

SPOILS OF VICTOR IS DEMAND OF KAISER

Possible Peace Terms Declared by Chancellor Michaelis.

AMERICA IS SNUBBED

England Blamed for Causing War and for Making Use of Submarines Necessary—Food is Scarce.

Copenhagen—With the statement that Germany's wish is to conclude peace as combatants who have successfully accomplished their purpose, yet admitting the severity of the food situation, Dr. Georg Michaelis, the new imperial chancellor of Germany, Friday made his first address before the reichstag.

Dr. Michaelis declared adherence to the submarine campaign as a means of hastening the end of the war, and looked lightly upon the entry of the United States into the war, asserting the German fleet and the submarines would master that situation.

Meager reports of Dr. Michaelis' address, received Saturday, were supplemented Sunday with more complete versions.

"Although," said Chancellor Michaelis to the reichstag, "English statesmen knew, as shown by their bluebook, that Russian mobilization must lead to war with Germany, they addressed not a word of warning to Russia against military measures, while my predecessor, in instructions July 29, 1914, to the Ambassador at Vienna, directed him to say that we would willingly fulfill our duty as an ally, but must refuse to permit ourselves to be involved in a world war through Austria-Hungary disregarding our counsels. The man who wishes to kindle a world war does not write like this, but a man who is laboring and has labored for peace to the utmost.

"The concentration of the Russian army compelled Germany to seize the sword.

"There was no choice left to us, and what is true of the war itself is true also of our weapons, particularly the submarine. We deny the accusation that the submarine warfare is contrary to international law and violates the rights of humanity.

"England forced this weapon in our hands through a neutral blockade. England prevented neutral trade with Germany and proclaimed a war of starvation. Our faint hope that America, at the head of the neutrals, would check English illegality was vain and the final attempt we made by an honorable intended peace offer to avoid the last extremity, failed.

"Then Germany had to choose this last measure as a counter measure of self-defense. Now also it must carry it through for the purpose of shortening the war. The submarine war is accomplishing all and more than all it is expected to. It impairs England's economic life and the conduct of the war month to month in a growing degree, so that it will not be possible to oppose the necessity for peace much longer. We can look forward to the further labors of the brave submarine with complete confidence.

"We look without serious concern upon the optimistic sentiment in the entente countries caused by America's intervention. It is easy to reckon how much tonnage is necessary to transport an army from America to Europe, how much tonnage is required to feed such an army. France and England are scarcely able to feed and supply their own armies without influencing the economic situation still further. After our previous success we shall be able to master this situation also through our fleet, particularly the submarines. That is our firm conviction and assurance. We and our allies, therefore, can look forward to any further development of military events with calm security.

"The burning question in our hearts, however, is how much longer the war is to last. With this, I come to a matter which stands in the center of all our interest and all our proceedings today. Germany did not desire the war in order to make violent con-

Seek Life of Kaiser.

Amsterdam—An attempt on Emperor William's life by two Americans was reported Saturday by a person who states that he knows the circumstances. According to his story, two men managed to get near the kaiser at great headquarters on July 3 before the emperor went to Vienna. The men were seized by detectives, the tale goes, and were found to possess revolvers. It is said these men, both Americans, had been promised a large reward by an American millionaire for killing the emperor and that they were shot.

Camp Gets First Animals.

Tacoma, Wash.—The first carload of 15,000 animals to be used at the army cantonment was the 46,000 men are in training arrived Saturday from Fort Keogh, not far from Miles City, Mont. The shipment had been on the road 12 days. The animals will be brought to the camp from many places in the United States, but the major share of them will be gathered at concentration points in the west, such as Miles City, Mont., and Twin Falls, Idaho.

quests, and therefore will not continue the war a day longer merely for the sake of such conquests if it could obtain an honorable peace.

"The Germans," he said, "wish to conclude peace as combatants who have successfully accomplished their purpose and proved themselves invincible. A condition of peace is the inviolability of Germany's territory. No parley is possible with the enemy demanding the cession of German soil.

"We must by means of understanding and in a spirit of give and take guarantee conditions of the existence of German empire upon the continent and overseas," continued the chancellor.

Dr. Michaelis' words on this point required a careful reading of the capable of various interpretations other than the surface one. His German indicates a willingness to make peace only as victors.

"It must," he continued, "prevent nations from being plunged into further enmity through economic blockades and provide a safeguard that the league in the arms of our opponents does not develop into an economic offensive alliance against us.

"We cannot again offer peace. We have loyally stretched out our hands once. It met no response, but with the entire nation and with Germany, the army and its leaders, in accord with this declaration, the government feels that if our enemies abandon their lust for conquest and their aims at subjugation and wish to enter into negotiations we shall listen honestly and readily for peace to what they have to say to us. Until then we must hold out calm and patiently.

"The present time in regard to food conditions is the most severe we have experienced and in the month of July has been the worst. Drought has delayed and want exists in many cases, but I can declare with glad confidence that relief will shortly set in and the population can then be supplied more adequately."

687,000 CALLED TO COLORS BY LOTTERY

Washington, D. C.—Selective conscription was put into effect Friday, when a national lottery fixed the order of military liability for the 10,000,000 young Americans registered for service.

To accomplish the result, 10,500 numbers had to be drawn, one at a time—a task which began in the morning and lasted far into the night.

The lottery was held in the public-hearing room of the senate office building, with War department officials in charge of the actual drawing and with members of the senate and house military committees as witnesses. Through the day there was a small crowd of spectators, but altogether probably less than 1000 people saw any part of the process.

As a result of drawing, every registered man receives a definite place in the liability-for-service list. Already 687,000 have been ordered to the colors to fill to war strength the regular army and national guard and to constitute the first increment of the national army.

To obtain that total 1,374,000 men will be called for examination within a few weeks, officials estimating that two registrants must be called for every soldier accepted. These 1,374,000 will be taken from the head of the liability list, every local district furnishing a fixed quota.

The drawing was conducted with ceremonies as democratic as the ideal citizenship it embodied.

It was shortly before 10 o'clock when Secretary Baker, entrusted by the President with the carrying out of the draft law, rapped for order. The congressional committees were in their seats, and on a small table stood the lottery jar, sealed with brown paper and showing through its transparent walls the heap of number-filled capsules that must be taken out, one, by one.

Secretary Baker briefly explained the purpose of the drawing, then stepped forward to be blindfolded and draw the first number.

It was No. 258. Then, in quick succession, other numbers were drawn, while cameras and motion picture machines recorded the scene.

Siam Declares State of War.

London—Siam has declared that a state of war exists with Germany and Austria, according to a Reuter dispatch from Bangkok.

Nine steamers, aggregating 19,000 tons, have been seized.

The object of Siam's declaration is "to uphold the sanctity of international rights against nations showing contempt for the principles of humanity and respect for small states.

All Germans and Austrians, the dispatch adds, have been placed under arrest and their businesses closed.

England Sends Thanks.

London—On behalf of the government, Lord Robert Cecil, minister of blockade, asked the Associated Press to express to the American government and people the gratification and appreciation of the British government for the reception and assistance given to the British recruiting campaign in the United States. The results of the recruiting campaign in the United States have been a source of satisfaction to the British government.

Mrs. Roosevelt Greeted.

Paris—Mrs. Theodore Roosevelt, Jr., arrived from New York Saturday, and was greeted by the prefect of the French government.

SHORT WAR HOPES GO A-GLIMMERING

Collapse of Russian Army Had Been Expected by Chiefs.

GERMAN LINE INTACT

Transportation Problems Increase and It Appears U. S. Will Have to Build Whole R. R. Systems.

Washington, D. C.—No attempt is made here to minimize the seriousness of the situation in the war theater in Europe. The United States is in the war and will go through with it; but any hope of a short struggle has gone glimmering with the apparent almost complete collapse of the Russian machine.

The development was not unexpected by many army officers. When the offensive of July 1 was started by the Russian forces, the most frequent comment heard here was that it was probably the dying kick of the old Russian machine.

For the United States the Russian collapse may have an immediate and direct bearing. It will, if the German general staff presses its advantage, release additional German forces to bolster up the western front, where American troops are to be engaged. The German line in the west has not been seriously impaired at any point, officials here believe.

It was noted, in fact, that the one strategic advantage gained in recent fighting was gained by the Germans. Many officers here believe that when a small sector of the British line in Belgium was overwhelmed the Germans improved their weakest front materially. That view is based on opinions that the only hope of decisive attainments for the allies in the west lies in rolling up the German right flank where it reaches the sea in Belgium.

If that could be done, it is argued that the U-boat bases could be stamped out and the only offensive instrument of the Germans be eliminated entirely or made ineffective.

It would require combined army and navy operators, for it would be necessary to force a landing behind the German line and force the whole right flank back from the sea as a result.

The price of such a victory against the U-boats and German shore batteries probably would be appalling and there is nothing to indicate that the effort is being seriously considered.

Reports from France official and unofficial so far as known, give no cheering picture of what must be done. There appears no doubt that the allied line can stand against any force Germany can bring against it. Even the Russian disaster does not affect that situation. But the necessary strength for a successful offensive will take time, and ample sea transportation facilities of the United States is to furnish the needed surplus of men, airplanes, munitions and food.

It seems certain now that whole railroad systems will have to be set up in France to give the American line the flow of war materials and men that it must have to press home an attack.

There is an old military rule that a fortified position cannot be taken by direct attack, but must be turned or isolated. Some observers here say the allied offensive has consisted only of direct attacks against fortifications stronger than any fort of former days, in effect, a fortified belt from the sea to the Swiss border that is perhaps more than 100 miles wide.

It is the belief of some military men here that no breach can be made for many months through the German line of sufficient width to permit such operations in the rear as would force a rolling up of the entire German line.

Admitting all these points, however, there is no sign of discouragement among American officials. President Wilson's declaration that the nation, not merely an army, must be ready for war, is being carried out determinedly and apparently with confidence that in time men and supplies can be got to France in sufficient force to make certain the result.

Story of Attack Re-Told.

Halifax, N. S.—British sailors arriving here who say they were among crews of vessels in the vicinity of the transports which conveyed the first American troops to France, declare they were credibly informed that German submarines made a concentrated attack and were beaten off with a loss of six U-boats, only one submarine escaping. The sailors say they were within three miles of the transports. The men were on three former Dutch vessels, which had been taken over by the British government.

Sinn Fein Plot Alleged.

London—The presence of many secret service men in the house of commons Thursday was due to information that there was likely to be some improper demonstration, accompanied by physical violence, in the strangers' gallery, it was explained. One version says the government has been informed of an alleged Sinn Fein plot to throw bombs or discharge revolvers from the strangers' gallery in the house of commons, or blow up the house.

GOETHALS RESIGNS; DENMAN IS OUSTED

President Acts to End Shipping Board Controversy.

NEW MEN ARE CHOSEN

Rear Admiral Capps Takes Charge of Fleet Company—E. N. Hurley to Head Trade Commission.

Washington, D. C.—President Wilson Tuesday asked Chairman Denman, of the shipping board, to resign, and accepted the resignation of Major General Goethals as general manager of the Emergency Fleet corporation.

Official announcement of the acceptance of the resignations of Goethals and Captain John B. White was made with publication of a letter from President Wilson to Chairman Denman, asking for his resignation and giving the President's opinion that the only way to end the row which has delayed the shipbuilding program was for both Goethals and Denman to be removed.

In asking for Mr. Denman's resignation, President Wilson suggested that he would be glad to "take the same disinterested and self-forgetting course that General Goethals has taken."

"When you have done as he has done," the President wrote Mr. Denman, "I am sure that you may count with the utmost confidence upon the ultimate verdict of the people of the country with regard to your magnanimous and unselfish view of public duty and upon winning in the retrospect the same admiration and confidence that I have learned to feel for you."

President Wilson's action came as a surprise. Officials generally had thought he would make a further effort to patch up differences and divide specifically between Chairman Denman and General Goethals' power conferred on him by the shipping act.

Chairman Denman received the President's request for his resignation at noon and tendered it immediately.

"I want to help the President in every way possible," he said, "and never have questioned the wisdom of his decisions."

Edward N. Hurley, a Chicago business man and former chairman of the Federal Trade commission, will become chairman of the shipping board. Washington L. Capps, chief constructor of the navy, will succeed General Goethals as general manager of the Emergency Fleet corporation. Bainbridge Colby, of New York, will become a member of the shipping board in place of Captain John B. White.

SECOND ARMY PLANS MADE

Five Billions Added to War Expenses—Allies Will Need More.

Washington, D. C.—Plans worked out in congress for raising war revenue were overturned Wednesday by announcement of forthcoming additional estimates for war expenditures aggregating more than \$5,000,000,000, principally in anticipation of assembling a second army of 500,000 men under the selective draft.

Secretary McAdoo, at a special meeting of the senate finance committee, revealed that the War department alone is preparing estimates to cover additional expenditures of nearly \$5,000,000,000, and asked the committee of hold up the \$16,700,000,000 war tax bill until the detailed estimates of all departments are submitted. The committee agreed to the request and pigeon-holed a report on the measure which it had planned to submit during the day.

The new estimates, including \$500,000,000 additional for the Shipping board and \$100,000,000 for the Navy department, are to be submitted to the committee late this week.

Besides the additional sums needed for the American war program, Secretary McAdoo told the senate committee that the \$3,000,000,000 authorized for loan to the allies probably would last only until October and that about \$2,000,000,000 for their further assistance would be needed.

Highlanders in Chicago.

Chicago—Kilts and tartans captured the heart of Chicago Wednesday when 200 of the Forty-eighth Canadian Highlanders, headed by pipers and the regimental brass band, paraded through the downtown streets as a preliminary to a week of intensive recruiting for the British army, as well as for the United States army. The Canadians, the first detachment of English military in actual service to march under arms on American territory since the evacuation of New Orleans in 1815, were greeted with cheers.

Sinn Feiners Asking Aid.

Washington, D. C.—Two communications addressed to congress containing pleas by the Sinn Feiners in Ireland for American aid in their demand for absolute independence from England were left at the White House Wednesday by Irish representatives. One is signed by Patrick McCarten in behalf of the Irish republic. The other is an appeal signed by 26 officers "of forces formed independently in Ireland to secure liberation of the Irish nation."

TO POST DRAFT LIST

County Exemption Boards Will Notify Men Selected by First Call—Failure to Get Notice No Excuse.

(From Office of Adjutant General, O. N. G.)

Portland—Within a few days official lists of the draft serial numbers, showing the order in which they were drawn in the lottery at Washington, will reach the various county exemption boards. Following receipt of these lists, the boards will notify the men called up in the first draft.

Until then it will not be necessary for those subject to draft on the first call to report. But as soon as they receive notification from their boards, they must report promptly on the day designated.

The first step taken by each board will be to post in a conspicuous place a list containing the names of all the men registered in its county or district, in the exact order in which they will be called on the first and all succeeding drafts. A copy of this list also will be given the press for publication.

Let it be emphasized again that this list will have not only the names of the men to be called out on the first draft, but of every man registered, in the order in which he must be called. No person whatsoever has any authority to change this order.

Having posted this list and given copy to the press, the board will then notify by letter every man called up on the first draft. Each man will be directed to appear before the board for physical examination on a specified date, which will be within seven days of the mailing of the notice.

At the same time, failure to receive this notice will not be accepted as an excuse for not appearing on the day set. The burden of appearing when he is called is on the man himself, and it is up to him to find out when he must appear; there is a stiff penalty for failing to answer the call.

Remember, that regardless of whether a man intends to apply for exemption or discharge, he must appear for physical examination on the day set. He has seven days from the posting of the list and the mailing of the notice to him by the board in which to file application for exemption, and 10 more days in which to file proof.

And remember again, that no claims for exemption because of employment in necessary industries, including agriculture, can be considered by your county exemption board.

Such a claim must be made to one of the three district appeal boards, at Portland, Eugene or La Grande. It can only be made then after the man has passed his physical examination and been certified by the county board as called for military service and not exempt.

After you have appeared before your county exemption board and have passed the physical examination, it will still be some time before you will actually be called out to join the army. You will be notified when it is time for you to report for service.

RETAIL PRICES OF FOOD RISE

Statistics Show Some Staples Jump From 55 to 150 Per Cent in Year.

Washington, D. C.—Heavy increases in retail food prices in the United States within the last three years are shown in statistics compiled Tuesday by the department of Labor. The sharpest advance was in flour, which jumped 150 per cent in price. Potatoes increased 125 per cent, lard 82, sugar 79, corn meal 77, bacon 56, bread 55.

During the first year of the war many prices decreased slightly but by the summer of 1916 they were mounting rapidly. Most of the increase was during the last 12 months. Wholesale prices of many commodities have more than doubled since 1914.

RUSSIAN LOAN SHOWS FAITH

\$75,000,000 Advanced by U. S. Makes Total of \$175,000,000.

Washington, D. C.—The United States Tuesday emphasized its faith in the Russian government by extending it a further credit of \$75,000,000.

This is the second Russian credit, the first, for \$100,000,000, having been established soon after the United States entered the war. It is understood most of the \$100,000,000 already has been spent for railroad supplies and that much of the \$75,000,000 will be used in the same manner.

Conference to Invite U. S.

Washington, D. C.—The United States will be invited to attend the allied conference on war items called by the Russian government to meet in August, it was stated at the Russian embassy. As yet no formal invitations have gone out but, informal discussions with the British and French governments have established their willingness to accept. Embassy officials do not know the exact scope of the conference. Undoubtedly there will be discussion of what treaties should be binding on Russia.

\$350,000,000 in Gardens.

Washington, D. C.—The gardening campaign has resulted in the planting of more than three times the usual number of gardens in the United States, with the prospect that their products will reach the total value of \$350,000,000, according to an estimate made by Charles Lathrop Pack, president of the National Emergency Food Garden commission.

In the Pacific states the gain is set at 185 per cent.

WORLD HAPPENINGS OF CURRENT WEEK

Brief Resume Most Important Daily News Items.

COMPILED FOR YOU

Events of Noted People, Governments and Pacific Northwest and Other Things Worth Knowing.

Eight new regiments of cavalry, equipped and trained as artillery, will be added to the regular army immediately.

Misouri has been added to those states whose quota in the regular army has been filled, having recruited 6620 men with a quota of 6586.

The city council of Paris has voted to give a free site in the Rue Savorgnan de Brazza, near Eiffel Tower, for a club house for American students in Paris.

Major General Goethals, general manager of the Emergency Fleet corporation, resigned Tuesday and his resignation was accepted by President Wilson.

A limit of \$5000 as reward for information upon which smuggling cases may successfully be prosecuted and recoveries of duties obtained, has been set by the government.

Luther Burbank, noted horticulturist, ill from an inflamed appendix, was reported to be much better Tuesday. Dr. J. B. Shaw, his physician, said an operation would not now be necessary.

Federal investigation opened in Salt Lake Wednesday of the cost of copper production and mill and smelter charges under the direction of three metal experts representing the Industrial War commission at Washington.

Efforts to find sufficient labor for the farms of California have proved a failure. The prospect now is that much of the crop will go unharvested. Government conscription of labor may have to be the means chosen of solving the problem.

Clothing is to be issued hereafter to the American soldier only in accordance with his individual needs. The war department has decided to abandon the system of issuing regular allowances, which afforded soldiers an opportunity to effect individual savings.

Eight suffragists of the women's party took up their posts beside the gate of the White House again Tuesday. They carried banners with quotations from some of President Wilson's speeches to congress, but attracted little attention, and one special policeman easily preserved order.

To assure the folks at home of news of the American soldiers serving in France, Adjutant General McCain is about to establish a new division in his office. It will have to do with compilation of all sorts of information in regard to the officers and enlisted men on duty abroad, which will be supplied to their friends and relatives on inquiry.

Plans have been completed for bringing all American aviation forces at Paris under a single direction, working in conjunction with other military units. Airplane squadrons will be divided into two classes, tactical and strategic. The former will operate within a range of 25 kilometers and the latter within a range of 200 kilometers.

Eleven American army officers, members of a special commission sent to France, England and Belgium early in June as investigators of army conditions, arrived in America Wednesday on an American steamship. The officers visited all the commands on the western front and shrapnel-scarred steel helmets which they brought back as souvenirs supported their admission that they had been under fire.

Plans are under way in Manila, for the formation of a full regiment of Moros in the hope that eventually it will be attached to the American expeditionary force in France.

President Li Yuan Hung, in announcing his resignation, urges the country to support Feng Kwo Chang, vice president, for the presidency. Fen Kwo Chang has refused the position of chief executive.

Letters received in Chicago from American soldiers in France indicate that a few gifts would be much appreciated by the men at the front. Pipe tobacco and cigarettes are available, but, says one letter, "we are really suffering for good old United States nickel cigars."

Roland S. Morris, of Philadelphia, has been chosen for appointment as ambassador to Japan to succeed the late Ambassador Guthrie. It is understood he is persona grata to Japan, and that the nomination will go to the senate shortly.

Extension of the cable censorship to all trans-Atlantic lines is formally ordered by Secretary Daniels under the authority of President Wilson's executive order of April 28. Censorship has been in force to South and Central America, Mexico and the Orient since May 4.