

IT'S ALL HERE
and
IT'S ALL TRUE



The Journal



THE WEATHER
Fair tonight and
Wednesday;
northerly winds.
Humidity, 42.

VOL. LXVI, NO. 128.

PORTLAND, OREGON, TUESDAY EVENING, OCTOBER 9, 1917.—SIXTEEN PAGES

PRICE TWO CENTS ON TRAINS AND NEWS STANDS FIVE CENTS

SUBSCRIPTIONS TO LIBERTY LOAN ARE SLOW IN COMING

Only 10 Per Cent of Total of \$16,500,000 Has Been Received and but 16 Working Days Remain.

M'ADOO CONFERENCE IS EXPECTED TO AID

Secretary of Treasury Will Arrive in City Wednesday; 250 Bankers Coming

We had his suspicions
Wayne Adams, 12-year-old newspaper carrier, appeared at Liberty loan headquarters this morning to inquire into the Dun and Bradstreet ratings of the First National bank. Wayne said he had subscribed for a \$100 bond at the First National, and because his name had not been published in the papers among the list of subscribers, he suspected that someone of the bank officials had "gone south" with his money. Chapman, vice chairman of the publicity committee, reassured him with the statement that the First National subscriptions had not yet been published, but would be forthcoming in a few days.

With 74 additional subscriptions reported from eight of the west side banks up to noon today, the slowly climbing Liberty loan total increased by \$245,800, state totals outside of Portland by \$13,950, and the grand total for the state, including all subscriptions from Oregon, as \$1,774,000. This is a little more than one tenth of the state's minimum allotment on the second bond issue. Portland, asked to subscribe something over \$10,000,000 of this minimum allotment of \$16,500,000 for the state, to date has produced almost a million, its total figures at noon amounting to \$950,850.

Subscriptions at the banks are going very slowly. With the campaign as advanced as it is, only 16 working days remaining for the drive, the results from the banks are coming by dribbles, and nothing apparently is being done to drive the big subscriptions that are so vitally necessary.

At 4 o'clock this afternoon, the Portland Clearing House association will meet at the First National bank, and C. A. Miller, the state chairman, will urge that something immediately be done to speed up the drive. All of the banks there is plenty of talk about the big subscriptions that are going to be made, but as yet none of them have eventuated.

This is the way the banks reported on subscriptions this morning:

No. of Subscriptions	
First National bank	\$ 37,900
Ladd & Tilton	3,700
State Bank of Portland	1,350
Commercial Bank	1,350
Peninsula National Bank	1,250
Bank of Commerce	25,100
Bank of California	25,100
U. S. National bank	13,250
245,800	

Slightly better progress is being made in the country districts of the state, although the campaign outside of Portland is in its first stages, with the speaking committee just being organized, and all the bankers flocking to Portland to meet Secretary McAdoo Wednesday.

Over 250 of the banks outside of Portland have said that they will be

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ITALIAN PLANES BOMB AUSTRIAN WAR CRAFT, DOING HEAVY DAMAGE

Fires Are Started Also in Military Storehouses at Cattaro, It Is Announced.

Washington, Oct. 9.—(U. P.)—Italian airplanes bombed Cattaro early today, inflicted severe damage to Austrian destroyers and submarines in the harbors, cables to the Italian embassy stated. Fires were started in military storehouses. Although several of the big Caproni planes were riddled with Austrian bullets, all returned safely across the Adriatic to their base.

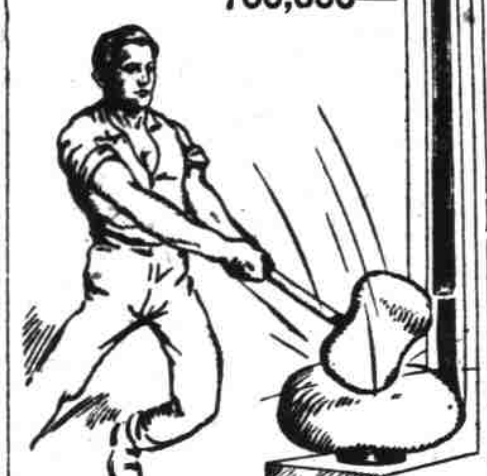
Headed by Gabrielle D'Annunzio, noted Italian poet, the squadron crossed the Adriatic, a distance of 130 miles. They arrived at midnight, flying at an altitude of 12,000 feet. Circling down several thousand feet the aviators started bombing destroyers and submarines anchored in the harbor.

The Austrian batteries opened a furious fire against the Italian planes, which, however, remained over Cattaro until 3 o'clock this morning. Several big fires were observed and several ships were hit.

Italians Capture Destroyer
Rome, Oct. 9.—(U. P.)—An Austrian destroyer has been captured by the Italians. It was officially announced Monday. No details of the engagement, which presumably preceded the surrender of the Austrian warship, were given.

You Can Help

Total Needed—	
\$16,500,000—	
2,500,000	
2,000,000	
1,750,000	
1,500,000	
1,250,000	
1,000,000	
950,000	
900,000	
850,000	
800,000	
750,000	
700,000	



LIBERTY LOAN
Bank Information Report

City of Portland, through banks, previous	\$705,050
Reported today	245,800
\$ 950,850	
State outside of Portland, previous	\$709,200
Reported today	13,950
723,150	
Grand total	\$1,674,000

SCHOOL BOARD MAY INVEST ITS FUNDS IN LIBERTY LOAN BONDS

Dr. Sommer Says \$302,150 Is Available; Teachers Will Have Chance to Purchase.

A plan to convert \$302,150 of school district funds that are now dormant into Liberty bonds was announced by Dr. E. A. Sommer, chairman of the finance committee of the school board, this morning, and will be taken up when four of the directors meet as a committee of the whole Thursday.

The amount named is made up of \$216,657 in the bond sinking fund, payments from which will not be made for a number of years, and \$85,493 from the school board fund.

These amounts are now in the banks drawing 2 per cent and Dr. Sommer considers that they can be invested to better advantage in the Liberty bonds and at the same time will be assisting the government in its war financing.

Dr. Sommer said he had taken up the matter with Nelson G. Pike, his associate on the finance committee, and Mr. Pike had approved of the idea. Dr. J. Francis Drake and Dr. Alan C. Smith, members of the board, have been consulted and are favorable. O. M. Plummer, the other director, is out of the city, but Dr. Sommer believes that he will also be in favor of this disposal of the school funds. The legality of the procedure was approved of by District Attorney Thomas.

Teachers of the school district will be given the opportunity to subscribe for bonds from the school board allotment if the project goes through. The teachers will be allowed to subscribe on a partial payment plan that will extend over the school year. The bonds will be retained as security until they have been paid for by the teachers, and interest will be charged at 4 per cent, the amount paid by the bonds. If the teachers had to borrow money from the banks to pay for bonds, they would have to pay 5 per cent. There are 1140 teachers in the district. Their subscriptions might exceed the \$300,000 total paid by the school board, in which event additional bonds will be purchased with funds from the district's salary budget.

Funeral at Sea Is Interrupted by Diver

An Atlantic Port, Oct. 9.—(I. N. S.)—Attacked by a German submarine while burying a corpse at sea, the British steamer Tintoretta, which has just arrived here, had a narrow escape.

When the submarine was sighted the men taking part in the burial ceremony dropped both the corpse and the Bible overboard.

The U-boat fired a torpedo, which missed the vessel by about eight feet. The ship then put on full steam, circling down several thousand feet the aviators started bombing destroyers and submarines anchored in the harbor.

New Policy Is Announced for National Army

Division to Be Trained at Each Cantonment, Surplus at Camps Gordon and Pike.

Washington, Oct. 9.—(I. N. S.)—A complete new policy for the organization of the national army was announced by Secretary of War Baker this afternoon.

Under the new plan finally adopted today one national army division will be organized at each of the 16 cantonments. Since there are 27,000 men in a division and about 44,000 selected men in the cantonments, a surplus of 17,000 men will be left at each camp after the cantonment divisions are organized.

The surplus men are to be sent to Camp Gordon, Atlanta, Ga., and Camp Pike at Little Rock, Ark., there to be organized into additional national army divisions. The white men of the south, originally assigned to Camp Gordon and Camp Pike, are to be sent to Camp Jackson at Columbia, S. C., where they will be added to the men originally assigned to that camp and organized into a national army division.

The new policy was made necessary because of the high proportion of negroes among the selected men of the south.

It will be the policy of the department, Secretary Baker said, to distribute the colored selected men evenly over the entire country. They will be trained in company with the whites at the 16 cantonments and organized into divisional units later to be brought together into a division of 27,000 in France.

Surplus whites from the cantonment at Chillicothe, Ohio; Battle Creek, Mich.; Rockford, Ill.; Louisville, Ky.; Des Moines, Iowa; Fort Sam Houston, Texas; and Fort Riley, Kan., will be trained at Camp Pike, at Little Rock.

The only cantonment not affected by today's change in policy is that at American Lake, Wash. The relatively small population of the extreme northwest makes it unlikely that there will be any surplus of men after one division has been organized there.

ENGLAND PLANS TO CONSCRIPT CAPITAL TO PAY FOR WAR

British Government Practically Decides to Levy Directly on Wealth.

By Lowell Mellett
London, Oct. 9.—(U. P.)—England has another shock in store for that section of American which hates to see wealth to do its bit. England is preparing to conscript capital—literally.

There has been a great deal of talk about the conscription of wealth in connection with the war, but it has meant only high income taxes, excess profits taxes and levies of that sort. The British government today has practically decided to take the next step and levy directly on capital. Barring a change of opinion in the meantime on the part of those responsible for the financial policy of the government, the levy will be made soon after the war ends.

This, possibly the most radical financial innovation that has resulted from the war, is due to the conviction that it is, if not the only way out, at least the best way out, from under the terrific financial burden the war will place upon the country.

At the end of the war Great Britain will face the necessity of providing \$2,500,000,000 or more annual revenue. It will cost half that to meet the running expenses of the government, and the greater part of the other half will meet the interest on war loans. The estimate for pensions is now \$250,000,000 a year.

Lancaster Protests Change in Highway

Engineer Says Proposed Readjustment of Road West of Shepperds Hall Would Make Road Unsafe.

Chairman Rufus C. Holman of the board of county commissioners called a special meeting of the board this morning to consider changes in the road west of Shepperds Hall proposed by Roadmaster John B. Yeon.

The changes proposed were a realignment of a curve just west of Shepperds Hall. The changes, if carried out, would necessitate the building of a high dry masonry wall just outside of one already existing, at a cost of about \$10,000.

Samuel C. Lancaster, the engineer in charge of the entire original construction of the highway, has written Dr. J. Francis Drake, county engineer, protesting against the change on the ground that the new wall would be dangerous to travelers on the highway by reason of possible collapse, as well as by reason of its cost.

MEDIATION FAILS AND CONFERENCE COMES TO AN END

Strike Situation in Local Ship Yards Is Same as When First Meeting Was Called, Two Weeks Ago.

Split asunder by the closed shop issue and unable to find any mutual ground upon which they could stand, the joint conference of the employers' and striking employees' representatives came to an end Monday night without agreement. As a result the shipyard strike stands in the same position it occupied nearly two weeks ago when the first conference was called by Federal Mediator G. Y. Harry, so far as any understanding between the employers and the striking employees is concerned.

COUNTER PROPOSALS MEET OBJECTIONS

Each Side Now Contends the Other Was Responsible for the Strike.

The final effort of mediator Harry to bring the two sides together upon a basis proposed by him, which embodied the essential features of the temporary agreement under which the San Francisco yards resumed work, was fruitless. The answer of the employers' committee was in effect a counter proposition not acceptable to the committee representing the employees, while the reply of the employees' committee was another counter proposal in turn declined by the employers.

Mediator Harry's proposal, around which the discussion of the last two conferences centered, suggested a horizontal rise of 20 per cent in the minimum wage scale of all Columbia river shipyards, the rise to be based upon the scale in effect in each yard at the time the present strike was called. It suggested that the employers bind themselves not to interfere with or obstruct the organization or maintenance of unions among their men, while on the other hand the men were to waive the closed shop issue during the life of the agreement.

The essential features of this proposal were:

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MADRAS REMAINS AS LEGAL COUNTY SEAT OF JEFFERSON COUNTY

State Supreme Court Upholds Circuit Judge Duffy; Long Fight Is Ended.

Salem, Or., Oct. 9.—The supreme court today wrote final to the county seat controversy which has raged between Culver and Madras, by holding that the selection of Madras as the county seat of Jefferson county was lawfully accomplished. The supreme court, in an opinion written by Justice McCannan, affirmed the decision of Circuit Judge Duffy.

When the county of Jefferson was created, the temporary county seat was located at Culver. At the general election in 1916 the people of the county voted on the location of the county seat and gave a majority vote on the other hand. Then developed a bitter fight on the part of Culver citizens to prevent removal of the seat of government brought suit in the circuit court to restrain W. E. Johnson, clerk of Jefferson county, from canvassing and certifying the election returns on the ground that the election was illegal.

This is the case which was affirmed today in favor of Madras. In the case of Creamer vs. Douglas county in which plaintiff seeks refund of taxes and penalties paid on unsurveyed government land, the supreme court reverses Circuit Judge Hamilton and holds that plaintiff is entitled to refund of the amount for which he holds delinquency certificate, and is not entitled to the amount he paid voluntarily thereafter.

Destroyer Believed To Carry Luxburg

Buenos Aires, Oct. 9.—(I. N. S.)—The Argentine destroyer Catamarca sailed from the La Plata under sealed orders today.

It was reported that the Catamarca had on board Count von Luxburg, former German charge d'affaires, who was handed his passports because of unneutral messages he sent from this city through the Swedish legation.

Bolo Pasha Case Extends to London

London, Oct. 9.—A European news agency stated today that it has learned that the French commission which is coming to London in connection with the Bolo Pasha case, has documentary evidence of Germany's peace plots in the allied countries. It added that "sensational developments" are expected in London in connection with the case.

Austrian Naval Officers Make Escape Again

Body of Hans Froelich Found Floating in Rio Grande at Laredo, Mexico.

Laredo, Texas, Oct. 9.—(U. P.)—The four Austrian naval officers, arrested here August 15, suspected of being spies in complicity with Captain Irving Schneider, of the German navy, have made their escape from the Fort McIntosh guardhouse, authorities announced today.

Some time ago the four, with Schneider, were arrested at San Francisco and were lined up. The four made a dash for liberty to cross the Rio Grande into Mexico, but were caught here.

One of the four, known to have crossed into Nuevo Laredo, Mexico, while one was drowned in the Rio Grande. The body of Hans Froelich, an Austrian, was recovered from the river today. The body was badly decomposed.

According to officials, the escape was effected Sunday morning, shortly after midnight, the men having been furnished with a duplicate key.

DICK CARTER FEARS OTHERS IMPLICATED IN KIDNAPING CASE

Confessed Member of Gang Is Transferred to Separate Cell in Prison.

Marshfield, Mo., Oct. 9.—(U. P.)—Dick Carter, confessed member of the gang that kidnaped Baby Lloyd Keet, who was expected to turn state's evidence in the trial of Claude Pierson, alleged leader, Carter fears other members of the gang held in the county jail, may attempt his life. At his own request, Carter has been transferred to a separate cell in the women's ward and additional guards have been placed in the corridors.

Two unsuccessful attempts were made to kidnap Baby Keet, according to Carter's alleged confession. This was in March. Conditions were unfavorable both times, he said. And he wanted to give up the plan. But Pierson, according to Carter, was determined to steal the baby.

"By God, we're going to get that baby," Carter quoted Pierson as saying. Carter said he got cold feet after the two attempts and left Springfield, He heard Pierson was badly hurt when the baby was kidnaped on the night of May 30.

Carter's confession was made a month ago. Prosecuting Attorney O'Day said today that he was kept secret for fear an attempt would be made on Carter's life. Carter was married yesterday to Mrs. Jessie O'Connell, 35 years old and mother of two children. Mrs. O'Connell was with him when he was arrested in Hutchinson, Kan., June 19, and came to Marshfield when he was brought here.

J. Holliday Keet, wealthy banker and father of the murdered baby, will probably take the stand this afternoon. He will be followed by Mrs. Keet and two other witnesses in the house when the kidnaping occurred.

McAdoo Speaks to Camp Lewis Men

Tacoma, Wash., Oct. 9.—(U. P.)—William G. McAdoo, secretary of the treasury, today made one of his characteristic addresses to the soldiers at more than 30,000 officers and men at Camp Lewis, after which he was the honored guest at a parade through the city streets. This afternoon Secretary McAdoo speaks to the people of Tacoma at the Tacoma theater. The secretary later leaves for Seattle.

Test Will Be Made Of Anti-Picketing

Due to dissension over the anti-picketing law, a test case will be made of the charge against Earl Hall, arrested this morning.

An agreement was reached between City Attorney LaRoch and W. S. Uren, attorney for the defendant, whereby the complaint will be filed with Neal R. Crounse, clerk of the municipal court. A demurrer will then be made by the defendant on the grounds that the statute is illegal and does not state the cause of action.

The complaint in question will then be taken before the supreme court. This action was urged by Deputy City Attorney Fred Stadler.

PEACE OFFER TO BE MADE AGAIN, SAYS NEWSPAPER

Germany and Austria Reported to Have Agreed to Basis of No Territorial Aggrandizement Indemnities.

Berlin Tages Zeitung Makes Statement

Chancellor Michaelis Is Expected to Address Reichstag on War Aims.

Amsterdam, Oct. 9.—(U. P.)—The reichstag main committee this afternoon rejected the Socialist motion for a censure of Vice Chancellor Helfferich on account of Helfferich's refusal to submit to interpellations at Saturday's reichstag meeting.

Amsterdam, Oct. 9.—(U. P.)—Germany and Austria have agreed to make another peace offer on a basis of no territorial aggrandizement, surrender of Belgium and the French territories and no indemnity on either side, according to the Berlin Tages Zeitung today.

The newspaper asserted it made the announcement according to "good authority." No details were given on how the rumored peace offers would be advanced. Speculation here was that Chancellor Michaelis might make some sort of a peace announcement today in his proposed speech, advertised as likely to outline Germany's war aims.

A sensational session of the reichstag is expected according to Berlin reports. The dispatch said Chancellor Michaelis was absent from Berlin but in contradiction other messages reported him ready to speak.

The German press is filled with comment on the crisis which Michaelis now faces in the German parliament. The resignation of Vice Chancellor Helfferich was widely predicted in some comments. The radicals in the reichstag and even many of the conservatives are solidly opposed to him because of his failure to announce a governmental policy at Saturday's reichstag meeting.

KLAMATH BOX PLANTS ARE SWEEPED BY FIRE; OIL IS THREATENED

Ewauna Company First of Kind to Operate in District; Employed 100 Men.

Klamath Falls, Or., Oct. 9.—The Ewauna Box company plant, one of the city's largest industries, was destroyed by fire which broke out at noon today. The blaze is believed to have started in the planing room from unknown sources.

The Big Lakes Box company mill adjoining was badly damaged and the Standard Oil company station across Sixth street was in danger. Many citizens assisted firemen in fighting the flames.

The Ewauna plant was the first factory of the kind to start here. It has been in operation about five years, and ever since they were brought here facing felony charges and six charges with misdemeanor for carrying concealed weapons. The men, who have been confined in car barn barracks ever since they were brought here from the east, eight weeks ago, broke out from their quarters last night and indulged in wild joy riding. They were arrested at 15th street.

S. F. Strikebreakers Go on a Wild Ride

Men Arrested Are Accused of Carrying Concealed Weapons—Had Been Confined in Barracks.

San Francisco, Oct. 9.—(I. N. S.)—Thirteen United Railroad strikebreakers are under arrest today, seven facing felony charges and six charges with misdemeanor for carrying concealed weapons. The men, who have been confined in car barn barracks ever since they were brought here from the east, eight weeks ago, broke out from their quarters last night and indulged in wild joy riding. They were arrested at 15th street.

Subway Trains Hit; 25 Persons Injured

New York, Oct. 9.—(I. N. S.)—Twenty-five persons were injured, four seriously, here today when two northbound subway trains met in rear-end collision in the Bronx at River avenue and 15th street.

New Coalition Body Chosen By Kerensky

All Members of Cabinet Have Served Under Provisional Government Before.

Petrograd, Oct. 9.—(U. P.)—Premier Kerensky today announced the composition of the new coalition cabinet as follows:

Premier and commander-in-chief, A. F. Kerensky;
Interior and posts and telegraphs, M. Nikitin;
Justice, M. Mallantovitch;
Food and supplies, M. Prokopovitch;
Agriculture, M. Avskentloff;
Labor, M. Gvozdev, all Socialists.
Foreign affairs, M. Tereshchenko.
Commerce and industry, M. Konovloff.
Finance, M. Bernadsky, Constitutional Democrat.
War, General Verhovsky.
Marine, Admiral Verdervsky.
All the newly announced ministers have been members of former cabinets under the provisional government.

Secret Session Is Held
Petrograd, Oct. 9.—The first session of the preliminary parliament has taken place and it lasted far into the night, but it was secret and no correspondents were admitted.

The preliminary parliament is a legislative body approved by the Democratic congress. The body gave notice it would not oppose such an organization so long as all parties are represented in it.

About the same time an extraordinary conference was going on in the winter palace with representatives of the provisional government, delegates of the Democratic congress and representatives of local political parties taking part.

Anti-Peace Appeal Planned
Petrograd, Oct. 9.—(U. P.)—The president of the democratic congress will soon issue an appeal to the democrats of all allied nations to work against all attempts to conclude a separate peace with central powers. The appeal will be based on the ground that a separate peace independent of Russia's allies would be a serious blow to the new Russian democracy.

THIRD WORLD SERIES GAME IS POSTPONED ON ACCOUNT OF RAIN

Teams Will Remain in New York Until Weather Permits Two Games.

By H. C. Hamilton
New York, Oct. 9.—(U. P.)—The third world's series game between the Chicago White Sox and New York Giants was postponed today on account of rain.

Announcement that the game had been called off was made by the National commission here. It had rained most of the morning.

The third game will now be played here tomorrow—weather permitting—and the fourth game Thursday. The teams will remain here until two games are played before returning to Chicago, should a fifth game be necessary.

The playing field at the Polo grounds was very soggy. Rainwater stood in puddles all over the field. In spite of the weather, a big crowd was present and listened to the band while they waited for an announcement of the fate of the game. The lower stand, which holds about 10,000, was crammed full. The upper deck, which is the reserved section, had only a few but all tickets for that part had been sold. The bleachers held a crowd but were far from full.

Government Wants Short Term Loan

Washington, Oct. 9.—(U. P.)—The treasury department today offered \$300,000,000 in 4 per cent short term certificates of indebtedness. This is to furnish ready cash until funds from the second Liberty loan are received.

Over one and a half billion dollars' worth of these certificates have been issued, including today's. Four per cent is an increased interest rate.

Student Aviator Is Held as Alien Enemy

San Diego, Cal., Oct. 9.—(I. N. S.)—Joseph Van Divacet, student aviator at North Island aviation station, today is a prisoner at the county jail as an alien enemy. He was arrested by United States Marshal Carse on a presidential warrant.

GERMAN LINE BENDS UNDER NEW BLOWS

British and French Cooperate in Drive in Ypres Sector and Advance Another Mile into Positions of Kaiser's Troops.

DRIVE BEGINS AT DAWN AND IS STILL RAGING

Stormy Weather Fails to Alter Plans of Field Marshal Haig to Continue Activities Started Last Week; Stubborn Resistance Offered.

London, Oct. 9.—(U. P.)—British and French troops struck a successful sudden joint blow early today against German lines in the famous Ypres sector.

Official statements announced complete attainment of all first objectives. The French war office indicated the fighting was still bitterly in progress, with favorable developments reported from the Poilus. The French troops' part in the great drive was around Houthulst wood.

Field Marshal Haig's battle report was couched in his customary curt phrases, but indicated the fullest realization of all plans.

The French official statement reported the artillery on both sides very active around the Aisne front near Pantheon.

Unofficial dispatches from the front here this afternoon said that the British and French penetrated German positions to a depth of a mile at some points.

"At 5:20 this morning we again attacked on the west front and north of Ypres in conjunction with our allies on the left," Haig reported.

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\$1,500,000 IN TAX WARRANTS RECEIVED IN GRANT LAND CASE

United States Treasury Sends Payments to Oswald West for Taxes and Penalties.

Nineteen warrants aggregating approximately \$1,500,000, were received from the treasurer of the United States this morning by Oswald West, for payment of the accrued taxes and penalties upon the Oregon & California grant lands.

The warrants are drawn in favor of each of the 15 land grant counties in Oregon and Clark county in Washington, which contains a small acreage of grant land.

The taxes are to be paid upon the unsold lands of the grant, settlement of the Clark county in Washington, which contains a small acreage of grant land.

Receipts are now being prepared by the different county tax departments in Oregon and Washington. The taxes are to be paid upon the unsold lands of the grant, settlement of the Clark county in Washington, which contains a small acreage of grant land.

Adjustment Board Working at Seattle