

## WILHELM IS NAMED HEAD OF BANKERS

### Harrisburg Man Elected President of Group 2 of Oregon State Bankers Association Here Yesterday

## LOANS TO AUTO BUYERS STERNLY FROWNED UPON

### Thrift Campaign Will Be Inaugurated in State and Booklet Published

More real hard cash was represented in the Salem Commercial club auditorium yesterday afternoon than that institution has seen in many a month, as delegates from eighteen banking institutions of western Oregon were gathered there for the annual convention and conference. This body was only a partial representation of Group 2 of the Oregon State Bankers association which comprises in all forty-three banks, among them some of the strongest institutions in the state.

The following officers were elected for the coming year: President, George G. Wilhelm, Harrisburg; vice-president, Joseph H. Albert, Salem; secretary, J. C. Irvine, Albany; treasurer, W. H. Beard, Falls City.

### Many Banking Men Come.

Among the delegates registered were the following: Edward D. Smith, cashier Oregon State Bank, Jefferson; D. Hirschberg, president Independence National bank; J. J. Keber, cashier Bank of Mt. Angel; N. A. Haffard, cashier Bank of Woodburn; George J. Wilhelm, director First National bank of Harrisburg; Alex. Powers, cashier First National bank of Lebanon; W. E. Keyler, cashier Benton county bank, Corvallis; J. C. Irvine, cashier First National bank, Albany; E. W. Hazard, cashier United States National bank, of Salem; Samuel Garland, director First National bank, Lebanon; J. H. Atkins, cashier Capital National bank, Salem; F. J. Craven, of the Bank of Dalles; W. H. Beard, director Bank of Falls City; R. A. Inman, director, representing the Livestock State bank, Portland; J. E. Eynart, representing the Portland Cattle Loan company; H. B. Cusick, cashier Bank of Gervais; Guy Hickock, cashier Aurora State bank; J. A. Bexall, dean of the School of Commerce at Oregon Agricultural College.

### Auto Buyers Discussed.

A number of interesting papers and talks were included in the program of the day, dealing with some of the larger financial interests. Among other matters of interest to bankers was the rate on drafts sold to customers, fees for cashing out-of-town checks, collection charges, sight drafts and bills of lading.

At one point the discussions became spirited, as the question of granting loans to the buyers of automobiles was brought to the front. Some of the bankers were in favor of discouraging and shutting off as far as possible such loans. S. M. Garland pointed to the automobile craze as a curse to the community, declaring that the reckless purchase of automobiles had done more to cause financial troubles than any other one thing during the past five years. Cases were cited where farm stock had been sold and homes mortgaged in order to buy a "joy wagon." He ventured the assertion that the average driver of an automobile has never figured out what it was costing him to operate it. In the end a resolution was passed unanimously that all such loans should be discouraged, except where it was shown that the automobile was for utility purposes.

### Patriotic Policy Urged.

A resolution was also passed to the effect that it should be considered unpatriotic at this period for any bank to retain any large quantity of gold in its vaults, but that it should be the general policy to forward reserves to the federal reserve bank in San Francisco.

J. A. Bexall, of O. A. C., who came to the convention in the interest of the thrift stamp movement, presented the thrift plan as adopted by the State Bankers' association at Marshfield. The following resolutions were drawn up by a committee composed of Samuel Garland, Joseph Albert and N. A. Haffard and unanimously adopted:

"That the present co-operative plan with Oregon Agricultural college, United States department of agriculture, Oregon state department of education, Oregon State Teachers' association, and the Oregon State Bankers' association, be continued.

"That a bulletin be issued as soon as practicable, entitled 'Thrift Education in Oregon,' and that every bank in the association be asked to subscribe for a definite number of copies to be distributed in its own locality, thus providing for a practical

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## Statement Shows Loans To Farmers Are Large

WASHINGTON, May 24.—The twelve federal land banks established under the farm loan act have made loans to farmers to the amount of \$91,865,586.20, according to a statement of conditions for April 30, 1918, issued today by the farm loan board. This date marks practically the close of the first year's business.

The capital stock of the banks has increased from \$9,000,000 to \$13,594,895 and farm loan bonds to the amount of \$83,750,000 have been issued. The banks' excess of earnings and interest charges over expenses amounted to \$411,954.24, which is about three per cent of the capital.

## MEMORIAL DAY OBSERVANCE TO BE ELABORATE

### Tentative Plans Call for Morning Service at First Methodist Church

## PAGEANT IS PLANNED

### Graves of Present War Heroes To Be Decked With Floral Tributes

Memorial day is to be observed in Salem in a grander and more comprehensive manner than ever before attempted according to plans now being formulated. At the request of the G. A. R. post, the Salem Commercial club will take charge of the arrangements for the day, the veterans and the Salem Ministerial association co-operating with the club.

The committee on ways and means will consist of Col. A. T. Woolpert, W. C. Faulkner and Hal Patton, while the committee on program will consist of Dr. B. L. Steeves, Rev. R. N. Avison and John W. Todd. The latter committee will hold a conference at the commercial club rooms Monday afternoon at 4 o'clock, at which time the various features will be finally arranged.

Tentative plans contemplate the usual order of morning services to be held at the First Methodist church, with patriotic addresses by both ministers and prominent citizens. This will be followed by the customary visit of the veterans, W. R. C. and citizens to the cemeteries for the decoration of graves.

In this connection it is explained that the committee desires to have the services of about fifteen automobiles to be used in taking the G. A. R. and W. R. C. to the cemetery. Any citizens who will donate the use of their cars are requested to report to the commercial club the day before.

In the afternoon it is proposed to mobilize a grand patriotic and symbolic pageant, to be participated in by military organizations, fraternal societies, high school cadets, city, county and state officials and bands of music.

While it is too early to enter into details, it may be stated that the program of music and addresses will be of more than ordinary character. It has been suggested that on this occasion special attention shall be paid to the memory of the young soldiers of this community who have laid down their lives in the service. Attorney Max Gehlbach will serve as marshal of the day with U. G. Boyer as assistant.

## TAKE COUNT TO FORT SHERIDAN

### Son-in-Law of Swift Held in Custody Pending Appeal Granted by Judge

CHICAGO, May 24.—Count James Minotto, son-in-law of Louis F. Swift, partner after two adverse court decisions, and one in his favor, late today was taken by United States Marshal Bradley to Fort Sheridan, Ill., pending appeal from internment.

Federal Judge Carpenter who yesterday refused to grant the count freedom on a writ of habeas corpus today formally ordered him to Fort Sheridan, but granted an appeal.

The count and his attorneys and relatives immediately went to the United States circuit court of appeals where hearing was set for June 12, but Judges Baker and Evans decided he could not be liberated on his old bond of \$50,000, but must go to the fort.

## WINNIPEG STRIKE ENDS

WINNIPEG, Minn., May 24.—Winnipeg's strike of civic employees in addition to which workers estimated at thousands struck in sympathy, ended late today when the city council reached an agreement, the terms of which were approved by the strikers' committee. The strikers will be back at work in a few hours it is said.

## LIMIT FOR VOLUNTEERS IS RAISED

### Men Up to Fifty-Five Years May Enter Government Service, According to Proposed Bill

## OLDER ONES GO INTO NONCOMBATANT WORK

### Secretary Baker Takes Another Step Toward Raising Man Power Efficiency

WASHINGTON, May 24.—Another move toward full utilization of the country's man power was made today when Secretary Baker sent to congress the draft of a bill proposing to raise the maximum age limit for voluntary enlistment in the army from 40 to 55 years. All men over 40 so enlisted would be assigned to non-combatant service.

In a letter to Speaker Clark asking that the bill be pushed, Secretary Baker said:

"Every man above the age of 40 years who is enlisted in non-combatant branches of the service will make available for duty with the line troops a man within the prescribed age limit for all troops.

**Experience Valuable.**

"Many men whose long experience as mechanics and artisans will make them particularly valuable to the various staff corps and departments may thus be secured instead of younger men without such experience and the efficiency of the staff corps, and the departments thus will be increased."

There are probably 7,500 men between the ages of 40 and 55 and many thousands of them already at their respective departments with a yearning desire to serve by volunteering their services with applications. While the great majority of the men in this class undoubtedly will be restrained from enlisting by family and business ties, the number at liberty to join the colors is expected to be more than sufficient to meet the purpose in view.

**Duties Behind Front.**

Staff corps positions include many duties behind the front. Every headquarters unit includes a number of positions for which the older men would be just as well suited as the present occupants, who, under the new plan, would be released for line duty.

Official estimates are that a modern army to be maintained as an efficient unit must have between 40 and 45 per cent of its actual strength on duty between the fighting zone. This means that of the first 1,000,000 men sent to France, 400,000 serve along the line of communication in hospitals or at the various headquarters and debarkation bases.

## Letter To Associated Press Made Public by Senator

WASHINGTON, May 24.—Senator Pomeroy of Ohio, chairman of the senate committee investigating the speech of Senator La Follette made at St. Paul, Minn., last September, made public tonight the following letter to the Associated Press:

"I beg to acknowledge receipt of your telegram of May 23 concerning the Associated Press reports of the speech of Senator La Follette made at St. Paul on September 26 last, which is now the subject of investigation by the senate committee on privileges and election. I note your acknowledgment of the error in your press reports and your expression of regret because of it. I shall have your telegram printed in the record of the case.

"In view of the controversy which has arisen concerning the accuracy of the press reports of the speech, I hope it will not be considered out of place for me to say that the committee has at no time concerned itself about the press reports of the speech, but is only concerned to know what the speech was as it was in fact delivered, the truth and the purpose of the statements therein contained, and the legal effect to be given them."

## SUBMARINE AT SANTANDER

MADRID, May 24.—It is officially announced that the German submarine No. 65 entered the port of Santander at 6 o'clock this morning.

## Nominations of Marsh and Bliss Confirmed

WASHINGTON, May 24.—The nominations of Major General Peyton C. Marsh as chief of staff of the army with the rank of general, and of Major General Tasker H. Bliss as general by brevet, were confirmed today by the senate. General Marsh has been acting chief of staff since he was recalled from France several months ago to succeed General Bliss who now is the permanent military representative of the United States on the supreme war council at Versailles.

## CORK STEAMER IS TORPEDOED

### Thirty-Seven Members of Crew Thought Lost in In-iscarra Disaster

Queenstown, May 24.—The Cork steamer Iniscarra bound from Fishguard to Cork, has been torpedoed and sunk. Thirty-seven members of the crew are missing and are supposed to have been lost.

Five survivors of the disaster have been landed. They are the captain, the chief officer, one steward and two sailors.

The Iniscarra was struck amidships. She listed immediately and foundered in four minutes.

The Iniscarra was a vessel of 1412 tons.

## Decision on New Revenue Legislation Postponed

WASHINGTON, May 24.—President Wilson tonight postponed a final decision on whether congress shall be asked to start work immediately on new revenue legislation. After Secretary McAdoo had given his opinion that immediate action is essential and after virtually all the leaders of congress had abandoned hope of a July adjournment, the president after a conference with Senator Simmons of North Carolina, chairman of the senate finance committee, agreed to withhold his decision until he secures more information.

## HUGHES URGED AS CANDIDATE

### Petition for School Board Candidate Signed by Sixty Business Men

J. Frank Hughes is the latest to be urged as a candidate for school director. A petition urging Mr. Hughes' candidacy, signed by about sixty business men, was filed yesterday at the office of William H. Burghardt, Jr., clerk of the school board.

Others who have been petitioned to become candidates are Chauncey Bishop and H. O. White, present chairman of the board.

## WILSON EXPRESSES INTEREST

WASHINGTON, May 24.—Woman munition workers in Washington to join the National Woman's party headquarters in urging President Wilson to give further support to the federal woman suffrage amendment were informed in a letter from Secretary Tumulty that nothing they could say could increase his interest in the matter and that he had done everything he could with honor and propriety do in behalf of the passage of the amendment.

## ORDER REDUCES PRICE OF COAL

### Cut Is Ten Cents Per Ton—New Prices Will Become Effective Today

WASHINGTON, May 24.—A reduction of ten cents a ton in government-fixed prices for bituminous coal was announced tonight by the fuel administration as a result of the agreement under which the railroads will pay the fixed price for coal and abandon the price of giving preferential car service to mines furnishing railroad fuel.

The new prices become effective tomorrow morning at 7 o'clock. They apply to short tons and means an average reduction of about five per cent, or a saving to the public of around \$60,000,000.

"Under the present war demands," the announcement of Fuel Administrator Garfield says, "the maximum output of every mine working at full time would still be insufficient to meet the country's coal needs. The principle of equal supply has accordingly been adopted so as to make for as steady operation as possible of all properties, and for continuous employment of men thus making for maximum output."

The prices fixed by the order will remain in effect until Dr. Garfield has before him the cost returns for the twelve months ending August 31 this year. "Consumers of bituminous coal," the statement says, "who have already entered their orders for the year's coal supply, but whose coal has not yet been delivered, will, of course, receive their supplies at the reduced price effective tomorrow. This price applies to all coal which leaves the mines after 7 a. m. May 25, no matter how long the order for the delivery of the coal has been outstanding."

## Government of Costa Rica to War on Hans

SAN JUAN DEL SUR, NICARAGUA, May 24.—The government of Costa Rica has declared war on the Central Powers, according to advices received here.

## HUNS STRAIN NERVES FOR HEAVY BLOW

### Lloyd George Tells of Anxiety to Strike for Decisive Victory Before Yankees Arrive on Front

## SUBMARINE CAMPAIGN NO LONGER IS FEARED

### Premier Optimistic—Ships Now Built Far in Excess of Sinkings

EDINBURGH, May 24.—That Germany is straining every nerve to strike a decisive blow before the American armies can be brought into the field, was the statement made today by David Lloyd George, the British prime minister, in an address on the occasion of his being tendered the freedom of the city of Edinburgh. The allied commanders who knew best what the prospects were, he added, felt most confident about the result.

Mr. Lloyd George said that while the United States was rushing its men into France, the present strength of those armies was not the equivalent of one-fifth of the fighting strength which was gained by the Teutonic allies through the collapse of Russia.

The premier was most optimistic regarding the submarine campaign of Germany. He said that while the menace of the under-water boat had not been entirely removed, the allied nations now were building ships faster than they could be sunk and that the unrestricted submarine warfare might be disregarded as a vital danger by the entente nations.

**Prospects Very Bright.**

The prospects of using the entire force of the allies were very bright, said Mr. George, in discussing the united command of the entente allies in France. He sounded a note of warning during his address as to Germany's peace proposals, saying that the Prussian autocracy did not intend to bring the war to an end "until his basket is as full as it can hold."

Reverting to the shipping situation, the premier said that in April the output of shipping for the first time exceeded the losses. This statement was greeted with great enthusiasm, his hearers rising and cheering again and again.

The premier read a report which he had just received from the admiralty "as regards the meeting of enemy submarines—that it was going on satisfactorily," said the premier in official language. Since the beginning of the year, he added, the naval staff had been confident that the allied navies were sinking more enemy submarines than the enemy was able to build. We are building merchant ships—that is, the allies as a whole—faster than they can sink them.

**Campaign Makes Record.**

The premier said that from data at present available the admiralty held the opinion that in the month of April there was a record destruction of enemy submarines. When it came to the increase in shipbuilding, the month of April was the record month since the ruthless submarine warfare commenced. For the first time the output exceeded the losses and that, he said, was not a bad record for a government whose faults were so freely advertised.

Mr. Lloyd George said the submarine was still a menace, but that it no longer was a peril. As a means of inflicting injury, it was still for the war we can rely on it. The failure of the submarine had been recognized by the Germans and that accounted for the present offensive in the west. The enemy had been driven out into that offensive as a last resort to secure victory.

"Nevertheless," said Mr. Lloyd George, "we must not underestimate the formidable character of that attack. The collapse of the bridge which has been spanned by the coming America and until the span is reconstructed by America, Great Britain, France and Italy have to defend the gap."

**German Attack Near.**

The premier said that the allies were on the eve of a great German attack and that those who knew best the prospects, felt confident about the results.

He said he felt happier than at any time during the war over the prospects of making the most effective use of the entire forces of the alliance.

The premier said the allies were approaching the greatest battle that was ever fought and upon which depended greater consequences for the human race than any other battle in the world's history. He was glad to think that allies have as a head of the forces for freedom a man of

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## Special Passenger Rates To Be Given Soldiers

WASHINGTON, May 24.—Soldiers and sailors on furlough and traveling at their own expense will be given special passenger rates of about one cent a mile under an order issued today by Director General McAdoo, to become effective as soon as necessary forms are printed and distributed, probably within two weeks. This fare will be allowed by ticket agents on presentation of a certificate from the commanding officer.

The plan, arranged to make it easier for soldiers and sailors to visit their homes before going overseas, has been proposed by a resolution pending in congress. It will apply alike to officers and enlisted men.

## NAVAL RESERVE RECRUITERS TO COME MONDAY

### Whirlwind Campaign Under Way to Enlist 10,000 for Fighting Force

### ALL TRADES ARE NEEDED

### Two Yeomenettes, Both Oregon Girls, Accompany Flying Squadron

A naval reserve recruiting party in charge of Ensign F. B. Upshaw and which has been touring western Oregon for the past month with a whirlwind campaign in each town is due to arrive here Monday. The party started its drive this state from Astoria working north and will close with a big drive at Portland.

A. Anderson, advance agent for the party arrived here direct from Portland last night. He has been in Portland for the last three days arranging for the big campaign there that is scheduled to start May 31. The headquarters while at Portland will be located in the Liberty tearoom. The headquarters for recruiting here for the reserves will be announced in The Statesman Sunday.

Other officers in the party are: Assistant Paymaster W. W. Usher, Assistant Surgeon Charles B. Wade, Pharmacist Mate Charles H. Craham and two yeomenettes, Miss Pauline Greaves and Miss A. G. Crossley, all residents of the state of Oregon before entering the navy service.

All branches of the naval reserve are open up to the present time. The navy department has sent a word to the commandant of the thirteenth naval district that this district, which includes Washington, Oregon, Idaho, Montana, Wyoming and Alaska, must raise 10,000 recruits for the navy. The commandant has sent out several recruiting parties throughout these districts to raise this quota.

Uncle Sammy needs and is calling for men of all professions and trades to help man his fast growing navy. He needs painters, cooks, storekeepers, musicians, machinists, electricians, clerks, seamen, riggers, carpenters, mess attendants, bakers and many others. There is a great demand for officers in the United States navy and because of this demand men are being selected from the ranks and sent to schools for a period of several months after which they will be given commissions.

Uncle Sam is calling upon the red blooded Americans to fill this quota. Men with the "fighting spirit" be ready to enroll in the naval reserves upon their arrival here.

## WAR ORDNANCE INQUIRY BEGUN

### Senate Military Committee Hears Testimony of Alliance Manufacturer

WASHINGTON, May 23.—The senate military committee started the first of its war inquiries today with a sub-committee holding hearings on the production of heavy ordnance.

W. H. Morgan, a manufacturer of Alliance, O., told the committee that his plant would fill its \$15,000,000 contract for heavy ordnance long before the time limit expires. He said his concern saved the government \$800,000 by making an improved wheel for gun carriages.

Mr. Morgan complained that inspectors employed by the war department have not had technical training. The labor situation, he said, is satisfactory, although housing problems are causing some concern.

**FUND NOW \$86,689,000**

WASHINGTON, May 24.—Red Cross subscriptions today took the second war fund \$22,000,000 closer to its goal of \$100,000,000 and the total tabulated at national headquarters tonight was \$86,689,000.

## YANKES LOST ON MOLDAVIA

### British Armed Merchant Vessel Torpedoed by German Submarine on Way to France—No Panic on Board

### MEN ASLEEP WHEN VESSEL IS STRUCK

### Fifty-Six United States Soldiers Reported Missing—Thought Trapped in Compartment

LONDON, May 24.—The British armed troop ship Moldavia, with American troops on board, has been torpedoed and sunk, according to an official bulletin issued by the admiralty this evening.

The text of the admiralty statement follows:

"The armed merchant cruiser Moldavia was torpedoed and sunk yesterday morning. There were no casualties among the crew but of the American troops on board 56 up to the present have not been accounted for. It is feared they were killed in one compartment by the explosion."

The Moldavia was torpedoed without warning. It was a moonlight night and although a good lookout was kept the attacking submarine was not sighted before the torpedo struck.

Most of the men aboard were in their hammocks when the explosion occurred amidships. The sailors and soldiers alike showed no panic. They fell calmly into line and awaited orders. When it was seen that the Moldavia was settling down, all on board were taken off by the escorting ships.

The men lost all of their belongings but were supplied with new clothing at the different naval ports where they were taken.

**Sinking Not Immediate.**

It is believed that the American soldiers missing from the Moldavia were sleeping on the bottom deck and were overtaken by the great rush of water, after the explosion, when they were trying to reach the main deck. It also is presumed that some of the ladders were destroyed. The vessel was struck below the bridge. She steamed ahead for some time after being struck and at first it was hoped that her water-tight compartments would enable her to reach port.

**ADMIRALTY NOTIFIES.**

WASHINGTON, May 24.—Sinking of the British armed merchant cruiser Moldavia, with a probable loss of 56 American soldiers was announced in a cablegram tonight from the British admiralty to the war department. No details were given, but the understanding is that the ship was moving between England and France.

The war department authorized this statement:

"Information has been received from London that the British armed merchant cruiser Moldavia has been sunk and that 56 of the American soldiers aboard are missing."

"The announcement was made by the British admiralty."

At a late hour the department had no further information to indicate that American units were on board the vessel. Many men are in training in England and it is possible that the Moldavia was carrying a contingent bound for the front.

Survivors agree that the Moldavia was torpedoed, and not mined. One seaman said:

"We were proceeding up the channel bound for an English port early Thursday morning. The weather was fine and there was a bright moonlight. We felt an explosion amidships. The ship had been struck just below the bridge, but we could see no submarine."

"There were some destroyers convoying us and they at once scattered around in search of the submarine. Only one torpedo was fired."

"When it was realized that we should abandon the vessel, the destroyers came alongside to take off the troops."

**EASTERN STATES OVER TOP**

NEW YORK, May 24.—The Atlantic division of the Red Cross went over the top tonight with contributions already reported exceeding its quota of \$35,000,000.

**THE WEATHER**

Saturday fair, heavy frost in the interior; moderate northwesterly winds.