

POSTAL DEFICIT STRAYS HITCHCOCK

Revision of Rates on More Business-Like Basis Declared Imperative.

ZONE SYSTEM SUGGESTED

Magazines Have Longest Haul in Proportion to Revenue Produced - Business Growing Enormously.

WASHINGTON, Jan. 1.—The deficit of the last year in the postal revenues of the United States amounts to \$7,447,715, and this fact has caused Postmaster-General Hitchcock to take particular notice of the necessity for some sort of reform in the business methods governing the department.

So long as the annual deficit amounted to only a few millions and did not increase in proportion to the increase in the service given, the postal deficit, so long a feature of annual reports, has not caused much more than a passing comment. But when in the last few years it leaped to upward of \$10,000,000 and finally in 1909 exceeded \$17,000,000, ordinary business prudence suggested that the causes definitely be located.

Two Items Responsible.

"In these two items alone," Mr. Hitchcock observes, "the postal service now suffers an annual loss of more than the entire national deficit of the last fiscal year." Simultaneously with the growing deficit in postal service a panic occurred. The department's drafts on the Treasury were heaviest when public funds were lowest.

Magazines Carried Far.

"While the average haul of the magazines proper is more than 1000 miles," he continues, "and that of other classes of periodicals, not including daily newspapers, ranges from 550 miles to more than 1000 miles, the haul of the daily newspapers, which comprise about 40 per cent of the second-class mail, averages less than 200 miles."

Rural Service Important.

"The rural delivery service was developed in 15 years from an experiment, requiring an appropriation of \$4,000, to one of the largest branches of the postal establishment, with an annual expenditure exceeding \$35,000,000. The postage on matter sent by rural routes is estimated at about \$7,900,000. The importance of this service to a large number of people is fully appreciated. It brings the farms and villages into closer communication with commercial and educational centers. It encourages the improvement of country roads. By making rural life more attractive, it stimulates agriculture. No doubt it pays in responsible for the increase in farm values."

"Owing to the marvelously rapid growth of this service, however, it is but natural that deficits have developed. The cost of rural delivery has become much greater than it should be. Now is an appropriate time for considering carefully the conditions under which it is operated, for perfecting the existing organization and for introducing such economies as are consistent with a proper conduct of the service."

MONEY READY FOR RANSOM

Alma Kellner's Uncle Reported to Be on Trail.

LOUISVILLE, Jan. 1.—In spite of repeated denials by the Kellner family,

who this morning ejected reporters from their home, it is believed that a definite trace of the child, Alma, who disappeared December 3, has been found.

It is learned that Frederick Fehr, the millionaire brewer, who went to Chicago Thursday night, drew \$5000 from a bank after the close of business that day and immediately on receipt of a telegram from Cincinnati.

NO RANSOM YET DEMANDED

Fehr Says Mystery Is No Nearer Solution.

WASHINGTON, Jan. 1.—The report that a definite clue as to the whereabouts of Alma Kellner, who disappeared from her home in Louisville, December 3, has been obtained and was being investigated in this city by Frank Fehr, a relative of the family, was denied today by Mr. Fehr at the residence of his sister.

Case Like Whittia Boy's.

CLEVELAND, Jan. 1.—The report that a letter was sent to the family of the missing Alma Kellner by Cleveland persons demanding a ransom of \$5000 is regarded by the local police as being nothing more nor less than a trick, patterned after the methods of the kidnapers of Billy Whittia, to obtain money. The method suggested in the Louisville matter is identical with the Whittia case.

DAUGHTERS TO RESCUE CONSERVATION WORK UNDERTAKEN IN EARNEST.

As Result of Suggestions From Various Governors Daughters of American Revolution Act.

WASHINGTON, Jan. 1.—The conservation committee of the Daughters of the American Revolution appeals to every member of its organization and to all patriotic women to begin the new year with a determination to use all honorable means to support the conservation measures being carried out all over the country.

THOUSANDS GREET TAFT AT CAPITAL

President's Wife Aids in Receiving Distinguished Visitors, and Then Retires.

OVER 5000 AT RECEPTION Blue Room at White House Scene of Brilliant Gathering of Diplomats, Officers and Citizens to Wish Executive Well.

WASHINGTON, Jan. 1.—President and Mrs. Taft held their first New Year's levee at the White House today.

Although Mrs. Taft has not yet regained her full strength, and seemed rather frail in a gown of white silk, she carried out her original intention of remaining in the receiving line until the members of the Cabinet, the Justices of the Supreme Court, etc., had paid their respects. At the end of 20 minutes Mrs. Taft retired.

The Vice-President and the Cabinet remained in the receiving party until the last of the general public had passed. For two hours and 50 minutes President Taft held his position at the entrance to the famous Blue Room, and shook hands with over 5000 persons. The line of persons began to form at 10:30 A. M.

Taft Gives Warm Greetings.

President Taft's personal friends among the Army and Navy officials got hearty words of greeting. Occasionally a citizen addressed the President, and the latter listened attentively. The average time of passing was about 40 persons to the minute. The President declared he felt no fatigue.

Italian Heads Diplomats.

The diplomatic line was headed by Baron Meyer de Planches, the Italian Ambassador, dean of the corps. The introductions were made by Colonel Spencer Cosby, of the army, Major-Domo of the White House, assisted by Captain Butt, Lieutenant-Commander Palmer and others.

TROLLEYS CRASH; 5 HURT

Motormen Stick to Post in Vain as Cars Meet in Fog.

GREENFIELD, Ind., Jan. 1.—Five persons were seriously injured, two probably fatally, in a head-on collision between two cars on the Terre Haute, Indianapolis & Eastern line at Philadelphia, four miles west of here, late today.

WOMAN CRUELLY KILLED

Murder Is Third of Series Within Few Miles of One Spot.

CINCINNATI, Jan. 1.—With her throat cut and her mouth gagged, the body of Miss Anna Lloyd, 36 years old, secretary of the W. H. H. Lumber Company, was found in a lonely part of the city today. She had been assaulted.

DEADLY PHTHISIS GAINS REPORT OF CONDITIONS AMONG INDIANS IS BAD.

Commissioner Wants Congress to Make Appropriation for Natives to Work in Arizona.

WASHINGTON, Jan. 1.—Tuberculosis stands at the head of the diseases that afflict the Indian. The statement made in the annual report of the Commissioner of Indian Affairs, that the rate of the increase is further stated, but methods are being employed by which it is hoped to eliminate the disease as far as possible. Three hundred and thirty Government schools were conducted during the last fiscal year, a net increase of 22. In conclusion the report says:

"There is a great need for a determined and systematic effort to teach the Indians the industries best suited to their localities and to their abilities. An industrial corps similar in its administrative feature to the medical corps should be established for the education of men and women, whose duty it should be to educate the Indians in such industries that they might be self-respecting and self-supporting."

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January Clearance Sale Of Men's and Boys' Clothes

Here's an opportunity to use common sense and save dollars. Prices on our superb stock of high-grade Suits and Overcoats now reduced way below regular values. Useless to look elsewhere, no better bargains.

MEN'S FINE SUITS

We have a complete assortment of this season's newest fabrics and color effects in single and double-breasted models including a complete line of black worsteds and blue serges at the following low prices:

\$15 Suits now \$11.75 \$20 Suits now \$14.35 \$25 Suits now \$18.75 \$30 Suits now \$22.50 \$35 and \$40 Suits now \$25.00

BOYS' SUITS 4 to 16 YEARS

The materials are plain Serge, fancy Cassimeres, Tibets, Chevots and Tweeds, all exceptionally tailored.

\$ 5.00 Suits reduced to \$3.75 \$ 6.50 Suits reduced to \$4.50 \$ 7.50 Suits reduced to \$5.00 \$ 8.00 Suits reduced to \$5.75 \$10.00 Suits reduced to \$7.00

Salem Woolen Mills Clothing Co. Grant Phegley, Manager Outfitters to Men and Boys Seventh and Stark Streets

GAS BLAST HURLS 22

EXPLOSION UNDER MONTREAL DEPOT HURTS MANY.

Men and Women Thrown 30 Feet in Air, One Will Die—Broken Legs Principal Injury.

RUSSIAN EDITOR IS JAILED

Article on Army Conditions Causes Two Months' Imprisonment.

MONTREAL, Jan. 1.—Twenty-two persons were injured by an explosion which wrecked the train platform at Place Vigor station, in the east end of the city last night. Most of the injuries consist of broken legs. Mrs. Charles Brunau, Montreal, cannot get up from the hospital, and is in a now defunct newspaper Strana, of which he was editor.

A vegetable cheese is being made in an experimental way in England from the casein contained in soya beans.

GREAT SALE OF HIGH-GRADE MEN'S FURNISHINGS

Table with columns for Underwear, Shirts, Night Shirts, Hats, and Fancy Vests, listing various items and their reduced prices.

NECKWEAR

Latest shades and weaves from Fifth avenue and foreign fashion centers.

\$2.00, now \$1.35 \$1.50, now 95c \$1.00, now 65c 50c, now 35c

EXTRA SPECIALS

Underwear 85c Garment Values to \$2 a garment. Broken lines. Silk Umbrellas Half Price Half Hose Values to 50c. 6 Pair for \$1.00

329 Washington Street M. Sichel Imperial Hotel Building