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MEDFORD, OREGON, TUESDAY, JUNE 18, 1918

NO. 74

ITALIANS HOLD LINE AGAINST AUSTRIANS

BATTLE IN MOUNTAINS DIES DOWN

Holding Their Lines Intact Along Virtually All 90 Miles of Front, Italians Administer Severe Check to Enemy—Million Austrians Hurling in Vain—Casualties Frightful—Only Gain Is Slight Advance Along Piave River.

ROME, June 18.—Battle on the mountainous sectors of the Italian front has died down, but is fiercer from the mountains to the sea along the Piave river, according to the statement issued by the war office today.

LONDON, June 18.—The Austrians, according to the Evening Standard, now occupy the west bank of the Piave from the Conegliano railway to the Zenson bend, a distance of a mile and a half. They have thrown fourteen bridges across the river. These, however, are under the Italian fire.

Battle Line Held
By the Associated Press, June 18.—Holding their lines intact along virtually all the ninety miles of battle front from the Adriatic to the Anzago plateau, the Italians and allied armies appear to have given the enemy a serious check. Approximately one million Austrians have been hurled against the Italian front but have gained little except along the Piave river, where their progress is seemingly too slow to be threatening to the allied positions.

Losses which are described as frightful have been inflicted upon the Austrians in the areas where the principal fighting had taken place. In the mountainous country where the British have been holding their positions solidly, thousands of the enemy have perished, while they have paid heavily for every foot they have advanced along the Piave river front.

Austrian Gains Costly
In the Montello area on the upper Piave the Austrians seem to have gained a foothold on the west bank of the river. North of Zenson loop and at Capo Site, lower down, they have also moved westward, but their greatest gain does not exceed 2 or 3 miles. It seems that, so far in the battle the Austrians have gained the most ground at Capo Site, a village situated west of the Piave river and surrounded by lower marshy land, which in itself does not lend itself readily to a rapid advance by the Austrians.

The vital mountain sector along the upper reaches of the Brenta has not been broken. On the contrary, the British claim to have defeated the foe. As long as this front holds firmly, according to military experts, the stability of the Italian line is assured, unless a serious breach should be made along the Piave river east of Treviso and Montebelluna.

Counter Offensive Hinted
There are hints of a counter offensive.

INTEREST SAME ON FOURTH LIBERTY LOAN

WASHINGTON, June 18.—The treasury indicated in a statement tonight that the interest rate on the fourth Liberty loan would not be raised above 4 1/2 per cent, the rate of the third loan.

"The inference drawn in certain morning papers that the bonds of the next loan will bear interest at 4 1/2 per cent, is wholly without information," said the statement.

COUNTER BLOW COST AUSTRIANS FIRST WINNINGS

Successful Thrust Made By Italians Regains Initial Territory Taken By Enemy—Heavy Fighting In Progress—"Hunger Offensive" Is Name Given By Austrian Prisoners.

ITALIAN ARMY HEADQUARTERS, June 18.—(By the Associated Press.) Bitter fighting is in progress along the Piave river. The Austrians are sustaining large losses from the concentrated fire of Italian batteries. Repeated counter-attacks are being made by Italian infantry, inflicting heavy casualties on the enemy.

ROME, Monday, June 17.—An official statement by the war office issued last night says:

"On the mountainous front and around Montello the enemy did not renew his infantry attacks. During the day a successful thrust was carried out by our troops. We occupied several positions, capturing machine guns and some hundreds of prisoners. Important actions developed south of Montello and along the Piave in the zone between Zenson and Possalza, but the enemy everywhere was stopped by our counter-attacks. Several hundred prisoners were left in our hands.

"Enemy attempts to cross the river between Maserada and Candelo (northeast of Treviso) were bloodily repulsed. On the lower Piave other counter offensive actions in the course of development resulted advantageously for us."

Hunger Offensive
The "hunger offensive" as the Austrian prisoners describe it, is being carried on with the greatest severity on the Piave front where it is apparent the Austrians have massed large bodies of men. In the mountain regions to the north the fighting for the present is limited to local attacks and counter attacks.

Desperate Effort
The enemy is making a desperate effort to retain the positions he obtained during the initial stage of the offensive on the western bank of the Piave, at the points where he still has a footing across the river. These operations are costing him heavily. Fierce fighting is taking place in the Nervosa zone, where the river emerges from the Alps to the plain, and in the region of Fagare, midway between the Alps and the sea.

There is no question that the spirit of the Italian troops is excellent. Nevertheless the general situation is regarded as serious, in view of the fact that the Austrians, so it is stated have brought into action all their available forces in the hope of breaking thru the Italian line and scoring such a decisive victory as to put Italy out of the war.

WAR COSTS BRITAIN 7 BILLION POUNDS

LONDON, June 18.—Great Britain's daily average expenditures during the current fiscal quarter was 6,848,000 pounds, said Andrew Bonar Law, chancellor of the exchequer, in introducing a vote of credit for 500,000,000 pounds in the house of commons today.

Mr. Bonar Law said that the present vote, which would bring the total war credits to 7,342,000,000, would cover expenditures until the end of August.

The debt due Great Britain from her allies is 1,370,000,000, Mr. Bonar Law said, while the dominions owe 200,000,000 pounds.

THE ROUND-UP



49 NAMES UPON CASUALTY LIST FROM PERSHING

WASHINGTON, June 18.—The army casualty list today contained 49 names divided as follows: Killed in action 19; died of wounds 2; died of airplane accident 1; died of disease 1; died of accident and other causes 1; wounded severely 33; wounded slightly 1.

The list includes Private Ray Brent 305 Clancy St., Helena, Mont.; killed in action; William Conlon, 214 East Seventh St., Anaconda, Mont.; John E. Hoey, Pony, Mont.; Jos. Kelly, 121 Anaconda Road, Butte, Mont.

Killed in action: Lieutenants Leslie H. Grosor, Brooklyn; William G. Herrington, Nunez, Ga.; William Campbell Johnson, Eau Claire, Wis.; John D. Mathis, Americus, Ga.; Sergeants Edward T. Maginiske, Chicago; James Marcum, La Follette, Tenn.; Privates Ray Brent, 305 Clancy street, Helena, Mont.; Michael Jay, New Haven, Conn.; Thomas V. Larson, Berkeley, Cal.; Michael Makaravsch, Brooklyn.

Died of wounds: Musician Julius S. Johnson, Luray, Kan.; Private Samuel Mize, Elton, Wis.

Died in airplane accident: Lieutenant Harry Walter Prince, West Philadelphia, Pa.

Died of disease: Private Hubert F. Ward, McKeosport, Pa.

Died of accident and other causes: Private Luther H. Chorn, Council Bluffs, Ia.

NO PACKAGES FOR SOLDIERS BY MAIL

WASHINGTON, June 18.—The War department announced today that because of congestion of the railroads in France, no exception can be made to the recent requirement that persons desiring to ship parcels post packages to the soldiers overseas, must present at the postoffice an order from the major or higher officer commanding the unit to which the soldier is attached. This rule also applies to persons abroad attached to the Y. M. C. A., Red Cross and similar organizations.

ARMY OF MILLION YANKEES FIGHT WAY BACK OVER LARGER FORCES

WASHINGTON, June 18.—A story of a fierce fight between thirty Americans and a German patrol of forty, in which most of the Americans fought their way back to their own lines, is told in a dispatch today from General Pershing, continuing yesterday's communique.

On the Lunville front enemy raiders have captured a few American prisoners while in the Vosges, in Alsace, American gunners broke up a German raid.

Particulars concerning destruction of a German plane in the air fight of June 13, as reported in American official communique June 14 are as follows:

"Destruction of one of the German planes occurred during the course of a fight between the American patrol and a group of 12 to 15 German Albatross scouts. It has not as yet been definitely stated to whom the destruction of the plane, officially confirmed by the French army corps, is due. The second hostile plane was destroyed at 8:17 o'clock in the morning near St. Mihiel. Here an enemy biplane of the Hannover type was attacked by Lieutenants Melaner, Winslow and Taylor. During the course of the fight the German plane turned over, burst into flames and was seen to crash."

ITALIAN DEPUTIES CHEER IN ADJURNMENT

ROME, June 18.—The chamber of deputies adjourned today until September—unless extraordinary events require that it convene at an earlier date—amid scenes of tremendous excitement. Premier Orlando paid a glowing tribute to the Italian army, which, he declared, was aiding in certain victory for civilization and the right in the world conflict, as well as the deliverance of oppressed peoples.

RAIDS EXPOSE GRAFT SYSTEM IN CONTRACTS

Letters of Hundreds of Government Contractors Seized Exposing Hold-up of Manufacturers By Agents for Illegal Contingent Fees—Criminal Prosecution Ordered.

NEW YORK, June 18.—An army officer whose name is withheld, was arrested here today by special agents of the treasury department. It is said the arrest was made in connection with the nation wide investigation of alleged war contract grafting.

WASHINGTON, June 18.—Several thousand letters and documents containing proofs of an elaborate system of obtaining government contracts on the illegal contingent fee basis were received today by the department of justice from its agents who conducted raids on hundreds of contractors' business offices late yesterday.

The commission paid on these contracts, it was disclosed, ranged from five to twenty per cent and the aggregate fees probably ran into millions of dollars. Evidence was disclosed of hundreds of contracts made under these arrangements heretofore unsuspected by the department of justice.

AMERICAN SUBMARINE GETS U-BOAT

United States Diver Torpedoes German Pirate Off Virginia Coast With All Aboard—American Steamship Scores a Clean Hit, Either Sinking or Crippling Another German Submarine Off the Virginia Capes.

AN ATLANTIC PORT, June 18.—members of the crew of an American steamship arriving here today, reported an engagement with the German submarine off the Virginia Capes yesterday, in which the ship's naval gunners made a clean hit and either sunk the undersea craft or disabled her. The American vessel was not damaged.

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Threatened Manufacturers
Manufacturers were threatened in many cases with being deprived of contracts if they negotiated with these agents on a commission compensation plan. Some agents represented that they had special influence over members of congress.

In addition to these documents, other information came to the department from manufacturers who had been solicited by contract commission agents located in Washington. The manufacturers offered their assistance in stamping out the illegal system.

An immediate result of the disclosures was a letter sent by Attorney General Gregory to heads of all government departments making war contracts proposing that all future contracts should contain a clause pledging the manufacturer not to employ any third party in negotiating with the government.

Offices are Raided
The government will prepare a record of all contracts now being executed, on which it has proof of the payment of contingent fees, and may deduct from the payment of these contracts the sum covered by the commission fee. Officials calculate roughly that this will save millions of dollars to the government. There is no ground for taking criminal action against the manufacturers.

Neither can commission agents be prosecuted for accepting fees, altho in many cases it is demonstrated that they worked with others in a conspiracy to violate the law forbidding contingent fees and sub-letting of contracts, and consequently are liable to prosecution under conspiracy laws.

Officials today declined to say definitely whether they were planning arrests in addition to the four made here yesterday, but it is considered certain that action will be taken against a number of commission agents now known to have operated in Washington, and to a lesser extent in New York and other cities.

INCREASE IMPORT AND EXPORT RATES

WASHINGTON, June 18.—New rates on export and import freight on a basis of something over 25 per cent increase over existing rates was ordered today by the railroad administration to become effective next July 25. This modifies the recent rate order which cancelled existing export and import tariffs and applied domestic rates to that tariff.

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Submarine Sinks U-Boat
AN ATLANTIC PORT, June 18.—A German submarine and its entire crew was destroyed by an American submarine off the Virginia coast several days ago, according to a report brought here today by passengers aboard an American steamship.

Officers of the vessel claimed to have been told the story of the submarine combat by members of the victorious American undersea boat's crew.

The American liner had put into the mouth of Chesapeake Bay for shelter in response to submarine warnings and there anchored near an American submarine tender alongside which was moored the undersea craft which was taking on provisions and fuel, officers of the vessel stated. An interchange of wireless messages followed in which the submarine crew is reported to have told of its victory.

Torpedo Used
The U-boat was sighted while the American craft was patrolling with only her periscope visible, according to the story the American skipper is alleged to have told. When within range a torpedo was released and 20 seconds later microphones recorded a terrific explosion, he was quoted as saying. Rising to the surface, the American submarine circled about on the lookout for survivors, but oil coming to the surface was the only trace found of the vanquished raider, narrators of the story said they had been told.

OVER 50,000 HUNS KILLED OR CAPTURED IN NOYON DRIVE

PARIS, June 18.—Over fifty thousand Germans were killed and captured during the offensive between Montdidier and Noyon, Captain Andrew Tar-dieu, who accompanied Premier Clemenceau to the front on Sunday, told Marcel Hutin, editor of the Echo de Paris, upon his return to Paris.

ADVISE REPORT ON IMPROVING COLUMBIA

WASHINGTON, June 18.—An adverse report on the proposed improvement of Columbia river from St. Helens, Ore. to Tidewater, was made to congress today by Major General Black, on the basis of a report of a board of engineers,