

J. D. MCKENNON IS PRESIDENT OF COMMISSION

ANNUAL MEETING IS HELD AND OFFICERS ARE ELECTED

FIRE CHIEF CAYLOR TENDERS RESIGNATION

Fred B. Currey is Elected General Manager and Robert S. Eakin, Municipal Judge—Annual Reports Received.

The annual meeting of the City Commission was held last night.

J. D. McKennon was elected president of the Commission, the position held last year by Vincent Palmer.

Fred B. Currey was re-elected general manager and Robert S. Eakin municipal judge.

The resignation of C. P. Caylor as fire chief was received and accepted. Mr. Caylor resigned on account of being called into the railroad service. His successor has not yet been appointed by the city manager.

A petition for a gas tank on Fir street by George Ruby was granted. A petition for a sidewalk on U avenue was referred for investigation.

The matter of the appointment of an official scavenger was discussed and referred to the city attorney for an opinion.

Annual reports were submitted by city officers.

The matter of grading G street from Fourth to the cemetery was taken up and grading ordered to start at once.

City Manager's Report

The city manager's report follows: To the Honorable Commission, City of La Grande, Oregon. Gentlemen:—Herewith I submit my report for the year ending December 31, 1917. This report is not complete, but is simply intended as a general summary. The complete report and financial statement will be made as soon as the city books for the year are closed and the annual audit made. This will be done some time during this month.

The budget for 1917, as adopted by the commission, authorized an expenditure of \$80,700. Of this amount we found it unnecessary to use some \$17,000, in other words, this amount reverts to the general fund and will be used to reduce the warranted indebtedness. On January 1, 1917, the city had a warranted indebtedness of \$52,613.81. As soon as the treasurer is able to issue a call and apply the budget saving, our present warranted indebtedness will be reduced approximately the amount of the budget saving.

By cleaning out the septic tank, we were able to save nearly \$7,000. This amount had been provided by the budget for the construction of a new tank. Since pumping the tank, the same has been working in satisfactory manner, and the new tank is therefore unnecessary.

The water department shows a total income of \$27,681.48. This amount was sufficient to provide for the Beaver Creek pipeline sinking fund and all water bond interest, pay its maintenance cost and have a balance of

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Mr and Mrs Wright Home From Texas

MR AND MRS WRIGHT returned from Texas yesterday. Mr. Wright was quite badly injured there by being run down by an automobile. Mrs. Wright being called immediately after the accident. He is at his home now improving rapidly, able to be out but unable to attend his business yet. Mr. Wright is a member of the La Grande Investment Co. here and is well known. Mr. Wright says he had a narrow escape but that the Oregon ozone in his system and his rugged constitution pulled him through.

Senator Smoot Has War Revenue Bill

WASHINGTON, Jan. 3.—A complete reconstruction of the war revenue bill will be sought by Senator Smoot in a bill he plans to introduce in a few days. He says it will simplify matters and produce more revenue, and simplify the income tax provisions and hit excess profits harder. It will not change income taxes much.

HEADS PORTUGAL'S NEW GOVERNMENT



PROF. SIDONIO PAES. Professor Paes is the leader of the provisional government which has just been established by the "Republicans" who overthrew the government of Costa. Paes was formerly Minister of Public Works and Justice.

FIRE BREAKS OUT ANEW IN NORFOLK RUINS

FEDERAL AGENTS ARE SEARCHING FOR EVIDENCE OF INCENDIARISM

NORFOLK, Jan. 3.—Fire started anew in the ruins of the business section and is threatening to spread. Meantime the federal agents are searching for evidences of incendiarism. Sailors and marines patrol the streets and the navy yards are heavily guarded.

HOOVER SAYS PRESIDENT IS BACK OF HIM

WASHINGTON, Jan. 3.—Chairman Reed of the Senate probers charged Hoover usurped authority under the food law in fixing wheat prices. Hoover replied, everything he had done had first been approved by the President. He considered the measure empowered him to act in big emergencies. He maintained the wheat price had been stabilized.

WEALTHY MORO RANCHER UNDER ESPIONAGE CHARGE

PORTLAND, Jan. 3.—Julius Rhu-berg, a wealthy Moro rancher, is held under an espionage charge. It is alleged he advised a registrant with German relatives to throw up his hands, go to the German trenches, tell of his connections, and promised he would be well treated.

TEUTONS BOMB HOSPITAL

ROME, Jan. 3.—The Teutons bombed two hospitals back of the line, killing eighteen patients.

BOSTON PLANS LABORATORY FOR THE STUDY OF SPEECH

BOSTON, Mass., Jan. 3.—If you live in Indiana and say: "Ko-ko-koko-koko," come to Boston. Plans are underway here today for the establishment of a \$20,000 laboratory for the study of speech, and correction of its defects. The institution will be one of the most unique of its kind.

Everything from baby lisping to confirmed stammering will be included in the curriculum.

From what can be learned in advance one of the few defects in speech that seldom can be cured is the malady that causes the speaker to say "hah," when he means, "hath."

The laboratory will be directed by Dr. Walter B. Swift of the laryngology department of Harvard University.

Musical Compositions Wanted.

PORTLAND, Ore., Jan. 3.—In order to obtain the best musical setting for "Oregon, My Own," the official song of the organization, the Oregon Federation of Women's clubs has asked musicians of the state to submit manuscripts. These must be in the hands of Mrs. A. Globisch, 672 Halsey street, Portland, by January 29.

GOVERNMENT ASKED TO HELP THE FARMERS

FARMERS NEED AID, SAYS FARM LOAN BOARD

\$100,000,000 NEEDED TO BUY FARM LOAN BONDS

American Agriculture Needs More Capital to Increase War Time Production and to Replace Foreign Money Withdrawn.

WASHINGTON, Jan. 3.—The Federal Loan Board in its first annual report to Congress declares American agriculture faces a serious financial situation, and recommends authorizing the Secretary of the Treasury to purchase one hundred million dollars' worth of farm loan bonds, if necessary, this year, and resell them to investors, in order to "provide the basic industry of America with the capital necessary to increase wartime food production, stabilize interest rates and encourage bond purchases."

The board declares, millions of foreign money invested in American farm mortgages will be withdrawn, owing to the war, while funds of American corporations and investors are kept more liquid or are invested in more attractive fields.

The board says, the maximum loan limit be raised to \$25,000.

Government Asked to Send Body Home

An effort is being made to have the body of Bert Andrews, member of the La Grande hospital unit who died in France, returned here for burial. Dr. M. K. Hall, chairman of the Red Cross chapter, at the request of the family, has telegraphed to the War Department in the effort to learn whether the body can be returned to La Grande to receive the honors that his family, friends and the citizens of La Grande and Union county wish to pay the dead hero.

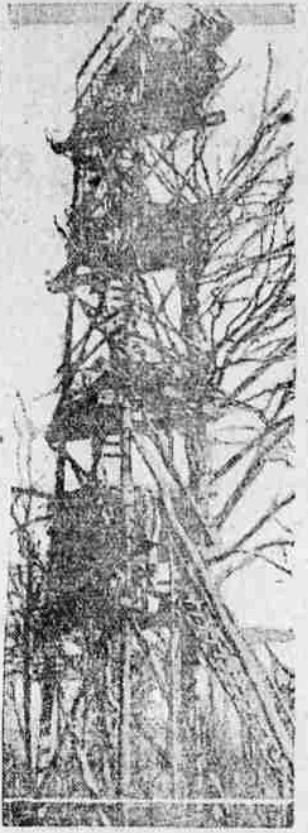
District Exemption Board Holds Meeting

The district exemption board, of which N. K. West is chairman, F. S. Ivanhoe, secretary, and Walter M. Pierce, J. E. O'Connell and Dr. C. T. Bacon members, met yesterday to begin its work in connection with the draft. The local board has already begun the classification of the registrants. The district board then passes upon these classifications on appeal. The decision of the district board is final as to industrial exemptions and deferred classifications.

Miss Murray, after spending some time in Portland, returned to her home in Enterprise this morning.

Miss Ellsworth and Miss Stacey were passengers to Vincent, where they will visit friends.

HUN WATCH TOWER HAS FOUR STORIES



If the top story of this German watch tower is shot off, the observer still can do his spying from the third story—then the second, and first. The photo was taken from a German prisoner.

Count Luxburg is Held To Be Insane

BUENOS AIRES, Jan. 3.—Count Luxburg is insane, according to authorities after a prolonged observation. They say he has been eccentric for a decade. Luxburg has been interned.

JAP FREIGHTER ON FIRE AT SEA

PACIFIC PORT, Jan. 3.—American vessels are racing to the assistance of the Japanese freighter Shinyo Maru Second, answering wireless messages reporting the vessel afire and threatened with destruction. The vessel carries no passengers; there are sixty in the crew, and she carries a miscellaneous cargo, enroute to Japan. She is believed to be off Hawaii.

FEDERAL INCOME TAX INSPECTOR IS HERE

Fletcher H. Gould, income tax inspector for the U. S. Treasury Department, is in La Grande for three weeks to help the people of Union county make out their income tax returns. He has been intimated and has accepted the use of an office by the La Grande National Bank in the rear of the banking room.

CROWDER ASKS MEN OF TWENTY ONE TO REGISTER

PROVOST MARSHALL WANTS TO INCREASE CLASS ONE LIST

WOULD ADD 700,000 HEALTHY MEN, HE SAYS

All Military Needs for Present Will Be Filled From Class One—Others Will Be Drafted for War Work.

WASHINGTON, Jan. 3.—Provost Marshal Crowder in his report to Secretary of War Baker urges the immediate registration of men who have become twenty-one since the draft law went into effect. He says that doing this annually will add 700,000 healthy men to class one yearly, eliminating those in the deferred classifications.

He expressed the belief that it will be possible to fill all military needs from class one. Skilled laborers and farmers will be drafted from the deferred classes if necessary for war work.

He requested an amendment changing the quota from a population basis to the basis of the number of class one men in each district.

County School Superintendent Attends Convention

County School Superintendent A. E. Ivanhoe returned this morning from Portland and plunged into a desk full of mail. Mrs. Ivanhoe greatly enjoyed her trip to Portland to attend the state teachers association convention of which she is a member of the executive committee. After the convention she went to Salem to attend a meeting of the state examining board of which she is also a member.

DRAINAGE WEEK OPENS

Farmers' Week Is Now On at Oregon Agricultural College.

CORVALLIS, Ore., Jan. 2.—Lectures by Professor E. R. Jones, Governor Withycombe and U. S. reclamation service officials are features of the programs of the Oregon Drainage Congress, which opened here today as one of the numerous conventions of Farmers' Week at the Oregon Agricultural College.

Another feature today is the opening of a potato show. Prizes are to be awarded by Portland business houses in a wide array of competitions.

With regular sessions adjourned for the week, all departments and instructors of the college are at the disposal of the farmers and their wives and these people are making good use of their time, specializing in studies that will improve their knowledge of the branches they follow for a livelihood.

Judge G. S. Ronan and daughter, Miss Alice, of Enterprise, are guests of Mr. and Mrs. Ward Fowler.

SOCIETY GIRL WHO BRAVED BOMBS



ELSIE STEVENS. Miss Stevens of Newport, R. I. and New Jersey, has just returned from her work as a nurse in the American Hospital in France. The girl, a member of one of the most prominent New Jersey families, won high praise for her daring and bravery in working fearlessly in zones within range of the Boche artillery and bombs.

TWO HUNDRED KILLED IN RAID OF YAQUIS

NOGALES, Mexico, Jan. 3.—Two hundred, including several Americans, were reported killed, many injured, and dozens of women captured when the Yaquis raided a train south of Guamas Wednesday. Few details have been received.

OREGON GETS CREDIT FOR PATRIOTISM

WASHINGTON, D. C., Jan. 3.—A remarkable patriotic fervor in Oregon is reported. For every hundred drafted, one hundred and fifty-four volunteered. In other states the ratio is sixty-five volunteers to one hundred drafted.

Germans Repulsed Says General Haig

LONDON, Jan. 3.—General Haig reports heavy enemy artillery work east of Ephey and the repulse of German invaders southwest of La-basse.

FRENCH NEGRESS STARTS ANTI-POWDERING CAMPAIGN

PARIS, Dec. 5. (By Mail).—A public-spirited Frenchwoman has written to one of the colonial papers appealing to Frenchwomen, and especially Parisiennes, to abandon the use of face-powder. She estimates that thereby many tons of rice, from which the "poudre de riz" is extracted, would be economized. The writer asserts that never in her life has she used powder on her face. The veracity of her assertion is guaranteed by the fact (unfoldingly divulged by a newspaper man) that the lady in question is a French negress, whose husband recently was beaten in the local elections.

BRITISH TOMMY WRITES A SONG FOR SAMMIES

By J. W. PEGLER (United Press Staff Correspondent.) WITH THE AMERICAN EXPEDITIONARY ARMY, FRANCE, Dec. 3. (By Mail).—Here's a real song of the Sammies, written, composed and perpetrated by a British Tommy. It has just drifted down to our camp from the British front with the instructors who are teaching the Sammies how to layonet the Boche. Let her slip, Professor. They are the Raxtime Army. They come from the U. S. A. They cannot march, they cannot shoot. What blinkin' use are they? But when they get to Berlin, The Kaiser he will say, "Hoch! Hoch! Mein Gott! Got a bloody fine lot, Are dose boys from the U. S. A."

PEACE PLANS OF RUSSIA MAY GO AWAY

FOREIGN MINISTER TROTSKY SAYS GERMAN PROPOSALS ARE HYPOCRITICAL

BOLSHEVIKI WILL NOT CONSENT TO THEM

Soviet Executive Committee Urges German People to Assert Their Rights—Germany Reported to Be Preparing Way for General Peace Move.

PETROGRAD, Jan. 3.—Foreign Minister Trotsky told a specially called meeting that Germany's peace proposals were hypocritical, and that the Bolsheviki could not consent to them.

PETROGRAD, Jan. 3.—The Soviet executive committee rejected the German peace plan and passed a resolution to the German people, urging their assumption of the right to negotiate a general democratic peace, and declaring the German terms evade the principle of no annexation, no indemnities and hence are unacceptable to Russia.

WASHINGTON, Jan. 3.—The entente and neutral diplomats believe Germany is paving the way for real definite peace proposals in two months, so liberal that the allies must consider them.

They believe the present German peace propaganda is designed to create a peace atmosphere so the world will be in a more receptive mood for a real offer. Entente diplomats, however, agree with Americans the offer will not include elimination of Hohenzollernism, which will be a prime requisite to peace.

Albert L. Palmer Writes From France

(Letter from Albert L. Palmer of the La Grande Hospital Unit to W. D. Long.)

Somewhere in France, November 14, 1917.

Dear Daddy Long:—

True to my word I am writing again. We have left the land of the free and sailed to the shores of France, and thence to the vicinity of the battle torn country where an occasional roar of cannon is heard. Little the natives realize the horrors of war (American), and the necessity to answer the "call to the colors."

I recall the several arguments we had over this present crisis and must admit you were correct in many of your assertions. While the need is urgent the civilians of the U. S. A. will not awaken until the shadows of death envelope their homes; then the true call will be realized as essential.

The "Sammy Boys" as the French have nicknamed the American soldiers, are well fed, clothed and paid. It is astounding when the private in the U. S. army receives over \$1.00 a day while the French soldier contents himself with five cents per day. Quite a difference.

While the conveniences are not like those enjoyed at home I am perfectly willing to stick until we win.

With best wishes and regards to the boys, I remain,

Your little pal,
ALBERT L. PALMER.

O. L. McNow Is Happy Somewhere in France

(Letter from Orion L. McNow to Chas. Denny of The Observer staff.) Nov. 23, 1917.

Dear Charley—Received your letter yesterday from the good old United States, and it sure was welcome.

Well, I am somewhere in France. I cannot say where. I sure am getting fat, weight about 150 pounds, if not more.

Had a fine trip on the boat, never got sick, but felt a little feeble a time or two. The trip not a little tiresome; could see nothing but water for several days. When we got on land we saw some of the prettiest country I ever saw.

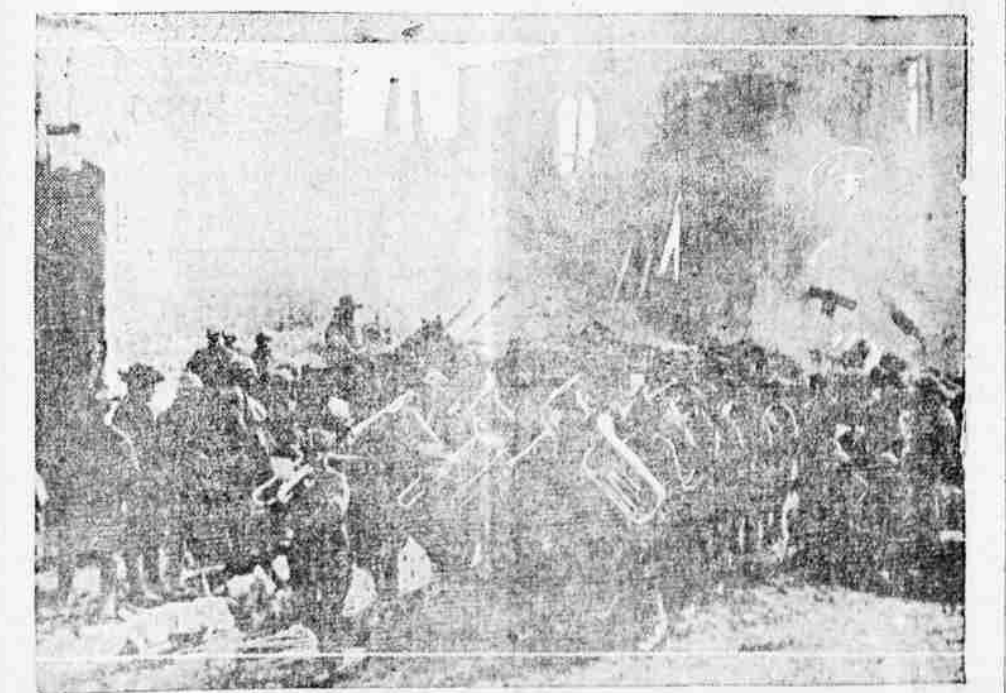
It isn't very cold here. The grass

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THE WEATHER

PORTLAND, Jan. 3.—The United States weather forecast: "Rain."

THE BAND LEADS A NOISY TRIUMPHAL ENTRY



Mid shot and shell, with the regimental band blaring martial strains and the troopers cheering, Austrians entered this village which they had wrested from the Boches in the Ypres region. The "triumphal entry" is not a thing of modern warfare, and this photograph shows one of the few such affairs in this war. Even while the march continued the German guns kept dropping shells among the ruins. Smoke and dust from one of them can be seen behind the band in the photograph. But the artillery did not lessen the enthusiasm of the victorious "Anzacs."