



GERMANY ANXIOUS TO AVERT REPURE

Crisis Is Now Believed to Be Passed.

ASSURANCES ARE REPEATED

Ambassador Says Pact Is to Be Kept in Good Faith.

EVIDENCE IS IN CONFLICT

Von Bernstorff Assures Mr. Lansing That Berlin's Information Is That Arabic Tried to Run Down Submarine.

BY JOHN CALLAN O'LAUGHLIN. WASHINGTON, Sept. 13.—(Special.)—With an earnest desire manifested by Germany to adjust the submarine question in a manner satisfactory to the United States it looks tonight as if the crisis in the relations of the two countries is passed.

Count von Bernstorff, the German Ambassador, reiterated formally to Secretary Lansing at a State Department conference today that his government intended to carry out in good faith the assurances given for the security of lives on belligerent liners.

Germany to Keep Pact. The Ambassador made it clear to the Secretary of State that there was no purpose on the part of his government to evade the spirit of the assurances. He asserted that the instructions to submarine officers were specific in requiring them not to attack without warning. Of course if a vessel sought to escape or resisted a different situation would be created.

Mr. Lansing insisted that the burden of proof that a ship was attempting to escape or resist must rest upon the submarine commander.

British Orders Made Issue. Count von Bernstorff argued that the room for doubt would be restricted if the British government could be induced to cancel the orders given to commanders of merchant ships to ram a submarine whenever and wherever they saw one.

He contended that the note with reference to the Arabic declared anew the principle underlying these assurances. The German Ambassador made it clear that he is less concerned about the future than he is about the Arabic and Lusitania incidents.

He believes that as a result of the care which German submarine officers will observe there will be little if any cause of complaint on the part of the United States.

Arbitration Is Urged. He urged Mr. Lansing to accept arbitration in case of the Arabic, pointing out that there was a sharp divergence of views relative to the way in which that steamer was destroyed.

All the information reported to his government confirmed the declaration of the submarine commander who sank the Arabic that the latter had attempted to ram the underwater craft.

Secretary Lansing furnished Count von Bernstorff with the facts obtained by this Government, not only from English sources, but from Americans aboard the liner, showing that the submarine was not sighted, that no attempt had been made to ram the German ship and that the torpedo struck near the stern of the English boat.

Secretary Lansing indicated that this Government was convinced of the correctness of the evidence it had in its possession and he believed Germany would disavow the act of the submarine commander.

As Mr. Lansing had been in conference with the President during the morning, the German Ambassador realized that the Secretary of State was expressing the views of the Chief Executive.

Mr. Lansing further advised the German Ambassador that arbitration of the question of the value of the American lives lost by the action of German submarines was repugnant to this Government.

Treaty Violation Made Clear. The treaty with Prussia provides specifically that Americans shall be permitted freely and safely to travel through the waters of Germany's enemy. This treaty has been violated. Consequently there is no need for arbitration.

Count von Bernstorff has reported Secretary Lansing's views to Berlin. He will receive instructions tomorrow or Wednesday and will hold another conference with the Secretary of State.

The Ambassador is desirous of seeing the President and before he leaves the city he will be received at the White House.

The Ambassador is confident that an adjustment of the difference that exist will be reached.

"So far as I am concerned," he said, "there will never be a break between the two countries. I have always been optimistic. Diplomacy has so many resources that I have never seen reason to be pessimistic."

Difficulties Are Admitted. It is admitted on all sides that the question between the United States and Germany is a tough nut to crack. This Government is not approaching Great Britain to secure a change in the instructions to merchant craft. The Administration is dealing with Germany

LIQUOR GLASSES IN PUBLIC UTILITY LIST

STATE COMMISSION QUESTIONS NEED IN POWER SERVICE.

California-Oregon Company's Attorney Admits Them Unnecessary to Operation of System.

SALEM, Or., Sept. 13.—(Special.)—Champagne glasses, creme de menthe glasses, highball glasses, punch glasses and claret tumblers are not necessary in conducting a public utility, admitted A. C. Hough, of Grants Pass, who appeared today before the State Public Service Commission as an attorney for the California-Oregon Power Company in a hearing to determine if rates and service of the utility are equitable.

Commissioner Atchison precipitated the subject in the course of the examination. The uses of the company's \$52,000 building at Gold Ray, Or., was under discussion. It was reported that the third floor was used as a clubhouse for employees. The drinking glasses appear in the inventory of the company's holdings.

"I want to know if the champagne glasses, creme de menthe glasses, highball glasses, punch glasses and claret tumblers are reasonably necessary in the conduct of a public utility?" queried the commissioner.

Attorney Hough explained that the company was willing for "that kind of stuff to be thrown out."

"We want to be fair with the commission," he concluded.

The investigation is the result of complaints filed by the cities of Klamath Falls, Medford and Grants Pass.

HOOD RIVER TAKES PRIZE

Vinegar Entry Captures Medal at Fair From Score of Exhibits.

HOOD RIVER, Or., Sept. 13.—(Special.)—Hood River vinegar, according to a letter received by J. H. Heilbronner, from C. N. Ravlin, Oregon's chief of horticulture at the Panama-Pacific International Exposition, Saturday captured the highest gold medal over a score of exhibits from fruit sections in all parts of the country.

The exhibit displayed beside the big apple built by the Hood River Commercial Club in the Palace of Horticulture was made by the Hood River Apple Vinegar Company, of this city.

BELGIAN RELIEF SHIP SUNK

Steamer Reports Witnessing Destruction of Red Cross Vessel.

LONDON, Sept. 13.—A dispatch to Reuters' Telegram Company from Muiden, Holland, says:

The steamer Pomona reports that at 10 o'clock yesterday morning it witnessed the sinking of a British steamer which was flying the signals of the Belgian relief committee. Ten of the crew of the steamer were rescued by steam trawlers.

The staff of Herbert C. Hoover, chairman of the American Belgian relief commission, is investigating the report, but has not been able to get to know whether one of the commission's steamers has been sunk.

RUSSIAN ATTACK 'SERIOUS'

Teuton Flanks Hard Pressed in Galicia, Says German Writer.

BERLIN, Sept. 13.—Leonard Adelt, the war correspondent of the Tageblatt, with the Austrian headquarters, in a dispatch reports that Russian resistance on the Sereth river has assumed a most serious aspect and indicates that the new commander has been ordered to hold the remaining Russian positions in Galicia.

The Russians, the correspondent says, are resorting to counter-attacks, which are giving General Count von Bothmer's army much hard work on both flanks on the upper and lower Sereth river.

BOMBS DROPPED IN KENT

Hostile Aeroplane on Coast Chased Off by British Airmen.

LONDON, Sept. 13.—An official statement issued by the press bureau says:

"A hostile aeroplane visited the Kentish coast this afternoon and dropped some bombs which resulted in a house being seriously damaged and four persons being injured. The aeroplane was chased off by two naval aeroplanes."

GERMANS GAIN ADVANTAGE

Tide Turns in Battle on Drina, on Which Fate of Riga Depends.

BERLIN, via London, Sept. 13.—The battle along the Drina River, which has been virtually in a state of deadlock for several days, has swung in favor of the Germans.

The War Office announced today that the Russians had been elected from several positions on the left bank of the river. This battle probably will decide the fate of Riga.

DR. DUMBA PACKING GOODS

Ambassador Discharges Chauffeur and Otherwise Prepares to Go.

LENEX, Mass., Sept. 13.—The Ambassador of Austria-Hungary, Dr. Constantin Theodor Dumba, whose recall was requested by President Wilson, was preparing today to leave his summer home here within a short time.

He has engaged a furniture packer to prepare his personal effects for shipment and has discharged his chauffeur.

EUROPE'S PLAN IS TO BORROW BILLION

Money, if Obtained, to Be Spent in America.

NO COLLATERAL TO BE GIVEN

Question Rises Whether Loan on Notes Is Permissible.

NEUTRALITY CHIEF ISSUE

Financiers of Great Britain and France Agree to Use Every Cent for Cotton, Wheat, Meat and Munitions in United States.

NEW YORK, Sept. 13.—The present plan of the joint Anglo-French financial commission, it was reported tonight, is to borrow 1,000,000,000 in the United States on straight British and French government bonds without any collateral whatever.

If this vast sum of money is obtained, it was said, it is to be spent to the last cent in the United States in payment of cotton, wheat and meat and many commodity shipments, including munitions of war. It will, therefore, in the opinion of financial authorities be classified as a commercial loan.

Interference Not Expected.

Whether the neutrality of the United States would be questioned in case the bankers financing the mammoth loan should accept straight British and French government notes as their security has been given serious consideration. It was said that the financiers familiar with the plan had every reason to believe that the Washington Administration would not interfere.

The foregoing was the unanimous opinion tonight of many of the scores of prominent bankers from New York and the chief cities of the country, who have visited the commission at its headquarters here during the three days of its stay in this city. As to its correctness, the members of the commission declined positively to comment. All that the commission cared to publish as authoritative was voiced by Lord Reading, its chairman, who received newspapermen tonight for the first time.

All Want Stippled Condition.

"We are not in a position to make a statement at the present time," Lord Reading said, "because we are studying the conditions in New York and elsewhere in relation to American exchange on London and Paris. We have received a considerable number of persons, prominent bankers and other gentlemen who are interested in the stability of exchange."

The one thing that is striking about it is that everybody is agreed, as one would expect, in the great importance to be attributed to regulating the exchange so as to provide more stable

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THE WEATHER. YESTERDAY'S—Maximum temperature, 62 degrees; minimum, 52 degrees. TODAY'S—Unsettled; probably a U. of O. Library

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Mexico. Two American soldiers killed in Mexican border raid. Page 17.

National. Secretary Lane says he opposes state control of water power. Page 5. Crisis in negotiations with Germany believed to be passed. Page 3.

United States again requests German disavowal of Arabic destruction. Page 9.

Domestic. Great Britain and France plan to borrow billion dollars on government bonds. Page 10. Foreign financial commission calls on J. J. Hill instead of waiting for him to call. Page 5.

Citizenship papers withheld from German spy suspect. Page 1. Investigator asks Government to make search probe into opium ring at Honolulu. Page 3.

Fire on San Juan quenched in mid-ocean. Page 5.

Pacific Northwest. Power company admits liquor glasses not necessary in conducting public utility. Page 1. Land grant conference expected to bring 300 delegates to Salem. Page 11.

Sport. Red Sox, league leaders, improve lead by taking double-header from White Sox. Beavers open today with Vernon for series of six games. Page 12.

Commercial and Marine. Wheat buying difficult in Northwestern markets. Page 17. Chicago wheat higher, owing to fear of delay in contract delivery. Page 17.

Stock market closes strong and active on Washington reports. Page 17. Big run of livestock and lively market at North Portland. Page 17.

Deal is on to add steamer to Oregon and California Atlantic Coast fleet. Page 14.

Portland and Vicinity. Funeral of Father John Finn is attended by thousands. Page 7. Postoffice plans are assured, but at no definite time. Page 13.

Emergency clause on Jitney ordinance knocked out. Page 1. City to seek reversal of decision in Jitney case. Page 11.

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Linton rider dies from bullet wound and Austrians threaten officer. Page 9. City water supply found abundant during extra-dry season. Page 9.

Chicago girls, walking to San Francisco, march to Portland. Page 9. County Fair opens today. Page 5. Weather report, data and forecast. Page 14.

F-4 DISASTER UNEXPLAINED

With All Data Available Cause of Sinking of Craft Remains Mystery.

HONOLULU, T. H., Sept. 13.—Rear-Admiral Clifford Joseph Bouch, commandant of the Honolulu Naval Station, announced today that although all available data secured by the examination of the bulk of the sparplane F-4 was in his possession, he was unable to tell the cause of the disaster which sent the under-sea craft to the ocean floor off Honolulu harbor on March 25, costing the lives of Lieutenant Alfred Ede, her commander, and his crew of 21.

The board of inquiry appointed to conduct the examination began its final survey today of the battered shell of the submarine, which still is in dry-dock here.

Males Kept in Germany.

AMSTERDAM, via London, Sept. 13.—The Handelsblad learns that all males from 17 to 45 years of age have been prohibited from leaving Germany.

Some who attempted to leave have been turned back at the Dutch frontier stations.

COURT SETS ASIDE SECOND JITNEY LAW

Emergency Clause Is Held to Be Illegal.

ENFORCEMENT IS ENJOINED

Permanency of Order Depends on Issue of Pending Suit.

COUNCIL'S RIGHTS DEFINED

Constitution Held to Prohibit It From Evading Referendum—Section Requiring Certificates of Drivers Is Questioned.

HISTORY OF ATTEMPTS TO REGULATE JITNEYS IN PORTLAND

First Jitneys appear in Portland in December, 1911.

Commissioner Daly prepares drastic ordinance and presents it to Council.

Hearings held and measure extensively modified by Mr. Daly.

Council, after several months of delay, adopts modified measure. Jitney interests invoke referendum on the measure passed, thus submitting it to vote of the people.

Council's measure adopted by voters at the city election June 2. Jitney inspector appointed and city starts enforcement.

Jitney interests start litigation, get temporary restraining order in Circuit Court and measure is knocked out on technicality by State Supreme Court.

Mayor Albee insists on Council passing measure over again in identical form adopted by voters.

Commissioner Daly presents modified measure, and Council, after killing Mayor's measure, passes Daly's measure with emergency.

City starts to enforce new measure. Jitney interests litigate and get 10-day restraining order from Circuit Judge Bagley.

The City Council has no right to pass an ordinance containing an emergency clause to put it into effect immediately and avoid the referendum. Circuit Judge George H. Bagley decided yesterday.

Acting under this decision he granted a ten-day injunction, restraining the city from enforcing the new Jitney ordinance until the suit brought by

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Monday's War Moves

By one of those battering offenses which, although costly in men and munitions, have invariably been successful, Field Marshal von Hindenburg's army has at last set foot on the Rovno-Petrograd railway between Vilna and Dvinsk. The whole Austro-German force have been striving to gain this railway since the fall of the Polish fortress.

The offensive, which began toward the end of last week, was carried on from three directions upon Dvinsk and the railway on either side of the town, while further south the invaders advanced toward Vilna. The Russians, before superior force supplied with the usual mass of artillery, were Sunday forced back to the Lake district which the railway penetrates, and are now making a stand there.

Simultaneously, the Germans pushed their way eastward towards Slonim and Pinsk, both of which are on roads which join the main railway line, while the Austrians, with whom there are many German units, are fighting hard to reach Rovno, the southern terminus of the line.

With this railway partly in the hands of the Germans it is probable that the Russians will be compelled to make a further retirement, although their offensive in Galicia, which continues, might save them by compelling the Germans to send reinforcements to this region.

There is now no doubt of Russian success in this district, following the Austrian admission of their retirement, the Germans last night announced that, after repulsing Russian attacks, they occupied "a favorable position situated some kilometers west of our former position."

The conditions under which the troops are fighting in the marshy country in the center and in the southern end of the line, are described by German correspondents as most terrible. The country is virtually all under water, through which the Austro-Germans have to advance against well-prepared Russian positions. The eastern bank of the Sereth, from which the Russians are delivering their counter-attacks, is a veritable fortress, from which the Russians emerge every time their opponents approach, taking heavy toll of them in killed, wounded and prisoners. According to the Russian accounts, nearly 30,000 prisoners have been taken in the fighting along this river.

The operations in the west are marked by the continuance of the great battle from Belgium to the Argonne. A duel between guns of all calibers along the entire front has now been going on for nearly three weeks, and during this time there has been particularly violent fighting at Arras, in the Argonne and Champagne.

At several points the German infantry, after a heavy bombardment, attempted to storm the advanced trenches of the allies, but the French reports say that these attacks all failed. Fighting of a somewhat milder character is proceeding along the Austro-Italian front.

The session of the British Parliament which opened today will be chiefly occupied by arranging to finance the war. It will include the levy of new taxes. However, under the British system, whereby ministers can be questioned and debates raised, many other matters will be discussed.

September 14, 1914.

Csar ministers crushing defeat to Austrians, taking 130,000 prisoners in 17 days of fighting, according to reports.

German retreat is halted by River Aisne.

Washington officials believe peace move is failing.

Belgians at Antwerp hold Germans from France.

Canada to make big guns.

Decision Reached at Meeting of Officials and Bankers.

OTTAWA, Ont., Sept. 13.—Canada is to take up the manufacture of field guns and howitzers for the British government, it was announced tonight. This was decided on today at a meeting of prominent statesmen and bankers with General Sir Samuel Hughes, Minister of Militia, and General Mahan, of the British War Office.

No artillery ever has been made in Canada, but a committee was appointed to organize factories to handle the business.

The manner in which Canada has filled orders for shells led to the proposal that artillery be fabricated here.

ROUMANIA IS MOBILIZING

Precaution Against Austrian Surprise Is Reported.

ATHENS, via Paris, Sept. 14.—It is reported in diplomatic circles here that there has been a heavy mobilization of Roumanian troops, including several regiments of cavalry, to face an unexpected concentration of Austrians, which is directed presumably against Roumania.

Railroad traffic in Northwestern Roumania is declared to have been suspended in favor of troop movements. All horses have been requisitioned. The second series of reserves are now with the colors.

SNOW FALLS IN MONTANA

North Dakota, Too, Feels First Touch of Winter's Approach.

TRENTON, N. D., Sept. 13.—Snow from two to six inches in depth has fallen in North Dakota and Eastern Montana, much of it melting as it fell through the night.

Most of the grain in this region still is unthreshed.

U. S. ARMY CAMP ON BORDER ATTACKED

Two American Soldiers Die in Conflict.

MEXICAN RAIDERS REPELLED

Little Force of 10 Battles for Half Hour With 30.

SLEEPING CAMP SURPRISED

Demand Made on Carranza to Surrender Two Known Hingleders, Attack May Be Felt for General Raid Elsewhere.

BROWNSVILLE, Tex., Sept. 13.—The United States Army in the lower Rio Grande Valley tonight went on a near approach to war time military footing. The cause was a carefully prepared attack upon an army camp near the Rio Grande by Mexicans today, the first deliberate blow at the American Army here since the bandit raids began and which cost the life of two American soldiers.

Camps tonight along the border were chosen in view of reports that Mexicans might renew the attacks at any time and that today's attack might have been a feint to cover attempted plans of depredations in other sections.

Demand Made on Carranza.

Colonel A. P. Blockson, of Fort Brown, made a dash in an automobile to the scene of the fight today, calling out patrols and placing officers to search the vicinity. He also made vigorous demands on the Carranza authorities for the arrest of two known bandit ring leaders on the Mexican side of the river.

Today's fight began at dawn. Ten soldiers started the fight. Seven were left in action at the end and one of them was killed. Two Mexicans were seen to pitch forward on their faces during the fight, but their comrades removed all the American wounded.

The ten Americans who participated in the fight were all members of troop A, Third Cavalry. Private Anthony Kraft, Detroit, Mich., was killed. Trumpeter Harold B. Forney, Watertown, N. Y., was shot through the abdomen and died later.

Warning Rouses Americans.

The camp where the fight occurred was in a grove about a shed in a ranch corral. The American detachment slept in this shed and under the ebony trees beside it. Before the men had been awakened, near daylight, one of the soldiers who was starting the breakfast fire, saw less than 100 yards away outside of the corral fence one man on top of a straw stack and five others on the ground near by. He shouted a warning.

Sergeant Walsh awakened the command, and as the men reached for their rifles, the Mexicans opened fire. This fire, starting from the straw stack, quickly enveloped the Americans, they were fighting with detachments of Mexicans probably totalling 50, stationed at five separate shelters.

Kraft was with the Army four months. Sergeant Walsh, in command, was struck near the end of the fight by a bullet which came through the side of the shed.

Battle Lasts Half Hour.

The Mexicans stopped firing after about 30 minutes. Search showed where most of them had crawled away through the cotton patches to the cover of the brush, some distance from the corral.

From the brush these men were traced along the river road until they dispersed, apparently at a big ranch above the scene of the fight. It is believed that some of the other Mexicans fell back toward the river. All showed a perfect knowledge of the ranch territory.

Major Edward F. Anderson, of the Twelfth Cavalry, said he was positive that many of these Mexicans were residents of the American side and today were seemingly peacefully working in the neighborhood of the fight a few hours after it was over.

Firearms Are Seized. State peace officers searching American houses in the vicinity of the ranch seized two wagonloads of arms after the battle, but there was nothing to connect any American directly with the fight. In addition to the arms seized they found many old-fashioned firearms in the possession of the Mexicans. These were destroyed.

General E. P. Nafarrate, at Matamoros, Mex., in response to Colonel Blockson's request for the arrest of Luis de la Rosa and Amato Pizarro, sent word tonight that he was searching for them. These two Mexicans were alleged to be signers of the most recent circulars distributed in this section calling upon Mexicans to kill Americans.

Lieutenant-Colonel Valasquez, of his forces, to report on the actions of his troops at Cavazos crossing, where Americans and Mexicans had a fight across the river a week ago.

Five Mexicans Arrested.

Five Mexicans living at the ranch-house where the fight occurred today were arrested on suspicion and taken to San Benito. One of them, several days ago, it is alleged, told one of the Twelfth Cavalry officers that he intended to kill one of that officer's men.

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