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GERMANY'S PEACE TERMS ARE PLAINLY APPARENT

Established Freedom of Seas, Freedom of Conquered Russian Territory, Guaranteed Rights of Jews of All Countries—Granting of American Demands Opens Way to Negotiations, According to Reliable Information—Wilson's Success May Give Him Prestige

By C. P. Stewart.
(United Press staff correspondent.)

Washington, Sept. 2.—Germany wants peace on these terms: Established freedom of the seas. Freedom of the conquered territory of Poland from Russia. Granting of inalienable rights to the Jews of all nations. It was with the object of opening the way, and securing the cooperation of the United States toward such a peace that Germany acceded to America's interpretation of international law and prompted the terms laid down by President Wilson under which the Kaiser's submarine warfare should be conducted. This statement of Germany's attitude and the primary object of the memorandum presented by Ambassador Von Bernstorff yesterday, was made to the United Press today. The statement, emanating from the German embassy, came from an authoritative, though unofficial source.

Germany believes she has a common cause with the United States in her struggle for freedom of the seas. Six months ago peace might have been obtained by the allies by granting to Germany the single right for which the imperial government maintains it is fighting. Since then, however, Poland has been conquered, and with the Russians driven from the ancient kingdom, the provision of Polish freedom is added to Germany's terms for peace.

Continuing, the informant of the United Press said the allies must answer to civilization not only for the inception of the war, but for each hour's continuance of the conflict. A year from now peace will be possible only through greater concessions from the allies powers as Germany's victories and conquests will have mounted higher.

It was reiterated that Germany has never wanted war, that the imperial government is, and has been, willing at any hour since August last to make advances toward an honorable peace. Settlement of the principle at issue between Germany and the United States in the submarine controversy was regarded as secondary in the presentation of the note to the state department yesterday, it was stated. From this same source it was declared that possible developments of a peace nature are looked to optimistically as a result of possible activities of the United States, following the acceptance of American principles.

It was pointed out that the financial situation confronting the allies makes the present moment propitious for a move toward peace.

Whether or not the administration was depending on success in its negotiations with Germany to help President Wilson in putting through his own program, was not stated.

Particular army and navy program, politicians from all groups united in the opinion today that this was emphatically the result of the president's diplomatic victory in the submarine controversy. It was contended the expansion extremists had been robbed of much of their thunder by the demonstration that even a very threatening controversy can be settled peacefully if there is a disposition to settle it thus. The ultra-pacifists, who thought President Wilson's attitude was too dictatorial have also been given a big setback in the demonstration that this aimed correctly toward an amicable agreement, it was declared.

With the developments of the past few days, political circles are now in need that the administration plans a middle course between the big and little armies and navy advocates in carrying out its propaganda program.

Guesses which have been made as to the number and kind of warships wanted are only guesses, it has been stated repeatedly. It has further been declared on high authority that positions as to the number of soldiers, the reserve strength, and increase in the navy were still "in hand."

But one thing has been admitted by members of the cabinet and senate and house leaders with whom President Wilson has talked. The administration is opposed to "extravagant" expenditures in the interests of national defense, which, it holds, may be carried beyond the point of reasonable necessity. That is, the administration considers \$500,000,000 the sum frequently mentioned by the ultra expansionists, as too much.

WHAT DOES GERMAN MEAN.

(By J. W. T. Mason.)

(Written for the United Press.)
New York, Sept. 2.—What Germany means by "freedom of the seas" has now become the most momentous question of the war. The statement from the German embassy today reveals that freedom of the seas is primary to peace. Nobody has ever explained what this means.

Sir Edward Grey, British minister of foreign affairs, suggested last week that it might mean guarantees against future warfare. If it is that, and Germany is willing to give guarantees as well as insist upon obtaining them, then freedom of the seas may become a negotiable matter.

But Germany may mean a pledge that the British navy shall not interfere with Germany's foreign trade if there ever should be war again.

If this is the meaning Germany would have to bind herself reciprocally not to blockade the British Isles. The most intelligent interpretation is that it means an agreement to limit operations in future warfare.

GOWNS CUT TOO LOW, OAKLAND WOMEN SAY

Oakland, Cal., Sept. 2.—Fashion having decreed that even the winter, society women of Oakland decided they won't wear them until they have sat in judgment on the new creations behind closed doors. No men are allowed within 50 feet of the room in the Hotel Oakland, where the fashion show is being held today. The doors are guarded by women guards, and not even bellboys or pages are allowed to approach. Twenty of the most beautiful working girls in Oakland are acting as models. Some of the gowns are said to be little more than bathing suits.

"President Wilson's first note, drafted in a fervor of humanitarianism, placed us in a position from which we could not recede. German need for American good will was so great that we were fortunately saved from a dangerous situation."

Sacramento Star, Sacramento, Cal.: "Wilson's achievement was made possible by the confidence the people have in him and their abhorrence of war and everything that is military."

Sacramento Union, Sacramento, Cal.: "President Wilson's victory has left no unpleasant reminders for either the United States or Germany."

Sacramento Bee, Sacramento, Cal.: "Germany probably fears the Almighty American dollar that would flow more freely to the allies."

Los Angeles Tribune: "Unheeding the shouts and cries of the jingoists, President Wilson steadfastly has pursued his way, seeking a settlement of the disputes that would comport with the first."

Vallejo Tribune, Vallejo, Cal. (Continued on Page Three.)

GEN. FUNSTON WITH 17,000 MEN FACES MEXICANS AT THE BORDER



U. S. cavalry at Brownsville, Texas; General Frederick Funston; map showing location of present border troubles.

With Mexican bandits crossing the international boundary line at several points in the vicinity of Brownsville, the Texas border situation remains tense. General Frederick Funston has an army of 17,000 men scattered along the border, and is expected to ask for more if the situation grows worse. The raiding Mexicans apparently have a more complete organization than the first outbreaks indicated. The movement of the raiders, said to have for its purpose the winning back of a portion of Texas formerly Mexican territory, has gained alarming headway, and the raiders apparently have a plentiful supply of funds. Thousands of Texas women and children are fleeing the border counties to escape the danger incident to the Mexicans' raids.



CIVILIANS HAVE ARMED TO RESIST MEXICANS

El Paso, Texas, Sept. 2.—Posses of civilians and deputy sheriffs were mobilized at Hot Springs today as a result of reports that 100 Mexicans had crossed the border near there. Sheriff Edwards left Sierra Blanca immediately on receipt of the report but no word had been received early today as to whether the Mexicans had been turned back.

All border points are being watched closely by American troops, deputies and civilians from various ranches today. It is feared Mexican bands may attempt raids on American property in revenge for the killing of General Orozco and his four companions on Monday. Funeral services for the dead Mexicans were to be held here today, but every effort had been made to prevent the time and place of the services from becoming known, to avoid demonstrations.

Extra police and a company of infantry patrolled the city today while the international bridges were closely watched. Armed men guarded the undertaking establishment to which the bodies of Orozco and his companions were taken last night, following their arrival here by train from Vanhorn.

Volleys Are Exchanged

San Benito, Texas, Sept. 2.—Several volleys were exchanged near here today between civilians and about twenty-five Mexicans who had set fire to the railway bridge, 14 miles north of Brownsville. The automobiles in which the Americans bore down on the Mexicans was hit several times, but no one was wounded. Infantry officers arriving here on a special train found dynamite, wired and ready for firing under the railroad bridge. The bandits were forced to flee before they had time to set off the explosives. A cavalry troop from Brownsville found all telephone lines on both sides of the city cut, and it is believed the Mexicans intended to attack San Benito after cutting off reinforcements by burning the bridge. Soldiers and civilians are trailing the Mexicans this afternoon.

Santa Rosalia Seized

San Diego, Cal., Sept. 2.—Dispatches received here today confirmed a report that Santa Rosalia, an important place in Lower California, had been seized by a Carranza force. Santa Rosalia was occupied August 27 by 150 Carranza soldiers under Major Angula, governor of La Paz. They arrived on the tug Pacifico and drove out the Villa force which was holding Santa Rosalia island, where the country is barren and desolate.

Major Angula gave the Villistas 10 days in which to surrender before operations to take them would be started. It is believed that they have no means of escape. Santa Rosalia is the site of a large copper mine, controlled by the Carranza capital, and employing at times 5000 men. It is reported that General Dieques, of the Carranza forces, is now at Matlan with 1000 men. The Mexican gunboat Guerrero has gone to Salina Cruz to bring more troops to Mazatlan as soon as possible. Military experts believe this massing of troops is preliminary to an effort of Carranza to control Sonora by an attack from the south.

BASEBALL TODAY

National League					
First game—	R.	H.	E.		
Philadelphia	3	5	1		
New York	1	7	1		
Chalmers and Burns; Tesreau and Meyers.					
Second game—					
Philadelphia	R.	H.	E.		
New York	2	8	0		
Alexander and Kilfner; Mathewson and Wendell. Schupp replaced Mathewson.					
Brooklyn			R.	H.	E.
Boston	10	11	1		
Pfeffer and McCarty; Rudolph, Davis and Gowdy. Barnes replaced Davis.					
St. Louis			R.	H.	E.
Pittsburg	7	6	2		
Doak and Snyder; Kelly and Gibson.					
American League					
Boston	R.	H.	E.		
Philadelphia	8	14	3		
Ruth and Cady; Knoblock and Lapp.					
New York			R.	H.	E.
Washington	3	6	6		
Shawkey and Nunamaker; Harper and Williams.					
Chicago			R.	H.	E.
Detroit	6	10	3		
Russell and Mayer; James and Stange. Davis replaced Russell. Oldham replaced James.					
Cleveland			R.	H.	E.
St. Louis	2	6	1		
McCormack and O'Neill; Loubser, milk and Severid.					
Federal League					
Newark	R.	H.	E.		
Buffalo	9	15	1		
Seaton and Hariden; Bedient and Blair.					
Baltimore			R.	H.	E.
Brooklyn	2	3	1		
Suggs and Owens; Bluejacket and Land.					
St. Louis			R.	H.	E.
Pittsburg	3	9	1		
Crandall and Chapman; Knetzer and Berry. Hartley replaced Chapman.					
Chicago			R.	H.	E.
Kansas City	5	11	1		
McConnell and Wilson; Main and Esterley.					

Orozco Buried at El Paso While Soldiers Stand Guard

El Paso, Texas, Sept. 2.—While police and reinforcements of American soldiers stood guard, funeral services were held here this afternoon over the bodies of General Orozco and his four Mexican companions killed early this week by raiders. Hundreds of Mexicans thronged about the morgue, but there were no disorders. It was feared demonstrations might be attempted. General Villa today wired relatives of General Orozco stating he would guarantee them safe conduct through his territory with the body of the dead leader. "Emmity ends with death," Villa wired in giving assurances that Orozco's body could be safely taken through his territory if burial was desired in Mexico.

Japanese Troops Will Not Go To Foreign Soil

Washington, Sept. 2.—Japanese troops will not be sent to foreign soil unless the nation's integrity is threatened, it was stated today in response to reports that Japan would aid the allies in the Dardanelles. The allied powers have not asked Japanese for help in the near east, it was stated.

TURKEY NOT FOR PEACE

Constantinople, Sept. 2.—It was officially denied today that Turkey is considering a separate peace, offered the Moslem government by the allies.

GERMAN DIVER WAS NOT SUNK BUT CAPTURED

Berlin, via wireless to London, Sept. 2.—The outer defenses of the fortress of Grodno have been captured by the Germans, it was announced today. The fall of the fortress is now believed to be near. The north German landwehr yesterday stormed Fort Four, north of the Dombrow-Grodno road, and captured the garrison the official statement said. Another fort was captured by Baden troops. The Russians then evacuated the remaining outer defenses upon the

Submarine Which Sunk Arabic Taken By British Is Late Report

New York, Sept. 2.—The submarine which torpedoed the liner Arabic was captured by the British, and not sunk, according to the story brought here today by officers of the Waite Star liner Adriatic. This report of the fate met

Germany Admits Indemnity Must Be Price of Peace

(By J. W. T. Mason.)
(Written for the United Press.)
New York, Sept. 2.—Germany has recognized Sir Edward Grey's charge that she is seeking tribute as her price of peace. No denial of the charge has been made. Instead, German newspapers taunt England with being more fearful of paying Germany an indemnity than of seeing the allies lose any territory. This is declared in Berlin to be the reason the British are so angered at the mention of "tribute." This argument, however, is not legitimate. Great Britain, with her grip on the colonies Germany has lost and with her successful blockade of shipping, certainly is not in a position of disadvantage. There can be no levy on England or seizure of British territory either under the present conditions or under any at all likely to arise before the conclusion of the war. The Berlin newspapers are not ignorant regarding these facts. They are probably attempting to confuse the issue regarding indemnities, or else to create international excitement and quiescence.

RUSSIA THINKS ATTEMPT TO PIERCE LINE DEFEATED

Russian Counter Attacks Have Been Effective So Petrograd Advances Assert, With Heavy Losses to Austro-Germans—Berlin Reports Fall of Outer Defenses of Grodno—British Submarines Sink Turkish Transports at Dardanelles—French Aviators Continue Activity In West

Petrograd, Sept. 2.—Despite prodigious efforts of the Austro-German forces, General Ivanoff's armies have escaped from the latest trap set for them. The fortress of Lutsk was evacuated with scarcely any loss of men or guns, dispatches stated here today, while the Slavs moving upon the fortress of Dubno have captured 10,000 of the enemy.

The Austro-German plan to pierce the Russian line in this section and roll up General Ivanoff's flank in Galicia has been broken. The Slav line has been reformed and is again prepared to offer stubborn resistance. It is estimated that the Austro-German forces engaged in the Galician campaign now number 600,000 men. That complete evacuation of Galicia may be necessary owing to the enemy's superiority in men and munitions is admitted, but the present retirement in the Strypa region is being made with exceedingly light losses, it is declared. On the other hand, heavy losses are being suffered by the Austrians and Germans. The Russian counter attacks are declared to be effective in checking the Teutonic advance temporarily while the main Slav forces withdraw and in these engagements the enemy suffers heavily.

On the northern end of the battle front, it is admitted the Germans have drawn nearer Grodno, but elsewhere no important change is reported. In some quarters the capture of Lutsk by the Austrians is regarded as an indication that the Teutonic forces are to move upon Kiev. The more prevalent belief, however, is that the real objective is Petrograd.

Two of the transports were sunk off Gallipoli and two in the Neagra Roads, an official statement declared. In addition to the vessels sunk by the British submarines, one transport was destroyed by a French aviator near Acha Skillman, the official statement said. It is not clear whether this transport is the second one to be sunk by an aviator or is the same vessel which was mentioned as being destroyed several days ago.

Capture of a hotly contested position at Biva Kana Parva by the British was also announced by the war office.

Members of Crew Lost

London, Sept. 2.—Three members of the crew of the British steamer Savona, sunk by a submarine, were reported missing today and are believed to have perished. Seventy-two survivors were listed today and a total of the destruction of the vessel.

Aviators Bombard Barracks

Amsterdam, Sept. 2.—French aviators bombed the German barracks at Etterbeck, a suburb of Brussels, early today. Many German soldiers are reported to have been killed.

THE WEATHER

Oregon: Fair tonight, Friday clear, warmer except near the coast.

OFFICIALS ARE MODEST

Hermosa Beach, Cal., Sept. 2.—"Bathers neither limbs must be draped hereafter according to the edict of the city trustees today. The trustees object to men's legs, which they say come under two classes, 'skinny' and 'knotty.' Men's legs, in the opinion of the trustees, are indeed loathsome objects, and there may be no cry of 'class legislation,' female limbs also come under the law requiring draperies on the strand."

(Continued on Page Five.)

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advance of additional German forces on the western front.

East of Bilowieska, a crossing of the Swialosee and Makawowiec rivers was forced by the Germans, the statement added. In this engagement 3070 prisoners were taken.

On one thousand additional prisoners were taken by Prince Leopold's forces who cut their way through the northeastern border of the Bialowieska forest and crossed the Jusiodra river. East of Brest-Litovsk, Field Marshal Von Mackensen crossed the Muchavess river on a wide front, the statement said.

On the western front trenches which were lost on the Lungekopf and Barokopf front between August 18 and 23 were recaptured yesterday, it was stated. Some prisoners captured by the French were also retaken.

Turkish Transports Sunk.
Paris, Sept. 2.—British submarines have sunk four Turkish transports in the Dardanelles, it was announced today.

Two of the transports were sunk off Gallipoli and two in the Neagra Roads, an official statement declared.

In addition to the vessels sunk by the British submarines, one transport was destroyed by a French aviator near Acha Skillman, the official statement said. It is not clear whether this transport is the second one to be sunk by an aviator or is the same vessel which was mentioned as being destroyed several days ago.

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trepidation so as to reap the benefits of the reaction in Germany's favor if she announces that she does not want tribute. There is a hint in the North German Gazette that the latter theory may be right.

But it is not legitimate to infer that this will be the outcome. Germany knows the allies now believe her to be fighting for tribute. As long as that impression is allowed to remain uncorrected, it will be assumed by the allies that it is true. If it is true, there will certainly be no peace until one side or the other is so exhausted financially that all possibility of obtaining indemnity would have vanished.

Thus, since exhaustion rather than tribute is preferred by all the belligerents, the idea of levying tribute really defeats itself. No tribute—that is, no tribute worth fighting for—can be collected from a nation that is bankrupt.

To persist in the demand for tribute, therefore, under present conditions, means to persist in fighting the war to a devastating end. This will have the victor scarcely better off than the vanquished international excitement and quiescence.

