

U-BOAT IS SUNK BY AMERICAN STEAMER

Battle Lasts Hour and Half, Sixty Shots Being Exchanged by Foes.

VICTORIOUS SHIP UNHURT

German Submarine Stands End Up in Water for Several Seconds After Shell Hits and Then Goes Out of Sight.

WASHINGTON, June 6.—A German submarine is believed to have been sunk by an armed American steamer yesterday in a running fight lasting an hour and a half, in which 35 shots were fired by the submarine and 25 by the steamer. An official announcement by the State Department today says the steamer's final shot "apparently struck the submarine, which raised clear out of the water and stood stern-end up for a few seconds. She then disappeared."

The department's announcement follows: "The Department of State is advised by telegraph of an engagement between an armed American steamer and a submarine. The guns of the steamer were manned by an American naval crew. The submarine was first seen at about 7:00 p.m. She had a six-inch gun forward and another aft. She flew no flag."

"Upon sight of the submarine, the steamer hoisted the American flag and waited for about 10 minutes. As the submarine approached the steamer fired. The submarine responded. The steamer kept a speed that would permit the submarine to come within range. Then followed a fight lasting for an hour and a half. The submarine came to within a distance of 2300 yards. By that time the submarine had fired 35 shots and the steamer 25. The last shot of the steamer apparently struck the submarine, which raised clear out of the water and stood stern-end up for a few seconds. Then she disappeared. The captain of the steamer and the commander of the guard believe that the submarine was sunk. The steamer suffered no damage."

MT. ANGEL LISTS ALUMNI

No Change in Officers of College Association This Year.

MOUNT ANGEL COLLEGE, St. Benedict, Or., June 6.—(Special).—The Mount Angel College Association retains its old officers for next year.

Portland is well represented in the officers' staff. The Gregory Roberts, pastor of Sacred Heart parish, and Frank P. Leipzig, 695 Tacoma avenue, are vice-presidents, and Conrad Krebs, merchant-attorney, is also the historian of the Alumni Association.

Umbert De Martini, of Seattle, the president, for many years was in Judge Davis' court in Portland. Rev. Thomas Meier, professor at St. Benedict's abbey, is secretary-treasurer.

Mount Angel's complete alumni list, showing occupations and addresses, the work of Rev. Mr. Meier and John Schuler, senior from Forest Grove, alumni editor the past year.

HOOD HAS JITNEY TROUBLE

Complaint Is Made About Auto Bus Running on Rails.

SALEM, Or., June 6.—(Special).—Informal complaint made to the Public Service Commission that the rail auto car on the Mount Hood Railroad is operating with one man, when it should come under the provisions of the full-car law, has brought down the valley a deluge of letters on the Commission from numerous leading business men of Hood River.

To force the railroad company to place a full crew on the rail auto, it is declared, would make its operation prohibitive and deprive the valley of the best Parkside service it ever has had. They assert that the complaint is based on declarations of competing jitney drivers, who are anxious to see the rail auto service discontinued.

EUGENICS BOARD CALLED

Cases of Feeble-Minded Are to Be Admitted Under New Act.

SALEM, Or., June 6.—(Special).—Specific cases of inmates at state institutions who may be brought to the attention of the new State Board of Eugenics will be handled by a meeting of the State Board of Control today, and Governor Withycombe asked Superintendent Steiner, of the State Hospital, to hurry along the first meeting of that new board so that cases may be taken for the exercise of its functions.

Superintendent Smith, of the School for Feeble-Minded, called attention to those inmates at that institution he believed could be helped down the valley into the world under supervision, providing their cases are passed upon by the new board.

BELGIUM SENDS MISSION

Baron Moncheur, Former Minister, Again Coming to United States.

WASHINGTON, June 6.—Belgium will send an official mission to the United States headed by Baron Moncheur, ex-Minister here.

It will arrive within the next three weeks.

LUMBER BOUGHT FOR SHIPS

(Continued From First Page.)

ing ahead with its original plan of training two big steamers at the Lake, for Army estimates call for 600 feet of lumber per man and the quantity named is ample to provide for more than 5000 men.

Timber Bought for South.

The Shipping Board, after awarding contracts to Southern mills for lumber for 100 wooden ships to be built in that section, has been advised that Southern yards cannot turn out the large timbers required for keels and keelsons.

The lumber committee today arranged through the West Coast Lumbermen's Association to have these large timbers cut in Oregon and Washington, the Southern yards to buy from the Coast and arrange for the transportation of these big timbers to Southern shipyards.

Phone your want ads to The Oregonian. Main 7070, A 6095.

HEAD OF THE UNITED STATES ARMY, WHO IS IN RUSSIA, AND PRESENT DIRECTOR OF UNCLE SAM'S GREAT FIGHTING MACHINE.



Left to Right—Major-General Tanke H. Bliss, U. S. A., Assistant to the Chief of Staff, and Major-General Hugh L. Scott, Chief of Staff of the United States Army.

General Scott is now in Russia as member of the American Commission to that country. Under ordinary circumstances he would direct the energies of the Army of the United States. In his absence Major-General Bliss is in charge of the great machine to which the whole world looks for preservation. It will be noted that there is a marked resemblance between these two men, their faces, figures and characteristics being singularly alike in many ways.

GOLD TIDE CHANGES

American Exports Greater Than Imports in May.

NEW SITUATION HEALTHY

Further Accumulations in This Country Might Tend to Inflation—Japan, Spain and Mexico Are Recipients.

WASHINGTON, June 6.—America's great gain of gold, which has grown with almost every month for two and one-half years, has ceased. Gold imports have stopped altogether, and the flow has begun the other way, with indications that it will continue in comparatively small volume for some time. The turning of the tide comes at a time when the country apparently faces the greatest industrial period of its history; greater, officials believe, than the last 15 months, which witnessed the establishment of a \$6,000,000,000 record for American exports.

Cessation of gold imports to settle trade balances when trade balances are heavier than ever before against foreign buyers virtually is a novelty in American exports, have found it regarded as a healthy development, as further accretions might tend toward inflation. All foreign purchases will be paid for, of course, but in a different form, the payment being made by money furnished the buyers by the United States and obtained by the flotation of bond issues.

With the establishment of these credits, it is explained, the entire government, who have bought the bulk of American exports, have found it necessary to continue sending gold to settle trade balances. They will send their bonds instead to secure the credits advanced them.

Neutral nations will continue to settle their balances largely with gold. neutrals having trade balances against the United States, officials believe, will call for settlement by the export of gold from this country.

Evidence of this intention are manifest in recent gold shipments to Japan, Spain and Mexico. Japan's trade balance last year against the United States was \$29,000,000; for the first nine months of the present fiscal year it is \$55,000,000. The United States will ship approximately \$25,000,000 in gold to Japan this month and probably \$10,000,000 to \$15,000,000 to Spain.

The Federal Reserve Board is working to conserve in this country most of the gold shipped here since the war started. Pending amendments to the reserve act are designed to strengthen the board's figures just compiled show that during May the country exported \$23,000,000 more gold than it imported.

18 MONTHS ADDED TO TERM

(Continued From First Page.)

amendment took the unfortunate city officials affected by them completely by surprise yesterday. None of them apparently had considered what it would do to their terms of office. It will be up to the City Council itself to name the date of the general state election with which the city election shall coincide. The council can make it November, 1918, or November, 1920, as it pleases, for the amendment provides that:

"The Legislature, and cities and towns shall enact such supplementary legislation as may be necessary to carry out the provisions of this amendment into effect."

The new act has other possibilities.

than those presented by the fact that the bond campaign will be held at the same time that they voted at the following election for Governor.

Should the next city election be held November, 1920, there would be a lively scramble for two Commissionerships at the same time that the voters were sagely debating on their choice for President.

In that event, also, the people of Portland would elect a Mayor at the same time that they voted at the following election for Governor. The outlook for a wild scramble of the boys for the many offices that will be available every election day is as glorious one. National, state, county and city campaigns will be merged up in one grand political jamboree.

The combination of city and state term under the straight voting system will come up at the same election, however, will, of course, make it necessary to have a separate city ballot.

NEW MEN HOLD UNTIL 1922

Attorney-General Believes Change Is Made by Amendment.

SALEM, Or., June 6.—(Special).—The newly elected city officials of Portland, chosen last Monday for a term of four years, to end in 1921, will hold office until their successors qualify after the general state election in 1922, getting practically a year and one-half extra term under the amendment.

At least that is the off-hand opinion given by Attorney-General Brown today when the situation was presented to him.

"Before giving a formal opinion on the matter I have to look into it a little further," said Mr. Brown, "but I am satisfied that the newly elected officials, if they are elected for four years and their terms expire in 1921, will hold over after the expiration of their term until their successors are elected and qualified."

"As city elections and state elections for officials must be held simultaneously hereafter, under the amendment passed last Monday, there would be no city election held in Portland in 1921, but the first general election for their elective and expiring would be in November, 1922. I am of the opinion that the newly elected officials would hold office until their successors should qualify."

The amendment itself, relating to holding city and state elections jointly, includes among others, the following provision: "Every officer who at the time of the adoption of this amendment is the duly qualified incumbent of an elective office of an incorporated city or town shall hold his office until his successor is elected and qualified."

"It is pointed out, however, that the provision just quoted does not exactly fit the case of the newly elected officials in Portland, as they were not 'duly qualified incumbents' at the time of the Portland election amendment."

But another section of the constitution provides that "all officers except members of the Legislative Assembly shall hold their offices until their successors are elected and qualified," and under this provision Mr. Brown believes that the newly-elected Portland officials probably will hold over until their successors are elected in November 1922, and qualify for such offices at a time thereafter as may be in the future provided.

It is probable that new charter provisions must be enacted in Portland to make the charter of that city link up with the new amendment as far as elections are concerned.

Astoria Gives Big Oil Plant Permit

ASTORIA, Or., June 6.—(Special).—By a vote of 8 to 1, the City Council tonight passed the ordinance granting permission to the Standard Oil Company to erect its proposed storage and distributing plant at the foot of Fourth street. The construction of the proposed plant will entail an expenditure of approximately \$175,000.

LABOR, NOT WEALTH, BOUGHT MOST BONDS

\$5000 Is Subscribed in One Lumber Yard—Total for Day Reaches \$21,150.

MEETINGS AT NOON LIVELY

Government Paper to Be Accepted by Store in Payment for Merchandise—Rich Are Expected to Buy Share by June 15.

Employees of Portland's big industrial plants are coming forth most loyally to buy their share of liberty bonds.

But with the exception of a few isolated individuals, the big investors have not yet been heard from.

Managers of the Liberty bond campaign in Oregon expect the wealthy to make their subscriptions before the campaign closes on June 15.

The noonday meetings in the shipyards, lumber mills and factories have been even more successful than were expected. Hundreds of men have listened to the plans for the sale of liberty bonds and scores have volunteered their subscriptions.

Meetings Are Successful.

Two typically successful meetings were held yesterday at the Two Brothers' car shop at East Sixtieth street and the Union Pacific tracks, and the other at the Portland Lumber plant in South Portland.

Noonday meetings today are scheduled at the Columbia Shipbuilding plant and at the Southern Pacific car shops.

The noonday luncheon crowd at the University Club also will hear liberty bonds and a half. The speaker today, C. A. Miller, manager of the Oregon campaign, and H. R. Blauvelt, of the Oregon Life Insurance Company, were principal speakers at the Portland Lumber mill yesterday. The men listened with interest and then asked many questions about the bonds.

Subscriptions Reach \$5000.

Although the speakers did not solicit subscriptions in person the voluntary applications from the men aggregated \$5000.

C. C. Close, of the Lumbermen's Trust Company, spoke at the Two Brothers' plant. The men there also were much interested and many made arrangements to subscribe.

David M. Dunne and A. J. Bale addressed employees of the Pacific Coast Biscuit Company and at the conclusion of their speech-making program an aggregate of \$1850 was subscribed.

These plants, as well as scores of others, already have arranged to finance their employees who buy liberty bonds by paying for the bonds outright and permitting the employees to repay them in small monthly or weekly installments.

Banks to Lend to Purchasers.

The Portland banks also have arranged to lend money to any individual liberty bond purchaser at the unusually low rate of 6 per cent.

The banks will finance their own employees, however, at 3 1/2 per cent, which is the same rate that the employers generally are charging their employees on deferred installments.

Inasmuch as the bonds pay 3 1/2 per cent the interest the borrower will go to meet the interest on the loan.

Yesterday's subscriptions aggregated \$21,150, bringing the total for the city and state up to \$450,250, of which \$215,150 is credited to the city and \$135,100 to the state at large.

City's Share Is \$6,000,000.

The total requirement for the city is \$6,000,000 and for the up-state, \$25,000,000.

A big mass meeting in the interests of the bond campaign will be held at the Hippodrome Theater at noon Saturday. Dr. John H. Boyd, pastor of the First Presbyterian Church, will be the principal speaker.

A musical programme, including concert selections by the Third Infantry Band, will precede the speaking.

At the Hippodrome meeting yesterday noon Bishop W. T. Sumner and T. A. Rochester, of the Lumbermen's Trust Company, will be the speakers.

An attractive accommodation booth for the sale of liberty bonds has been installed in the main lobby of Lipman, Wolfe & Co.'s store. Each subscriber to these bonds at this store is permitted to report them through his own bank. The firm also has announced that it will accept liberty bonds in payment of merchandise.

In Oregon and Pacific Coast cities merchants are devoting space to the liberty loan bonds in their advertisements.

The Portland liberty loan committee urges advertisers of this city to see that appropriate reference to the liberty loan bonds is made in their display advertisements in the daily papers. The committee is aware that publicity of that kind materially assists the sale of the bonds.

INDIANS WILL TAKE LOAN BOND

Klamath Agency District Chairman Makes Report.

KLAMATH FALLS, Or., June 6.—(Special).—Prospects for a substantial response from the Indians on the Klamath reservation to the appeal for subscriptions for liberty loan bonds, declared by Edward B. Ashurst, Government stockman, to be very good. Mr. Ashurst is district chairman for Klamath Agency district.

Chairman Ernest M. Bubb, of the Merrill district, is sending applications for several thousand dollars' worth of bonds. "Fraternal orders and societies of the city have taken the matter up."

as grand high priest, the highest executive position in the chapter in 1880, and was elected grand treasurer in 1891, and has been re-elected at each convention since that time.

\$5,000,000 PUT IN BONDS

Ex-Senator Clark Subscribes Heavily to Liberty Loan.

HELENA, Mont., June 6.—Word has been received here that ex-United States Senator Clark, of Butte, has subscribed to \$5,000,000 of liberty bonds and will take another million. One million of this amount will be credited to Butte.

Mrs. Mary Morony, of Great Falls, widow of John R. Morony, the banker, has bought \$100,000 worth of bonds. Mrs. Morony is now nursing in a hospital in France.

Family Buys \$1500 in Bonds.

PENDLETON, Or., June 6.—(Special).—Three individual subscriptions today aggregated 5 per cent of the \$30,000,000 which has been apportioned as Umatilla County's share of the Red Cross war fund. Mrs. Lina B. Sturgis gave \$1000. Her two sons, James H. Sturgis, rancher, and Dr. Cyrus C. Sturgis, each pledged \$250.

BRITISH MAY COMMAND

OFFICERS MAY BE IMPORTED TO OPERATE GERMAN SHIPS.

Government Expects to Have Great Difficulty in Finding Personnel for New Vessels.

WASHINGTON, June 6.—Many of the German vessels seized in American ports at the beginning of the War may be manned by British merchant marine officers if enough American officers cannot be found for them. The Shipping Board recommended to President Wilson today an extension of the Panama Canal proclamation of 1914, which would permit this.

The Government expects to have great difficulty in finding men to operate and man for the German ships and for the great fleet of vessels the Shipping Board is preparing to build.

Congress will be asked soon to empower the President to suspend certain provisions of the navigation laws to permit an interchange of American and Canadian shipping on the Great Lakes and to allow British vessels to ply between American ports and Porto Rico.

A shortage of coastwise shipping on the Atlantic, Pacific and Gulf coasts, it is believed, may be met under the law creating the Shipping Board. The law permits the board to operate in coastwise trade any vessel it may charter. Foreign vessels, therefore, may be chartered and operated by the board for coast ships, at present they are barred from engaging in coastwise trade.

PEKIN GETS ULTIMATUM

PARLIAMENT OR PRESIDENT MUST GO, SAYS REBEL.

Restoration of Manchu Dynasty Is New Threat—Declaration of War on Germany to Follow.

SHANGHAI, China, June 6.—Nieh Shih Chun, military governor of Anhwei, in an interview with the China Press at Peking on Tuesday declared that President Li Yuan Hung must dismiss Parliament forthwith or he would have to go. If the President yields, declared Nieh Shih Chun, he will be allowed to retain his office; otherwise Hsu Shih Chang, former Secretary of State, will be made President.

Nieh Shih Chun disclaimed any intention of restoring the monarchy, but he would not permit that if Germany, Hsu, the ex-military governor of Anhwei, goes to Peking he will not make peace, but will go for the purpose of overthrowing the President and restoring the Manchu Dynasty.

Nieh Shih Chun says that after the new Parliament is elected war will be declared on Germany.

NATIVE CHINESE ENLISTS

San Francisco Youth Wants to Show Appreciation for Liberty.

CHICAGO, June 6.—Thomas Moy, 25 years old, a Chinese, enlisted in the Army today. He told the recruiting officers that he was born in San Francisco and that his parents were dead. He enlisted as a mess attendant.

"I want to show the people of the United States that I appreciate their progressiveness and liberty," Moy said after he had passed the physical examination. "I am an American as much as anyone."

OLD REGISTRAR ASKS PAY

Inmate of Soldiers' Home at Orling Sends in Bill for Services.

TACOMA, Wash., June 6.—(Special).—C. M. Points, an inmate of the Old Soldiers' Home at Orling, was the only registrant in Pierce County to ask for pay for his services under the selective draft act.

Points filed a bill for \$4 for services rendered in the afternoon tea habit, which he claimed. His bill will be sent to the War Department. Points has been in the Home for years as a Government charge.

MANY U-BOATS ARE SEEN

(Continued From First Page.)

Wonderful green country-aided and along the cliffs, which remind the seamen of the palisades along the Hudson anchorage, one may any afternoon find groups of British and American sailors drinking their tea and swapping yarns in true seamanly fashion.

The American quickly acclimates himself to the afternoon tea habit and finds it an amiable and satisfactory substitute for other things, with plenty of opportunity for confidential chats with his new allies on a thousand one subjects which his active mind has been turning over since his arrival here.

There are other places where one may almost always find groups of blue-uniformed Americans. One is the local cemetery in a green wood along the cliffs, where are buried many victims of the German submarines, whose graves are kept green by the visitors.

Chehalis Banker Helps Red Cross.

CHEHALIS, Wash., June 6.—(Special).—This morning a telegram was received by N. B. Coffman, a banker

BELLANS

Absolutely Removes Indigestion. One package proves it. 25c at all druggists.

By Popular Request This Success Continued

Columbia

PRESTIGE GAINED BY QUALITY SUSTAINED

Come Early



Hart's "Wolf Lowry" is laid in those Western domains, fenced by the far horizon and rising and setting sun. The story concerns "Wolf" Lowry, past master with the shooting irons (incidentally cattle king) and little Mary Davis (squatter) whose capital consisted of brown eyes, black curls and a boundless courage. It will rank, we believe, with Hart's greatest Westerns. Because of previous bookings, this picture can be shown only four days.

"HER TORPEDOED LOVE" Two Reels of Keystone Glee and Comedy, With Louise Fazenda.

Admission 15c Children 5c

of this city, from Charles E. Peabody informing him of his appointment by President Wilson as a member of the Washington state committee of the Red Cross war fund campaign. Mr. Coffman also has been named by President Wilson to serve with Mr. Peabody on the war council for the state.

JOHN S. STAUFFER DIES

Oregon City Pythian Succumbs After Long Illness.

OREGON CITY, Or., June 6.—(Special).—John S. Stauffer, of Clackamas Heights, died at the family home today after an illness of several weeks. The body will be taken to Bryan. John Stauffer was born in Ohio, August 2, 1849. He came to Clackamas County with his wife several years ago. He was a member of Florence Lodge.

EPILEPTIC ATTACKS STOPPED

FOR OVER 50 YEARS by DR. KLINE'S EPILEPTIC REMEDY. It is a rational and reliable method of treatment for Epilepsy (Falling Stickness) and kindred nervous derangements. Get it or order it at any Drug Store—51-00 and \$2.00. Send for our valuable book on Epilepsy. It is FREE.

Dr. R. H. Kline Co., Department B, N. J.

Knights of Pythias, No. 502, of Blakesley. He is survived by his wife and several children.

Baker Has Been Elected Mayor, but the Best "Daily" Drink for Everybody Is



It's a friendly drink—just naturally agrees with everyone. And its flavor—well, try it as a topper for lunch or a caper for thirst.

For sale throughout the Northwest

The Portland Brewing Co.