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GERMAN REPLY ARABIC SINKING TO BE PACIFIC

President Wilson Informed Unofficially That German Answer Will Be Satisfactory—Berlin Desires to Avoid a Break With United States—Nature of Reply Is Mystery.

WASHINGTON, Aug. 25.—President Wilson has been informed unofficially from sources close to Count Von Bernstorff, the German ambassador, that the next communication from Berlin on the sinking of the White Star liner Arabic will be of a character satisfactory to the United States.

Coming close on the telegram which the ambassador forwarded to the state department yesterday by direction of his government, declaring it was not the intention of Germany that any American lives should be sacrificed in the sinking of the ship, this development was regarded as indicating that Germany would make some proposal satisfactory to the United States respecting submarine attacks on ships purely of a passenger-carrying nature.

Desire to Avoid Break Officials are at a loss to conjecture what the German government will propose, but the assurances that there is every desire in Berlin to avoid a break with the United States has relieved the situation very much.

Heretofore Germany has contended that neutral lives could not insure a belligerent ship against attack, especially those carrying munitions. In its reply to the first Lusitania note, Germany proposed to designate certain ships which would be guaranteed against attack, but the American government flatly rejected the proposal. Officials were eager to know what position Germany would now take without surrendering her contended right to submarine warfare against the enemy's commerce.

Aim of Administration

The aim of President Wilson and all administration officials is to avoid a rupture with Germany, but to do so without any surrender of neutral rights was reflected by officials informally while discussing the latest phase of the situation. They were hopeful that a disavowal of the submarine commander's act in sinking the Arabic without warning would be forthcoming, but the administration is ready to listen to Berlin's next word.

EDISON'S INVENTION TRIED ON SUBMARINES

NEW YORK, Aug. 25.—The installation of the new nickel batteries invented by Thomas A. Edison by which it is hoped to prevent the escape of chlorine gas in submarines was in progress today on board the submarine K-1 at the New York navy yard.

Chlorine gas is one of the greatest dangers of undersea boats and many officers with them believe it caused the loss of the F-4 at Honolulu several months ago. If the batteries are as effective as it is hoped, the navy will possess the first underwater craft in which the danger of chlorine is eliminated.

CHEMICALS NEEDED TO CURE TUBERCULOSIS

PARIS, Aug. 25.—Dr. Louis Renson, a physician connected with the Necker hospital and a member of the medical faculty of the University of Paris, has announced to the Therapeutic society that he is able to prove that tuberculosis, contrary to the generally accepted theory must be treated by chemical means and not by serums.

Dr. Renson says that his researches have been directed towards finding a substance which will kill bacilli in an animal organization without injuring the elements of that organization.

GERARD SUMMONED TO CONFERENCE WITH GERMAN CHANCELLOR

BERLIN, Aug. 25.—Ambassador Gerard at 2 o'clock this afternoon received a request from Foreign Minister Von Jagow to call upon him and left a luncheon party to respond to the invitation. The ambassador conferred a half hour with the foreign minister. Ambassador Gerard afterwards would say nothing regarding the conversation.

RUEF TREATED AS OTHER PRISONERS DECLARES JOHNSON

SACRAMENTO, Cal., Aug. 25.—Governor Hiram W. Johnson today, in commenting upon the paroling of Abraham Ruef from the San Quentin state prison, made it plain that the former San Francisco grafter was not "exiled" to Mendocino county by the board of pardon directors, but at his own request, designated that county as his place of residence. The governor said:

"For two years past it has been repeatedly stated that Ruef will be treated exactly like every other man in state prison—neither more leniently nor more harshly.

"The prison directors, notwithstanding the agitation in his behalf, required him, as they required all others, except in extraordinary cases, to serve half his net sentence. He served half his net sentence and then was paroled.

"San Francisco newspapers have endeavored to make it appear that he has been 'exiled' to Mendocino county. The prison directors merely complied with Ruef's request that his residence be Mendocino county.

GARZA ALSO REFERS ANSWER TO CHIEF

WASHINGTON, Aug. 25.—General Reynaldo Garza, Carranza commander at Lampazos, Mex., responding today to the Pan-American peace appeal, joined with his military associates in declaring that the proposal could be answered only by General Carranza himself.

State department officials said that General Carranza's response had not been received. A personal message from General Carranza denied reports that Villa troops had recaptured Durango.

EXTENSIVE FLOOD DAMAGE IN CHINA

WASHINGTON, Aug. 25.—Flood damage in the Canton region of China is so extensive that it is impossible to give adequate relief. Admiral Winterhalter, commanding the Asiatic fleet, reported that the gunboats Wilmington and Callao still were engaged in aiding the relief work organized by the American consul-general at Canton and would be kept at work as long as they could be useful.

SWEDEN PROTESTS AGAIN TO GERMANY

STOCKHOLM, Aug. 25.—Another protest has been made to the German government by Sweden. The complaint in this instance has to do with the shelling of the Swedish steamer Gotland, which subsequently was taken into Cuxhaven by the Germans. The Swedish government states that the steamer carried no contraband.

BALKAN STATES NEAR SETTLING WAR PROBLEM

No Definite Step Yet Taken Towards Revival of Balkan League—Marshy Ground and Bad Weather Impede German Advance, Which Is Making Slow But Steady Progress.

LONDON, Aug. 25.—The Balkan states are unquestionably nearer determination of their future relations with the warring powers, but so far as has been announced officially, no definite step has been taken toward revival of the Balkan league and its adhesion to the cause of the entente allies. There was no confirmation today of various rumors which excited London yesterday, chief of which were reports that Bulgaria had declared war against Turkey and would assist in the attempt to force the Dardanelles.

The English press characterizes unofficial German explanations of the Arabic disaster as inadequate but interprets efforts to explain as evidence of Germany's realization that her relations with the United States have reached a serious phase.

Swamps Hinder Germans The furious efforts of the Austro-German armies along the eastern front in the last 24 hours have not been as fruitful as usual in respect of the amount of ground gained which is taken to mean that they have now reached the drained swamp regions. German and Austrian reports state that further advances have been achieved both north and south of Brest-Litovsk, and that the Pulva river line has been passed. Austrian cavalry has entered Kovel, and is said to be advancing to the north, but the outflanking movement from this quarter will be confronted by the barrier formed by the river Pripiet and the adjacent marshes.

The German press points out that the armies of the central powers face a serious obstacle in the immense and roadless Pripiet swamps, while the leading Hungarian newspapers describe the tactical position of the Russians in this region as extremely favorable.

Invaders Hampered Another explanation of the pause in the Austro-German advance against Brest-Litovsk is that the invaders are being held up by continual rain and mist which hampers reconnaissances and artillery fire.

From the other fronts there have been reported little changes. A Russian aeroplane squadron bombarded the Asiatic suburbs of Constantinople on Monday, 41 persons being killed or injured, according to a news agency despatch from Athens.

Bombs were dropped last night by a hostile aviator on the German town of Offenburg, outside the war zone, injuring 12 civilians, Berlin reports.

The sinking of another British trawler in the course of German submarine operations is recorded. In an air attack on German lines of communication, a French aviator dropped bombs on the railroad station at Lorrach, southwest of Strasbourg, the Paris war office says. Only minor operations are reported along the other fronts.

SPECTACULAR RISE IN WAR STOCKS

NEW YORK, Aug. 25.—The easing of the diplomatic tension between Washington and Berlin resulted in a series of spectacular advances among war stocks during today's early trading.

Studebaker rose 13 1/4 to 117 1/4; Willys-Overland 13 1/2 to 188; New York Air Brake and General Motors gained five points at 195 1/4 and 196 respectively, and Crucible Steel made a similar improvement at 78 1/4.

U. S. Steel rose at the opening 2 to 6, which was added to later. Steel was again the market leader in the sense that is served as a guide for the better known issues. At this morning's high level it had recovered all but a point of its recent ten point decline.

PHOTOGRAPH OF TORPEDOED ARABIC'S CAPTAIN



His coolness saved many lives. Captain Will J. Finch of the Arabic, recently sunk by a German submarine. This snapshot of the captain was taken on the boat deck by a woman passenger.

BRITISH OCCUPY 800 YARDS TRENCHES SEIZED FROM TURKS

PARIS, Aug. 25.—A French official report on fighting in the Dardanelles between August 20 and the morning of August 25, relates that the British left wing has made progress against the Turks, occupying 800 yards of Turkish trenches in the northern zone of the fighting, and that a French aviator on August 20 was successful in sending to the bottom a large Turkish transport.

The statement as given out by the French war office this afternoon follows:

"The period of five days since the issuing of the last communication on the Dardanelles has been marked in the northern zone by further progress on the part of the British left wing. These British troops have occupied 800 yards of enemy trenches.

"During the night of August 23-24 a French company was successful in a surprise attack on a Turkish position used by the enemy for listening purposes. In the morning of August 25 a detachment of Turkish soldiers endeavored to re-occupy this position but they were repulsed.

"An August 26 our squadron bombarded with success a point of debarkment at Achachillman.

"In spite of the violent fire of numerous hostile batteries one of our aviators was successful in sinking at its anchorage, a large Turkish transport."

HURRICANE RUINS JAMAICA BANANAS

NEW YORK, Aug. 25.—Detailed advices received here today from Kingston, Jamaica, show that the damage done to the northern coast of Jamaica by the hurricane on August 12 and 13 was greater than indicated by earlier dispatches.

Terrific winds felled acres of banana trees, destroying fully practically the entire banana crop. The railway between Port Antonio and Buff Bay was virtually wiped out and wagon roads along the coast were destroyed while in other sections general damage to crops, buildings, wharves, railways and roads were reported.

Coconut plantations escaped with slight damage but coffee and plantain cultivations were seriously damaged. The growers are reported to have already undertaken to restore their plantations and another banana crop is promised within ten months.

GOVERNORS TALK FAVORS BUDGET AND CONSERVATION

BOSTON, Aug. 25.—Former Governor William T. Haines of Maine opened the general discussion at the governors' conference that followed Governor Amundson's address today. He thought it unfair to charge a governor with responsibility for every act of subordinate officers and suggested that the governor's term of office be extended and that he should not be eligible to succeed himself.

Governor Charles S. Whitman of New York favored a governor's budget, but questioned the wisdom of providing that the legislature should have no authority to appropriate in addition to that recommended by the executive.

"Conservation" was the subject of the second formal address of the forenoon, which was delivered by Governor Whitman of New York. The speaker maintained that so long as state boundaries did not prevent reckless waste of natural resources beyond the state they served as obstacles to progress in conservation.

He cited the federal migratory bird law as an instance where the national government found it necessary to step in and save the birds from extermination. He urged uniformity of laws for the prevention of forest fires and river pollution and for water storage.

RE-ALIGN RATES ON OIL PRODUCTS

WASHINGTON, Aug. 25.—Re-alignment of rates of petroleum oil and its products in carloads from the mid-continent field, which includes producing and refining points in Kansas and Oklahoma was ordered today by the interstate commerce commission. Numerous railroads were ordered to establish new rates by November 1. The re-adjustment involves increases as well as decreases.

The commission holds that the present rate of 17 cents a pound from the mid-continent field to St. Louis is too low and fixed 20 cents as a reasonable maximum, including all Mississippi river points north of St. Louis and south of Keokuk. Other new rates fixed include 22 1/2 cents to all Mississippi river crossings north of Keokuk; 25 cents to Chicago and territory taking the charge rate; the St. Paul territory 31 cents; to Winnipeg 33 cents and Sioux City 28 cents from Oklahoma.

TEUTONS TAKE ADVANCE POSTS BREST-LITOVSK

Russian Positions Southwest of Fortress Broken Through, According to Berlin Official Report—Progress in German Invasion, But Desperate Resistance Reported.

BERLIN, Aug. 25.5.—The Russian advanced positions to the southwest of the fortress of Brest-Litovsk were broken through yesterday by the Germans, according to an official announcement given out today by the army headquarters staff.

The text of the statement follows: "In the eastern theater: Army of Field Marshal Von Hindenburg north of the Niemen river 750 Russians were taken prisoners during successful engagements in the neighborhood of Birahli.

"The army of General Sitchkora is advancing victoriously towards the east, fighting all the way. This army captured 1850 Russians and took several machine guns."

Cross Narrow River "The army of General Von Scholtz reached Bereokwa, captured Knaysyn and crossed the Narrow river to the south of Tykocin.

"The army of General Von Gallwitz captured the Narrow river crossing on the Sokoly-Bialystok high road. Its right wing has reached Orlianka, after having back the enemy. This army took more than 4700 prisoners including 18 officers and nine machine guns.

"Army of Prince Leopold of Bavaria: Yesterday the enemy attempted in vain to bring our pursuit to a standstill. He was attacked and thrown back into Bialowieska forest. South of this forest our troops reached the region to the east of Wierschowice. We captured more than 1700 prisoners.

At Brest-Litovsk "Army of Field Marshal Von Mackensen: Pursuing the defeated enemy this army group is approaching the hills on the western bank of the Besna, north of Brest-Litovsk. On the southwestern front of Brest-Litovsk at Doblynska, the Austro-Hungarian and German troops broke through the advanced positions of the fortress yesterday.

"On the eastern bank of the Bug, northeast of Vlodova, parts of the army of General Von Lissingen are advancing toward the north, fighting all the way."

BERNSTORF STILL STAYS IN SECLUSION

NEW YORK, Aug. 25.—Count Von Bernstorff, the German ambassador to the United States, remained in seclusion here today with his plans for the next few days undeveloped. He had received no further advices from Berlin bearing on the sinking of the Arabic, he said, and did not know when such word would be received.

It was within the range of possibilities, the ambassador said, that he would go to Washington to confer with Secretary Lansing before receiving further word from Berlin, but this would be, if at all, upon Secretary Lansing's invitation.

BULGARIA NOT HOSTILE TO GREECE

COLOGNE, Germany, Aug. 25.—A dispatch to the Cologne Gazette from Sofia says: "Bulgaria has assured the Athens government that no hostile intentions against Greece are entertained by Bulgaria.

"Evidence is at hand that Rumania has not yet abandoned her efforts to induce Bulgaria to join in united action against Turkey in aid of the quadruple entente powers.

"The conclusion of the Turco-Bulgarian agreement is regarded as a great success for Bulgarian diplomacy."

EXPOSE GRAFT IN PARLIAMENT OF MANITOBA

Royal Commission Reports Huge Over-Payments in Construction of Buildings at Winnipeg to Provide Campaign Fund for Recent Government—Ex-Ministers Involved.

WINNIPEG, Man., Aug. 25.—Charges that enormous over-payments were made to the contractors who erected the new parliament buildings of the Province of Manitoba; that these over-payments in part at least were designed to provide a campaign fund for the recent Roblin government, and that some members of that government were cognizant of what was going on, were sustained today in the report of the royal commission which inquired into the charges.

The three members of the commission—Chief Justice Mathers, Justice MacDonald and Sir Hugh John MacDonald, Winnipeg, city police magistrate, are unanimous in their findings, which were published today.

Bribes for Witnesses Thomas Kelly & Sons are the contractors named in the report as having received the enormous over-payments.

The report states that the commissioners were hampered by the absence of material witnesses and the reluctance of others to testify, and charges that \$25,030 was spent in keeping one witness away. Dr. Simpson, charged with having been the financial agent who raised the election fund out of the parliament building extras, was not questioned by the commission, having left for military service in France.

Four ex-cabinet ministers, including Messrs. Howden, Coldwell and Armstrong, were criticised for their reluctance in testifying, and Sir Redmond Roblin, ex-premier, the report said, "made common cause with the contractors to resist discovery, and took an active part in securing for the contractors able counsel for that purpose."

Investigators Handicapped The report charges that Howden "made many false statements" in his evidence, and that the commissioners were further handicapped by the destruction and mutilation of records, the refusal of contractors to produce their books and their withdrawal to a foreign country to prevent their being compelled to do so.

William Salt was the witness, alleged by the commission to have been bribed to keep out of Canada during the trial.

W. A. Elliott, an employe of the public works department; M. G. Hook, another employe who was sent after salt with \$10,000 and claims he was robbed in Omaha, and Harry Whittle, Kansas City, were all interested themselves in keeping Salt out of the country, and that Mr. Coldwell inspired the alteration of Salt's books.

Dr. Simpson dictated the amount to be paid for the election fund before the amount of "extras" was settled, according to the report, which claims such amounts were paid him by the contractor when received from the government.

\$660,000 Fraudulent From April 21 to July 9, 1914, just (Continued on Page 6.)

TRAIN SERVICE IN ARKANSAS RESUMED

LITTLE ROCK, Ark., Aug. 25.—Reports at noon from Newport state that the train service with points north had been resumed. Fifteen hundred rations from Little Rock reached Newport this morning. Mr. A. T. Hubby has issued a statement appealing for aid.

Governor George W. Hays today detailed two squads of state militia to report to Newport officials. The troops will leave this afternoon and take large quantities of tents and blankets for the use of the sufferers.