

### GOD IS STILL OUR ALLY, SAYS KAISER

"Without Him" Great Battles of 1917 "Would Have Been in Vain."

### WILLIAM LAUDS SOLDIERS

"If Enemy Does Not Want Peace We Must Bring Peace to World by Battering With Iron Fist and Shining Sword."

AMSTERDAM, Dec. 24.—Emperor William visited the front north of Verdun on Friday, according to a Berlin dispatch, and in an address to the troops thanked them warmly for their efforts.

"But for the calm and heroic warriors on the western front," he said, "the enormous employment of German forces in the east and in Italy never would have been possible. The fighter in the west has exposed heroically his body, so that his brothers on the Dvina and the Isonzo might storm from victory to victory. The fearful battles on the bloody hills around Verdun were not in vain; they created new foundations for the conduct of the war."

In a address to the second army on Saturday, Emperor William said: "It has been a year full of events for the German army and the German fatherland. The world has never before delivered and your comrades in the east have been able to bring about greater decisions."

Western Fighters Praised. "There has been no man, no officer and no general on the whole eastern front, wherever I have spoken to them, who has not admitted that they could not have accomplished what they have if their comrades in the west had not stood by them."

"The tactical and strategic connection between the battles of the Alsace, the Champagne, Artois and Flanders and at Cambrai and the events in the east and Italy is so manifest that it is useless to waste words on it."

"With its centralization, the German army works in a centralized manner. In order that we should be able to deliver three or four blows a portion of the army had to remain in the defensive, hard as this is for the German soldier. Such a defensive battle, however, is not a defeat in 1917 is without parallel. A fraction of the German army accepted the heavy task, covering its comrades in the east unconditionally, and it had the entire Anglo-French army against itself."

Allies' Advance Belittled. "By long preparation the enemy has collected unheard-of technical means and masses of ammunition and guns in order to make his entry into Brussels over your front, as he proudly announced. The enemy has achieved nothing."

"The most gigantic feat ever accomplished by an army and one that parallel in history was accomplished by the German army. I do not boast. It is a fact, and nothing else. The admiration you have earned shall be your reward and at the same time your pride. Nothing can in any way place in the shade or surpass what you have accomplished, however great and overwhelming it may be."

God is Still With Us. "The year 1917, with its great battles, has proved that the German people have in the Lord of creation above an unconditional and avowed ally on whom it can absolutely rely. Without him all would have been in vain."

"Every one of you had to exert every nerve to the utmost. I know that every one of you in the unparalleled drumfire did superhuman deeds. The fact that you have been frequently with you: 'If we only had something behind us; if we only had some relief; it came to us as a result of the blow in the east, where it is seen that the storms of war are at present silenced. God grant that it may be forever."

"Yesterday I saw and spoke to your comrades near Verdun, and there, passing through all minds like the scent of the morning breeze was the thought: 'You are no longer alone.'"

Offensive Spirit Holds. "The great successes and victories of the recent past—the great days of battle in Flanders—before Cambrai, where the first crushing offensive blow delivered upon the arrogant British showed that, despite three years of war and suffering, our troops still retained their old offensive spirit—have their effect on the entire fatherland and on the enemy."

"We do not know what is still in store for us, but you have seen how in this last of the four years of war God's hand has visibly prevailed, punished treachery and rewarded heroic persistence. From this we can gain firm confidence that the Lord will be with us in the future also."

"If the enemy does not want peace, then we must bring peace to the world by battering with the iron fist and shining sword the doors of those who will not have peace."

### NEW PEACE MOVE EXPECTED

Report Current Emperor William to Make Christmas Proposals.

ROME, Dec. 23.—The report that a new German peace move is at hand is supported by apparently reliable information which has reached high quarters here.

It is said that on Christmas day, Emperor William will issue a declaration containing peace proposals.

Whether explicit conditions of peace may be expected or merely another maneuver intended to throw on the allies responsibility for continuance of the war cannot be ascertained.

### PIONEER RANCHER DEAD

J. R. Steele, Stricken in Portland, Succumbs in Hospital.

HOOD RIVER, Or., Dec. 24.—(Special.)—The family and the friends of J. R. Steele, a pioneer rancher, learned this morning of his sudden death at a Portland hospital. He had been in Portland for the past two weeks attending to business. The funeral will be held tomorrow afternoon in this city.

Mr. Steele, who was 88 years of age and a native of Scotland, is survived by his widow, a son, James Steele, and a daughter, Mrs. Stanley Walters.

### NEW COUNCIL IS CREATED

Military Cabinet to Aid Secretary of War in Important Matters.

WASHINGTON, Dec. 24.—The newly created council of high officers in the War Department will become one of the most important of the war agencies of the Government if Secretary Baker's plans are carried out. This military

### "I. W. W.'S MY SOUL AND MY COUNTRY"

Dynamite Suspect Prefaces Examination With Most Startling Statement.

### BAIL PLACED AT \$10,000

Mass of Documents, Literature and Letters Referring to Explosives in Other Parts of United States Taken From I.W.W. Quarters.

SACRAMENTO, Cal., Dec. 24.—"The I. W. W. is my country and my soul. I don't give a damn who knows it and I am proud of it."

Violently abusing the investigating officers about the above statement in the beginning of his examination in the office of United States Commissioner Martin L. Welsh this afternoon, William Hood practically admitted that dynamite found in his possession when arrested here Saturday had been stolen by himself from the Pacific Gas & Electric Company at Smart, Cal. He said he shipped it by Wells Fargo under the name of George Messingham, Captain of Detectives Ryan states that there is no longer any doubt that the explosive was intended for the destruction of the local plant of the Pacific Gas & Electric Company.

Hood Anxious to Clear Vetter. During his examination by the Federal authorities, Hood, alias William Rely, appeared anxious to clear his companion, George F. Voetter, from all suspicion, and absolutely denied that Voetter had accompanied him with any knowledge of the dynamite Hood had in his possession. Hood and Voetter were arrested by the police a few days ago following an explosion last Monday night which wrecked the laundry and kitchen of Governor W. D. Stephens' residence here.

At police headquarters it was stated that evidence is being accumulated which will connect Voetter with the plot to destroy the Governor's mansion. In the meantime more than 40 other alleged I. W. W. are being held by the Federal authorities.

Hearing Set for January 5. Federal investigation of alleged conspiracy was formally begun here today when William Hood, alias Frank S. Dougherty, alias William Rely, and G. F. Voetter were arraigned before United States Commissioner Martin L. Welsh and remanded to the County Jail, where they will await their hearing has been set for January 5.

The two men are charged with unlawfully transporting dynamite on a train engaged in interstate commerce. Forty-three other men, arrested in raids on the Industrial Workers of the World headquarters, or who were taken into custody subsequent to the capture Saturday of Hood and Voetter, shortly after they had received from an express office a box which contained dynamite, are being detained by the police for investigation. The Federal authorities are attempting to ascertain their connection with the alleged conspiracy and the dynamiting of the residence of Governor William D. Stephens.

L. W. W. Literature Taken. The men will be turned over to the Federal authorities some time this week, according to Caspar Ornbauer, Assistant United States District Attorney.

A mass of documents, Industrial Workers of the World literature, letters, some of which are said to have been taken on the headquarters of the organization here after the arrest of Hood and Voetter.

Hood, when arraigned today before Commissioner Welsh, said that he shipped the dynamite. He said he made the statement to exonerate Voetter.

The explosive was to be used, Hood said, on a prospecting trip in Mono County. He explained that the dynamite was packed in the box with the dynamite by saying the dynamite was less likely to explode if it was packed with soap.

Men Are Identified. The complaint against the two men was signed by James Richards, detective sergeant, who, with Chief Conran and Captain of Detectives Arthur Ryan, arrested them Saturday.

Efforts to trace the movements of the men have resulted in their being identified, the police said, by R. A. Wolf, an inspector of the city health department, as the two men he saw Friday night and Saturday on the Capitol grounds here.

Hood also was identified by A. E. Hullin, superintendent of the street railway system of the Pacific Gas & Electric Company, as a man who had been employed at one time in a construction camp of the company. The dynamite found in the box Hood and Voetter carried was similar to that used by the company in its construction work. The box was shipped from Smart, Cal., near the Lake Spaulding dam of the company.

### POPE SENDS OUT MESSAGE

Cordial Christmas Greetings Conveyed to American People.

ROME, Dec. 24.—Pope Benedict has given to the Associated Press this Christmas message for the American people:

"The Holy Father sends to the people of America his cordial greetings and prays that they may take heart in this time of strife and suffering, the true lesson of Christmas—the lesson of God's unceasing love for mankind, the lesson of unfaltering courage and sacrifice of self."

"More especially he calls upon the little children, to whom this day belongs, to pray with all their hearts for the peace of the world. He asks that they protect their loved ones and give back to the world the peace which he came to bring upon earth."

### CANADIAN TROOPS HONORED

Seven Thousand Decorations Conferred on Dominion Soldiers.

OTTAWA, Dec. 24.—London dispatches to the Reuters agency here today said 7000 decorations have been conferred during the war on members of the Canadian expeditionary forces for valor in the field and for outstanding war service. Seven officers and 12 men have gained the coveted Victoria Cross.

### AIR MECHANICS ARE READY

Needs of American Aviators in France Are Provided For.

WITH THE AMERICAN ARMY IN FRANCE, Dec. 24.—(By the Associated Press.)—When the American air fighters begin arriving in France in large numbers they will find a corps of several thousand American air mechanics trained on this side of the Atlantic waiting to assemble, repair and care for their machines.

The Associated Press is able to announce that arrangements have been

### WAR PREPARATIONS MUST NOT SLACKEN

"Our Armies Constitute Reserves of Victory," War Secretary Declares.

### ITALY SCENE OF ACTIVITY

Fighting Morale of Italian People to Be Depended On—Enemy Again Is Preparing for Peace Before Victory.

WASHINGTON, Dec. 24.—Germany's newest propaganda, viewed as a forerunner to an offensive in the west, is a German-made peace is accepted by the allies and the United States, "should not for a moment induce us to slacken our preparation for war," says Secretary Baker in his weekly review of the military situation.

"The Germans realize," continues the statement, "that within a short time our armies will form the principal body of fresh strategic reserves remaining available on the battlefields of Europe. Our armies constitute the reserves of victory."

"The Italian theater once again is the scene of important military activity. The enemy, impatient of bringing about the successful penetration of the Italian plain and the overthrow of the Italian armies, has dispatched further forces to the Italian front, with a view to achieving a decisive result."

"Before proceeding with an operation in the west the Germans hope to drive the Italians back to the Adige, anticipating that such a reverse would have a very demoralizing influence throughout Italy."

"It is apparent that the Germans have not given up all hope of bringing about a social upheaval in Italy, as they did in Russia after their victorious campaigns of 1915.

Italians Are Dependable. "No matter how intensive this new subversive propaganda may be, nevertheless, we can confidently rely on the fighting morale of the Italian people."

"It would appear that as a forerunner to the German offensive heralded to be launched in the west an intensive peace propaganda is to be initiated."

"Careful examination of the situation reveals that the enemy is again preparing for peace before victory."

"Information from various sources confirms the reports that the Germans would have the world believe that the military situation is such that they are able to dictate the terms of peace. They, therefore, threaten, unless this dictated peace is accepted by the allied powers and ourselves, the German forces now being concentrated on the

### ALL ASSURED PRESENTS

Artillerymen Organize and Enforce "Equal Distribution."

### TACOMA, Dec. 24.—(Special.)—There are mechanics this winter in England

and that many repair units already have been sent there. They will recross the English Channel as needed when trained.

Arrangements also have been made for the establishment in the United States of flying schools for Italian aviators.

Members of the 47th Field Artillery, all from San Francisco, have formed the Cassabees, a new organization. This order has for its purposes the coralling of all Christmas packages and the like and distributing them among worthy members of the order.

Spies are sent out in the day time to locate any new packages. The recipients are then notified to distribute a share of them. If they refuse the prizes are commandeered and distributed.

On the roll of the Cassabees are the following titles: Grand Knight, Tonight, Tomorrow Knight, Foggy Knight, Tuff Knight, Helluva Knight, Easy Knight, Utall King Knight and Last Knight.

### OREGONIAN FIRMS ARE READY

Colonel Deeds Gratiified With Response Regarding Airplane Parts.

OREGONIAN NEWS BUREAU, Washington, Dec. 24.—Senator McNary today laid before Colonel Deeds, of the aircraft board, a telegram from Secretary of the Portland Chamber of Commerce, giving the names of several Oregon firms that are prepared and anxious to take contracts for building airplane parts.

Colonel Deeds expressed gratification at the information and will lay the matter before the aircraft board for action at Christmas.

The aircraft programme of the Government is way behind schedule, because of delays, both on spruce and on aluminum. It is hoped, however, as many contracts as possible with reliable firms in order to make up for lost time.

### CHRISTMAS GIFT UNIQUE

Office of Governor Turned Over to George W. P. Hunt, of Arizona.

PHOENIX, Ariz., Dec. 24.—Governor Campbell announced at noon that he would turn the office of Governor of Arizona to George W. P. Hunt at 10 o'clock Christmas morning. The transfer of the office was to be made without formal ceremony. Both Governor Hunt and Governor Campbell took the oath of office last January.

Practically all of Governor Campbell's appointments have resigned and it is said most of the incumbents holding office when Hunt was proposed last January will be reinstated.

Under the Supreme court decision, Governor Campbell will receive pay for his year's service as Governor, and must, besides, pay most of the costs. It is probable that he will be given relief by legislative enactment.

### TRADE RESTRAINT DENIED

Itasca Paper Company to Fight Dissolution Suit.

NEW YORK, Dec. 24.—The Itasca Paper Company (Grand Rapids, Mich.), one of the defendants in the Sherman law dissolution suit recently brought by the Government against the United Manufacturing Corporation and other defendants in the Federal District Court, today entered a denial of complicity in the charge.

The denial asserts that the Itasca Company is not engaged in any combination in restraint of trade; that it does not sell news print paper and that it makes no references to the Dispatch Printing Company, publisher of the Pioneer Press and other newspapers in St. Paul, Minn.

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### AMERICAN PRO-HUN OUSTED

Editor of Pekin Post Deported at Request of Chinese Government.

PEKIN, Dec. 24.—Gilbert Reid, an American, accused of being a pro-German propagandist and sympathizer, has been deported to Manila by the request of the Chinese government.

Dr. Gilbert Reid, editor of the Pekin Post, was released from prison at Shanghai on July 23, 1917, and promised to refrain from criticism of the American Government or its officials.

### DANGEROUS SPY CORNERED

(Continued From First Page.) said to have sent Schulenberg to New York to report to Von Pappen. Von Pappen told him he had nothing for him and advised him to go to his hotel in Hoboken, N. J. The night three men in the employ of Von Pappen entered Schulenberg's room, searched him, took away his papers and bundled him on a train, first giving him a ticket to San Francisco.

Supplies Contracted For. In January, 1917, Schulenberg and another agent, it is said, were ordered by Angeles waiting for the new head of the German secret service in the United States. The men were awaiting instructions from German agents in Washington to carry supplies for wireless stations across the border to the west coast of Mexico. Supplies valued at \$35,000 were contracted for, but the money to pay for them did not arrive.

Shortly after this, according to Federal officials, Schulenberg, under his old Russian passport, went to Germany and reported to the head of the German secret service in Wilhelmstrasse, where he was ordered to travel westward. Returning, he landed in Galveston and made his way across country to Southern California.

Tenton Armed When Arrested. After July he disappeared again, and it is believed he was in Mexico. December 1 the authorities learned he had gone from Santa Barbara to Santa Cruz, where he was staying with Karl Beck, a German deserter. Four days later he was arrested and now is held under a Presidential warrant.

In an automobile in which Schulenberg was arrested the authorities found a German Luger pistol, and a high-power rifle, both loaded. Further investigation disclosed a cache containing 25 pounds of dynamite, three alarm clocks and attachments for detonating explosives, said to be the property of the prisoner.

Schulenberg deserted from the German army in 1904. He was arrested in Sydney and turned over to the German waiting to assemble, repair and care for their machines.

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**Christmas Greetings to all**

from  
**Sipman Wolfe & Co**  
Merchandise of Merit Only

western front will break through the allied line into the west.

**Decided Change Coming.**

"In considering the general military situation in its true light, it must be understood that the Germans realize that within a short time our armies will form the principal body of fresh strategic reserves remaining available on the battlefields of Europe. Thus, no matter what superiority in men and guns the enemy may for the time be able to bring to bear on the west, and even admitting an eventual modification of the allied line in his favor, nevertheless, he knows that insofar as it is humanly possible to foresee, his effort will inevitably result in merely a local success, which can have no determining influence on the final outcome of the war."

"For the first two years of the war France bore the brunt of battle while Great Britain was preparing.

**America's Plain Duty.**

"Since the defeat of the German forces in front of Verdun, England and the British dominions have taken over an increasingly large share of the burden of the war.

"Italy has, to the limit of her forces, also assumed a considerable share of this burden.

"When, as a result of the defection of the Russian forces, the weight of Austro-German pressure was directed against Italy, France and England united in coming to the rescue of their ally and are today aiding the Italian armies.

"It is our duty, therefore, in looking to the future, to realize that if we are to fulfill the pledge we made on entering the war, if we are to fight this war to a successful conclusion, we must assume the full responsibility which rests upon us. We are the freshest in the struggle; we have the reserve man power, and the reserve mechanical power."

**Passco Attorneys to Assist.**

PASCO, Wash., Dec. 24.—(Special.)—Attorney M. L. Driscoll, as chairman of the legal advisory board for Franklin County under the selective draft regulations, has appointed six attorneys to assist. The Passco members will each spend one day of the week at the Courthouse and assist registrants in answering their questionnaires.

**THIS WEEK** **A JOY SHOW**

**PEOPLES**

THE NEW YORK DAILY SAID:

**HE "OUT-FAIRBANKS" FAIRBANKS**

**ASK YOUR NEIGHBOR**

**FUN FUN FUN FUN FUN FUN FUN**

**MACISTE**

IN **THE WARRIOR**

A riot of fun and action. 7000 feet of punch, laughs and hair-raising thrills.

Also the latest and most complete pictures of the **HALIFAX DISASTER**