

GERMANY GOES INTO THIRD YEAR OF WAR - ON THE DEFENSIVE

Passing of Initiative to Allies
Is One Outstanding Fact of
Second Twelve Month.

CHANGE COMES SUDDENLY

Up to Last Few Weeks Kaiser Struck
Where He Pleased; Record of
Year's Victories.

New York, July 29.—(I. N. S.)—Germany is on the defensive. The initiative has passed to the allies. This is the one great outstanding fact of the second year of the war.

Before, she aimed a blow where she pleased, and the allies parried it as best they might. She seized most of Belgium and a seventh of France. Twice she overwhelmed the Russians who had penetrated East Prussia. She smashed her way far into the czar's domains and crushed Serbia and Montenegro. She directed a fearful battering ram of shells and human bodies on Verdun.

But with the present summer a sweeping change came over the aspect of military affairs.

Cooperating through the allies' war council, with General Joseph Joffre at its head, the Italians beat back the Austrian columns in the Trentino, the Russians drove the Teutons before them in the east with horrible destruction and the British and French began a slow and methodical bending of the long established lines in the west.

Allies Fully Organized.

These are the movements which are going on as the war enters its third year, according to Lord Kitchener's Delphic prediction, final year. Whether the Kaiser will retrieve himself, again seize the initiative and enter on new campaigns of conquest cannot be foretold. One thing is certain, the two largest empires of the earth, Russia and Great Britain, are at last fully organized for war against him.

On the first anniversary of the war, August 1, 1915, the Austro-German sweep of Poland was in full swing. Lublin fell that day, Chom August 2, Warsaw August 6, Ivangorod August 7, Serock August 9, Lomza August 11, Siedles and Sokolow August 14, Kovno August 19, Novo Georgievsk August 21, Osmowice August 24, Kovvel August 25, Brest-Litovsk August 27, Olita August 28, Lutsk September 2, Brody September 3, Grodno September 4, Dubno September 10, Pinsk September 17 and Vilna September 20.

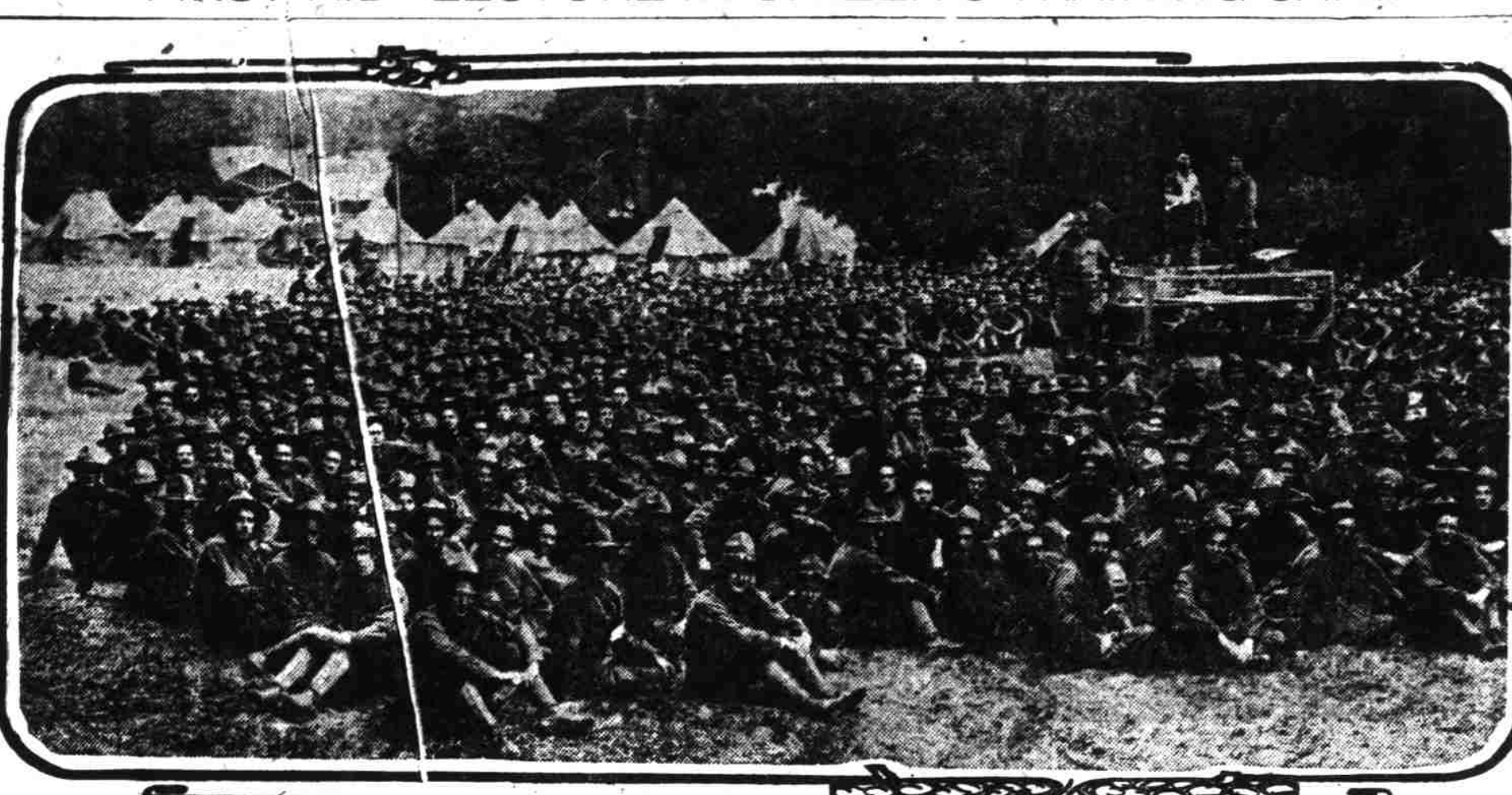
It seemed to neutral observers nothing could stop the Teutons in the east and it was generally believed the line extending from just west of Riga nearly straight south to Roumania on which they spent the winter.

Thought Russia Was Whipped.

Even when on September 8 the czar took command of all his armies in person, won a victory near Tarnopol September 26 and recaptured Lutsk September 26 and Czartorysk October 20, few believed the Russians could revive. Lutsk was soon lost again and on October 25 the Germans stormed Uluk. Then things settled down for the winter and almost every neutral critic thought the spring would see a resumption of the Teuton drive.

On October 8 the Teutons crossed the Serbian border at many points and five days later the Bulgarians, newcomers in the war, invaded from the east. Fighting desperately but hopelessly, the Serbians were pressed back by torrents of heavy shells, to which they could not reply, and on November 29 the German general staff was

"FIRST AID" LECTURE IN CITIZEN'S TRAINING CAMP



Men encamped at Monterey, Cal., assembled for physical instruction, an essential feature of the citizenship camp. Among those enrolled in the Monterey camp are A. L. Fish and Hamilton F. Corbett of Portland.

able proudly to announce that the operations against Serbia had ended in complete success, while Austria at the same time was finishing off Montenegro.

But unsuccessful as the year 1915 had been to the allies in the field, their will to conquer did not waver. At the moment early in December, when the German imperial chancellor was making a clear offer of peace in a speech to the reichstag, the representatives of Germany's enemies were meeting in a new war council at Paris, resolved to redouble their bellicose efforts, and never compromise.

Conscription Act Passed.
On December 21 David Lloyd-George, the strongest man in England, declared Great Britain faced defeat unless greater efforts were made; and just a week later he demanded general conscription, threatening to resign if this measure were not put into effect.

The conscription bill passed its first reading in the house of commons January 6 and spring saw it in full force. Premier Asquith was able to announce that England's total effort was 5,000,000 men.

Meanwhile in the east a greater giant was nursing his wounds and regaining his strength in four fold degree.

A forerunner came to the world on February 17, when Erzerum was taken. On April 19 the great Black Sea port of Trebizond fell and two days later the first Russian contingent landed in France.

Still the German writers would not believe and it took the magnificent Russian drive of June, which won all of Bukovina and a large slice of Volhynia and Galicia to convince that Russia was again a force to be reckoned with.

To understand this phenomenon of Russian resurrection it is necessary to realize not only that the Russians now have the heavy artillery and shells they lacked in the great retreat, but that their losses in numbers bother them not at all.

Russia Has Enough Men.

Seven million young men have come of military age in Russia since the war began and of these at least 5,000,000 are fit for duty. Despite her gigantic losses it is quite possible there are more soldiers and potential soldiers in Russia today than when the war started. Certainly there are now and will be for many years to come all the

"cannon fodder" that can be utilized at the front.

Erroneously considering the western front the more dangerous, the German general staff on February 21 began a heavy attack on the fortress at Verdun, with the object of using up French ammunition and men until no allied offensive would be possible this year.

Being on the outside of a curved line they were able to place more guns and maneuver more freely than their opponents and month after month they drew closer to the now famous little city.

Whether their gains were victories or defeats will only be known after the war, when we learn the number of killed and wounded they paid for every point. They advanced, but were never able to stampede the defenders.

Perhaps Verdun will be the last great German offensive. Certainly today the Teutons have their hands full stemming the Russian advance, which is penetrating Transylvania and the Anglo-French pounding attack along the Somme.

See Battle In Reviewed.
The Austrians who, in the latter half of May debouched from the Trentino and also gained the foothills and smiling plains of Italy, are also content to stand and ward off the blows of the Italians, after giving up most of their gains.

The year saw the Germans lose their Cameroon colony in January, while columns of Belgians, French and British close in on the stout defenders of the East African colony, the last of the Kaiser's overseas possessions.

In Mesopotamia the British, penetrating to within seven miles of Baghdad, were defeated and forced to retreat, being finally besieged in Kut-el-Amara on December 10. A relieving expedition was unsuccessful and on April 30 the garrison capitulated.

On April 26 Sir Roger Casement was captured attempting to land from a German submarine on the Irish coast. The next day the Sinn Fein society revolted, seized Dublin and set up a provisional republic. The rebellion was quelled in less than a week.

On May 31 the German and British fleets engaged in a great battle off Skagerak. Although the Germans claimed a victory, they have not yet

followed it up by coming out to deal another blow at the blockading vessels. The reports of losses by the two sides are impossible to harmonize.

TWO YEARS OF WAR WAGED TO NO CONCLUSION

(Continued From Page One.)

Teutons not only must be beaten in war, according to the allied formula, but must be repressed economically for many years after the signing of a treaty of peace.

On August 1, 1915, the Germans and Austrians were in the midst of their brilliant campaign against Russia. The "pincers" were closing in irresistibly. That day, Lublin, an important city in southern Poland fell.

Von Mackensen, with Galicia conquered, was pressing northward, while on the north side of the Polish salient von Hindenburg bore with his host of field grey warriors.

Without guns, without ammunition, with nothing except myriads of Slav giants, some of whom resisted charges with sharpened sticks in their hands, Russia was forced to fall back rapidly.

Twice it seemed the flower of the czar's army would be surrounded, once in the vicinity of Warsaw and again in the great battle near Vilna.

The tale of the taking of great towns grew almost tedious. It seemed the Germans would never stop. Whether they did stop of their own accord or were finally checked by the Russians is not yet clear. They settled down for the winter on a long line stretching from the Baltic just west of Riga southeast along the Dvina river and then almost due south through Polesia, the Pinsk marsh district, to the Roumanian frontier.

Czar Assumes Command.

On September 8, Czar Nicholas took command of all his armies in the field, sending his cousin, the Grand Duke Nicholas, to the less important command of the Caucasus operations. With their "Little Father" at their head the Russians forgot their long, discouraging retreat. Millions of new young soldiers joined them, drawn from Russia's great reservoir of human beings which produces three and

a half million men of military age every year.

On September 10, the Russians won a success near Tarnopol and Tsem-hovka and two days later they drove the Teutons back 14 miles in Galicia. In other parts of the front the Germans were still seizing large slices of territory, but their enemies were regaining their energy. On September 26, the Russians recaptured Lutsk, but were driven out in a short time. On October 20, they recaptured Czartorysk, but they were not able to prevent the Germans storming Uluk five days later. Czartorysk was lost and again taken by the czar January 8.

The Conquest of Serbia.

Meanwhile the conquest of Serbia, the greatest tragedy of the war, excepting only the massacre of 300,000 Armenians, was being enacted. The Teutons bombarded Belgrade, August 16. It should have been a warning to France and Great Britain, if these powers were really ready and able to assist the Serbian ample measure.

Perhaps, however, the German general staff would have been better pleased if the allies had withdrawn more of their forces for a Serbian campaign, bound to be unsuccessful, than they did. It would fit in with the number must be large enough to mount unvarying success until recently, of concentrating their energy for an overwhelming blow on a single point of their many fronts.

The real invasion of Serbia started in the first days of October. A great diplomatic battle had been fought in Sofia and the allies had lost. On October 16, Bulgaria in an ultimatum to King Peter, demanded the immediate cessation of the Macedonian lands in dispute between the two countries and then in the possession of the Serbs.

After a general bombardment the Teutons crossed the river boundaries of Serbia in many places on October 8. Two days later they occupied Belgrade. On the thirteenth Bulgaria invaded her neighbor at three points.

Allies Land at Saloniki.
Small forces of French and English landed at Saloniki, a Greek port to which Serbia had certain entry privileges, and did something to convince the retreat of the Serbians by engaging the Bulgarians in the south.

At the beginning of winter, November 22, the Serbian soldiers crossed the western border and struck the trails of the dreary, snow covered mountains for the coast. Great numbers perished of cold and hunger on the way. On November 29 Germany proudly announced that the Serbian campaign had ended, having met with complete success.

The winter also saw the humiliation of the British in Mesopotamia. The Indian government recklessly pushed a small, poorly supplied expedition up the Tigris valley and actually penetrated to within seven miles of Baghdad. Here the Turks, with German officers directing them, administered a defeat and the invaders fell back with the enemy harassing them to the town of Kut-el-Amara, where they were besieged December 10.

A further British humiliation was the evacuation of Gallipoli peninsula, where the British held on doggedly month after month, losing perhaps 200,000 men, until they were finally withdrawn in confusion of failure the first week of January.

Britain Resorts to Conscription.
These two British fiascos were what was needed to arouse the sluggish fighting blood of England. They finally brought England into the war fully and uncompromisingly, to the same extent as the other great powers involved. The conscription act, bitterly fought, was enacted December 10.

Their defeat finally taught the allies that their efforts must be coordinated, like their enemies', if they were to be effective. A new war council, with all the allies represented, met in Paris December 7, and a kind of international general staff was organized. It is known that General Joseph Joffre, French commander-in-chief since the beginning of the war, and the hero of the battle of the Marne, is the presiding genius. The effects of this council were not to be seen for several months, but now they are being realized in full measure.

To check a simultaneous allied offensive, which they clearly saw coming, the Teutons decided on two attacks of their own. This follows the well known axiom of German military strategy that the best defense is an energetic attack.

The first of these offensive defenses, the siege of Verdun, was undertaken February 21.

The second Teuton offensive was organized by the Austrians in the Trentino and they struck in the direction of Vincenza with the object of cutting off the northern end of Italy from the main portion.

It began Assault Offensive.
At the beginning of June the storm that was brewing behind the Russian lines, broke with full force and, following the principle of attacking the weakest point, the Austrians holding the line from the marsh district southward were forced to bear the brunt of it.

June 6 General Brusiloff announced the capture of 15,000 Austrians; June 8, the number for the three succeeding days alone was 45,000, and the numbers kept mounting until on July

SECOND ANNIVERSARY OF WAR SEES A TOTAL COST \$55,000,000,000

Two-Thirds Expense of Carrying on Great Conflict Is on Allies' Shoulders.

\$110,000,000 PER DAY NOW

Great Britain Uses \$30,000,000 Every 24 Hours; Germany, \$22,000,000; Russia, \$12,000,000; France, \$17,000,000.

New York, July 29.—(I. N. S.)—On August 1, the second anniversary of the start of the great war, the direct money cost to all the belligerents will have reached \$55,000,000,000.

This is the consensus of financial opinion here. Estimates six months ago were slightly lower, but the daily cost has mounted steadily and the figures given are considered conservative. The direct cost does not include the losses by destruction of property, by the disorganization of civilian industry, by the death and crippling of workers, and by enervating human sickness and misery.

The money spent is apportioned approximately as follows:

Great Britain (including colonies)	\$13,000,000,000
Belgium	5,000,000,000
France	17,000,000,000
Russia	12,000,000,000
Serbia	1,500,000,000
Austria-Hungary	5,000,000,000
Italy	2,500,000,000
Portugal	100,000,000
Montenegro	10,000,000
Japan	Slight

Total entente allies	\$36,950,000,000
Germany	22,000,000,000
Austria-Hungary	5,000,000,000
Bulgaria	150,000,000
Turkey	600,000,000
Total central powers	\$18,750,000,000
Grand total	\$55,700,000,000

The war is now costing all belligerents more than \$110,000,000 a day. This is divided among the principal nations as follows: Great Britain, \$30,000,000; Germany, \$22,000,000; Russia, \$12,000,000; France, \$17,000,000.

20 General Shovaloff, Russian minister of war, estimated the number of Austro-Hungarian prisoners at 270,000. The killed and wounded are untold, but the number must be large enough to bring the total loss well over half a million.

Almost a month to a day following the beginning of the great Russian offensive the French and British opened their drive in the vicinity of the Somme river. They have gained gradually but steadily and the official reports assert the losses of the attackers are comparatively small.

It is also the claim of the allies that the Franco-British offensive can be kept up at its present rate indefinitely and will not have to slacken for lack of shells, guns or men. The rate of progress is much greater than the Germans' at Verdun, but the country

500,000; Germany, \$22,000,000, and Austro-Hungary, \$12,000,000, the lesser powers making up the balance.

Great Britain is the only power which is paying part of the capital cost of the war out of current income. Germany is compounding her debt by not taking in taxes enough to cover all her interest charges.

The financial situations of both sides is fairly good. No country has yet resorted to the issue of fiat currency, which the north did in the Civil war, and which the recent example of Mexico proves can support continuous fighting for many years.

Entente Allies Condition Serious.
The same cannot be said for the economic situation. Germany and her allies are plainly in distress in many ways. Few or none have died of actual hunger, but the vitality of many non-combatants is lowered by lack of proper food. There is a great scarcity of rubber, copper, high grade iron, material for warm clothing and an almost absolute lack of strictly exotic products, such as tea, coffee and cocoa.

Mass feeding has been adopted by the Teutons, as everybody is busy, everybody eats and exists somehow, but many women and children will be cold this winter for lack of proper clothing, and unless the crops this summer are good, the pinch of hunger will grow severe next spring.

In Great Britain the common people have never been so prosperous. The cost of living has advanced by more than half, but wages have increased more and more, and the demand for labor, both by the government and by private enterprises is insatiable.

France, too, has largely recovered from the financial shock, though activity is not on such a great scale as in England. In Russia private business is not good; but, owing to the suppression of vodka the mujik is happier today, and is saving several times as much money as ever before.

Italy is suffering from a dearth of coal which has closed most of her factories.

Some of the neutral countries of Europe, especially Denmark, Sweden and Norway, are becoming opulent from war business. In Holland the upper classes have made money, while there have recently been food riots by the lower classes.

Switzerland is harassed continually by both sides to the quarrel, Germany demanding to be allowed to purchase and export goods freely from Swiss towns and the allies threatening to withhold food and other supplies if Germany is provisioned by her mountain neighbor.

Japan, the United States, Cuba and some of the South American countries were never so prosperous before in their history, due to the stimulus of war orders, which has galvanized domestic business as well.

traversed is less difficult. On the other hand, the Verdun assaults have the advantage of attacking from the outside of a curve, while the French and British now attack from inside the salient they have made in the line. Meanwhile the Verdun offensive of the Germans continues.

Came From Historic Bridge.
Laramie, Wyo., July 29.—Charles Reals, the township constable, has received a cane of great historic interest. It was made from a piece of timber taken from Long's bridge across the Potomac at Washington, which was in use during the Civil war. The wooden bridge was torn away and a new steel structure erected, the wood from the old bridge being converted into canes that are prized highly by the veterans of the war.

RECRUITS TO BE PAID HERE INSTEAD OF AT THE MEXICAN BORDER

Welcome News Is Received
at Camp Withycombe; Full
Month's Pay for Some.

PRACTICE HIKES TAKEN

Boys Stand Up Well Under Training; Baseball Team Organized; Recruiting Parties Work Half Done.

Camp Withycombe, Or., July 29.—The recruits at Camp Withycombe will have a payday next week. This was unexpected news that was received with pleasure here today, as the original plan was to pay the recruits off when they reached the border.

Many of the recruits have been here since the first of the month and will receive a full month's pay. Recruiting began June 30. In preparation for the payday the first muster will be held Monday, and this will be followed by inspection.

Practice hikes have been the order since the middle of the week. These have been substituted in lieu of the regular morning drills, and are intended as a sort of toning up process before sending the recruits to the border.

Boys Stand Training Well.

The boys have stood up under it well. From seven to eight miles a day has been the usual order. In connection with this they are receiving important advice on how to take care of the feet, and they receive treatment where necessary.

There are 128 recruits now stationed here. Those received in the last few days are:

Frederic Hayden, Joseph Edwin E. Venable, Skamokawa, Wash.; Robert A. Thomas, Donald M. Simmons, Bay City; Charles U. White, Bend; William B. Keizer, Medford; Marion F. Rowman, Sheridan; Charles D. Fay, Tillamook; Carl L. Shultson, Hemlock; Robert E. Nordstrom, William F. Luck and Owen H. Draper, Portland.

Baseball Team Formed.

A baseball team, under the leadership of Eustace C. Groce, former football star of Lincoln high school, has been whipped into shape and will play its first game tomorrow with Carver at Carver. The members of the team are as follows:

Eustace C. Groce, Lionel S. Pike, Roy H. Hewitt, James R. Meek, Chester A. Kincard, Charles Lawrence, L. L. Clark, William C. Coleman, George R. McKean, Harry L. Hubbard, Charles Henry, Ray Shane, William W. Steen, Joseph C. Howes.

The recruiting parties that have been touring the state have their work about half finished. The present week will see the finish, but it is possible that some of the territory they have covered may be reworked, as they report many prospects, especially in Eastern Oregon, who are now busy with the harvest.



"Please let's go to the Strand—
Nicest shows in the land."

Sunday Monday, Tuesday

Continuous 1 to 11 P. M.

Harry D. Carey Will Appear in a New and Unique Bluebird Photoplay entitled

"Love's Lariat"

It's Far Above the Ordinary Picture and Even Above the Average Standard of Bluebirds.

4 High Class Vaudeville Numbers

Mae Weston's Girl Revue

in "A Night in a Cabaret"
9—People, Mostly Girls—9

Gertrude Dunlap & Lew Virden

in "Bits of Wit"

Princess Blue Feather

in Genuine Indian Dances

Special Feature

Esther

Sundquist

Portland's Favorite
Violinist, Returns for
Summer Engagement



Majestic

Week, Beginning Today

Again We Are Pleased to Present
the Incomparable

THE DA BARA

as "Cigarette"

In Ouida's Master Novel

Under Two Flags

In This Play Miss Bara Puts All the Fire and Passion of Her Wondrous Art Into Its Characterization

NOTE—Patrons Are Requested to Sign
Our Censorship Petition.

Pathe News

Comedy