

BRITON FLIES OLD GLORY IN WAR ZONE

American Flag Used in Irish Sea.

VOYAGE MADE FULL SPEED

Passengers Tell of Lusitania's Ruse to Avoid Foe.

CAPTAIN JUSTIFIES ACT

Washington State Department Examines Laws and Precedents, Finding That Misuse of Stars and Stripes Is Not Illegal.

LONDON, Feb. 6.—The British steamer Lusitania, of the Cunard line, which sailed from New York January 19 and arrived at Liverpool today, flew the American flag from the time she passed Queenstown until she entered the Mersey. This is vouched for by American passengers who crossed on her.

According to a statement by Will Irwin, an American writer, the Lusitania carried the regulation large American flag at her stern, with a small American flag and mail pennant at the forepeak.

Fact Accepted by All On Board. Ex-United States Senator Young, another passenger, while he did not personally see the flag flying, said it was accepted as a fact by all on board.

The Lusitania received a wireless message from the Baltic, of the White Star line, that two submarines had been sighted from that vessel. The captain of the Lusitania, in reply to a question of one of the passengers, declared that he had a right to fly the flag of a neutral country for the protection of neutral passengers and mails which his ship was carrying.

Voyage Made Full Speed. After being delayed by heavy storms, which raised seas deck-high and injured 11 passengers, the Lusitania arrived off Queenstown late yesterday.

She cruised off the Irish port for two hours, and without picking up a pilot, is usually done, proceeded for Liverpool at full speed, arriving at the Mersey channel at daybreak, with the Stars and Stripes still flying.

The British merchant shipping act passed in 1914 contains the following paragraph:

"If a person uses the British flag and assumes the British national character on board a ship owned in whole or in part by persons unqualified to own a British ship, for the purpose of making the ship appear to be British, the ship shall be subject to forfeiture under this act, unless the assumption has been made for the purpose of escaping capture by the enemy or by a foreign ship of war in the exercise of some belligerent right."

FLAG'S MISUSE NOT FORBIDDEN

State Department Finds Ruling by Secretary Exerts in 1879.

WASHINGTON, Feb. 6.—Federal officials examined United States statutes tonight, following the report from London that the Lusitania went into port flying the American flag, to see what provisions are set down for such cases. They found that there is no law prohibiting the misuse of the American flag by foreign vessels, though the Department of State has in the past ordered its Consuls always to

NOTE WRITTEN ON WARLIKE PAPER

CHINESE DRAW SINISTER CONCLUSION FROM WATERMARK.

Warship and Cannon in Under-ground of Japanese Demands for New Leases, More Open Ports.

PEKIN, Feb. 7.—A newspaper article by Liang Chi-Chiao, ex-Minister of Justice in the Chinese cabinet, emphasizes the statement that the paper on which the Japanese demands upon China are written is watermarked with warships and cannon.

It is said from a source which is considered reliable that the outline of the Japanese demands, which appeared in the Tokio newspaper, Asahi Shimbun, in a special edition, which was promptly suppressed, is correct. Regarding these demands, the Asahi Shimbun said:

"Japan asks China to solve the Manchurian and Mongolian questions by the extension of the lease of the Port Arthur, Darien & South Manchuria Railway zone to 99 years, and by granting to Japanese the right of residence and land ownership in Mongolia and Manchuria, and to solve the Shan-Tung question by transferring to Japan the concessions hitherto held by Germany. Japan also asks for the opening of important cities through the country as treaty ports and the opening of various rivers to foreign navigation. She asks also railway concessions."

Japan declared her sphere of influence over Inner Mongolia three years ago, thereby offsetting the Russian recognition of the autonomy of Outer Mongolia. Chinese of high official rank declared that the Japanese demands included a participation in the policing and general administration of the country and concessions conflicting with those of other nations, including Great Britain.

RUSSIANS CHANGE TACTICS

Night Attacks in Carpathians New Order in Fighting.

VENICE, via London, Feb. 6.—A telegram from Budapest says that the Russians appear to have changed their tactics. Contrary to their usual attacks, they are now making night attacks, it is said.

They made three desperate attempts one night to force the Austro-Hungarian front and break through Dukla Pass in the Carpathians.

The Russians have collected large forces there with the object of paralyzing the Austrian offensive. Severe fighting is in progress, but the operations are impeded by snow.

ISLAND TO BE THEATER

Pythians Will Produce Play With Crater Lake Scenic Surrounding.

ALBANY, Or., Feb. 6.—(Special.)—On the island in Crater Lake this Summer "The Lesson of Friendship," based on the story of Damon and Pythias, will be presented by members of the order of Knights of Pythias.

The Medford lodge will be the hosts and the lodges of Grants Pass, Ashland and Klamath Falls are planning to attend. Many officers of the Grand Lodge of Oregon are expected, with a large number of members from various parts of the state.

NEW MONOPOLIES FAVORED

Russian Control of Matches, Tea, Oil, Tobacco and Insurance in Sight.

PETROGRAD, via London, Feb. 6.—The ways and means committee of the Duma unanimously recommended today that the government declare a monopoly of tea, tobacco, oil, matches and insurance of all kinds.

The recommendation virtually assures the passage of the bill by the Duma, it is said.

Ashland Dogcatcher Disappears.

ASHLAND, Or., Feb. 6.—(Special.)—Bill Cook, municipal dogcatcher, has disappeared. Cook is about 35 years old and slightly deaf.

WHEAT PRICE IS DOUBLED BY WAR

Trade's Say Farmers Have Reaped Profit.

WINNINGS WIDELY DIVIDED

Quotation 87 Cents in July, Recently Around \$1.70.

MANY ARE WAITING FOR \$2

Growers as Well as Speculators Optimistic, but See Possibility of Drop if Allies Should Open Passage of Dardanelles.

CHICAGO, Feb. 6.—(Special.)—In the six months since the war began the price of wheat has about doubled on the Chicago Board of Trade.

The new point for cash grain last Summer was around 87 cents. In the last week the price has varied between \$1.55 and \$1.70.

Not all the wheat has brought the top price. Millions of bushels were shipped to Europe months ago, and more millions were ground into flour, and that process has gone steadily on while the price of the grain has moved upward.

Many Have Been Enriched.

Still there are many millions of bushels left and wheat in the bin today is worth almost twice what it was six months ago. The rise from 87 cents has enriched a great many.

Who has made all the money? The best informed men at the Board of Trade say the American farmer has reaped the richest profit. Some of the farmers assert that the "speculators at the Board of Trade" have benefited most and there are wild stories afloat about the fabulous winnings of a lot of Wall-street speculators who have been active in the Chicago market.

Traders Frightened Out.

It is true that both Wall street and the Board of Trade have made money out of the rise in the price of wheat. In the aggregate the farmer's profits are believed to have far outrun all that the speculators have made. For the farmers have lost nothing by the advance and many a speculator has.

Some of the biggest traders were frightened from the market before the wheat passed \$1.50 a bushel and they failed to get the real cream of the rise.

James A. Patten says he has had no wheat since the price fell \$1.10, but he had a lot before it got there and his profits have been estimated from \$250,000 to \$1,000,000.

Armour's Profits Large.

J. Ogden Armour has been a bull on wheat since the war began. Estimates of his profits are full, but when he trades it is usually on the large scale and his enormous wealth makes possible.

C. W. Partridge, brother of the celebrated "Ed," is reported to have cleaned up \$250,000 before wheat reached \$1.50.

Around the Board are many men who have won from \$50,000 to \$150,000, and numerous small fry are reported to have picked up from \$20,000 to \$50,000.

Advance has brought the usual stories of "pickers" running "shoestrings" up to \$20,000 and \$25,000.

Wall Street in Market Early.

Wall street got into the market early, and, being closer to the export buyers than Chicago, has been consistently bullish.

Foreign speculators are believed to have made large winnings also, but their deals, like those of the Wall-street crowd, have been handled over private

INDEX OF TODAY'S NEWS

The Weather. YESTERDAY'S—Maximum temperature, 52 degrees; minimum, 42 1/2 degrees. TODAY'S—Probably occasional rain; south-east wind.

War. Old culture buried in ruins of Dixmude, still under incessant fire of heavy guns. Section 1, page 1.

British liner Lusitania flies American flag while crossing Irish Sea at full speed. Section 1, page 1.

German governor of Belgium admits people live in hope of liberation. Section 1, page 2.

Petrograd believes Germans and Austrians have inaugurated tremendous offensive movement in Poland. Section 1, page 6.

Germany issues official statement justifying action in declaring war zone. Section 1, page 6.

Mexico. Carranza's effort to remove capital to Vera Cruz causes anxiety in Washington. Section 1, page 6.

Legislatures. House has disposed of three big issues and has four on calendar for this week. Section 1, page 1.

Oregon legislators pass 30 acts in 27 days. Appropriation bills pending, including those approved by joint committee, amount to \$2,562,854. Section 1, page 10.

Wets plan tax on liquor to pay for special Washington election. Section 1, page 11.

Senate to have busy week in considering important measures. Section 1, page 11.

Idaho House passes \$200,000 appropriation bill for state schools. Section 1, page 8.

Foreign. Japanese note to China written on paper water-marked with warships and cannon. Section 1, page 1.

National. Plan agreed on to extend clearing-house functions of reserve banks. Section 1, page 2.

Unique international question involved in United States' aid to wrecked Japanese cruiser. Section 1, page 2.

German war zone proclamation makes ex-ception of route north of Shetland Islands. Section 1, page 6.

Domestic. Price of wheat doubled by war; farmers chief gainer. Section 1, page 1.

Pacific Northwest. Solution of civic and rural problems sought at conference. Section 1, page 9.

Pacific University students start new semester-activities. Section 1, page 9.

Answers to eight "peers" asked of University of Oregon law students. Section 1, page 9.

Boiler grand jury returns 28 indictments. Governor greets editors of Willamette Valley. Section 1, page 2.

Sports. Pat Eastley sold to Salt Lake City. Section 2, page 1.

Hooper wins in complete victory for Coast League. Section 2, page 2.

Hayward seeking four quarter miles to represent Oregon in Pennsylvania games. Section 2, page 2.

Stewart gives Aggie's chance in thousand \$0 hope of boxes for Mecca in New Orleans willis. Section 2, page 5.

Oregon team now on way to Moscow to Leonard Myers to carry motorboat's club around Astoria races. Section 2, page 4.

Impertinent Amateur club has ban on tobacco for someone's smoker. Section 2, page 5.

Hockey is game of speed and courage, says sport editor of Uncle Sam. Section 2, page 2.

Golfers from two Portland clubs plan day's round on golf course. Section 2, page 4.

Football rules concerning forward pass changed. Section 2, page 5.

Automobiles and Roads. Support of Portland 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

Unusual advance in wheat and heavy barley setting in local market. Section 2, page 10.

Chicago wheat lower because of uncertain export situation. Section 2, page 10.

Fewer than 100 lives lost in 1914 marine disasters along Pacific Coast. Section 2, page 6.

Honolulu makes fast voyage between coasts and carries record cargo for flag. Section 2, page 6.

Real Estate and Building. New buildings costing \$1,000,000 to rise. Section 4, page 8.

Portland and vicinity. Realty transfers indicate market activity. Section 4, page 8.

Superstructure of new Meier & Frank building now complete. Section 4, page 8.

Portland hearing by fruitmen shows all are for cooperation. Section 2, page 16.

Schools and societies prepare to honor anniversary of Lincoln's birth, February 12. Section 4, page 18.

City beautiful committee offers 31,000 rose bushes at cost. Section 1, page 14.

Mrs. Ljellia Saugboe born over on kidnapping charge. Section 1, page 15.

Annual report is made on Associated Charities. Section 1, page 13.

Mr. Ditch wants authority to hire good men and discharge poor ones. Section 1, page 12.

City Auditor to ask removal of Precinct 27 election officials. Section 1, page 13.

Ordinance revived by Mayor to make movies obey censors. Section 1, page 13.

OLD CULTURE LIES BURIED IN DIXMUDE

City Under Incessant Hail of Shells.

PEOPLE LIVE UNDERGROUND

German Commandant Barricaded in Damaged Mansion.

WAR CONDITIONS TERRIBLE

Earth Trembles, Walls Crumble and Fall, and in Midst of All Quiet Clock Chimes: "Only Submit to Will of God."

BERLIN, Jan. 25.—(Correspondence of the Associated Press.)—William Scheuermann, one of the best-known of the German war correspondents, has recently visited Dixmude, which has become famous through the heavy fighting around it in October and November, resulting finally in its capture by the Germans. He writes:

"The enemy greets any and every movement along the road to Dixmude with a prodigious rapid fire. For more than a mile this road runs parallel to the French trenches, 400 yards distant. In order to present an unfavorable target as possible we broke up our party into a long chain, with intervals of some 20 paces between each two men. Often, too, when the rapid fire grew too hot we had to go forward by jumping from one tree to the next, although these were not large and had been mostly shot off by the artillery. They offered little protection, and, besides, the numerous branches strewn in the road were a great hindrance to our progress.

French Have Exact Aim. "Thus we approached Dixmude, until we finally gathered in a bunch for a moment near the ruined railway station; for here was the most dangerous point in our journey. The crossing is peculiarly exposed to the French fire. At their intrinments the French have set up rifles exactly tried out and aimed for this bit of ground, and they fire these whenever any living thing shows itself here. We got across safely and soon had the protection of the ruined walls of the houses.

"Dixmude presents a picture of destruction such as I had not regarded possible, notwithstanding all that I have seen in this war. No house here has escaped. The large market square is strewn with shells and in order to reach the point where the beautiful town hall and the parish church of St. Nicholas used to stand, one has to pick one's way among deep holes gouged into the pavement by the heavy shells. The church is still to be recognized from an arch in the wall and a piece of the apex. Inside the debris lies as high as a man's head.

Dixmude Grave of Culture. "Dixmude is dead, the grave of an old culture more touching than any city of the antique world unearthed after thousands of years, for here one sees everywhere the remains of men still living, whose household goods are scattered in the streets and whose most precious belongings, half-charred, are rotting away in the rain.

"I got some idea of the loss from an examination of the archives which I discovered half-buried among the ruins of the town hall. Manuscripts on fine old hand-made paper and parchment reaching far back into the Middle Ages lay there, singed, torn and thrown topsy-turvy by exploding shells, being

Saturday's War Moves

NEUTRAL opinion of Germany's threat of a submarine blockade of the British Isles, together with possible action by the governments of the United States, Holland and the Scandinavian countries, is today competing with the big battle in Central Poland for first place in the public mind.

The threat itself has not yet disturbed the sea-borne trade of the country; steamers are running as usual, insurance rates remain as they were; shipowners declare that there will be no change in schedules.

In fact the general belief in London is that Germany is not in a position to interfere to any great extent with shipping and the possibility of Germany becoming involved with neutral countries over this action looms large in British minds.

What effect the action of the captain of the Lusitania in flying the American flag will have on the question is yet to be seen. The Lusitania crossed the Irish Sea, according to American passengers, with American flags at her stern and forepeak, but this fact is not yet known to the English public.

Of the battle in Central Poland, little news has come through from either Petrograd, Vienna or Berlin. It is believed that the fighting continues and that it will be some days before a final decision is reached. If the Russian success in crossing the Esura River is strongly supported and pushed it might lead to the shortening of this engagement.

From all accounts the Germans flung great masses against the Russian lines and although they gained ground at some points, the assault did not succeed in breaking through the Russians, and the latter were able to take the offensive in parts of the field. With the tremendous concentration of artillery and rifle fire and bayonet work, the losses must have been great. One correspondent at Petrograd places the German loss at 30,000.

In the Carpathians and in Bukovina hard fighting is also going on. The Russians, with a strong force, are making desperate efforts to drive the Austrians from Dukla and other passes, and although the snow lies deep in the mountains, the battles continue night and day.

Along the Western front, so far as official reports disclose, this has been one of the quietest days for weeks. The artillery, of course, has been busy, but, as if by mutual consent, the armies have refrained from infantry attacks.

There has been no further fighting in Egypt, but statements from Turkish prisoners show that the Turks brought a great number of boats across the desert, drawn by oxen. They were somewhat surprised to find a strong force awaiting them, and were compelled to surrender when troops got behind them and hemmed them in. In some cases the Turks were allowed to launch their boats before the British opened fire and sank them.

Earl Grey, addressing a meeting yesterday said that War Secretary Kitchenier in August asked him to appeal to the miners of Northumberland for five new battalions. Instead, they raised 20 battalions.

COLON'S COMPANY IS SAFE

Cruiser Maryland Transferring Those on Board to Shore.

ON BOARD U. S. S. SAN DIEGO, Feb. 6, via radio to San Diego.—All of the passengers and crew of the steamer Colon, which is aground inside the breakers off Topolobampo, Mexico, will be saved. The cruiser Maryland and the gunboat Annapolis are standing by and transferring the passengers and crew from the grounded steamer to the Maryland and ashore.

The Colon is fast in the sand and leaking badly. Passengers aboard the vessel bound for Topolobampo are being put ashore in small boats from the Maryland and Annapolis. Those bound elsewhere will remain aboard the Maryland and will be landed at Mazatlan.

There is little prospect of floating the stranded vessel, as her captain, R. J. Paulsen, reported her in an unfavorable position.

THREE BIG ISSUES PASSED BY HOUSE

Liquor, Compensation and Irrigation Out.

FOUR IMPORTANT BILLS LEFT

Appropriations, Game Laws, Roads and Taxation Next.

SAVING PLANS HAVE FOES

General Fund Act Is O. K'd and Sent to Senate—Economy to Be Effected Principally by Halting Improvements.

STATE CAUTIOUS, Salem, Or., Feb. 6.—(Special.)—Three of the most important issues before the present Legislature were disposed of by the House this week. They are: Prohibition, workmen's compensation and irrigation.

Four important issues will be up for consideration next week. They are: Game laws, appropriations, roads and taxation.

Prohibition legislation is considered by many persons in and out of the Legislature as the most important item of all, inasmuch as it affects every part of the state and virtually every class of society. So far as the House is concerned, it is through with this subject. The average House member is satisfied with the bill passed, despite the contentions of some that it is not sufficiently drastic.

Accident Prevention Aimed. The House also uttered its last word on the subject of workmen's compensation. The bill passed early in the week provides a series of amendments to the present law, reclassifying the industries and grading the rates in proportion to the risk. It also is intended to prevent accidents by offering rewards to employers who install safety devices and providing punishment for those who do not. The almost unanimous vote on this measure will not act favorably on the Bingham bill in the Senate, which is said to resemble the Michigan law and which would permit casualty companies to compete with the state. The Michigan law was criticized severely on the floor of the House in the debate on the other measure. If the Senate does not concur in the measure sent over by the House it is probable that no workmen's compensation law will be enacted by this Legislature.

Irrigation Fund Fails. The House disposed of the irrigation problem by rejecting the proposed appropriation of \$450,000.

There still remains before the ways and means committee the bill to levy one-half mill for irrigation purposes, but the decisive vote on the direct appropriation indicates that the measure will not win the favor of the House.

"We still have a lot of fight left in us," said Representative Hinkle, who is conducting the irrigation campaign. A few minor concessions to the irrigation interests were granted this week, however. Four irrigation bills were passed. One gives irrigation districts the right to sell surplus electrical power, another makes state lands subject to irrigation assessments, another gives irrigation districts the power of municipalities for bonding purposes and the fourth empowers the state to buy approved irrigation bonds.

General Fund Bill Passed. Another important bill passed by the House is the general fund bill, which provides for a 10 per cent reduction in the state's expenditures. The bill is expected to be passed by the Senate.

CARTOONIST REYNOLDS ONCE AGAIN CARTOONS SOME OUTSTANDING EVENTS IN THE NEWS OF A LIVELY WEEK.

