ship or of improper handling may be discovered and preserved while the work of recovering bodies proceeds.

The Coroner, the State Attorney and city officers today reiterated their charge that all the possible cause for the disaster could be blamed to negligence by Federal officers to enforce marine laws. The last inspection of (Concluded on Page 2, Column 2.)



STEAMER LEELANAW.