



SPY OR TRAITOR IS EMPLOYED IN NAVY, IS CHARGE

Sweeping Investigation Into Charges of Defects in Ordnance and Ammunition Is Ordered by Committee.

SECRET RECORDS OF NAVY SENT SENATOR

Papers From Department's Confidential Files Come From Unknown.

Washington, June 11.—Following sensational disclosures before the senate naval affairs committee in which Secretary Daniels declared there was a spy or traitor in the department, the committee this afternoon ordered a sweeping investigation into charges of defects in ordnance and ammunition, communicated to Senator Frelinghuysen.

ALL IS READY, BUDS OPENING, FOR GREAT ANNUAL FESTIVTY

The rose shortage fear is diminishing. A hurried trip through the city parks and residence sections by Rose Festival committees today brought out the fact that a profusion of blooms is ready to burst out within the next 24 hours.

RAILROAD MEN MEET TO REDUCE TRAINS TO SEATTLE FROM HERE

Six of the 18 trains now operated daily between Portland and Puget Sound cities will be eliminated if a conference of railroad traffic officials meeting in Portland results as railroad men expect it to.

CONFERENCE OF TRAFFIC OFFICIALS HELD TO RELEASE THE EQUIPMENT FOR FRANCE.

What hit the popular viewpoint should be transferred without consent of the people therein. The Wilsonian phrases, they held, might have been uttered by the workmen and soldiers themselves, including President Tschedize of the council.

BRITISH PAPERS ARE PLEASED LONDON, JUNE 11.—(U. P.)—"Momentous," "coherent," "inexorable in logic," "historic"—these were some of the editorial phrases which British newspapers today hailed President Wilson's message to Russia.

COOLER WEATHER WILL CHECK RAPID RISE IN COLUMBIA

Quick changes in temperatures all over the northwest will check the rapid rise in the Columbia and Willamette rivers.

WILLAPA FIRM IS TO BUILD SHIPS FOR U. S.

The Fleet corporation has announced that the Willapa firm has been contracted for building a fleet of 32 composite vessels and eight steel ships.

Jews of World Plan Republic In Palestine

Petrograd, June 1.—(U. P.)—Declaring that the Jews of the world must have a place at the peace table which will close the great war, a Zionists' meeting here today was considering a Jewish republic in Palestine.

McNary Designates Academy Candidates

Washington, June 11.—(WASHINGTON BUREAU OF THE JOURNAL)—Senator McNary has designated the following for appointment as members at Annapolis academy subject to examination: Frank Miller Jr., Salem, principal; Philip McCarty and George Vandeuers, Portland, attorneys.

Secretary Lane's Son Is Seriously Ill

Washington, June 11.—(U. P.)—Franklin K. Lane Jr., son of Secretary of the Interior Lane, is seriously ill at Newport News with blood poisoning, resulting from an infected heel. Young Lane is a first lieutenant in the aviation corps. Secretary Lane has been called to Newport News to the bedside of his son.

Austrian Emperor Again Talks Peace

Amsterdam, June 11.—(I. N. S.)—A dispatch from Budapest says Emperor Charles has again addressed the people, assuring them he is in favor of an early peace and reform in suffrage.

Irish Factions Agree to Meet In Conference

Purpose Will Be to Map Out Future Home Rule for Emerald Isle.

London, June 11.—(U. P.)—All Irish parties have agreed to the government's plan for a convention of all factions which shall map out future home rule for Ireland. Premier Lloyd George announced in the house of commons today.

FLIERS MAKE POSSIBLE GREAT VICTORY AT MESSINES, AC- CORDING TO REPORTS FROM FRONT RELATING TO DARING.

London, June 11.—(U. P.)—Field Marshal Haig's victorious Tommies swarmed beyond the Messines Ridge for further gains today.

BRITISH CONTINUE TO ADVANCE POSITIONS

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ROSE CARNIVAL CHIEFS FEEL CONFIDENT THAT ENTERTAIN- MENT WILL BE BEST EVER.

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UNITED STATES PLANS TO SEND FLIERS IN BIG NUMBERS TO HELP HER ALLIES.

Washington, June 11.—(U. P.)—The government will soon ask congress for an appropriation of some \$500,000,000 to \$600,000,000 as the first move in developing the American aeroplane service on a grand scale.

LIBERTY BOND FACTS

Liberty Bonds pay 3 1/2 per cent net—free from all Federal, State and Local taxes (except estate and inheritance taxes).

WATCH IT RISE

Washington, June 11.—(U. P.)—The segregation for the four states is as follows: Washington \$1,000,000; Oregon 600,000; Idaho 350,000; Montana 250,000.

KANSAS CITY MAN MAKES CHEAP BUT EFFECTIVE BOMB

New York, June 11.—(I. N. S.)—A 15-pound bomb can be made for 15 cents that will blow up an ordinary dwelling house, according to William T. Carnahan, inventor of the bomb, who has come here to offer the novel explosive to the government.

LIBERTY LOAN

Today's grand total for state \$4,242,900
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AVIATORS PLAY LEADING ROLES IN NEW DRIVE

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Our Country Calls to You to Do Your Share to Save Her---Buy Liberty Bonds

By Frederic A. Delano.
Member of the Federal Reserve Board.

More than a century ago our forefathers fought for liberty and for the freedom of the seas. Weak though they were in numbers and resources, they fought the greatest power in the world and won a victory.

Half a century ago we fought a bitter contest to maintain the principles of the constitution and preserve the Union. Now we are face to face with the reaffirmation of some of these same principles for the benefit of the world.

For the first time in over 50 years, the nation calls upon every American—man, woman and child—to do his share. For the first time in the lives of most of us we are asked by our government to help.

Ten million young men have registered their names for the country's service. The overwhelming majority of these men did this willingly and cheerfully, but there are, in addition to this, some seventy million people of mature age, many of whom have volunteered for military service and a great majority of whom would be glad to register their names and offer themselves to the government for such service as they might be fitted.

In the great cause we have before us every one can do something. Indeed, people are coming to Washington by the hundreds, offering their services to the government freely and generously, but at the present moment, next to the service of the soldier in the field, there is no service that can be rendered equal to that of supporting the government loyally and enthusiastically.

The government is offering the people a bond issue of two billion dollars. This means that every man, woman and child, to do his pro rata share, should subscribe to \$20 worth. It means that the average father of a family should subscribe to \$100 worth. Let us not fall into the mistake of assuming that somebody else will do his duty and more than his duty; that somebody else will subscribe to these bonds, and that they will be oversubscribed. Let us be sure that we, every one of us, are doing our duty. This is a matter for each individual to decide for himself. Do not wait. The date of the closing of the subscriptions is near. Do not let your neighbor alone bear the burden of the war. Be prepared to contribute your share, and if you cannot be a soldier of the army be a soldier of the treasury. Subscribe to the Liberty loan.

PRESIDENT'S ADDRESS IS ENTHUSIASTICALLY RECEIVED IN RUSSIA

Sentiments Held Entirely in Accord With Those of the Workmen and Soldiers.

By William G. Shepherd
Petrograd, June 11.—(U. P.)—President Wilson's message to Russia sounds the keynote of Russian feeling so aptly that it might have come from the lips of the workmen's and soldiers' council. It was so regarded universally in Petrograd today.

FIRST STEP IS TAKEN TOWARD FORMING OF EXEMPTION BOARDS

Washington, June 11.—(U. P.)—The first actual step toward formation of boards which will consider exemption from service in the new national armies raised by conscription was taken today when a plan for exemption of those physically unfit was submitted to President Wilson by a special board of lawyers, jurists and military authorities.

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TRUST FUND OF \$1,500,000 IN LIBERTY BONDS

Advance Money Paid to Port- land Shipbuilders Is Con- verted Into "Silver Bul- lets" by Agreement.

SUGGESTION FIRST MADE BY MAYOR-ELECT BAKER

Portland's Subscription Has Now Reached Total of \$5,050,350.

Southern Pacific Adds \$800,000
Word was received at Liberty loan headquarters at 2 o'clock this afternoon that \$200,000 had been subscribed by the Southern Pacific railroad had been placed to the credit of the Oregon allotment. This brings the state total close to \$7,000,000.
At 10 o'clock this morning the O-W, R. & N. announced that \$200,000 had been subscribed by its employees throughout the state.

Oregon's subscriptions to the Liberty loan today were enlarged by \$1,500,000 through the conversion into bonds of advance money paid to Portland builders for steel ships and held in trust.

The transaction was completed through the United States National bank this morning. The following statement was made by parties interested at noon today:

At the solicitation of George L. Baker, mayor-elect of Portland, and through the cooperation of J. C. Ainsworth, president of the United States National bank, arrangements have been made by the steel shipbuilding interests of the Northwest Steel company, Willamette Iron & Steel Works, Columbia River Shipbuilding corporation and Smith & Watson Iron Works to convert funds held in trust against unfinished work into Liberty loan bonds to the extent of \$1,500,000.

This is by far the largest subscription yet made to the Liberty loan in Portland and increases the city's total since the campaign started to \$5,050,350. The grand total for the state, including other subscriptions made today, is \$4,242,900.

The money thus converted into bonds was received by the Portland shipbuilders as advance payments on ships under construction or yet to be started. This money in turn was deposited in trust to indemnify the Maryland Trust company of Baltimore. The Maryland Trust company is the bonding company for the shipbuilders to insure their performance of contracts for \$1,000,000.

This indemnity money, until this morning, existed in the form of certificates of deposit in various eastern banks. It is now converted into Liberty bonds. Handled through the United States National bank by Mr. Ainsworth, Portland gets full credit for the conversion.

States Not to Be Penalized.
Such men as college heads, prominent lawyers and men in high civil life will be given preference. Each federal or judicial district will have one appellate board to review the finding of the local board and pass upon a pending case in each community which is picked for these vital positions.

Appeal Provision Made
The plan provides that each local exemption board will have as one member a physician who will give the first test. When he rejects a man, the other board members must summon another physician, who will make an examination, not knowing the first doctor's decision. If the decision is the same, the man is declared unfit. The regular physician member of the board is not to be penalized.

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Unregistered Men Are to Be Arrested Now

Period of Leniency Has Passed and Orders Go Out to Seize "Slackers."

Washington, June 11.—(U. P.)—Orders went out today to all police departments to bring in the "slackers." The period of leniency allowed by the provost marshal general in regard to persons registering has now passed.

Beginning tomorrow, police will arrest any and all men who have not registered. They will be taken "forcibly if necessary" before the proper authorities and will be required to register. Then they will be taken before United States district attorneys for punishment.

When notified of the order issued by the provost marshal at Washington, D. C., advising the police of all cities, the days of grace given those between the ages of 21 and 30, inclusive, to register will be up tonight and that tomorrow they will be arrested, chief of police Clark said that his men would continue doing as before.

Those who they have reason to believe are "slackers" will be arrested and required to show their registration card or sent before United States Attorney Reames.

Five arrests have been made by the police of persons on a charge of failing to register. Three of these had failed to register and one was sent to McNeil's island as an alien.

CHICAGO "SLACKERS" SOUGHT

Chicago, June 11.—(I. N. S.)—The police of Chicago were instructed today to arrest any men of draft age who could not show a blue registration card. They were to stop every man who appeared to be between 21 and 30, inclusive, and to report on all of military age who could not furnish proof of employment.

MONTANA AND IDAHO SETTING RAPID PACE GIVING TO RED CROSS

H. W. Stone, Back From Trip
Over Northwest, Says City
Will Have to Hustle.

Other committees, big cities, little towns, state districts, counties and other Red Cross branches are setting a pace in organization and enthusiasm that will make Portland hustle to stay in the band wagon. This is the message brought to Portland this morning by Harry W. Stone, northwest division manager of the Red Cross drive.

Stone has the four states of Oregon, Washington, Idaho and Montana in his jurisdiction and is endeavoring to raise a grand total of \$2,350,000 out of the total of \$100,000,000 for the nation at large.

MAJORITY LEADER OF SENATE IS CRITICIZED FOR DELAYING BUDGET

Charges and Revelations Fly
Thick and Fast in Debate
Which Follows.

Washington, June 1.—(I. N. S.)—Senator William Alden Smith of Michigan sharply criticized Senator Martin of Virginia, the majority leader of the senate, for delaying the final passage of the \$2,340,000,000 army and navy budget because of the \$2,000,000 appropriation for the Hampton Roads navy base which the house has rejected the funeral.

Charges and revelations regarding the conduct of the war flew thick and fast in the debate which followed immediately.

Senator Martin declared that Secretary Daniels admitted sanitary conditions in the navy were "terrible" that recruits were being sent back through lack of facilities for training them, and that the navy could not be successfully operated without the Hampton Roads base.

That the government is borrowing money in a "baphazard fashion" to meet expenses of the army, and its failure to pay student officers in the reserve corps "is disgraceful," was the substance of charges made by Senator Smith.

LIBERTY LOAN FACTS

No. XIV
CONSIDER THE TAX EXEMPT FEATURE

Liberty Bonds pay 3 1/2 per cent net—free from all Federal, State and Local taxes (except estate and inheritance taxes).

The importance of this tax exempt feature in Liberty Bonds is worthy of particular consideration.

The holder of all other forms of personal property or investment securities is liable for taxation. The combined tax rates throughout the country are said to average nearly 2 1/2 per cent, when taking into consideration all forms of taxation under Federal, State and Local authority.

That is, the holder of an ordinary \$1000 investment security might be subject to a tax of \$25.00 or less.

If he purchases a Liberty Bond, he receives the full 3 1/2 per cent interest without consideration for any taxes whatever. On the other hand, if he holds some form of taxable security, it must necessarily yield him an annual return of nearly 6 per cent, in order to permit him to pay all the taxes for which he is liable, so that his net income will produce 3 1/2 per cent. Therefore, if an investor pays his taxes in full, he could better afford to hold a 3 1/2 per cent Liberty Bond than any taxable security yielding less than 6 per cent interest per annum.

BUY A LIBERTY BOND TODAY AT YOUR BANK.
AT THE DEPARTMENT STORE, AT YOUR POSTOFFICE.