

BRITISH COURSE HELD JUSTIFIED

New Conditions Require New Rules, is Reply.

BLOCKADE POLICY DEFENDED

American Protest Declared Untenable in Law or International Equity.

CIVIL WAR CASES CITED

United States Said to Have Then Developed Continuous Voyage Doctrine.

OUTLINE OF CONTENTIONS OF GREAT BRITAIN AS TO BLOCKADE RIGHTS.

Changed conditions of war declared to require new application of principles of international law. United States cited as having "developed, applied and enforced" doctrine of continuous voyage in Civil War by seizing British ship bound for West Indies.

Blockade limited to German ports, says note, would leave open many routes for German commerce.

Fundamental principle of blockade asserted to rest on right of belligerent to intercept commerce of enemy.

American commerce held to have profited by more than enough to atone for loss of German and Austrian trade.

Supplemental note says prize courts are subject only to instructions of their own sovereign.

Right of arbitration still open to those who contend they have been treated unfairly in prize-court decisions.

Reply in Neches case is denied to allow free passage of goods originating in territory under German control.

WASHINGTON, Aug. 3.—Great Britain's replies to the latest American representations against interference with neutral commerce reject entirely the contention that the orders-in-council are illegal and justify the British course as being wholly within international law.

"Unsustainable either in point of law or upon principles of international equity" is the British reply to the American protest against the blockade of neutral ports, with an invitation to submit to international arbitration any cases in which the United States is dissatisfied with the action of British prize courts.

Conditions of Warfare Changed.

Great Britain's reply, embodied in two notes, one supplemental, was made public here tonight and in London simultaneously by agreement between the two governments. With the notes was made public also the correspondence over the American steamer Neches, seized by the British while en route from Rotterdam to the United States with goods of German origin. All the correspondence aggregates 7000 words.

Changed conditions of warfare, the British note contends, require a new application of the principles of international law. The advent of the submarine, the airship and the alleged atrocities by German troops in Belgium are cited as justification for the exercise of extreme measures.

Blockade Held Justified.

The blockade is justified on the contention that the universally recognized fundamental principle of a blockade is that a belligerent is entitled to cut off "by effective means the seaborne commerce of his enemy."

The note reiterates that Great Britain will continue to apply the orders complained of, although not without every effort to avoid embarrassment to neutrals, and observes that the American statistics show that any loss in trade with Germany and Austria has been more than overbalanced by the increase of other industrial activities due to the war.

Measures Declared Reasonable.

In the general reply to the American representations against the orders-in-council Sir Edward Grey, the Foreign Minister, addressing Ambassador Page, begins by expressing the hope that he may be able to convince the Administration in Washington "that the measures we have announced are not only reasonable and necessary in themselves, but constitute no more than an adaptation of the old principle"

SEATTLE FOLK TO FORM AIR CORPS

RICH TIMBERMAN LEARNING TO FLY AND WILL GIVE PLANE.

Society Women Are Among Members of Club Organized to Aid Country If Needed.

SEATTLE, Wash., Aug. 3.—(Special.)—W. E. Boeing, president of the Greenwood Timber Company, prominent clubman, student and one of Seattle's wealthiest citizens, is taking instructions in California in flying an army airplane, and on his return here will proceed to perfect the organization of an aviation reserve unit for his country's defense. He is at the Curtis Aviation School, San Diego. It is understood that while in San Diego he will order a 100-horsepower Curtiss warplane and donate the machine to the Seattle Aero Club, of which 29 persons, four of whom are well-known Seattle society women, already have signed the roster as charter members.

G. C. Westervelt, assistant naval instructor in the United States Navy, assigned to duty to the Seattle Construction & Drydock Company by the Navy Department, is aiding in the formation of the Washington aerial reserve. This reserve eventually will become a portion of the Aero-Military Service Federation of America, now consisting of the First Aviation Corps, with Mortimer Delano as Acting Colonel Commandant. This corps is the aeronautical arm of the provisional Federal Volunteers of the United States of America, and is authorized in time of war to form into aviation regiments under the terms of the Hay war volunteer bill of 1914.

LAKE FREIGHTER WRECKED

Crew Dragged Through Breakers by Amateur Lifesavers.

TORONTO, Aug. 3.—In the 40-mile gale which raged on Lake Ontario today, the worst in several years, according to the weather bureau, the freight steamer Alexandria of the Canada Steamship Lines, bound from Montreal to Toronto, ran ashore at Scarborough Bluffs, three miles east of this city.

The surf was too heavy to permit the launching of a boat, but Captain Bloomfield and his crew, 22 men all told, leaped into the breakers wearing life preservers and were dragged ashore by an amateur life-saving brigade.

CABINET ASKED TO STAY

Elder Statesmen Seek to Adjust Differences in Japan.

TOKIO, Aug. 3.—The elder statesmen have recommended to Emperor Yoshihito that the Cabinet, headed by Count Okuma as Premier, be requested to remain in office unconditionally.

This decision was communicated by Prince Oyama and Field Marshal Yamagata to Count Okuma, who said he would take up with his colleagues the question of withdrawing their resignations.

DAMS BURST; 25 ARE KILLED AT ERIE, PA.

Property Damage Estimated at Millions.

BUSINESS SECTION FLOODED

At Least 50 Houses Reported to Have Been Washed Away.

FACTORY IS CARRIED OFF

News Sent to Outside World by Operator, Who Wades in Water Up to Armpits to Reach Telegraph Office.

ERIE, Pa., Aug. 3.—Twenty-five lives lost, as estimated by the police, millions of dollars in property damage and the city in total darkness is the result of a cloudburst shortly after 6 o'clock tonight that culminated in a flood that inundated a large section of the city.

The heavy precipitation caused dams south of the city to burst, flooding the main business streets to a depth of five feet, and in some sections reaching to the second story windows of dwellings.

Among the first plants to go out of commission was the Erie County Electric Company, which supplied the city with light. Then the Erie Dispatch, a morning paper, whose building adjoins the electric light plant, was flooded, and all idea of getting out a morning paper was abandoned until midnight, when the staff was moved to the plant of the Erie Times.

Operator Wades Through Streets.

In the meantime the first bulletin of the flood was sent to the outside world by the Associated Press operator, who waded in water up to his armpits to the Western Union Telegraph office, a distance of five blocks.

It was several hours before crippled telegraph and telephone communication could be restored in part.

At Ninth street, along Mill Creek, the flood was at its worst. It is impossible tonight to ascertain how many actually have lost their lives there. Many were still imprisoned in their houses at a late hour.

Section Cut Off; Firemen Missing.

The eastern section of the city is cut off by the water.

Among those missing are Assistant Fire Chief Buernon and four firemen. Reports were received that a house floated down Mill Creek with two women and four children clinging to it.

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The Weather. YESTERDAY'S—Maximum temperature, 76 degrees; minimum, 59 degrees. TODAY'S—Fair; westerly winds.

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London renews hope that Warsaw may be saved. Page 3.

Warsaw intact on August 1 and military forces hopeful. Page 3.

Mexico. Latin-Americans promise aid in solving Mexican problem. Page 3.

Domestic. German-Americans plan to aid Germans in Canada. Page 3.

Pacific Northwest. Seattle folk, including society women, organize aerial reserve corps. Page 1.

Seattle's former legislator at criticism of Wolfman pardon. Page 4.

Paediatric musician regains sight suddenly after being blind 12 years. Page 4.

Three cloudbursts wreak havoc in Deschutes Valley. Page 5.

Commercial and Marine. Bumper potato crop in Oregon is indicated. Page 7.

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Railroad stocks advance on more favorable earnings reports. Page 17.

Historic prison ship Success docks at Yamhill street and will be open for public inspection tomorrow. Page 13.

Sports. Faculty control of athletics tentatively approved by presidents of Universities of Oregon and Washington. Page 10.

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Pacific Coast League results: Los Angeles 3, Portland 1; Salt Lake 9, San Francisco 1; Vernon 4, Oakland 2. Page 16.

H. Van Dyke Johns wins tennis match at Tacoma tomorrow. Page 16.

Portland and vicinity. Weather report, data and forecast. Page 13.

Jewelry to consider remedies for trade evils at state convention tomorrow. Page 12.

Five miles of paving for which bonds were voted laid and half of 70 miles to be in place by Fall. Page 11.

Julius L. Meyer announces official opening of Columbia River Highway to see August 12. Page 7.

Co-operation regarded as one of greatest benefits of buyers' week. Page 19.

Twenty buyers' week visitors to present word pictures of home in contest at luncheon. Page 15.

Benefit to business felt with inauguration of buyers' week. Page 19.

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Choir girl becomes stage favorite. Page 9.

\$10,000 IS FOR 'RIGHT GIRL'

Aged Man Wants Caretaker and More Than 100 Apply.

CHICAGO, Aug. 3.—More than 100 applications for the position of "member of the family" of James W. Fankhurst, a wealthy farmer, who promised to will \$10,000 to the "satisfactory girl," were received by the Federal employment bureau today.

Fankhurst, who is 75 years old, wrote to the Federal employment bureau here two days ago offering \$2 a week to "an unmarried girl not less than 17 nor more than 40," who would take care of him and his wife for the remainder of their lives, his will to contain a \$10,000 bequest to the "right person."

GOVERNMENT RESTS IN CASHIER TRIAL

Expert Accountant Testifies to Finances.

\$63 OF \$944,227 IS ON HAND

Real Estate, Etc., Received Said to Total \$1,532,811.

COMMISSIONS TAKE HALF

Witness Says \$250 to Be Paid One Man Was All Any Stockholder Ever Received in Dividends.

After 19 trial days, in which hundreds of letters and other records have been introduced and scores of witnesses examined, the Government rested its case late yesterday against Frank Menefee, president, and six other officials and salesmen of the United States Cashier Company, charged with conspiracy to use the mails in a fraudulent stock-selling scheme.

The defense expects to take at least two weeks in presenting its case. Arguments of the 11 attorneys on both sides probably will take another week.

On request of Attorney Martin L. Pipes, chief of counsel for the defense, Federal Judge Bear declared a recess until 10 o'clock Thursday, giving the defense a day in which to prepare its case. Mr. Pipes explained that the number of defendants and the complications of the case made the full day's recess necessary, and that the recess would really expedite the trial.

\$64,227 Received; \$63 on Hand.

Hiram S. House, expert accountant for the Government, was the last witness called by United States Attorney Reames.

He testified that the company's books and records showed it received a total in cash from all sources of \$944,227.31.

"How much cash did the company have on hand when it quit business in Portland and removed its machinery to Terre Haute, Ind., January 31, 1914?" asked the United States Attorney.

"It had \$63.53 in cash," replied the witness.

All told, including not only cash, but real estate and notes taken for stock, Mr. House testified, the company received \$1,532,811.92. Cash payments for stock amounted to \$71,826.21.

50 Per Cent Paid in Commissions.

Commissions paid for selling stock ate a large hole in these cash receipts, Mr. House testified. The total of the

BORDER RAIDERS ESCAPE SOLDIERS

MAN KILLED AND TWO WOUNDED IN ENCOUNTER.

Martial Law in Force Near Brownsville, While Ranchers Prepare to Defend Themselves.

BROWNSVILLE, Tex., Aug. 3.—Mexican raiders, believed surrounded north of Brownsville today by United States Cavalrymen and American posses, have escaped, according to information received here tonight.

After today's battle, in which Private McGuire, of the 12th Cavalry, was killed and Privates Curtis and Clapp saddle wounded, the raiders were reported entrenched about 15 miles from here, but when the place was rushed the troops found only six saddled horses. Two Mexicans are believed to have been killed, while two were captured.

Martial law practically has been put in force in the region of today's fighting and every ranch and farmhouse in the community has prepared to resist further raids, while posses and Cavalrymen tonight continued scouring the country in search of the men who escaped and who apparently have taken to the brush afoot.

County Judge Yates today appealed to the War Department for 1000 to 1500 more troops to patrol the lower Rio Grande Valley. He also asked Governor Ferguson, of Texas, for assistance and was assured the Governor would do everything in his power to obtain additional troops.

GERMAN EXPLAINS DEFEAT

Kaiser Is Advised Force in Africa Was Surrounded.

BERLIN, via London, Aug. 3.—The Emperor, it is officially announced, has received a dispatch from Dr. Seitz, governor-general of German Southwest Africa, explaining his surrender to General Louis Botha early in July. Dr. Seitz says that the surrender was due to the fact that further successful resistance was impossible, as the German colonial force was surrounded by enemies greatly superior in numbers and cut off from the base of supplies.

The condition of the horses, for which no oats were available for several months, he added, rendered it hopeless to attempt to break through the enemy lines.

CITY TO TEACH JOURNALISM

New Course Is Added to High School of San Diego.

SAN DIEGO, Cal., Aug. 3.—The establishment of a department of journalism and printing at the high school as a regular part of the curriculum has been announced by the Board of Education. Charles G. Rowan, a San Diego newspaper man of many years' experience, has been chosen as head of the department. The term will begin August 30.

A small newspaper and commercial printing plant will be installed and everything connected with the publication of a modern newspaper will be taught.

WOMEN URGE PREPARATION

Appeal Made to Sex's Instinct of Self-Preservation.

NEW YORK, Aug. 3.—The Special Relief Society of St. Nicholas Park, Alexander, of this city, is the president announced today the beginning of a campaign "to arouse women of America to a full realization of immediate preparedness for war."

A statement issued by the society says that "if war is ever to come the men's instinct of self-preservation directs that women, too, should be prepared to defend American ideals of liberty, peace and honor."

TONGS PLEDGED TO PEACE

Los Angeles Chief of Police Makes Chinese Leaders Shake Hands.

LOS ANGELES, Aug. 3.—Nipping a projected Chinatown tong war in the bud, Chief of Police Sweeney summoned to his office today Wang Kong, head of the Bing Kong tong, and Wang Wing, leader of the Hip Sing tong, together with the principal Chinese merchants. In the presence of Mayor Sebastian, he forced the chiefs of the warring clans to shake hands and agree to perpetual peace.

STRASSBURG IS ATTACKED

French Airmen Drop Bombs on Capital of Alsace-Lorraine.

PARIS, Aug. 3.—A flotilla of Anglo-French aeroplanes today flew over the German city of Strassburg and dropped 25 bombs, according to a dispatch from Geneva to the Havas Agency.

The extent of the damage caused by the explosion of the missiles has not yet been ascertained.

Strassburg is the capital of Alsace-Lorraine and lies 80 miles southeast of the German fortress of Metz.

SWEDEN DETAINS CARGOES

American Wheat for Malmo Found to Be Intended for Germany.

COPENHAGEN, via London, Aug. 3.—The Malmo (Sweden) correspondent of the Berlingske Tidende telegraphs that several ships laden with wheat from America have been detained.

It was discovered that the wheat, which was consigned to a Malmo merchant, was destined to Germany.

OSTEOPATHS TREAT NEW BONE AILMENT

Troubles Said to Be Due to Sudden Jolts.

THEORY MAY AFFECT SUITS

Blind Demonstrator Shows Difficult Operation.

PLEASURE MOMENTS FEW

Scores of Clinic Cases Handled, Including Straightening of Spine for Woman; Excursion Set for Today to Bonneville.

Surgical science, as applied by osteopaths, may bring about an upheaval in legal strategy as a result of demonstrations and operations being performed in Portland during the National convention of the American Osteopathic Society. Certain anatomical conditions which, it is declared have held impossible by the "old school" of surgery experts, do exist, according to delegates in attendance at the convention and demonstrations now under way daily at the clinics in the local hospitals, and may bring about a revolution in the decision of courts in many cases of personal injury against railways and other corporations, it is declared by delegates attending.

Chief of these existing anatomical conditions demonstrated is the possibility of an anterior lesion of the innominate, which in plain English has to do with bone structure displacement in the hip region. It has in the past been declared impossible for a lesion of this particular kind to exist. Osteopaths attending the convention deny the statement and say they do exist, and that several cases now are being on this vital question.

Lectures and Clinics Divide Crowd.

The second day of the convention, which is on at the Multnomah Hotel, threw the delegates into actual work. Lectures, clinics, addresses and exhibits demanded attention in a hundred places at one time, but the work is being spread out so that the 650 or more delegates who are attending have recourse to practical and theoretical work in whatever branch they may be interested.

Leading specialists say the convention promises to mark an epoch in the art of healing, as demonstrations now being pronounced here will go down on record as facts, whereas heretofore they have been largely concealed during the preliminary experimental stages in the offices of the individuals concerned. Heretofore the knowledge has been in the process of being proved.

The convention in Portland will declare the facts obtained thereby to the world.

Physician Acts as Patient.

Dr. H. H. Fryette, of Chicago, head of the department of technique in the Chicago School of Osteopathy, demonstrated yesterday the process of correcting a lesion of the innominate, his patient being Dr. Chester Parrish, of Whitewater, Wis.

Technically the condition is designated as an anterior lesion of the innominate, which was explained for the benefit of the layman as an upward and forward displacement of the hip bone. Owing to the general conformation of the hip bone, it was held, up to a few years ago, in the accepted works on anatomy that such a displacement could not possibly occur. Osteopaths declared that it could occur in certain cases, and their position is upheld, they say, in later textbooks on anatomy, the overturning one of the strongholds of defense of many a corporation in personal injury cases.

For, it appears, one can receive such a lesion in jumping off the streetcar or in stepping from a jitney bus, or in any circumstance that may bring one heavily to the ground and throw a sudden strain upon the thigh bone and the hip.

In handling the clinical demonstration yesterday, Dr. Fryette was assisted by Dr. F. D. Teeter, of Davenport, Wash., an osteopath who is totally blind, but who has had marked success in his profession. This demonstration was one of the most important in the clinics yesterday and the room was packed with spectators, who applauded with enthusiasm when, after a series of careful manipulations, the demonstrator, with a sudden jerk of the patient's leg, snapped the misplaced bone into its proper place.

Dr. Fryette will demonstrate the Lorenz operation for remedy of congenital hip dislocation.

Women's Spine Corrected.

Dr. R. Kennedy Smith, of Boston, and Dr. C. H. Spencer, of Los Angeles, held clinics yesterday afternoon on the diagnosis of osteopathic cases, and next Thursday, Dr. Smith will demonstrate a Lorenz operation at the Good Samaritan Hospital.

One of the striking cases at the clinic at the Good Samaritan Hospital yesterday was Dr. George Laughlin, of Kirksville, Mo., who operated on a young woman for correction of a serious spinal curvature.

Dr. Laughlin has performed successfully more than 2000 operations of this nature, the operation consisting of a radical and immediate straightening of the crooked spine, which will be followed by three months' encasement of the patient in a cast, after which the

PROMINENT OSTEOPATHISTS WHO ARE FIGURING IN THE NATIONAL CONVENTION IN PORTLAND.



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