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BRITISH TAKE GROUND LOST AT FRESNOY

With Massed Reserves and Increased Artillery, Germans Desperately Strive to Halt Allied Advance—French in Brilliant Action Capture First Line of Trenches Over Front of Three Quarters of a Mile at Chevreaux.

LONDON, May 9.—Part of the ground lost in the vicinity of Fresnoy on the Arras battlefield, was regained by the British last night, it is announced officially.

With massed reserves and every available gun at his command, Crown Prince Rupert of Bavaria is striving to halt the ceaseless British assaults on Drocourt-Queant line, the last bulwark protecting the richest prize of the Germans in northern France—the coal fields of Lens.

The reckless expenditure of human life by the German commander has been at least a temporary reward in the capture of Fresnoy, at the northern end of the line.

Its capture marks the first time in the present offensive that a German counter attack has succeeded in wresting an important position from the British. Everything indicates that the present struggle on the British front is considered on both sides as one of the most important actions of the war, but it may be many days before any decision is reached.

The French last night in a brilliant action captured first line German trenches over a front of three quarters of a mile in the region of Chevreaux, taking 160 prisoners.

Lost Ground Regained.
(From a Staff Correspondent of the Associated Press.)

BRITISH HEADQUARTERS IN FRANCE, May 9.—Most of the ground lost by the British in the vicinity of Fresnoy has been regained. The Germans are barely holding Fresnoy village itself.

Heavy fighting was continued last night and early today about the village of Fresnoy from which the British were compelled to withdraw yesterday after resisting several German counter attacks in force. The British launched a counter attack and the Germans now are barely holding the village proper.

Still Counter Attacking.
The Germans are not yet through with their counter attacks against Gavrelle. Today, under cover of a very heavy bombardment, they assaulted the Gavrelle windmill and an outpost of the village which already had changed hands about 10 times. Today's attack was broken quickly by artillery and machine gun fire.

Germans put down a heavy barrage against the British positions in the southern and western portions of Bullecourt last night, but made no attempts to attack with infantry. Bullecourt is now in a rather strange condition with British and German positions scattered through it. The hostile posts are being gradually absorbed, however, and a number of prisoners are being taken.

German counter attacks are being delivered with greater forces all the time.
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HINDENBURG AGAIN PREDICTS VICTORY

AMSTERDAM, May 9.—Field Marshal Von Hindenburg is again predicting victory, according to the Berlin Tageblatt. The paper quotes the field marshal as saying in reply to an address from the Saxon second chamber:

"The soldier spirit, which is always cultivated by the all highest War Lord, has again proved its strength. If the home army holds on then we are certain of victory."

WILSON TELLS LEADERS PLANS OF WAGING WAR

President Summons Leaders of Congress—Discuss Merchant Fleet Plans—Effort to Invoke Senate's New Espionage Rules to Force Through Espionage Bill to be Made.

WASHINGTON, May 9.—President Wilson began taking congress into confidence on the administration's plans today by summoning 30 leaders to the White House.

At the capitol it was said the president had recognized the criticism that congress was not being taken into the president's full confidence on the measures he is asking to have passed for the conduct of the war.

Among the subjects discussed today, it was said, were the billion dollar appropriation to build the merchant fleet which is to overcome the submarine menace and the disputed points in the new army bill on which house and senate conferees are deadlocked, principally over the senate amendment to permit sending Colonel Roosevelt division to France. The espionage bill and subjects were also taken up.

To Invoke Closure.
An effort to invoke the senate's new closure rule to force through the administration espionage bill with its drastic newspaper censorship and embargo sections, was under way today with Senator Williams of Mississippi leading the attempt.

To invoke the rule support of two-thirds of the senators present is necessary. Senators who heard about the plan said today such a number could not be obtained. The bill has been before the senate ten days and administration leaders are anxious that it be disposed of.

Debate on the bill continued today with the chief export embargo section as adopted Monday unchanged, despite efforts to modify it yesterday after the question had been discussed in executive session.

More Modifications.
Before the bill is finally voted on, however, further efforts will be made to modify the section by Senator La Follette who has an amendment pending and possibly others.

The senate late yesterday voted down Senator Cummins' amendment providing that the embargo should not operate in violation of any treaty with a neutral as it did his motion that the whole question be debated in open senate.

AVIATOR INSTRUCTOR AND PUPIL KILLED

NEWPORT NEWS, Va., May 9.—Victor Carlstrom, aviator instructor of the Atlantic coast aeronautical station here and Carey B. Eppes of Newport News, an army student aviator, were almost instantly killed today when their machine collapsed at an altitude of about 3500 feet.

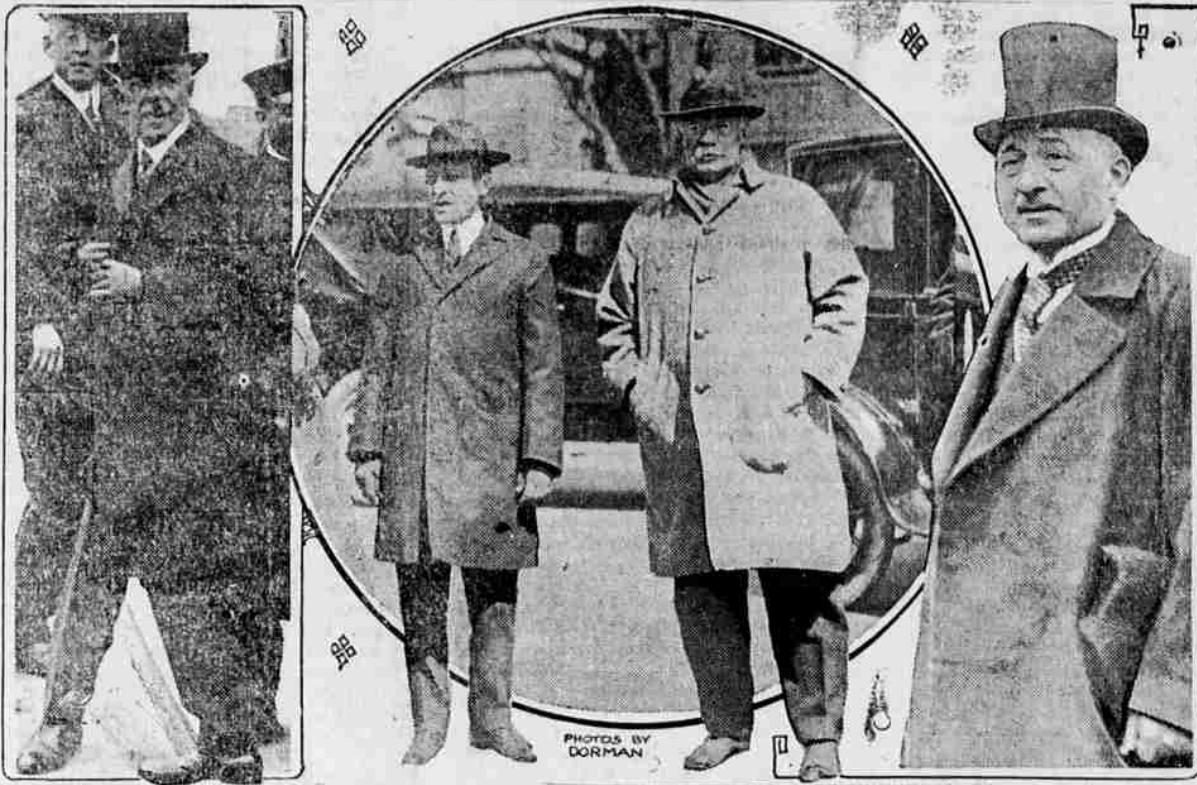
Hundreds of persons saw the accident and children at one of the public schools watching the fliers during their noon recess were pale stricken.

Carlstrom reached the zenith of his fame when he flew from Chicago to New York several months ago. Before that he had flown from Newport News to New York without a stop, setting a record for cross-country flying. Carlstrom also held the American record for altitude pilot and one passage, having ascended to a height of 16,500 feet here a year ago.

BRITISH OIL TANKER SUNK BY U-BOAT

NEW YORK, May 9.—The 6458 tons British tank steamship San Urbano which left a Mexican oil port April 12 for the United Kingdom, has been sunk by a submarine, according to cable advices received here today by her owners, the Anglo-Mexican Petroleum company. The sinking occurred prior to April 20 and no mention was made as to the fate of the 48 men on board.

SNAPSHOTS TAKEN OF THE HEAVY GUNS IN WASHINGTON TODAY



Left to right—Robert Lansing, secretary of state; Newton D. Baker, secretary of war, and Gen. August Scott, chief of staff of the U. S. Army; Rene Viviani, French minister of justice and member of the French commission to the United States.

FARMERS ASKED TO MOBILIZE FOR NATIONAL DEFENSE

County Pathologist Cate announced Wednesday the times and places of meetings to be held next Saturday in Jackson county in observance of Agricultural Defense Day. With the exception of at Soda Springs and Central Point, where the meetings will be held on Friday at 2 p. m., the following meetings will be held Saturday:

Medford, public library, 2:30; Bellview, 8 p. m.; City hall, Ashland, 2 p. m.; Valley View 8 p. m.; Phoenix 3 p. m.; Talent 8 p. m.; Jacksonville 2; Ruth 2; Applegate 8; Willow Spring Grange 8; East Side Community Club, 8; Table Rock school 7:30; Griffin Creek school 8; Sams valley 8; Gold Hill 2:30; Rogue River 7:30; Wimer Grange 2; Beagle 8; Eagle Point 7:30; Lake Creek 2; Butte Falls 8.

PUSH PAVING ON SISKIYOU HIGHWAY

PORTLAND, May 9.—Push the construction of paving on the Siskiyou grade in Jackson county and of a road near Sheridan as soon as possible were orders given to State Engineer Nunn yesterday by the state highway commission. Mr. Nunn has recommended concrete pavement for both these roads. There is a six mile stretch on the Siskiyou grade which will be paved nine feet wide with two-foot shoulders.

EGG DEALERS CALLED ON TO EXPLAIN ACTS

WASHINGTON, May 9.—Egg dealers in Kansas, Nebraska, Oklahoma and Texas were ordered today to appear before the department of agriculture to answer to charges of shipping immature eggs into interstate commerce. The order was prompted by investigations by the department's experts last winter. The food and drugs act classes bad eggs as adulterated food.

NO MEDFORD MAN FOR FARM APPRAISER

WASHINGTON, May 9.—Senator Chamberlain has been notified of the following appointments of appraisers under the farm loan bank act for Oregon: William Galloway, Salem; S. A. Sanford, Roseburg; Charles E. Widloes, Klamath Falls; N. C. Brock, Hood River; C. K. Croano, Toledo.

BAVARIAN PREMIER DENIES NECESSITY CASH INDEMNITY

COPENHAGEN, May 9.—The Bavarian Staats Zeitung, the semi-official Bavarian newspaper and the personal organ of Count Hertling, publishes an inspired article denying the necessity of Germany's demanding a cash indemnity as one of her peace conditions. Count Hertling has just returned from a visit to Vienna where he had conference with Emperor Charles and Foreign Minister Czernin. The German newspapers claim that the conferences were intended to find a common ground between Count Czernin's suggestions of peace without annexation and Chancellor Von Bethmann-Hollweg's peace program.

The article in the Staats Zeitung is regarded in view of the terms as important as reflecting the ideas of the Bavarian prime minister. It suggests that an agreement to supply needed raw materials at a low price or perhaps free might be a substitute for a cash indemnity. The writer goes on to declare that an agreement to permit German trade on its former terms in old markets, the return of German ships and the surrender of German colonies would be the equivalent of billions of indemnity.

MOBILIZATION AWAITS CONGRESS

Word comes from Portland that in the opinion of the general staff of the Oregon national guard, which held a meeting at Portland last Sunday, a call to active duty of the coast artillery corps and other national guard organizations need not be expected until congress has finally decided upon the terms of the selective conscription law under which the new army will be raised.

Colonel C. C. Hammond of Eugene, commander of the coast artillery corps, is quoted as of the opinion that the coast artillery companies will not leave their homes for at least a week after the call is actually received. Despite this all companies of the corps are rushing preparations to be ready for the call.

The strength to which the companies are to be recruited has not yet been determined by the war department, whether they are to be held at 100 men, the peace strength, or increased to 150, war strength.

BRITISH MINE SWEEPER TORPEDGED AND SUNK

LONDON, May 9.—A British mine sweeper was torpedoed and sunk on May 5 with the loss of two officers and twenty men, the admiralty announced.

STOCKS SLUMP UPON NEWS OF WAR TAXATION

NEW YORK, May 9.—Crumbling prices at the opening of the stock market today extended during the forenoon trading into a severe break which carried the market down from 2 to 6 points in virtually all parts of the list. The liquidation appeared to be provoked chiefly by the publication of the government's war taxation policy.

The market was feverish and unsettled. United States steel broke over two points to 112 1/2. Bethlehem Steel old stock 10 points to 125 and other industrials, including the principal munitions and equipments two to six points.

Some of the dividend paying rails fell to lowest prices of recent years. Net losses from last night's close included 4 1/2 points for St. Paul, Union Pacific 3 1/2; Canadian Pacific 2 1/2; Southern Pacific 2 1/2. Motors and shippings joined in the recession with losses of two to five points.

Half recoveries in steel and other leaders accompanied the more orderly dealings of the last hour but minor rails and specialties made little headway. The closing was heavy.

WAR ISSUE CAUSES CRISIS IN CHINA

PEKING, May 9.—Premier Tuan Chi-Jui and the entire cabinet addressed a secret session of the parliament today and urged the adoption of a resolution declaring war against Germany. The resolution was referred to the standing committee for consideration on Thursday.

In the senate the resolution came up informally and caused a stormy session. The opposition takes the ground that it does not want war until the cabinet is reorganized and strengthened.

SIX CENTS DAMAGES AWARDED WILSON

WASHINGTON, May 9.—By agreement of lawyers on both sides the local supreme court today awarded a verdict of 6 cents damages and costs to Henry Lane Wilson, former ambassador to Mexico, in his libel suit against Norman Hapgood, former editor of Collier's Weekly. Mr. Wilson sued on an article dealing with the killing of President Madero of Mexico, the usurpation of Huerta and Mr. Wilson's alleged connection with events in the Mexican capital at that time.

INCREASE PAY OF ENLISTED MEN TO \$25 A MONTH

WASHINGTON, May 9.—Senferes on the war army bill today agreed upon a provision to increase the pay of enlisted men to \$25 per month and increase the pay of other grades below commissioned officers, but not proportionately.

Conferees sought to compromise their differences over the question of whether Colonel Roosevelt shall be permitted, as provided by a senate amendment to raise a volunteer force for service in France. Prospects of an agreement, however, on this, the main issue, seemed slight.

The only hope held out for a compromise was said to be based on the chance that the senate might recede from its position on the question. In that case it was said the house conferees might accept the senate amendment fixing the age limit of those subject to selective draft at 21 to 27 in lieu of the house provision fixing it at from 21 to 40.

Failure to reach an agreement probably will necessitate the sending of the bill back to house for further instructions.

PRESIDENT WORKS FOR MERCHANT SHIPS

WASHINGTON, May 9.—President Wilson today began work on getting the \$1,000,000,000 appropriation for merchant ships and sent for several senators on the appropriations committee.

The committee informally discussed before going to the White House the question of putting the new appropriation on the \$2,800,000,000 army and navy deficiency bill already passed by the house. That bill has been almost completed by the committee and could be reported to the senate for action in a few days.

CHURCHES ADVOCATE NATIONAL PROHIBITION

WASHINGTON, May 9.—Steps were taken by the federal council of churches today to place the favor of Protestant churches in America behind a war program calling for national prohibition, government control and regulation of food, heavy taxation of large incomes and inheritance, bigger crop production and maintenance of labor standards. At the close of the meeting tonight, a statement will be issued to all affiliated churches defining the attitude of the federal council.

WAR REVENUE BILL WILL YIELD \$1,800,000,000

Tariff Duties Increased Ten Percent Flat—Letter Mail Rates Increased From Two to Three Cents, Postal Cards From One to Two Cents—Newspapers Mulcted \$19,000,000.

WASHINGTON, May 9.—The new war tax bill was ready for congress today, proposing probably the most extensive and greatest line of taxation ever faced by the American people.

Doubling of normal income tax rates, with reduction of exemptions and increases of surtaxes on great incomes, absolute elimination of all articles on the tariff free list with the imposition of a minimum duty of ten per cent and a horizontal increase of ten per cent on all now taxable articles together with increases of taxes on internal revenue and new taxes which reach to the remote departments of business and household life are proposed to make up a yearly income of \$1,800,000,000.

Increased Postage.
Increases on postage rates include newspapers which it is proposed to charge on the parcel post plan system. Publishers who are hurrying to Washington and some of those who conferred today with ways and means committee members said that such a line of taxation as is proposed upon them practically will force many out of business. Mailing charges for papers of average circulation, it was said, would be increased many thousands of dollars yearly.

One draft of the bill proposed to impose a tax of five per cent on receipts from advertising, but as finally prepared for the house this tax was made not to apply to newspaper and periodicals.

Taxes on Little Things.
The new taxes include levies on life and fire insurance, on household electric light bills, telephone bills, railroad tickets, admissions to amusements, club dues, automobiles, pleasure boats, jewelry and practically everything that enters into the life of the family.

In an effort to spread the taxation over the business life as well as the social life of the nation, new taxes are proposed on corporations, on excess profits and other elements of commerce.

Letter mail rates would be increased from two to three cents an ounce and postal cards from one cent to two cents, while \$19,000,000 would be added to charges against newspapers under a new system based upon the present parcel post zones. Internal revenue taxes upon liquor and tobacco would be materially increased and there would be taxes on amusements, and stamp taxes of wide scope.

War Income Taxes.

The war income tax section would double the present normal tax of two per cent on individuals and three per cent on corporations. It would lower the exemption of individual incomes from \$4,000 to \$2000 in the case of married persons, and from \$3000 to \$1000 for the unmarried. In addition, beginning with incomes of \$5,000, graduated surtax would be imposed in addition to the normal four per cent, ranging up to 33 per cent on all incomes over half a million dollars a year. The surtax schedule follows:

One per cent from \$5000 to \$7500; two per cent \$7500 to \$10,000; three per cent \$10,000 to \$12,500; four per cent \$12,500 to \$15,000; five per cent \$15,000 to \$20,000; six per cent \$20,000 to \$40,000; eight per cent \$40,000 to \$80,000; 11 per cent \$80,000 to \$100,000; 14 per cent \$100,000 to \$100,000; 17 per cent \$100,000 to \$1,000,000.

(Continued on Page Six.)

WHEAT SOARS UPON CROP PROSPECTS

CHICAGO, May 9.—Advances in wheat at the opening today reflected the bullish government crop report which was issued just after the close yesterday. May sold from \$3.07 to \$3.11, which was from 10c to 14c higher than yesterday's close. July advanced 7 1/2c to 9c; selling at \$2.40 to \$2.48.