



WAR CONGRESS IS READY FOR WORK

President's Message to Be Given Today.

ADVICE IS TACITLY AWAITED

Declaration of War Against Enemy Allies Not Expected.

POLITICAL DIVISION CLOSE

Spirit of Confidence Apparently Persuades Members—Leaders Say There Will Be Little Time for Other Than War Problems.

WASHINGTON, Dec. 3.—Congress is ready to take up again its part in the prosecution of the war and to stay all the year if necessary.

The second session of the 65th Congress began today at noon with brief routine sessions marked by the receipt of appropriation estimates for next year's war and ordinary expenses aggregating the vast sum of \$13,500,000,000.

President's Message Awaited.

Tomorrow the Senate and House will meet in joint session at 12:30 P. M. to hear President Wilson deliver his annual address. Guidance of the President in the work ahead is awaited by tacit agreement. Congressional leaders tonight admitted that his recommendations, awaited with profound interest by the world, virtually would outline the session's programme.

It will be the President's first appearance before Congress since the night meeting of April 2, at the opening of the special session called to permit him to ask for a declaration of war against Germany.

Advice to Be Followed.

Speculation as to the nature of the President's address centers largely upon the question whether he will recommend declarations of war by the United States against Germany's allies. General belief is that he will not, at least for the present, and that Congress will follow his desires.

War Legislation to Pre-empt.

A spirit of confidence apparently pervades Congress. Returning members exchanged views with declarations of increased determination to lend every aid in vigorous conduct of the war. The leaders predicted that legislation would be confined largely to war measures.

Prohibition and Suffrage Vile.

The House judiciary committee meets tomorrow and as consideration of National prohibition and woman suffrage measures was postponed at the last session on the basis of action at this session, the disposition of many of the committeemen is to vote on them now, one way or the other.

Warlike Aspect was Given Today's Sessions by the Presence of Many Uniformed Men among Spectators in the crowded galleries and of women busily plying knitting needles during the opening ceremonies.

Senate Proceedings Brief.

Senate proceedings were unusually brief. After adoption of routine resolutions, the Senate adjourned out of respect of the late Senator Husting, of Wisconsin. The House remained in session until the joint committee appointed to study President Wilson of the return of Congress reported, and then passed the resolution for tomorrow's joint session. The usual crop of bills, resolutions and petitions was received in the House, including a resolution by Representative Martin, of Louisiana, proposing Congressional investigation of the sugar shortage.

Representative John K. Fitzgerald, of Brooklyn, N. Y., chairman of the important House appropriations committee, prominent Democratic leader and a member of Congress of 18 years' service, announced late today his intention to resign effective December 31, to resume the practice of law. His successor to head the appropriations committee probably will be Representative Swager, of Louisville, Ky., ranking Democratic committeeman.

New Members Join House.

Several new members joined the House today. Representative Luffkin, Republican, of the Sixth Massachusetts District, succeeding Augustus P. Gardner, Republican, who resigned; Representative Bleakley, Democrat, of the 25th Pennsylvania District, succeeding ex-Representative Bleakley, Republican, who resigned; and Representative Merritt, Republican, of the Fourth Connecticut, succeeding Representative Ebenzer Hill, Republican, deceased.

Tomorrow will come the great flood of bills, resolutions and petitions. Among the latter are many petitions accumulated during the recess, demanding the expulsion of Senator La Follette.

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INHERITANCE TAX REVENUE DOUBLED

LAW'S PROCEEDS COMPUTED AT \$350,000 FOR BIENNIAL.

Swelling of Receipts Will Make Path of Next Legislature Easier as to Tax Limitation.

SALEM, Or., Dec. 3.—(Special.)—With the new inheritance tax law passed by the last Legislature in operation a little over six months, it appears the increase in fees provided for in the act will probably about double the revenues of the act to the state, according to the figures made today by Stanley Culver, who has charge of the inheritance tax department in the State Treasurer's office.

Last year the revenues of the inheritance tax department were about \$175,000, and, estimating upon double receipts for the future under the new law, the inheritance tax department would bring in about \$350,000 for the biennium.

This swelling of receipts will make the path of the next Legislature somewhat easier, in the light of the 5 per cent limitation amendment. The Insurance Commissioner's office also will show greatly added receipts, owing to amendments in insurance laws by the last Legislature. Automobile license fees also will be greatly increased, but the receipts from those fees go into the highway fund and cannot be taken into consideration in making up the tax levy.

TREASURY BALANCE HUGE

New High Mark Attained, Officials Reporting \$2,515,000,000.

WASHINGTON, Dec. 3.—The working balance in the Treasury was raised today to a new high record of \$2,515,000,000 by receipts of \$685,000,000 from the latest issue of certificates of indebtedness due next June, and \$42,000,000 from liberty loan payments.

The previous high record was \$1,968,000,000 on November 23. Funds reaching the Treasury today raised the total receipts during the present fiscal year, or since July 1, to the huge sum of \$7,185,000,000. Of this only \$457,000,000 came from the ordinary source of revenue, nearly all of the balance being derived from the sale of liberty bonds or certificates of indebtedness. Receipts from the second liberty loan have been \$2,724,000,000, or about 70 per cent of the \$3,908,000,000 total.

Disbursements since July 1 have been \$5,807,000,000, of which \$1,831,000,000 was ordinary Government expenses, mainly for the war; \$2,278,000,000 constituted actual payments to the allies on credits previously authorized, and \$1,488,000,000 was for redemption of certificates of indebtedness issued in anticipation of receipts from the second liberty loan.

14 HAVE NO CERTIFICATES

Members of Crew of Tiverton Allowed to Proceed to Portland.

ASTORIA, Or., Dec. 3.—(Special.)—When the steam schooner Tiverton reached port this morning from San Pedro she was boarded by customs and naval officers, and 14 members of her crew were found without certificates of nationality. In order not to delay the craft, all the crew excepting one German were left on board, and the vessel was permitted to proceed to Portland so that the men can procure their certificates.

The German was Karl Schwerfbeck, a young man who had been making his home with Fred W. Opperman, a rancher in the Lewis and Clark River district.

LONG HOLIDAY PROPOSED

Manufacturers Say Nation-Wide Shut-Down Would Do Good.

PITTSBURG, Dec. 3.—Proposal that all manufacturing plants in the country shut down from noon Saturday, December 22, until Monday, January 7, has been made to the Pittsburgh Chamber of Commerce by a group of large manufacturers.

The suspension, it is said, would relieve railroad congestion, raise embargoes, enable plants to clean up, prevent worse shipping conditions and produce a more satisfactory business condition.

30 SCHOOLS DROP GERMAN

California High Students Indicate Strong Dislike for Hun Tongue.

SACRAMENTO, Cal., Dec. 3.—German has been dropped from the course of study in 30 high schools of the state since the opening of the present school year because pupils have discontinued studying the language. Will C. Wood, State Commissioner of Secondary Schools, announced today.

He predicted that "popular objection to German may lead to the banishment of the language from every schoolroom in the state, at least while the war lasts."

MUNITIONS MUST BE MADE

Coal Mine Operators Ordered to Supply Powder Manufacturers.

WASHINGTON, Dec. 3.—To insure a steady stream of munitions to the American Army, the fuel administration today gave direct orders to all the mines supplying the Dupont powder plants to deliver demands in full.

The operators were reminded that the order is obligatory and must be absolutely complied with.

NEW OFFENSIVE IN ITALY IS EXPECTED

Airmen Report Activity Among German Troops.

QUIET PREVAILS AT PRESENT

Indications Are That Verdun Tactics Will Be Repeated.

ENEMY LOSSES TERRIFIC

Constant Transfer of Austro-German Troops Reported From Plains to Mountains to Fill Gaps in Decimated Ranks.

WASHINGTON, Dec. 3.—An official dispatch from Rome today says Austro-German attacks on the Italian front have ceased entirely.

"Although the Teutonic invasion was launched under rain and snow, the German press explains the sudden inactivity to unfavorable atmospheric conditions. The truth is, according to the dispatch, that the Italian army, reorganized after the crisis, is now holding the line."

New Offensive Expected.

Another offensive by the enemy on a still larger scale is believed to be imminent, however, and the Italians are preparing to meet it.

"The enemy has tried to break through our line at every point," says the message. "It appears clearly now that Borevicia divisions hoped to push the Italians beyond the Piave by systematic violent attacks which were regularly repulsed."

German Losses Heavy.

"Later General Conrad tried to make the most of the advantages gained on the Asiago plateau, while our troops were retreating to our line of resistance, but when the Austro-Germans attempted to break our defensive barrier at Melitza and Magnaboschi, they suffered staggering losses without gaining any ground."

"Numerous divisions were sent out in vain assaults upon the positions desperately defended by our soldiers. Italian aviators report continual transfer of Austrian troops from the plain to the mountains to fill up the gaps in their decimated ranks. The enemy is very actively preparing elaborate defensive systems."

Verdun Methods Followed.

"It is believed that the commencement of the offensive on a larger scale is imminent. It is expected that General Conrad will strike in the direction of Vicenza, aiming at an encircling movement against the fourth and first Italian army corps. Such alternate blows on the right, left and center recall the methods against Verdun, and it is trusted that it will have the identical success."

WITH THE FRENCH ARMIES IN ITALY, Dec. 2.—(By the Associated Press.)—General Diaz, chief of staff of

(Concluded on Page 3, Column 2.)

AMERICAN TROOPS INVADE MEXICO

OUTLAWS FIRE ACROSS LINE, WOUNDING CAVALRYMAN.

In Appraisal, Twelve of Bandits Are Killed and Little Settlement Burned.

INDIO, Tex., via Army Telephone to Marfa, Tex., Dec. 3.—Mexican outlaws opened fire on one of the American cavalry patrols five miles from here late today, wounding Private Kelst in the thigh and leg. American troops stationed here immediately crossed the river into Mexico, opened fire on the little settlement of shacks and killed 12 of the bandits, including Felipe Romero and Rafael Venalado. The shacks where the outlaws sought shelter were burned after the occupants had been driven out.

Reinforcements consisting of a battalion of mobile infantry and motorcycle machine gun troops, equipped with Vickers-Maxim and Lewis type machine guns, have reached here and were preparing for action tonight should the bandits reassemble and attempt to resume the firing across the line.

MOUNT HOOD IS GLORIFIED

Rift in Dark Clouds Reveals Hill With Golden Sunshine.

A rarely beautiful sight was presented to Portlanders late yesterday, when through a rift in the dark clouds that hung over the city the golden sun peered out its light directly upon Mount Hood and other sections of the Cascade Range.

Everyone who noticed the unusual sight was enraptured, and the attention of others was called to it. The rays of the setting sun were reddened, but the coloring was more that of sunrise. Mount Hood, charming in all its phases, was probably never more beautiful than for a time after 4 o'clock yesterday.

WHEAT WAY UNDER NORMAL

Kansas Has Nearly 9,500,000 Acres Planted to Winter Grain.

TOPEKA, Kan., Dec. 3.—Nearly 9,500,000 acres of winter wheat was sown in Kansas this Fall according to an estimate made public today by the State Board of Agriculture.

The statement says the condition of the state's growing wheat is 70.1 per cent. This is lower by 5.3 points than was reported for wheat a year ago, and is under any Fall condition reported by the board in recent years.

ALL GERMANS DRIVEN OUT

East Africa Completely Cleared of Enemy, Official Report Says.

LONDON, Dec. 3.—"East Africa has been completely cleared of the enemy." This official announcement was made tonight.

Fuel May Be Requisitioned.

WASHINGTON, Dec. 3.—State fuel administrators, failing to obtain on request from producers coal supplies for emergency needs, were instructed today to call on the fuel administration for requisition. They were told, however, to first make every effort to get coal by request.

BROOKLYN DOCKS SWEEP BY FIRE

Four Large Buildings Are Destroyed.

ESTIMATED LOSS \$1,000,000

Morse Drydock and Repair Company Are Losers.

ORIGIN OF FIRE UNKNOWN

United States Soldiers on Duty at Plant Declare Blaze Started Suddenly in Carpenter Shop Where Hundreds Were Working.

NEW YORK, Dec. 3.—Four large buildings at the Morse Drydock & Repair Company, on the South Brooklyn waterfront, were destroyed by fire tonight with an estimated loss of \$1,000,000.

The origin of the fire is unknown. United States soldiers on duty at the plant declared that the fire started suddenly in the carpenter shop, where hundreds of men were working, and then quickly spread to other buildings. The Morse Company was working on large Government orders. Firemen, fireboats and members of the naval reserves, fought the fire.

Municipal, state and Federal authorities are conducting an investigation into the cause of the fire.

FRENCH PRAISE AMERICANS

Gallant Conduct of Army Engineers in Recent Battle Wins Tribute.

WASHINGTON, Dec. 3.—High tribute to the gallant conduct of the American Army engineers in France who were caught in the German encircling attack on the British lines near Cambrai, is paid in an official communication from the French government, received here tonight by cable.

The communication says: "Many died there bravely, arms in hand, before the invader. All helped to repulse the enemy."

THREE-CENT FARE TO END

Rise in Cleveland to Four Cents Announced for December 15.

CLEVELAND, O., Dec. 3.—President John J. Stanley, of the Cleveland Railway Company, announced today that the streetcar fare in Cleveland will be increased Saturday, December 15, to a 4-cent cash rate, three tickets for a dime and penny transfer, with refund. The present fare is 3 cents.

SOLDIERS ARRIVE TO AID SPRUCE DIVISION

MEN WILL BE USED IN FIELD ONLY IN EMERGENCY.

Colonel Disque Explains That Uniformed Contingent Has Nothing to Do With Aviation Corps.

From Fort Custer, Mich., the first and probably the smallest contingent of troops for spruce production activities reached Vancouver Barracks yesterday and went into quarters, awaiting orders from Colonel Disque, commanding the special division of the Signal Corps, created to handle this important feature of airplane work. His headquarters are in Portland, where he has organized a staff of experts.

In confirming arrival of the men, Colonel Disque explained that they are not to be used for aviation purposes and that, at this time, no flying work is to be done here. They will be used, if necessary, in various ways to produce spruce up to the minimum programme of 10,000,000 feet of perfect specimen each month.

It is the purpose of the spruce production division not to use troops in the field unless it becomes necessary in order to maintain the ratio stated. Riving contracts are soon to be let at headquarters, as specifications are to be completed for this feature by Thursday or Friday of this week.

Colonel Disque hopes at least 1000 farmers will help in this work. There will be more than the mills can handle, should this number of men go into the riving actively, he says.

Meanwhile, organization of the Loyal Legion of Loggers and Lumbermen is progressing well, according to reports, specially-assigned officers having been put into the forests of Oregon and Washington for the purpose.

SALEM, Or., Dec. 3.—(Special.)—The necessity of filling spruce orders for the Government has caused the Hammond Lumber Company to request that the Public Service Commission take speedy action in granting it the right to put in four grade crossings on a logging road it plans to construct in Clatsop County.

VARNEY JURY COMPLETED

Husband of Woman Nurse Accused of Killing to Testify.

DEDHAM, Mass., Dec. 3.—The jury in the trial of Miss Harriet A. Varney, a nurse of West Upton, charged with the murder of Mrs. Pauline A. Keyes, of Brookline, was completed at the first meeting of the jury today.

Miss Varney, who sat with her counsel, took an active interest in the examination of the evidence.

Mr. H. Keyes, husband of the woman whom Miss Varney is alleged to have shot because of jealousy, is expected to be one of the chief witnesses for the prosecution.

INDEX OF TODAY'S NEWS

The Weather.

YESTERDAY'S—Maximum temperature, 50 degrees; minimum, 44 degrees. TODAY'S—Partly cloudy; gentle easterly winds.

War.

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New offensive expected in Italy. Page 1.

Germans in general charge fall to break through British lines. Page 1.

United States engineers granted by French for gallantry in action. Page 1.

Mr. Gibson tells of seeing wreckage on armistice in operation on part of Russian-German front. Page 2.

Secretary Baker issues war review. Page 4.

American troops invade Mexico and punish bandits. Page 1.

National.

War congress, again in session, awaits President's message. Page 1.

War budget calling for more than \$11,000,000,000 presented to Congress. Page 4.

Essential industries to be assured fuel and freight facilities. Page 4.

Army and Navy sends hurried call for thousands of machine guns. Page 1.

Domestic.

South Brooklyn waterfront has \$1,000,000 fire. Page 1.

Another Army balloon escapes; both are captured. Page 3.

Defense in Meuse trial endeavors to prove Mrs. King fired fatal shot. Page 6.

Sports.

Official Coast League batting averages given for 1917 season. Page 8.

Beakle is added to coach Marines. Page 8.

Johnny McCarthy, San Francisco boxer, "breases" in for Friday's go. Page 8.

Pacific Coast Intercollegiate Athletic Conference to meet in Portland in 1918. Page 9.

O. A. C. and Oregon fare well in all-Coast football seasons. Page 12.

Grammar School Soccer League dies. Page 8.

Pacific Northwest.

Violence bred by papermill strikes at Oregon City. Page 7.

Judge Mackintosh to be Seattle's Chief of Police if acceptable to War Department. Page 10.

New inheritance tax law doubles state's fees in that department. Page 1.

Josephine County dedicates Courthouse. Page 6.

State tax limit for 1918 expected. Page 5.

National improvements in Pacific Northwest heavily studied this year. Page 12.

GERMANS FAIL TO BREAK HAIG'S LINE

Fierce Hun Charges Are Repulsed.

HEAVY LOSSES ARE INFLICTED

Teutons Resume Offensive on Cambrai Battle Front.

BRITONS HOLD POSITIONS

Fighting Exceptionally Severe on Long Section of Line, but Enemy at All Points Is Compelled to Fall Back in Disorder.

LONDON, Dec. 3.—"From Gonnelleu to Marconing," Field Marshal Haig's report from France tonight says, "the enemy delivered attacks in great strength with large forces and has been repulsed with heavy losses."

"The enemy resumed the offensive on the Cambrai battlefield with great violence," says the statement. "Fighting of an exceptionally severe nature has taken place today. Our positions have been maintained everywhere except at La Vaquerie and east of Marconing, where our line has been slightly withdrawn."

"South of Marconing the enemy broke through at one point, but the situation was restored by an immediate counter-attack."

British Line Advanced.

"On the Ypres battlefield there was local fighting southeast of Polygon wood. As a result we advanced our line slightly and secured prisoners."

"In a minor operation yesterday north of Passchendaele we took 123 prisoners and a few machine guns."

WITH THE BRITISH ARMY IN FRANCE, Dec. 3.—(By the Associated Press.)—The Germans today were making their second great attempt to break through the British defenses in the Gonnelleu sector and pinch off the salient which General Byng recently drove into the enemy territory a little further to the north. The German assault was launched against La Vaquerie shortly before 9 o'clock in the morning and spread rapidly. Within two hours a heavy battle was in progress over a considerable front from La Vaquerie southward toward Vendhuile.

The enemy was employing great forces of infantry which were sent forward under terrific artillery bombardments from a concentration of guns which the Germans had perfected since the smashing of the Hindenburg line.

By noon there were indications that the German onslaught might equal, if not surpass, in fierceness their drive which carried them through the British front south of Gonnelleu last Friday.

Shock Brilliantly Met.

The British infantry and artillery had met the shock brilliantly and were holding their own strongly through the first grim hours of fighting. The Germans approached La Vaquerie from the east and southeast and at the outset it appeared that the attack was comparatively local. In their initial charge the enemy came up against a stone wall and were forced to fall back. They kept coming in waves, however, and finally secured a footing in the town, but immediately were ejected.

Intense fighting at close quarters followed and as this progressed the Germans developed an offensive operation further down the line. By 11 o'clock their artillery was maintaining a drumfire against the whole front involved.

PARIS, Dec. 3.—The official communication from the War Office tonight says: "There was great artillery activity in some of the sectors north of the Chemin Des Dames. The artillery action was intermittent on the right bank of the Meuse. After a violent bombardment the enemy delivered an attack against our positions north of Filley. Our fire checked and drove back the enemy, who suffered heavy losses. Prisoners remained in our hands."

Attempted Raids Fail.

"In the Vosges attempted raids against our small posts in the neighborhood of Violu failed."

"Belgian communication: The usual artillery actions took place yesterday and today."

"Eastern theater, Dec. 2.—There was moderate artillery activity along the Vardar and North of Monastir."

LOST GROUND IS RECOVERED

British Forces Reoccupy Trenches Near Bourlon.

LONDON, Dec. 2.—"Hostile attacks delivered yesterday evening against our positions in the neighborhood of Moeuvres (Cambrai sector) were repulsed after sharp fighting," says today's official report.

Successful minor encounters during the night in the neighborhood of Bourlon resulted in the capture by London troops of 13 German machine guns and a number of prisoners. Beyond considerable artillery activity by both sides on the southern battle front. (Concluded on Page 3, Column 1.)

