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DEEPEST MYSTERY SURROUNDS SINKING OF THE AUDACIOUS

With Other Warships Big Dreadnaught Was Ordered to Sea for Practice

PECULIAR TACTICS CAUSE UNEASINESS

With Enemy's Fleet a Constant Menace Action of Depart- ment Is Inexplicable

(By J. W. T. Mason, former London correspondent for the United Press.)
New York, Nov. 16.—The reported sinking of the British dreadnaught Audacious is the deepest mystery of the European war thus far. This is not because of the London admiralty's attempt to conceal the disaster—it is because the catastrophe occurred off the Irish coast 700 miles from the British naval center in the North sea.
Eye witnesses who tell of the vessel's destruction assert that a large fleet of warships was in its immediate vicinity, the suggestion being made the squadron included four super-dreadnaughts and five dreadnaught cruisers.
It is upon such craft that the British must rely for victory if the Germans should risk a sea battle. It would require 36 hours of fast steaming, however, to take a war vessel from the northern Irish coast to the Dogger bank in the event of a sudden clash in the latter area, where presumably the two fleets would engage one another. And the battle unquestionably would be over in less than a day.

Germany Missed Chance

The idea that the Germans would ever be able to catch the British with their North sea fleet divided had, until news leaked out of the fate of the Audacious, been deemed too fanciful for practical consideration. Yet this very unbelievable thing appears to have been ordered by the British admiralty—for target practice.

Had the Germans seized the opportunity, they might have attacked the British with a sufficient preponderance of strength in their own favor to have won a victory.

With your enemy lying in wait at your front door on the lookout to annihilate you, it is curious strategy to order a detachment of your most powerful defenders to stroll to the rear to shoot at targets. The Audacious, too, was one of the British fleet's gunnery record holders, and for that reason would have been required to lead in fighting the Germans.

NO TIME FOR PLAY

This inexplicable order for target practice off the Irish coast probably accounts for the admiralty's anxiety to conceal the fact that the Audacious had met disaster, since announcement of it would have constituted an admission that super-dreadnaughts were being detached from the North sea base at one of the most critical times there in Great Britain's history.

Certainly nothing could create greater uneasiness on the British public's part than the knowledge that such tactics were being authorized.

On the surface, the incident suggests a contemptuous disregard by the admiralty of the possibility that the Germans may challenge the British to a stand-up sea fight. If the loss of the Audacious were officially announced in England, however, public opinion unquestionably would demand that no such risks be taken in future.

REGIONAL BANKS OPEN FOR BUSINESS

Washington, Nov. 16.—Advice received today by the treasury department from federal reserve bank directors where banks were opened today, indicated that every preparation for business had been completed. Through these regional banks, Secretary of the Treasury McAdoo and the members of federal reserve bank board expect to be able to adjust, shift and mobilize the finances of the country so that a panic hereafter will be impossible.

Treasury department officials say the powers of the reserve banks will be remarkable. The banks, they say, will be able to manipulate finances so that there will always be a stream of currency flowing into the country, and so that hereafter Wall street banks can not corner the supply and force rural banks to pay the high premiums for cash.

BLIZZARD IN MICHIGAN

Kalamazoo, Mich., Nov. 16.—The first blizzard of the winter held southwestern Michigan in its grip this afternoon. It followed 12 hours of continuous rain.

SNOW AT PENDLETON

Pendleton, Ore., Nov. 16.—Snow to a depth of one inch fell here early today, the first of the winter.

STATE LOSES SUIT TO RECOVER TIDELANDS

Washington, Nov. 16.—The Corvallis & Eastern railroad was finally victorious today in the suit brought against it by the United States supreme court by the state of Oregon. The highest court in the land refused to review the decision handed down by the Oregon supreme court in favor of the railroad.
As a result of the ruling, the railroad retains title to valuable tidelands which the state claimed it had a right to sell along its school lands.

TWO TONS OF GOLD TO START THE BANK

Claude Gatch, a Salem Man, Is Director and Vice Chair- man of Board

San Francisco, Nov. 16.—With Archibald Knies in charge, the twelfth federal bank opened for business today in the Merchants National Bank building here. In conformity with the other 11 reserve district banks the doors of the local institution swung open at exactly 9 a. m.

Behind the counters lay a stack of gold—\$1,350,000—the capital with which the local bank began business and which represents one per cent of the total capital and surplus of the member banks in the twelfth district. The capital is only the first payment of the actual reserve of this bank amounting to \$8,000,000. In 30 days another amount equal to the first \$1,350,000 will be due and paid in, and other payments will follow by the member banks until half of the total is paid in. The other half is held in reserve by the member banks until needed.

The business at the outset at local level will consist chiefly in handling the paper of the member banks, re-discounting trade paper, etc.

The directors of the local reserve bank are:
Class A—C. K. McIntosh, Bank of California, San Francisco; James K. Lynch, First National Bank, San Francisco, and Alden Anderson, Sacramento.

Class B—A. B. Dohrman and J. A. McGregor, San Francisco; Elmer H. Cox, Madras.

Class C—John Perrin, federal reserve agent and chairman of the board; Claude Gatch, deputy agent and vice-chairman, and Charles E. Penhobby.

ANOTHER TONG WAR STARTED IN PORTLAND

Portland, Ore., Nov. 16.—With five Chinese under arrest on charges of participating in the fusillade, the police are maintaining a careful watch today to prevent another outbreak such as occurred Saturday night when gunmen representing the Hop Sing and Suey Sing gangs exchanged 15 or 20 revolver shots in the oriental quarter resulting in the injury of Jung Sing, who claims to have been an innocent bystander.

The identity of the Chinese injured was a mystery until Jung Sing, with a flesh wound on his left thigh, appeared at a local hospital for treatment.

The five men under arrest are Julian Albers, a half cast Filipino and Chinese, a confessed Suey Sing, captured shortly after the outbreak with a revolver, still warm, in his possession; Chan Wing, Sing High, Lee Yook and Moy Han, alleged Hop Sing gunmen.

Dum dum bullets were found on the persons of some of the alleged high-binders arrested.

Hop Sing and Suey Sing tong leaders are said to be on route from San Francisco to settle the dispute by arbitration.

The shooting was the outcome of the stabbing recently of Jim Wong, a Hop Sing member, by Lim Tong, a Suey Sing, who was later captured at Vancouver, Wash.

RESCUE WORKER IS IN SERIOUS TROUBLE

Los Angeles, Cal., Nov. 16.—Herbert Lewis, 33, superintendent of the Children's Home Society, and widely known as a charity and rescue worker, is under arrest here today on a serious charge preferred against him in San Francisco by Ida Niles, 15, who once was cared for by his society.

At the city jail Lewis declared that his arrest was the result of his refusal to submit to blackmail. Many friends, including the directors of his society, called at the jail to offer aid.

The arrest followed the receipt by the police of a telegram from the San Francisco authorities stating that Lewis took the girl to San Francisco from Los Angeles July 2 and occupied a room with her at a hotel.

Two persons were said to be under arrest in San Francisco in connection with the case.

WEATHER CAUSES GREAT SUFFERING IN ALL THE ARMIES

Epidemic Is Feared Among Troops by Allies Due to Constant Exposure

SUPPLY WAGONS AND GUNS MIRED DOWN

Unable to Move On Account of Mud Are Constantly Ex- posed to Rain of Shells

(By Ed L. Keen.)
London, Nov. 16.—Climatic conditions have reduced the allies' forces in Belgium to such a state that the British and French war offices were seriously worried today concerning them.

Gales, chilling rains and snow flurries have been almost constant for days. It has been absolutely impossible to keep the mud dry. The troops' sufferings have been terrible, and it was realized that there was grave danger of an epidemic among them.

Winter supplies and warm clothing were being rushed to the front, but in spite of everything that can be done, it was conceded that the situation was serious.

The Germans were said to be expiring even greater hardships. The roads throughout the area in which they are operating have become practically impassable. Their guns and supply wagons were reported mired everywhere. Many of their detachments were described as practically unwarmed by the floods.

At the same time it was declared they were being shelled mercilessly and incessantly, so that it is only by the greatest bravery that they have been able to maintain their positions.

No official confirmation had yet been received today of reports that the allies recaptured Dixmude last week.

A dispatch was received from Bergen saying submarines had been sighted off the southern coast of Norway. An aeroplane was also said to have been seen south of Bergen. This information was taken as indicating that the Germans have established submarine stations in that vicinity.

ONE WOMAN MAKES SENSIBLE SUGGESTION

Nashville, Tenn., Nov. 16.—Delegates here to the annual convention of the National Woman Suffrage association were divided today on the question of admitting non-resident congressmen. A lively debate was expected.

Mrs. George Bass introduced a resolution providing that the suffragists are absolutely opposed to holding any political party responsible for the opinions and acts of individual members or holding any individual responsible for majority action of his party on suffrage.

PHOENIX ARIZONA CAN DO THE ARISING ACT

Early Morning Fire Develops Into Big Blaze Doing \$300,000 Damage

Phoenix, Ariz., Nov. 16.—Fire, starting in the kitchen of the Gas cafe, destroyed several buildings in the business district of Phoenix early today, causing a loss of \$300,000. The flames were controlled by firemen and citizens after they had threatened to consume a large portion of the business section of the city.

The Gas cafe, the Baptist Publishing and Book company, the Boehmer pharmacy, the Barnett Clothing company, the Roseworth Jewelry company, Cannon's saloon and the Casino saloon were among the places destroyed.

The fire was halted on the edge of the district in which are located the city's largest retail stores. All the burned buildings, it was said, will be replaced at once.

Millions pour in.

Chicago, Nov. 16.—Millions of dollars in gold and silver were transferred to the new federal reserve bank which opened for business here this morning. It was estimated that \$15,000,000 was on deposit there at 2:00 o'clock and money was pouring in on every train. Express wagons, guarded by armed men, unloaded the money at the bank's doors.

A wise physician sometimes flatters a man by telling him he has brain fog.

VILLA IS TRUE PATRIOT

El Paso, Texas, Nov. 16.—General Francisco Villa has agreed to sacrifice everything for the peace of Mexico and will leave the republic soon.
A telegram containing this information was received here today by Enrique Lorente, General Gutierrez's diplomatic agent, from Gutierrez himself. Gutierrez said he personally submitted to Villa Provisional President Carranza's offer to transfer authority to Gutierrez and expatriate himself if Villa would resign from the army and leave Mexico.
Villa agreed, saying he was willing to do anything to bring peace to Mexico, the telegram read.

Gutierrez and all the delegates to the Aguas Calientes peace convention were declared the message said, to go to Mexico City today and arrange the transfer of authority.

It was not announced when General Villa will leave Mexico or where he will go.

MEXICAN FACTIONS MAY AGREE TO AGREE

American Diplomat With Car- ranza Wires Bryan Peace Is At Hand

Washington, Nov. 16.—All the differences between the two factions in Mexico have been arranged satisfactorily. American Consul Casanova, at Aguas Calientes, Mexico, wired the state department this afternoon.

Dispatches received this afternoon at the state department confirmed advice that General Venustiano Carranza had agreed to ratify from the provisional presidency of Mexico.

The official message said Carranza had agreed to leave Mexico. Secretary of State Bryan said he believed this meant restoration of peace in the southern republic.

By John Edwin Nevin.
Washington, Nov. 16.—Whether the Mexican factions will agree peacefully probably will be decided within the next two days.

Advices received at the state department today indicated that conferences between representatives of Generals Gutierrez and Carranza, the rival provisional presidents, were nearing a close. John R. Silliman, American diplomatic agent, who is with Carranza, notified Secretary Bryan that an agreement was near.

Looks Like Peace.
General Gutierrez sent a positive guarantee to President Wilson that the lives and property of all foreigners would be protected. He declared dictatorships in Mexico would be ended forever as the military factions realize that only a government the people themselves commission can reorganize and stabilize the government.

If the report that Villa and Carranza have agreed to eliminate themselves as true government officials here, say it will result in the ending of bloodshed in Mexico.

Gutierrez asked the United States to approve of the action of the Aguas Calientes convention and to withdraw American troops from Vera Cruz.

"The republic of Mexico," said Gutierrez in his letter, "has during the last few years undergone a terrible crisis in which democratic ideals of government and the yearning of the people for justice and economic improvement finally have been vindicated. Civil strife finally has ended with the overthrow of the Huerta dictatorship."

The letter recited the history of the peace convention saying that a majority of the military chiefs had selected Gutierrez as provisional president to succeed General Carranza.

"No government," it added, "can exist in our republic unless it represents the will of the Mexican people. The day of the dictator has passed forever. The reforms to which the constitutionalists are pledged will be carried out."

"Later the convention will arrange an election, whereby the will of the people will be recorded.

"I pledge myself that the government I represent will guarantee the lives and the rights of all foreigners who cast their lot with us."

General Gutierrez closed his letter by praising President Wilson's disinterested friendship.

LETTER FROM FATHER IN SWITZERLAND

E. E. Aufrance, living on R. F. D. No. 6, recently received a letter from his father in Switzerland. He gives the viewpoint of the people of the little republic where he lives regarding the war, and lays the blame upon the German military clique, Austria forced war upon Serbia, and Germany backed Austria, which forced Russia, France and England in turn to take the other side of the controversy. Belgium's neutrality was violated, and Mr. Aufrance asserts that German troops would have marched through Switzerland, also, had that country delayed mobilization another 48 hours. As it was the Germans who had lost 46,000 men at Liege, kept out of Switzerland when they found the frontiers guarded by the entire strength of its army.

The letter indicates that the people of Switzerland are strongly in sympathy with the allies.

HIDE BUYER BEATEN BY THUGS AT EUGENE

Eugene, Ore., Nov. 16.—Two identified men beat and kicked H. Gottelph, a hide buyer of Portland, into insensibility in the underbrush across the Willamette river from here today and robbed him of \$98. Gottelph is apparently in a serious condition and almost blinded from the blows he received.

Gottelph had an appointment to meet the two men, who represented to him they had some hides to sell.

As Gottelph drove into the underbrush, where the two men were concealed, one struck him on the head with a rock and both kicked him until he lost consciousness.

Gottelph was found by a farmer and brought to this city.

The Weather

It's a bit chilly to pay

Oregon tonight and Tuesday cloudy, probably rain west portion.

southeasterly winds.

ALLIES AGAIN OPEN SLICES AND WHOLE REGIMENT DROWNS

Receding of Water Such that Second Flooding Was Made to Stop the Germans

BAYONET FIGHTING FEATURE OF BATTLE

Woods Filled With Dead and River Ypres Filled With Floating Corpses

Paris, Nov. 16.—An entire regiment of Germans was drowned by a sudden reopening of the sluices in northwestern Belgium, according to the official communication received here from the Bordeaux war office today.

The allies decided to flood the country again, it was explained, because a recession of the waters enabled the Kaiser's forces to resume their offensive against Dixmude last week. By the latest inundation, German operations in that district were declared to have been effectually stopped again.

The region under water was described as five miles across, extending from south of Dixmude to three miles from Bixchoote and the forest of Houthulst.

The Germans were said to be reinforcing as close to Dixmude as the flood would permit them to get, and had evidently been planning to stiffen their assault there. The town is a wreck.

The fighting was swinging away from Ypres today. It was fiercest six miles from that place. The woods near it were filled with Germans slain in hand to hand encounters in which the bayonet was the weapon mainly used.

A terrific struggle was also in progress today in the woods south of Bixchoote. The timber in this section was occupied by the allies Sunday and the Germans sought to dislodge them.

The Yser was choked with corpses. Captured Germans declared that when they crossed the stream they did so literally over the bodies of their own men and horses.

Pierce Artillery Duel

Paris, Nov. 16.—Such fighting as the weather permitted raged today along the Yser.

Infantry was temporarily of little value. A fierce gale swept the coast and cold rain fell. The mire seemed bottomless. Wallowing in the bog, the men were able to move but at a snail's pace. Assaults were impossible under the circumstances.

The big guns, already placed, opened up a terrific fire, however.

The Germans, it was officially stated, had been driven back to the Yser's east bank all along the line. With their artillery's aid, they sought to regain their former foothold on the west bank.

The trenches were waist deep in water.

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The letter indicates that the people of Switzerland are strongly in sympathy with the allies.

SEVERAL HUNDRED PRISONERS TAKEN

Berlin, via The Hague, Nov. 16.—Unfavorable weather is interfering with fighting in northern France and Belgium, it was officially stated today. Several hundred British and French were said to have been taken prisoners, but no important developments were reported. The campaign in the east was declared to have reached a decisive stage as yet.

THREE ARE DISABLED

Berlin, via wireless via Brussels, Nov. 16.—German guns on the Belgian coast have disabled the British cruisers Falcon, Brilliant and Riando, according to an official statement issued here today.

PREDICTS COLD WAVE

Portland, Ore., Nov. 16.—The weather bureau predicted that the thermometer would drop to 40 degrees tonight, which is pretty cold for Portland at this time of year.

A BOY HIGHWAYMAN

Portland, Ore., Nov. 16.—Charged with holding up and robbing Miss L. Gwaltney Sunday night, Felix Sloper, 17, of Tons, Cal., is being held at police headquarters today.
Sloper was captured by Policemen Fields after two shots had been fired in his direction as he was fleeing from the scene of the alleged robbery. He is declared by the authorities to have confessed.
Ten women have been held up in Portland since November 1 and the police profess to believe that Sloper was the highwayman in each instance.
Sloper is said to have violated a parole granted in California.

ENGLISH ANGRY AT NAVAL MANAGEMENT

Other War News From All Parts As It Comes From London Censors

London, Nov. 16.—Although the admiralty had still failed today to admit the loss, the public felt no doubt that the dreadnaught Audacious really was destroyed, as reported, by a German mine in the North sea.

Acceptance of the disaster as a fact caused anger rather than gloom, and this feeling plainly was directed against the British naval administration. The sentiment has been growing since the early days of the war that King George's fleet has not been giving a satisfactory account of itself and every succeeding loss which it suffers, with no corresponding damage to the Germans evidently adds to this feeling.

The Frankfurter Zeitung's story that the Khedive of Egypt had proclaimed his loyalty to the sultan and would aid the Turks in their war against the British was strongly questioned. No definite denial of the Zeitung statement had been received from Cairo, but it was said that all previous information had indicated that the Khedive was with Great Britain in the pending struggle.

Reports that the Ameer of Afghanistan had decided to make war against Great Britain and Russia also rested, it was pointed out, solely on German authority and were not very seriously regarded.

News from South Africa was believed to leave little doubt that the Boer revolt would soon be a thing entirely of the past. All accounts agreed that General Beyers' rebel force had been beaten beyond the point of further campaigning and it was stated authoritatively that General De Wet already in flight, was closely pursued by the loyalists and was certain to be completely vanquished shortly.

COMMISSION TO DRAFT RURAL CREDIT BILL

Governor West this morning announced the appointment of a commission to draft a rural credit bill to be presented to the next legislature for enactment, in conformity with the sense of the last session of the legislature which provided for the appointment of a commission to visit Europe and study the rural credit systems in vogue there.

Prof. Hector McPherson, of the O. A. C. staff, of Corvallis, and H. G. Starkweather, of Milwaukie, were appointed as the commission to make the trip to Europe and study conditions. The additional members of the commission to draft the bill for the legislature were set forth in the ideas that have been formulated by these special commissioners to act with Mr. McPherson and Mr. Starkweather, are Senator-elect S. L. Garland, of Lebanon; Representative-elect Dana H. Allen, of Salem; Professor F. G. Young, of the University of Oregon; Sydney B. Vincent, of the field staff of the corporation department, and State Bank Superintendent S. G. Sargent, of Salem.

Vital to Oregon Growers

"There are about 2000 growers of hops in Oregon, 250 in California and several hundred in Washington," said President McMahon, of the Oregon association, in discussing the business to be transacted by the two meetings of this week, and particularly the meeting of the tri-state delegations, which meets Wednesday.

"The industry represents an annual income of about \$9,000,000 to the Oregon producers, which is distributed over the state generally, and principally to labor, and this meeting of Wednesday to form the Pacific Coast association, is of such vital importance to the hop growers of the coast and to the industry of Oregon especially, that the business of this convention of delegates cannot be consummated in a hurry and a haphazard manner.

Case of Survive or Perish

"Each delegation from California, Washington and Oregon, no doubt, will have some plan of organization for a central or business corporation to submit to the convention, and each one will be taken up in the order in which they are submitted and gone over thoroughly and in detail until some system that is fair, satisfactory and agreeable to all is worked out and finally adopted. The question of the future of the hop industry of the Pacific coast is weighing in the balance; we are now launched upon a campaign to organize for our own protection, and the perpetuation of the industry as to forever throw off the yoke of speculative oppression, or go out of the business altogether. I earnestly hope that every grower of hops in this state will take a personal interest in the movement and make it a special point to be at both meetings, if possible, but at the Saturday meeting.

(Continued on Page Three.)

COAST HOP GROWERS TO MEET IN SALEM WEDNESDAY NEXT

Washington, California and Oregon to Join in Forming Association

OREGON HAS 2,000 GROWERS OF HOPS

Crop in State Worth \$6,000,000—Growers Say It Is a Case of "Unite or Die"

Wednesday morning of this week delegates from the hop growers' associations of Washington, California and Oregon will meet in this city to organize the Pacific Coast Hop Growers' association and to adopt plans for the government of same. It is expected that the business of this convention will continue over for a week or 10 days.

On next Saturday morning the Oregon Hop Growers' association, permanent organization of which was effected at the last meeting here two weeks ago, will hold another meeting for the purpose of adopting by-laws and permanent rules of government, and it is expected that hop growers from all over the state will be in attendance upon this meeting.

Will Hold a Joint Meeting.
On account of the Oregon growers' meeting being scheduled for Saturday of this week, it is expected that the tri-state convention will adjourn over Saturday in order that the delegates from Washington, California and Oregon may attend the Oregon association meeting and address the growers assembled upon the importance of organization and instruct them in the details of the several plans of business procedure and consolidation which will be presented by the several delegations for consideration. President L. H. McMahon, of the Oregon association, has sent out notices of the tri-state convention and of the Oregon growers' meeting to all of the growers in the state and is being assured from all sections of the state of a big representation.

Immediately upon receipt of the telegram from Presidents P. E. Blalock, of the Mendocino County Hop Growers' association, Blitt Paxton, of the Sonoma County association and W. E. Beardslee, of the Sacramento Valley association, as published in The Capitalist Journal of Friday last, announcing that a California delegation would come to Salem to confer with the Oregon and Washington delegations next Wednesday, President McMahon, of the Oregon association, immediately notified the members of the Oregon delegation, selected at the last growers' meeting, and has received replies from all to the effect that they will be on hand and ready for business. This same delegation of Oregon growers comprises the committee on by-laws for the Oregon association, and when they meet here on Wednesday for the tri-state conference it is expected they will proceed to draft the by-laws and have them ready for the Saturday meeting of the growers.