

AUSTRIAN EASTERN ARMY BREAKS THE RUSSIAN ADVANCE

Offensive Against Hungary Said to Have Failed—Czar's Forces May be in Grave Danger.

IMPORTANT PASSES TAKEN

Trenches in the Carpathian Mountains Reported to Have Been Captured—German Reinforce the Austrians—Important Changes Made at Berlin in War Plans.

ROME, Jan. 25.—The Austrian eastern army, heavily reinforced by its first line troops and by some of the best brigades in the German army, has broken the Russian offensive against Hungary and is threatening the czar's hold on Bukovina province. Official Vienna dispatches reported the capture of several Russian trenches in the Carpathian mountains, which commanded important passes leading to Transylvania and other places in Hungary. An important change in the war plans is reported to have taken place as a result of councils of war held recently in Berlin. The Germans are rushing large bodies of troops to Hungary to assist the Austrians in blocking the Russian invasion. In return for this aid, the Austrians are reported to be sending troops to France and Flanders. These forces are said to be made up of regiments which participated in the disastrous Serbian invasion. They probably will be used in the west to guard German communications and secondary defenses.

POSITION OF THIS NATION IN WAR AS NEUTRAL IS GIVEN

President Wilson, Secretary Bryan and Robert Lansing, Declare the United States Fair to all.

What Duties of United States Are as Neutral Power.

No obligation held to exist to prevent contraband from reaching enemy. This duty regarded as falling wholly on belligerent. To prevent such shipments, on the contrary, it is held would be an unneutral act. Free use of cables permitted while wireless is censored because belligerents can cut cables and cannot intercept wireless; also because use of wireless, on neutral coast to communicate with warships at sea virtually makes neutral territory base of belligerent operations. Both sides have censored private letters, and in no doing acted within rights under international law. Allies did not exceed rights in searching American vessels in belligerent waters for enemy subjects. Only two cases of search on high seas have been protested vigorously. Impression of seamen by another nation in times of peace, such as led to the war of 1812, declared to "involve different principle." No general agreement exists as to what constitutes contraband and no tribunal exists to which differences may be submitted. Copper seizures always protested, but United States is embarrassed by own declaration in past placing in contraband list "all articles from which whole ammunition is manufactured," including copper. United States not convinced petroleum and rubber are improperly included as contraband. Proof is asked of charges that dum-dum bullets have been shipped to Great Britain from United States, though no legal ground exists for preventing traffic. Great Britain has disregarded American citizenship papers and passports in a few instances, but same has been true of all other belligerents. Government's loan policy treats all belligerents alike. Loan's by popular subscription declared to involve danger of arousing partisanship, in contrast to purely credit transactions for purchase of war supplies, in which money remains at home. General charges of arrest of native-born Americans on neutral vessels and in British ports declared unsubstantiated. Incidents Officially Revealed for First Time. Right denied to Canada to ship "war material" across Alaska to sea.

(Continued on page three.)

GREAT PRAISE IS GIVEN MANAGEMENT OF HOSPITAL HERE

Legislative Committee Finds Eastern Oregon State Institution in Excellent Condition.

DR. McNARY IS COMMENDED

Superintendent of Hospital is Conducting Place in Efficient Manner, Declare Members of Committee Who Visited Here Saturday—No Complaint Found Possible.

SALEM, Ore., Jan. 25.—Eight members of the senate and house ways and means committee returned last night from visiting the Eastern Oregon State Hospital at Pendleton. Without exception they have nothing but praise for the management of the institution. They say they found it in excellent condition. While the members have not met to decide on recommendations regarding appropriations for the institution, individual members say that if any appropriation is made by the present legislature for enlarging one or the other of the asylums it should be for the eastern Oregon Hospital.

"Everything possible seems to have been done at the Pendleton institution to cut down expenses and promote efficiency," said Senator LaFollette. "We found that Superintendent McNary had turned back into the general fund about \$45,000 appropriated two years ago, which he could not use to advantage during the last biennium. This looked good to us, indicating he is only spending money that could be used to advantage." Representative Smith praised the orderliness of the institution. He said the members of the committee were highly pleased with conditions at the institution.

SWIMMING POOL FUND GETS PROCEEDS FROM LOT SALE

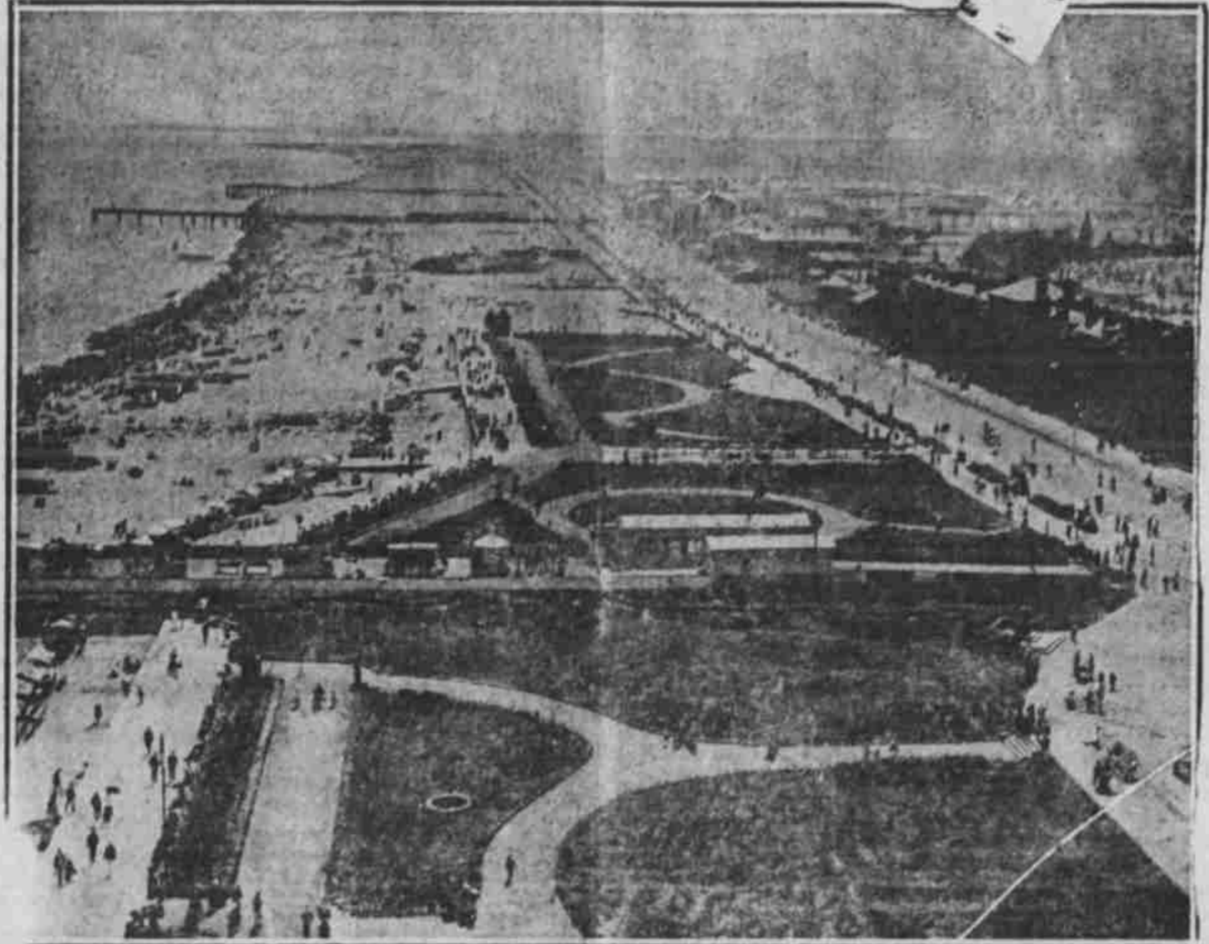
CHARLES COWAN'S OFFER ACCEPTED BY COMMITTEE CONDUCTING CAMPAIGN.

For the benefit of the swimming pool fund, Charles Cowan, owner of Irvin Heights, has donated one of the choicest lots in his residence addition, all of the proceeds from the sale of which are to go to swell the fund.

Yesterday the committee in charge of the swimming pool campaign and a number of other interested citizens accompanied Mr. Cowan to Irvin Heights and made a selection of a lot. They chose lot 19, block 19 which is situated on the corner of Park Avenue and Ray street. It is valued by the owner at \$500 and is expected to bring fully that amount under the plan of sale adopted by the committee.

While there Mr. Cowan showed the local citizens over his addition, explaining the improvements he is making and contemplating. Some of those who had not, heretofore, visited his new residence district were quite impressed with the site and the plans which Mr. Cowan is working out.

Yarmouth, Where Several Were Wrecked



Yarmouth, on the east coast of England, which was one of the towns attacked by the Germans in their raid of Tuesday, Jan. 19, is one of the chief watering places of the kingdom. Several persons were injured and some houses were wrecked by bombs dropped either by aeroplanes or Zeppelins from a great height.

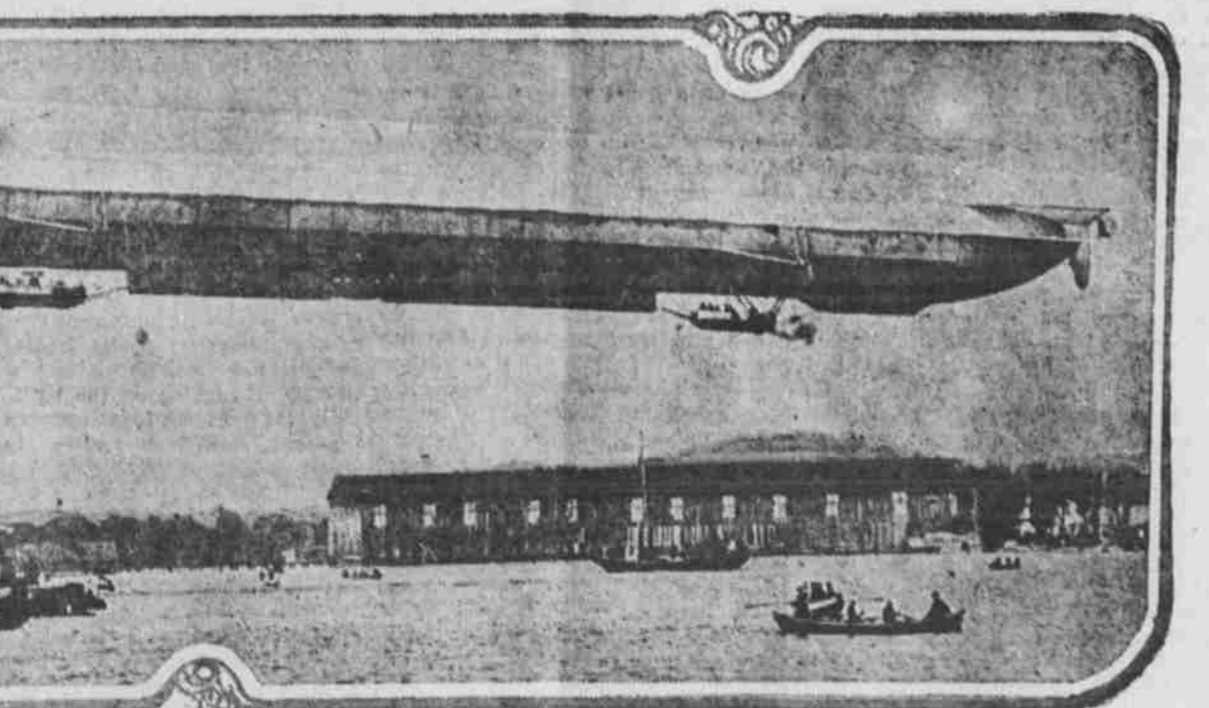
MEMBERS OF LEGISLATURE ARE TOLD WHY SPORTSMEN PROTEST

The position of the Umatilla county sportsmen relative to the proposed abolition of the state fish and game commission was expressed in no uncertain tones late Saturday afternoon to Senators Wood, Burgess and LaFollette who were here as a part of the legislative committee to inspect the state hospital. Senator Wood being a member of the game committee and one of the principal proponents for the abolition of the commission, the sportsmen were particularly desirous of acquainting him with their views. Absolute opposition to any change in the present system or in the present handling of game funds was the stand the sportsmen took. Prosecuting Attorney Steiner, W. N. Matlock, president of the Umatilla County Fish and Game association, G. I. Ladow and John Vaughan, prominent sportsmen, Secretary C. K. Cranston of the Commercial association and District Warden E. F. Averill were among those present at the conference who joined in the discussion. Senator Wood held out for the county system of administering the game laws. To this the sportsmen presented the objection that, under a county administration, it has proven almost impossible to enforce the game laws because of local sentiment. The members of the legislature are directly interested in the highway engineer at present because they had an arrangement whereby the engineer would detail an assistant to make a preliminary survey of a road from the Cold Springs country to the Columbia. This work was to be done at the personal expense of the farmers and they wished it done under the highway commission so as to get estimates from an authoritative source. An agreement had been made whereby

LOCAL FARMERS PROTEST AGAINST PLAN TO ABOLISH HIGHWAY ENGINEER

Asserting that for the legislature to abolish the state highway commission and engineer would be a step backward for Oregon and would hurt the cause of good roads the members of the committee representing the Cold Springs farmers in striving for a road to the Columbia are writing members of the Umatilla delegation at Salem protesting against any such legislation. The members of the committee are directly interested in the highway engineer at present because they had an arrangement whereby the engineer would detail an assistant to make a preliminary survey of a road from the Cold Springs country to the Columbia. This work was to be done at the personal expense of the farmers and they wished it done under the highway commission so as to get estimates from an authoritative source. An agreement had been made whereby

Germany's Long Arm, Feared by all England



This photograph shows a giant Zeppelin dirigible air ship of the German army's aerial division starting out over Lake Constance on a long distance flight. This is the type of war airships which comprised the German air squadron which executed such a daring raid on the English coast on January 19. This night attack from the air has sobered all England to a realization of the fact that her mighty fleet cannot prevent the German air squadrons from bombarding every prominent city in England.

ONE BRITISH BATTLE CRUISER CLAIMED BY GERMANS TO HAVE BEEN SUNK IN SUNDAY'S FIGHT

Attempted Raid on English Coast Proves Failure and Kaiser's Fleet is Forced to Return After Sharp Battle in Which One German Vessel is Sunk and Others are Damaged—For Three Hours Running Fight Was in Progress With Britons Superior in Number of Ships and Guns.

BERLIN, Jan. 25.—That a British battle cruiser was sunk by German warships in a naval battle in the North Sea on Sunday was the declaration of a German government official statement. It was admitted the German armored cruiser Bleucher was sunk. The other German warships returning to their base without sustaining material damage. The battle cruisers Derflinger, Seydlitz, Moltke and Bleucher and four small cruisers and two torpedo boat flotillas were engaged the statement says. The British fleet consisted of five battle cruisers, several smaller cruisers, and 26 destroyers. As soon as they sighted the Germans, the statement says, the British began to close in. Realizing the overwhelming British superiority, the Kaiser's ships headed back toward their base. For three hours a running battle lasted, the vessels of both sides bringing their biggest guns into action. The Bleucher did not have the speed of the other cruisers, and, trailing behind, received the concentrated fire

of the whole British fleet. The Bleucher's crew continued to fight until the ship was sunk. LONDON, Jan. 25.—A growing conviction in England that the German losses in Sunday's naval battle were greater than indicated by officials of the admiralty was strengthened when reports that a four funneled German cruiser had been sighted, badly damaged, off the coast of Holland, proceeding at half speed toward the Ems river. It was believed here to be one of the light cruisers engaged on Sunday. The admiralty offered no details of the battle supplementary to the statement of yesterday. The Bleucher was sunk, the statement said, and 123 of the crew of 355 were rescued. No reports has been received regarding the fate of two of the enemy's cruisers, which the admiralty's official statement declared sought refuge in the German mine and submarine area after being seriously damaged. (Continued on page five.)

PONTOON BRIDGES OVER MEUSE BLOWN UP BY THE FRENCH

PARIS, Jan. 25.—Pontoon bridges thrown across the Meuse river by the Germans at Saint Mihiel have been blown up by the French. The German guns for hours shelled the French batteries in an effort to silence them but failed when the French succeeded in bringing up additional artillery. During the duel several shells fell in Saint Mihiel, causing losses to the Germans. Except this fighting and a slight French gain east of Saint George, no important changes in the western zone were announced by the war office in an official communication.

BERLIN, Jan. 25.—French efforts to advance in lower Alsace have been repulsed with heavy losses, according to a war office statement. It was admitted the French captured a trench southwest of Berry-au-bac. The statement told how German artillery halted a French charge, killing 400 French and capturing several hundred others. Heavy artillery engagements are in progress elsewhere in the west, particularly at Nieuport and Ypres.

MRS THOMAS KAY, MOTHER OF STATE TREASURER, IS DEAD

SALEM, Ore., Jan. 25.—Mrs. Thomas Kay, mother of the state treasurer, died today, aged 73. She was one of the pioneer residents of the state.

NEWS SUMMARY

General. German Attempt to raid English coast is frustrated. Austrians claim to have turned Russian advance. Legislative Committee Praises management of Eastern Oregon State Hospital. Senate votes to abolish state conservation commission. Local. Echo youths on trial for alleged cattle rustling. Local sportsmen meet senators and define their position on game legislation. Pendleton bowlers defeat La Grande. Sisco and Blevins sentenced to penitentiary. Irvin Heights lot given for benefit of swimming pool fund.

UNIONS ARE GOOD UNDER CONDITIONS SAYS ROCKEFELLER

John D. Jr., Espouses Cause But Declares "Open Shop" Should be Permitted by Organizations.

NEW YORK, Jan. 25.—John D. Rockefeller, Jr., espoused the cause of "good unions" today before the federal commission on industrial relations, but limited his approval strictly to those unions which permit the "open shop." "I believe it to be just and proper and advantageous for labor to associate itself into organized groups for the advancement of its legitimate interests as for capital to combine for the same object," said Rockefeller. "Such associations of labor manifest themselves in promoting collective bargaining, in an effort to secure better working and living conditions, in providing machinery whereby grievances may easily and without prejudice to the individual be taken up with their management. Whatever their specific purpose, so long as it is to promote the well being of the employees, having due regard for the just interests of the employer and the public, leaving every worker free to associate himself with such groups or to work independently as he may choose—I favor them most heartily. Combinations of capital are sometimes conducted in an unworthy manner, contrary to law and in disregard of the interest both of labor and the public. Such combinations cannot be too strongly condemned or too vigorously dealt with. Although combinations of this kind are the exception such publicity is generally given to their unsocial acts that all combinations of capital, however right they are managed or broadly beneficial, are thereby brought under suspicion. Likewise it sometimes happens that combinations of labor are conducted without just regard for the rights of the employer or the public, and methods and practices adopted which because unworthy or unlawful, are deserving of public censure." Referring to the Colorado strike, Rockefeller asserted that the hiring and discharging of men and the framing of agreements as respects the same are functions which he regarded as rightfully belonging to the management, and not to the stockholders or directors. "I had no knowledge of the managers' decision until after the strike had been declared," he said. Rockefeller asserted his company, the Colorado Fuel and Iron, controlled only a small percentage of the mines involved in the strike, and could not have dictated their policies. His

(Continued on page 4.)