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THINK ATTACK WILL FAIL AND PEACE WILL FOLLOW

German's Say When Allies They Cannot Break Through Their Defenses They Will Begin Negotiations for Ending War—French and British Both Make Small Gains—Fierce Fighting at Verdun Continues—Four British Patrol Boats Sunk

By Carl W. Ackerman,
(United Press Staff Correspondent.)
Berlin, July 11.—The great allied offensive will end in defeat within a few weeks and will be followed by negotiations for peace, in the opinion of well informed persons in Berlin.

The check administered to the British in the death struggle north of the Somme has given rise to the natural hope that peace will follow the fighting in Picardy which has been marked by unprecedented slaughter. The German people are practically a unit in believing the attempt of the allies to force the German line is doomed to failure.

Except on one narrow sector, the British have been unable to make any perceptible impression on the German lines, despite their overwhelming superiority in men. Impetuous dashes have frequently carried General Haig's men into German positions where they were immediately cut off and killed or captured. The French, more prudent, have made some progress south of the Somme but thus far neither French nor British have developed the powerful attack necessary to break completely the deadlock in the west and roll the Germans out of France and Flanders. The feeling prevails here that when the extent of the British losses becomes fully known in England, coupled with the fact that the German line still remains intact, public opinion will demand that peace be made without further slaughter.

German reports are quite certain that the British will never quit the attack without first feeling out all sectors of the German front in the hope of finding an opening. But they are confident that the British will have no greater success against the strongly fortified lines further north, than they have had between the Ancre and the Somme.

Some of the more optimistic of the German correspondents, notably the correspondent at the front of the Vossische Zeitung, believe that the allies offensive already has been brought to a standstill.

By Henry Wood.
(United Press staff correspondent.)
Paris, July 11.—Twenty-two villages, all fortified to the highest degree of which the Germans are capable have been captured by the Anglo-French armies since the great offensive of the Somme began 10 days ago.
Peronne, lying a bare mile across the Somme from the French lines and the next important prize toward which the French are advancing, lies almost within grasp of General Foch's army.
Dispatches from headquarters today showed that the village of Biaches, one mile from Peronne, was captured by the French in the same dashing spirit that drove the enemy out of Domperre, Hardecourt and other strongly fortified points.
Domperre, with its entire first line German positions, was taken in 50 minutes and Hardecourt in only 35. The Germans resisted more stubbornly at Biaches, but within less than two hours the village and all its strong defensive fortifications were in the hands of the French.

British Gain Slightly.
London, July 11.—British troops last night carried by storm the village of



Contalmaison, northeast of Albert, about which violent fighting has raged since the opening of the allied offensive. General Haig, in announcing the victory, reported that 189 German prisoners were taken.
"Further east we stormed several lines of enemy trenches in the Mametz wood," added General Haig. "The greater part of the wood is now in our possession."
Heavy fighting continues in the Trones wood, north of Hardecourt.
The Germans made a strong counter attack at Contalmaison, but were beaten off with heavy losses. The village, General Haig reported, is in the hands of the British.
In the fighting for the Mametz wood, the British took 296 prisoners.
Fighting Fierce at Verdun.
Paris, July 11.—German troops launched a powerful attack against French works northeast of Verdun at 4 o'clock this morning after an intense bombardment extending from Fleury to the Cheminot wood.
"East of the Cheminot wood and in Fumin wood, the Germans occupied our advanced trenches, but were later thrown out by counter attacks," the war office stated today. "Everywhere else the attack was checked by curtain fire."
The war office admitted that German troops entered 200 yards of French trenches in Lorraine east of Reillon.
The Germans made other attacks against the French front in Lorraine northeast of Vethon and south of Luxeuil, but were immediately checked.
North of Pontal, French troops penetrated and cleaned up both the first German lines.
The war office reported artillery activity on the northwest front of Verdun, particularly in the regions of Chateauvert and Avocourt.
Four Patrol Boats Sunk.
Berlin, via wireless to Sayville, L. I., July 11.—At least four and possibly five armored British patrol boats were destroyed by the Austrian cruiser Novara in an engagement off Otranto road, the Austrian admiral announced in an official statement received here today.
"At dawn our cruiser Novara, off Otranto road, met a group of four, or according to the declarations of prisoners, five armored British patrol boats," said the official statement. "All the patrol boats were destroyed by our fire. All sank, three burning after boiler explosion."

THE ALLIES' OBJECT.

Washington, July 11.—Great Britain and France will do everything in their power to prevent the United States recognizing the super-submarine Deutschland as a ship of commerce, and to prevent the operation of a line of submarine freight carriers proposed by the North German Lloyd Steamship company. This was admitted at the embassies of the two governments today.

MUCH SPECULATION ABOUT NEW RAILROAD

Just Who Is Backing Proposition Keeps Curious Ones Guessing

Is the proposed railroad from this city to the Bend a Hill line or is it backed by the Chicago, Milwaukee & St. Paul—a Rockefeller railroad? What has Judge Grant B. Dimick of Oregon City, president of the Willamette Valley Southern to do with the enterprise? And where does the Santiam Electric company of Portland fit into the scheme?

These are some of the questions puzzling the minds of men who are watching developments in the local railroad field.
That the Milwaukee, a Standard Oil property, is back of the undertaking and is working through Dimick, whose road is popularly believed to have the backing of the Rockefellers, is one version of the affair. As representative in Oregon, Dimick is thought to have been chosen to oversee the securing of a right of way, terminal facilities and the preliminary steps in the building of the new road.

Instead, then, of the road being a Hill enterprise as has been given out, it may be the first step in a battle for dominance in this section of the Rockefellers against the Morgans or the Southern Pacific and the Hills of the Great Northern.

The road, in light of recent developments, may extend from Mt. Angel through this city to Bend. As the Willamette Valley Southern connects Mt. Angel with Oregon City the Rockefellers could thus secure a continuous line from Bend practically to Portland and tapping a section rich in natural resources and good patrons of railroads.
That the line may branch out so as to include Silverton with its huge sawmill is thought probable. At present surveys are at work near Silverton and they may be working for the proposed line. The route has been lined out as far as Niagara in the direction of Bend.

The explanation of the Santiam Electric company's alleged activity in the matter is that it is used merely to help cover up the activities of the Milwaukee. It is said that the wages of the surveyors and other help employed in the field are paid through this company whose agent makes regular trips to the scene of operations to square the payroll.

Sometime in the fall backers of the new road are expected to appear before the city council and make demands as to franchise and terminal facilities in this city. That they will ask a right of way through Church street to the fair grounds, at which place the road will cross the S. P. tracks is considered very probable.

Property owners on Church street have requested the council to hold in abeyance its order providing for the paving of the street in order that it will not have to be torn up when the road puts down its tracks. There are to be laid, they expect, before next summer.

In formation that has been secured tends to point out the block bounded by High, Ferry, Church and Trade streets as the site for the depot of the new line, in this city. This is close to the business section and directly on the right of way believed sought by the railroad people.

From the depot the line would run out Church street to Mission. At this point two routes of egress are available. One is through Bush's pasture, the other along the creek to the Bingham place or east of it and thence southeast out of the city limits.

As it stands, the road could condemn a right of way through the Bush pasture. Should the transfer of the pasture to the city as a public park be consummated, however, the road would be blocked in this direction as one of the conditions under which the offer was made to the city is that it is to be used for park purposes only. The city had not yet obtained title to the tract but it is believed that this will be settled soon.

The history of railroading shows that the roads and their backers like to keep things under cover until all is ready for the big splash. On this account many feel that Dimick or whoever is back of the line have been content to let the public believe the proposed line was to be a Hill road in order to keep the real movers in the background.

NEW EVIDENCE IN LAND FRAUD CASES

San Francisco, July 11.—New evidence in the so-called Oregon land fraud cases will be the first matter considered by the 1916 United States grand jury, it was made known today. The jury has been sworn in by Federal Judge Doelling.

PREPARE FOR LONG STAY IN MEXICO AND ALONG BORDER

At Mexican Capital All Danger of War Is Considered as Past

SUPPLIES BEING SENT
PERSHING BY RAILROAD

Mexican Reply to Contain Suggestion for Settling All Border Problems

By Webb C. Miller
(United Press staff correspondent.)
Columbus, N. M., July 11.—The Guerrero district is aflame with Villa spirit. Hundreds of natives have deserted Guerrero villages, presumably to join the new army they were told Villa would lead personally against the gringos.

Motor truck men who returned today from the American lines with these reports from natives, believe the entire district is a hot bed of Villa sentiment. Also army officers who were in Guerrero on the first dash south after Villa stated that if the natives were convinced Villa is alive they would join him. The bandit leader long made the Guerrero district his "stamping ground" while fighting Diaz rurales.

However, nearer the American lines, the natives are friendly to General Pershing's men and apparently satisfied at enjoying their first peace in years and receiving gold for labor and supplies.

The meager reports of the expedition's activities reaching here indicate that the entire force is marking time and not even cavalry patrols penetrate very far from camp. Pershing is reported to be depending upon a corps of scouts and Arizona apaches for information of Mexican activities near his lines.

The truck men declared that the rains already have made traveling difficult. The drivers were apprehensive of a complete tieup in motor transportation if the rains increase. Thirty three new trucks arrived overland from El Paso today and will be put into service immediately.

The rain fell throughout the night, flooding the lower end of the Massacuetta militiamen's camp and forcing scores of the guardsmen in the downpour to seek other quarters. Men on post duty were drenched. Old Columbus residents declared the rains so far are only showers compared to the rainy season at its height.

Will Stay Long Time

San Antonio, Texas, July 11.—Preparations for a long stay in Mexico and on the border are seen today in several new developments in the southern department.

General Funston announced that 11 carloads of supplies had been shipped Sunday by rail from Juarez to General Pershing's expedition. Winter clothing is understood to have been ordered for Pershing's men and the troops along the border. Heavier field pieces are reported to have been shipped to El Paso.

The packing houses at San Antonio which were being counted on to supply the troops with fresh meat, have made arrangements to increase the capacity.

Funston today continued preparations to make the Big Bend country "raid proof." Colonel Gaston has made known the number of men he believes will be necessary to furnish adequate protection to the towns in that region. It is understood most of the reinforcements will be taken from militia yet to arrive at the border, so the present distribution of forces will be rearranged as little as possible. However, it is understood that a few contingents already at El Paso will be moved eastward.

Think Danger Is Over

Mexico City, July 11.—As evidence of the official belief that the danger of war with the United States has passed, the employees of government departments who were being drilled for military service were today ordered to discontinue their training.

If the situation continues to improve all other persons who volunteered for service against the United States will be instructed to discontinue drilling. It is possible the Mexican reply to the latest American note will be forwarded to Washington today. It is understood it will contain a definite proposal for the settlement of future difficulties and the solution of the border problems. If the proposal is not entirely satisfactory to the United States, it is considered that further interchanges between the two governments will result in a completely satisfactory agreement.

Tormentals Rains Fall

Columbus, N. M., July 11.—Massachusetts militiamen saw their first rain under fire today under Captain

(Continued on Page Seven.)

EPIDEMIC RAGES-- NEW CASES TODAY MAKE TOTAL 1278

195 New Cases Reported Today, Nearly Doubling Yesterday's Number

BRONX NONE YESTERDAY
REPORTS SEVEN TODAY

Queens Today 13, Monday One—Richmond Six Today Four Yesterday

New York, July 11.—Despite prodigious efforts to curb the epidemic of infantile paralysis gripping Greater New York, reports to the health department today showed an increase of 100 per cent in the number of deaths and new cases in Brooklyn since yesterday.

The total number of deaths since the epidemic started reached 270 today when the latest reports to Health Commissioner Emerson told of 32 additional fatalities. Twenty of these were in Brooklyn. Yesterday there were only nine deaths reported in Brooklyn.

The total number of cases reported is now 1,278. Of this number 195 new cases were reported today. This is an increase of 92 over yesterday's report. Of this total new cases reported 155 were in Brooklyn. Only 68 additional babies were found to be suffering from the disease there yesterday. An increase in the number of new cases was also reported from other boroughs. Seven new cases were reported from the Bronx, against none yesterday; from Queens 13, against one yesterday, and from Richmond six, against yesterday's four. Fourteen new cases were reported in Manhattan.

All states along the Atlantic seaboard as far south as Virginia have written to the health authorities here asking for information as to the epidemic.

The authorities of Yonkers and New Rochelle today protested to the local health board against the number of children coming to those towns from the greater city, fearing the epidemic will spread there.

California Watching

Sacramento, Cal., July 11.—California's gates were guarded today to keep out the deadly infantile paralysis epidemic which is scouring New York and other cities in the east.

Under orders from the state board of health, six inspectors have been stationed at six points on the California boundary where trans-continental railroads enter. They will examine the occupants of every train from the plague zones and demand health certificates from persons who have recently been in the infected areas.

To Study Methods

Chicago, July 11.—Health Commissioner Robertson left for New York today to study that city's method of

(Continued on Page Six.)

TEUTON MONARCHS ASK BULGARIA TO HELP FIGHT SLAVS

Czar Ferdinand Told That Russian Success Would Bring Rumania In

HE WOULD BE CRUSHED
BY THEM AND THE ALLIES

He Answers to Withdraw Troops From Near Salonika Is Impossible

By John H. Hearley.
(United Press staff correspondent.)
Rome, July 11.—Kaiser Wilhelm and Emperor Franz Josef have sent an urgent request of Czar Ferdinand that he dispatch Bulgarian troops to help check the Russian and Italian offensive.

This information was received from Geneva today.
A delegation of Austro-German military and diplomatic officials arrived at Sofia Sunday, carrying the request that continued successes for the Russians and Italians would bring Rumania into the war and that Bulgaria would then be squeezed between the Rumanian army on the north and the allied forces in Greece and crushed.

Czar Ferdinand replied that the withdrawal of Bulgarian troops for service in Galicia or on the Italian front would invite an immediate attack by the allies from Salonika. He promised, however, to submit the appeal to the Bulgarian general staff.

The steady advance of the Russians through southeastern Galicia has forced the Austrians to withdraw several divisions from the Trentino front. These have been replaced by Croats and Poles.

The Austrian losses in the unsuccessful offensive against the Trentino front and in the Italian counter-offensive have totaled 150,000, it is estimated here. The Italians already have won back nearly all the territory occupied by the Austrians in their drive, though the concentration of 2,000 Austrian guns of heavy calibre has impeded their advance.

Bethlehem Steel Loses Part of Plant

Wilmington, Del., July 11.—Fire of unknown origin destroyed a large casting house at the shell loading plant of the Bethlehem Steel corporation below Newcastle, Del., today. Only the arrival of two fire companies from Wilmington prevented the fire from spreading to the other buildings.

The destroyed building contained 1,200 pounds of trinitrotoluol, used in loading shells.

Nine men in the house at the time had narrow escapes from death.

OFFICERS MAKING EXAMINATION OF GREAT SUBMARINE

This Is For Purpose of Establishing Fact She Is Not War Vessel

ALLIES WOULD HAVE HER
PLACED IN THIS CLASS

Will Try to Prevent Her Recognition by America As Merchantman

DECLARED MERCHANTMAN

Washington, July 11.—That the great German U-boat Deutschland is a merchantman, was the report made to the treasury and state departments today by Captain Hughes, United States Navy and Customs Collector

Ryan, who examined the ship so officials should establish her status, it was announced at the state department this afternoon.
The text of the report by Collector Ryan follows:
"In company with Captain Hughes, I have made a thorough inspection of the Deutschland. All spaces except those occupied by cargo and oils were visited. There is no evidence that this ship is armed or can be armed without extensive structural changes. I reaffirm my statement of yesterday that this ship is a commercial ship. A complete report will be mailed today."
(Signed) "WILLIAM RYAN."

By Carl D. Groat.

(United Press staff correspondent.)

Baltimore, Md., July 11.—With no restrictions upon them, Captain Hughes, U. S. N., and customs men, boarded the big German super-submarine Deutschland this afternoon to inspect her for armament. This action was taken upon permission of Manager Hilken of the Ocean Transportation company, after Captain Koenig, commander, had agreed the men could learn no secrets of the vessel's construction and that they ought not to be hampered if they carried government credentials.

Their inspection was at the instance of the state department which had suggestions from the allies that it was improper to harbor the ship as a merchantman.
United States authorities here, as well as the Deutschland's consignees, felt Hughes' technical inspection would reveal what they had already adjudged—that the vessel is unarmed and strictly a peaceful merchantman, entitled to privileges and protection in American harbors.

Manager Hilken of the Ocean Transportation company, owners of the Deutschland, announced this forenoon that personally he objects to Captain Hughes examining the ship. He will not decide to refuse him permission to enter the vessel, however, until Hughes presents himself and Hilken has had opportunity to confer with Captain Hinch, superintendent of transportation.

Is Closely Guarded.

The enormous deep sea rover still lay under strictest guard at her pier on the outskirts of the city today. Stolid armed Germans, reinforced by city police saw to it that the curious were kept at a distance. Trusted German longshoremen were the only ones admitted nearby.

The time of the Deutschland's departure with her rubber and nickel cargo was still kept secret—and will be.

In this connection, the story went that England may send over some motor patrols and some of her big ocean nets to entangle the Deutschland after she dashes out to sea from the Patuxent river. Rumor had it, too, that British cruisers are already concentrating beyond the three mile limit.

Captain Koenig, however, only shrug.

(Continued on Page Four.)

THE WEATHER

Oregon: Tonight and Wednesday fair; light variable winds.

THIS IS VACATION SEASON

Oregon: Tonight and Wednesday fair; light variable winds.