

AUSTRIANS DEFEATED BY SERBIANS, FORCED ACROSS THE BORDER

Servians Will Now Begin Offensive Campaign in Austria's Own Territory.

DEFEAT BECAME A ROUT

In Spite of Inferior Numbers, Serbs Completely Demolished Austrian Army of 800,000 Men.

(United Press Leased Wire.) Nish, Serbia, Aug. 24.—Austria's defeat in its Serbian campaign has been complete, the war office here announced today.

As a result of their losses on the Drina, it was stated the Austrian forces had all been withdrawn and Serbia's part in the war would be over, were it not that, having no longer to fight on the defensive, it meant to push its invasion of Austrian territory.

Servian captures include 4500 Austrians, 53 field guns, eight howitzers, 114 caissons and quantities of equipment and ammunition.

Still pursuing the Austrians, the Serbian forces today recaptured the towns of Lomniza and Lechnitz, which the defeated troops occupied some time ago and fortified strongly.

Austrians Were Routed. Athens, Aug. 24.—Nothing could have been more complete than the Austrian defeat by the Servians on the Drina. August 20, according to messages received here from Nish today.

It was said about 200,000 Austrians were engaged and that the Servians were numerically their inferiors. Nevertheless, it was declared the Austrian force was hopelessly routed and then, being pursued, was cut nearly to pieces. The commander in chief of the Twenty-first division was reported killed, together with many other officers.

The Austrians were accused of killing women and children in villages they passed through in their flight.

In announcing abandonment of the Serbian campaign the Austrian government stated:

"On account of the Russian intervention in the Serbian war, Austria is forced to gather all its forces for the principal struggle in the northeast."

"The decision, therefore, has been reached to retire from the offensive and take up a waiting attitude, making a fresh attack when opportunity presents itself."

CHINA ANSWERS GERMANY WITH TART RESPONSE

(Continued From Page One.) outside the orient were generally understood to have been stated.

Japan Reassures China. Peking, Aug. 24.—Replying to a suggestion from China that fighting at Kiaochow be kept within a radius of 100 li, or about 20 miles, from Kiaochow bay, Japan explained to the Peking foreign office today that the Japanese would respect Chinese territory as far as possible but might be forced by exigencies of warfare to go beyond the limit specified.

The Tokyo government added that it was anxious to limit as far as possible the time as well as the scope of its troops' operations on Chinese soil, and that in the interest of speed, it might be necessary to ask the Peking administration's indulgence to some extent.

Since the recent arrival here of Minister Hioki, Japan's ambassador representative in China, he and President Yuan Shi Kai have held several conferences, during which President Yuan was said to have spoken appreciatively of Japan's announced plan of returning Kiaochow, ultimately, to China.

Severing Was Informal. Copenhagen, Aug. 24.—Germany severed diplomatic relations with Japan very informally, it was learned here today.

Just before the hour for expiration of the Japanese ultimatum, a representative of the Berlin foreign office called on the Japanese charge d'affaires and handed him his passports, remarking that Germany had no answer to make to Japan's demand concerning Kiaochow.

The American ambassador took over the Japanese embassy.

Germans Wire Oregon Senator. Washington County Society Asks Chamberlain to Use Influence With President in Interests of Peace.

Cornelius, Or., Aug. 24.—At a meeting held last night of the German-speaking society of Washington county, the following telegram was sent to United States Senator Chamberlain:

"Use your influence with the president to the end that Japan will keep hands off German territory, the interests of international peace, and to avoid drawing the United States into the conflict."

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No matter when, where, or how short your vacation is, a supply of HAZELWOOD Vacation Chocolates gives it added pleasure.

THE HAZELWOOD Confectionery and Restaurant, Washington at South.

War Bulletins

JAPANESE OFF COAST San Francisco, Aug. 24.—Captain Ahlstrom of the Steamship Washington reported here today that he passed the Japanese cruiser Idzuma early Sunday 20 miles north of Point Arena, or about 100 miles up the coast from San Francisco.

"The cruiser came so close to us that a line could have been thrown from one vessel to another," Ahlstrom said. "The warship paid no attention to my signals and I thought she was going to run us down. If a merchant vessel had acted in that manner I would lodge a complaint against its master."

EMPEROR FRANCIS JOSEPH REPORTED ILL London, Aug. 24.—From Rome, Paris and elsewhere came telegraphic reports today that Emperor Francis Joseph of Austria was critically ill.

Of these stories there was no official confirmation, communication between Great Britain and Austria being severed.

The emperor is so old, however, that it was thought likely the strain he must have undergone recently would soon begin to tell.

NO WORD FROM AMBASSADOR Washington, Aug. 24.—Anxiety concerning the whereabouts of the Berlin staff of the Japanese embassy was expressed this afternoon at the Japanese Washington embassy.

The charge d'affaires in the German capital had not informed Tokyo how he planned to leave. No word had been received from him, it was said, in 48 hours.

WIRELESS STATION CLOSED Washington, Aug. 24.—The German wireless station at Tucker town, N. J., was ordered closed today by Secretary of Commerce Redfield. He declared the station had been operated contrary to neutrality laws.

VON REX TO SAIL Tokyo, Aug. 24.—German Ambassador Baron von Rex has arranged to leave Yokohama for home via the United States on the steamship Minnesota, sailing for Seattle August 27.

ITALY FEARS WAR INEVITABLE Rome, Aug. 24.—Fearing war with Austria would soon become inevitable, King Victor and the members of his cabinet were in continuous conference today. The premier was determined to remain neutral if possible.

FEAR ZEPPELIN ATTACK London, Aug. 24.—Rumors that Zeppelins were preparing to destroy some British warships were current here tonight.

Germans Believe Allies Struck First Letter Received by W. M. Gregory From Daughters Tells of Difficulty in Getting Money; All Baggage Lost.

Germany has let the impression prevail among the people that both Russia and France struck first in the great war now raging in Europe, according to information contained in a letter received here this morning by W. M. Gregory from his daughters, Edith and Lenora, who are now en route home on the Andania due in Montreal August 27. The Misses Gregory have been studying music and painting abroad and were in Berlin at the time of the outbreak of the war.

It took them 48 hours to get from Berlin to London, and they suffered the loss of all their baggage but one and satchel. They have hopes that the American committee in London will be able to recover their luggage, however. They sailed from Liverpool on August 17.

"The Kaiser and his officers have let the impression prevail among the people that Germany has been attacked viciously by both France and Russia," said Miss Gregory in her letter. "The people have been worked to a frenzy, and the scenes in Berlin when we were declared were something never to be forgotten."

"We had only about 30 marks in gold at the time war was declared. We presented our German paper money at the banks that day, but were able to secure only 100 marks additional. However, we changed our German paper for American paper before leaving Berlin, and when we reached London had more trouble to go through with it. The English banks wanted \$20 to change \$150 in American money into British. The American committee, organized and working from the Savoy hotel, finally cashed our money for us, and we secured reservations on the Andania."

Predicts Passage Of Ship Bill Soon President Tells Callers He Expects Bill for Purchase of Merchant Marine Will Be Law Within Two Weeks.

Washington, Aug. 24.—President Wilson told callers at the White House today that he expected the bill providing for the government purchase of merchant vessels would be passed by congress within two weeks. He said the fleet was intended largely to develop new trade, and did not think it would discourage private enterprise.

Brother Asks Word Of Dr. Ray Matson Dr. Ralph Matson Telephones Senator Chamberlain in Effort to Locate Brother, Portland Physician.

(Washington Bureau of The Journal.) Washington, Aug. 24.—Dr. Ralph Matson, of Portland, has wired Senator Chamberlain asking for information of his brother, Dr. Ray Matson, supposed to be in Germany.

MARKET SPACE FREE OF RENT IS OFFERED FOR USE OF FARMERS

City Commissioners Have Proposition Under Consideration.

BASEMENT IS INCLUDED

G. E. Weiss, President, and A. M. Farrell, Manager, Yamhill Public Market, Willing to Provide Booths.

The city commissioners have under consideration an offer whereby it can, it is wished, use the 6000 square feet of the Yamhill public market, rent and use as quarters for the public market now conducted by the city on Yamhill street between Third and Fifth streets.

The offer was made by the city about two weeks ago by G. E. Weiss, president, and A. M. Farrell, manager of the Yamhill market. So far they have received no information relative to what action the commissioners intend to take in the matter.

"If, in brief, means that we will take the present public market, the streets, and house the booths at the east end of the Yamhill market, a permanent thing in Portland and are willing to place the booths on the outside along the curb if desired. However, in that case, we would insist on clean, small booths about three feet in depth, instead of the ungraceful five foot booths now in use."

"With our offer goes likewise full basement room, free also, where farmers could store their produce and clean their produce before offering it for sale."

"If the city does not like outside booths along the market, plus we are willing to take out the plate glass windows at the east end of the Yamhill market so the booths can face the street, we will do so."

"In our basement are cold storage rooms wherein the public market people could store their perishable products. We have plenty of water which they could use and by accepting our offer the present practice of cleaning vegetables on the street would be obviated."

Germans Threaten Prince Rupert, B. C. Two German Warships Reported in British Columbia Waters; Banks Hide Money, Coal Taken From Docks.

Prince Rupert, B. C., Aug. 24.—This city is in a state of high excitement today because of the rumored presence of two German warships in British Columbia waters.

The German warships have no fortifications, but all the troops in the province have been assembled and will make every resistance possible in case an attack is made on this city. The piers are crowded with soldiers and the ships are not permitted to land tourists.

The banks have been instructed to secrete their money, and the coal has been removed from the docks to a point back of the city.

Rainbow Sent North. Seattle, Aug. 24.—The British cruiser Rainbow was heading for Prince Rupert at top speed at 2 o'clock Friday morning according to Captain Frank Landstrom of the steamship Spokane, which arrived here from southeastern Alaska ports Sunday.

The Spokane had stopped at Prince Rupert. At 5:30 o'clock Friday afternoon, the Spokane passed the hospital ship Prince George, steaming at full speed for Prince Rupert.

County Growers' Cannery Operates Vancouver, Wash., Aug. 24.—The Clarke County Growers' Union cannery opened up Saturday for a two or three weeks run on the coast. It employs 300 women are being employed today and a few more will be used as soon as they can be secured. A large quantity of peaches has been received and are ripening fast in the store room. The cannery will also take care of all plums that are brought in, and may have to work overtime to handle the supply. No peaches will be canned this year, as the supply is not large enough to warrant the installing of the special machinery needed to can them.

Sunday Schools to Have an Outing Oregon City, Or., Aug. 24.—The Sunday schools of the Congregational, Methodist and Presbyterian churches will hold a picnic at Schnoor's park near Willamette Friday, August 28. Delegates from the various Sunday schools met and decided it would be convenient to hold the picnic at Schnoor's park than any other park near this city. The committee in charge are arranging a full list of track and field sports. Luncheon will be served at noon and a general good time enjoyed by all.

Canby Arranges For Ferry Service Oregon City, Or., Aug. 24.—The business men of Canby are planning to have a ferry across the Willamette river. Canby in the near future. The ferry boat has been bought by private subscriptions among the business men of Canby and the county court Saturday instructed the road supervisor of that district to prepare the approaches. The landing place on the west side of the river is ready for use. It is expected that the ferry will bring a large amount of trade from the west side of the river to Canby.

Sandy Fair List Out. Oregon City, Or., Aug. 24.—The program and premium list for the Sandy fair has been published and are now being circulated. The fair will be held at Sandy, October 2 & 3. All prizes are to be paid in kind, including those for races and athletic events. The Sandy band will furnish music for the occasion.

Death Note Is Received. Then on July 3, the "death note," signed "John," which started the investigation, was mailed from San Francisco. This note was also typewritten, and comparisons with the original of the New Orleans telegram indicated that the note was written by the same typewriter, a second hand Remington. Neither girl had a typewriter.

On July 2, the date the death note was mailed, Mr. and Mrs. Innes were at Sacramento, Cal., just 80 miles from San Francisco, a three hour ride.

On June 14 Innes died, and Mrs. Innes were living in San Antonio. He says they had been there from June 8.

From sources other than Innes himself it has been learned that two toilet water bottles with the name of an Atlanta druggist were found in the yard of the house in San Antonio which Innes had been living in.

It is strongly intimated also that Innes has direct evidence to show that the girls went direct to the Innes home. It is not believed, however, that he has any direct proof that murder was committed there and "corpus delicti" must be established beyond cavil to legally prove murder.

If the contention that the bodies were buried in Innes is correct, some part of the body must be produced to prove death. Innes' attitude and conversation indicate that the complaints are working on the theory that the Innes girls went to the Innes home and there Beatrice denounced Innes for mistreating her sister; that their death followed as evidence destroyed, and that Innes left for Portland, where he arrived July 5.

The typed telegram message from New Orleans, and the typed death note which purported to be from Innes are explained as a scheme to cover tracks. In this note Innes is made to say that she killed Beatrice in New Orleans and intended to end her own life after killing her brother, who was then in San Francisco.

Marshall Innes is a young man of 22 years, of frail build, light hair and blue eyes. He has been directing the hunt for evidence since the latter part of July, a search which has taken him from San Francisco to Santa Barbara, New Orleans, thence to San Antonio, and finally to Oregon, where Innes and his wife are held at Eugene pending the outcome of extradition proceedings.

Huntingtons Tell Of Their Arrest Prominent Americans Were Searched by Germans and Held as Spies; Automobiles Taken, Servants Arrested.

London, Aug. 24.—Confirmation of reports of their arrest as Russian spies in Germany was given here today by Archer M. Huntington, president of the American Geographical society, and by Mrs. Huntington. Just arrived here from the continent, Huntington asserted that he and his wife were arrested at Nuremberg at 8 o'clock on August 19, and held until 2 o'clock in the afternoon.

"We were obliged to remove our clothing which was searched," said Huntington. "Our papers were ransacked and our automobiles of French make were commandeered."

"When we were released we were allowed to remain in Nuremberg under surveillance."

"Our French chauffeur and my English valet were made prisoners of war. We remained in Nuremberg until August 18 when we left for Amsterdam."

Reports of Naval Battle in Adriatic

Nothing Definite Concerning It Is Obtainable, However; French Destroyer German Zeppelin Near Salonica.

Brindisi, Italy, Aug. 24.—Nothing definite has been learned today concerning the unconfirmed report that Austrian ships had been sunk in another naval fight in the Adriatic.

All accounts, however, agreed that the Anglo-French fleet, which was off the Adriatic coast and reports had been received from reliable sources of the bombardment of Cattaro. From Lovetch the Montenegrin guns were said to be still pounding this port.

Official French advices were quoted to the effect that Gallic aerostats had destroyed the German Zeppelin No. 8, near Salonica.

Not much credence was given to the rumor that Greek troops had been sent to help the Servians against Austria. It was thought unlikely the Athens government would act thus without declaring war, and no news of such a declaration had been received.

The Servians, too, from all accounts, needed no aid at present.

BRITISH AND FRENCH WOULD HOLD GERMAN ARMY FOR RUSSIANS

Plan Said to Be to Check Advance Until Russian Compels Invaders to Retire.

By Ed L. Keen. London, Aug. 24.—"The great battle between the allies and the Germans in Belgium is still in progress," announced a French war office statement received here today. "No decisive result is in sight yet."

"The British and French have been commissioned to hold the enemy in check until the Russians can complete their successes in the east."

The utmost delight was expressed at the news of the Russian's activity in east Prussia. It was predicted the Kaiser would be forced to draw many of his troops now at or beyond his western frontier to resist the czar's invasion.

Prime Minister France, it was learned here, has telegraphed his congratulations to Grand Duke Nicholas, the Russian field commander, for his brilliant accomplishments already.

Belgium's fiercest fighting continued along the Franco-German frontier.

It was admitted that the Germans had occupied the town of Lunenburg and a desperate clash was expected between Toul and Epinal, where there is a gap in the French frontier fortifications—a gap, however, which many believe conceals a trap.

Rumors that Nancy was threatened were denied. General Paul, Paul's French command in Alsace was said to be resisting a German attempt to recapture the territory from Colmar south to the Swiss frontier.

MONEY WAS MOTIVE FOR SISTERS' MURDER, YOUNG NELMS AVERS

(Continued From Page One.) the cases against the Innes couple except in the most vague way.

Money Declared Motive. "Money," he said, "provided the motive that resulted in the death of my sisters. We know they went to San Antonio. They arrived on the night of June 14. They never left there alive. Innes was living in San Antonio at the time and so was his wife, and I have proof that Mrs. Innes knew Mrs. Dennis, my sister, and passed as her aunt. Innes had introduced her as his aunt and he was engaged to my sister, who loved him. He exercised absolute influence over her. From the time he secured her divorce in Carson City, Nev., in 1912, up to the time Beatrice died, he was in the house. I have evidence to show that he secured from her about \$14,000, every dollar she had. He was supposed to be working investments for her in Montana and Mexico, but close inquiry so far has failed to show where he made any investments at all."

"Mrs. Innes we know now is no other than the 'Mrs. Mims' who was said to be Innes' aunt in Atlanta and elsewhere. She was in San Antonio with Innes. She was with him at Atlanta and there is no doubt that she knows all about the case."

Travels of Sisters. "My sisters left Atlanta together early in June. At New Orleans they met a mutual friend and had lunch with him. Later at Houston, Texas, they got off the train and purchased a ticket for San Antonio. There Beatrice engaged a room and had lunch. Lewis, telling him that she might need him to prosecute a man for fraud."

On the train they met the wife of a friend, Frank Brown, who was talked to them and saw them get off at San Antonio on the night of June 14. The last we ever heard from them was a postcard dated June 18, signed by Beatrice, in which she said she and Eloise were going to San Antonio. From there on just draw a long blank, because I cannot tell you what evidence we have to show that they were murdered."

On June 22, one week after the alleged murder, Mrs. John Nelms, the mother of the girls, was telegraphed by a man signed L. and B., her daughter's initials, in which it was stated that they had returned to New Orleans on business before proceeding further. This message was typewritten in New Orleans.

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JAPAN WILL GIVE NO OFFENSE TO UNITED STATES IN CONFLICT

British Government Officials Convinced Mikado Will Do Everything He Promises.

(United Press Leased Wire.) London, Aug. 24.—British government officials in positions which enable them to keep themselves fully informed concerning the plans of Great Britain's ally, Japan, said today they were fully convinced the Tokyo government meant exactly what it said when it declared its activities against Germany would be confined strictly to the Asiatic mainland.

It was perfectly recognized in London, they explained, that a Japanese seizure of certain of the Kaiser's insular possessions in the Pacific, by threatening trade routes in which Americans are interested, would give rise to a proposition in the United States.

While considering such a thing entirely outside the question, they pointed out that in case the United States should be drawn into a controversy with Japan, England, as Japan's ally, would be opposed to the United States.

That the British would be so insistent at a time like the present, or for that matter at any time, to allow a situation to arise which would cause friction between themselves and the Americans, they declared, was too ridiculous an idea to be discussed seriously.

Japan, it was added, being allied with Great Britain, would be sure to bear in mind the capital importance to its end of maintaining good Anglo-American relations, and might be counted on to refrain scrupulously from any act so much as tending to arouse suspicion in American minds.

Confidence was also expressed that the mikado would fulfill his pledge to return Kiaochow to China. The possession was important to Germany, it was remarked, because it was its only foothold on the China coast, while Japan was so near to China that it needed no such foothold.

On the contrary, the officials quoted declared, the Japanese would derive, commercially and politically, from friendly relations with the Chinese, were able to see that such relations would be promoted by an act like the ceding of the German possession back to its original owners, and undoubtedly would act accordingly, not only as a matter of justice, but of good business sense.

Price of Flour Is Again Advanced Increase in Value Influenced by Great Scarcity of Bluestem Wheat; Second Advance.

The price of flour is climbing again. One of the local mills advanced its quotations this afternoon 20 cents a barrel on patent flour, in addition to an advance of a similar sum a few days ago.

Similar action was taken by millers on Puget sound. The price of patent flour is being influenced in its upward flight by the great scarcity of bluestem wheat, of which most patent is made. The price of bluestem has been advancing almost every day recently. The wholesale price of patent flour today ranges from \$4.50 to \$5.20 a barrel.

STAR THEATRE ONLY TODAY AND TOMORROW to see CHAPTER NO. 3 of The Grey Hearts "SEA VENTURE"

Getting Better and More Interesting Each Week DON'T MISS IT

A complete synopsis is displayed at every performance, telling just what has gone before, enabling you to start this Wonder Mystery and Love Story now.

Animated Weekly—All the Latest War News. Also Warren Kerrigan in "There Is a Destiny." Ella Hall and Robt. Leonard in "A Bowl of Roses."

BIG SPECIAL FILM 3 MONSTER PARTS European Armies In Action

Coming Wednesday August 26th 4 Days EXTRA

Startling scenes of the great army maneuvers of Germany, Great Britain and France and Belgium. See the mammoth navies of Great Britain and Germany in action.

See Crown Prince Ferdinand of Austria, whose assassination caused the world's greatest war, reviewing his troops. Scenes photographed three days before his death. Also many other interesting war events.

TEN CENTS—TEN CENTS—TEN CENTS

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