WITH THE FIRST ISSUE OF 1918, THE STATESMAN WISHES ITS READERS A PROSPEROUS NEW YEAR

WEATHER
Tuesday rain; moderate southerly gales.

The Oregon Statesman

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SIXTY-SEVENTH YEAR—NO. 240 SALEM, OREGON, TUESDAY MORNING, JANUARY 1, 1918 PRICE FIVE CENTS.

GUATEMALA EARTHQUAKE KILLS 1000

City Is in Ruin and 80,000 Are Homeless—Shocks Beginning December 26 Result in Great Damage

U. S. SENDS AID TO STRICKEN REPUBLIC

Large Quantities of Flour and Clothing Leave New Orleans

NEW YORK, Dec. 31.—An estimate of 1000 persons dead in the earthquake ruins at Guatemala City is contained in a telegram received here from the Central and South American Telegraph company's manager at San Jose, Guatemala, who returned to San Jose from Guatemala City yesterday afternoon.

Aid Sent From U. S.

WASHINGTON, Dec. 31.—Still without detailed information of the earthquakes which destroyed Guatemala City, costing many lives and leaving 100,000 homeless, American officials today prepared to send aid to the stricken sister republic.

Further reports were awaited from American Minister Leavell and Consul Fee.

Red Cross officials conferred with navy officials as to the supplies to be sent forward on American warships ordered to a Guatemalan seaport.

While the American diplomats are safe, archives of the legation and consulate are believed to have been lost, as the buildings are reported to have been shaken to the ground. Unofficial advices indicate that the foreign colony escaped without loss of life.

City Has Four Quakes.

Four earthquakes apparently have shaken Guatemala City. Records on the Georgetown university seismological observatory instruments here show the first shocks were felt on Christmas night shortly after midnight. A second series of shocks came about 9 a. m. on December 26. Further shocks were recorded on Friday, December 28, at 4:20 p. m., but the heaviest shocks came at 5:57 p. m. Saturday, December 29.

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ALLIED FORCES HOLD DOMINANT POINTS IN WEST

British and French Unshaken, Have Key to Valuable Territory

ITALIANS HOLD FIRMLY

Morale of Entente Strengthened by U. S. Troops, Baker Reports

WASHINGTON, Dec. 31.—What the beginning of the new year finds at the battle fronts is outlined by Secretary Baker in his weekly review of military operations issued tonight. In the west, he says, the British dominate the Flanders plain with a great wedge into the principal German line of defense at Cambrai, while the French, with their own lines unbroken, hold the key to the Laon area through the capture of Chemin-des-Dames.

Italy, supported by the allies, is holding firm, while the enemy after battering in vain for six weeks against the defenders, is say preparing for a renewed offensive.

Of Russia the review merely says the Germans are endeavoring to persuade that country that they are eager to assist in restoring normal conditions and that the German embassy building at Petrograd is being made ready for occupant.

U. S. Troops Hearten Allies.

While the operation of American troops at the front has been confined to narrow limits, the secretary says their presence has heartened the allies and increased faith in final victory.

The review follows in part:

"The military situation at the beginning of the new year is as follows:

Ypres salient occupy the high ground of the Paschendaele ridge and dominate the Flanders plain.

"Their wedge in front of Cambrai has ripped a great gap in the principal line of defense.

"The battle for Cambrai proved that the German defensive positions could be broken and taken. Though full advantage was not taken of the early successes gained by the British, the disaster to German arms in this battle was the most serious since the Marne.

"The French, by the capture of the Chemin-des-Dames, have secured the key to the Laon area. Their own line of defense remains unshaken.

WASHINGTON SPIRIT PATH TO TRIUMPH

Heads of Allied Nations Send New Year's Greetings Praising Spirit of People of United States

HELP OF NEW ALLY LOOMS BIG IN WAR

With Unshakable Firmness Nation Takes Up Task of Freeing World

WASHINGTON, Dec. 31. — The voice of Washington still resounds and he shows the path to triumph, through sacrifice, says President Poincare of France in a new year's greeting to the American people which appears in the New Year's edition of the Official Bulletin.

M. Poincare's message is one of a number received from the heads of the nations associated with the United States in the war against Germany. Others came from King Alexander of Greece; President Menocal of Cuba; President Valdez of Panama; King Peter of Seriba; President Buerra of Bolivia and President Viera of Uruguay.

"As the year 1917 closes," cabled the French president, "I look back with emotion to the months just elapsed and to the successive phases of the world struggle and in particular to the entrance of the United States into the war.

France and America United.

"Champions of a common cause, the American people and the French people, whom a fraternity of arms has united in the past, whom it is binding still more closely today, contemplate, with unshakable firmness and with the serene consciousness of their duty, the liberating task that they have sworn to accomplish to the end. The year 1918 will see the continuation of the sublime effort of the free nations, grouped for the defense of honor and of the pledged word, for the safeguarding of all motherlands, great or small, against the powers of imperialism and autocracy, whose avowed design it is to dispose of peoples just as they have led them to death—without consulting them.

"'Tis the far-off voice of Washington that resounds still, at the threshold of the new year, as in the heroic hours of yore, and the echoes of which are repeated throughout the glorious American union. France, too, hears it. The illustrious American statesman shows up the path to triumph through sacrifice, and, like his eminent successor, President Wilson, seems to carry to the nations united for the salvation of humanity: 'Carry on to victory the flag of freedom.'"

Greece Admires America.

The greeting from King Alexander of Greece said:

"The Greeks, who were the first to defy justice and liberty, understand thoroughly and greatly admire the magnitude of the ideals for which the United States entered, so boldly into this terrible war.

"Imbued by the same ideals, the Greeks will fight to help to secure their realization. They will do it with so much more determination, as they expect to contribute to free millions of their brothers persecuted by their hereditary enemies. I wash that the new year would bring to all the people fighting for the freedom of their world the just reward of their sacrifices.

"Their glory has undoubtedly never been surpassed in history."

President Menocal sent this message:

"Never in universal history have the nations been bound together by such noble and magnanimous ties as is the case in the titanic struggle of almost all of the countries of the world, great and small, against the central empires of Europe. No selfish ends and motives may be alleged against this holy crusade for liberty and justice because there are no such ends and motives which can be held

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UKRAINIANS AND COSSACKS TAKE 400 PRISONERS

Bolsheviki Troops Clash with Opponents on Southwestern Front

HOT BATTLE IS RAGING

Extremist Forces Lose Eight Big Guns and 328 Machine Guns

STOCKHOLM, Dec. 31.—Ukrainian and Cossack forces in a great battle on the southwestern front have defeated the Bolsheviki troops, taking 400 prisoners and capturing eight big guns and 328 machine guns, according to a dispatch received by the Dagens Nyheter from Petrograd by way of Hapranda. The Cossacks are in hot pursuit of the Bolsheviki.

BUILDINGS COST ABOUT $80,000

The year 1917 was not a period of unusual building activity in Salem, the total amount expended for building during the year approximating only about $80,000, or a trifle less, judging by the amounts given in building permits as issued at the city hall.

If the cost of the new inter-county bridge be included, nearly $200,000 is added to the amount.

The individual permits for the year follow:

The Cherry City Building company, North Salem brick building, at a cost of $15,000.

M. Benson dwelling in Roberts addition, $900.

Associated Oil company distributing station Capital park, $2500.

Dr. H. J. Clements, two story garage on Chemeketa street, $300.

R. J. Hall, residence, McCoy avenue, $750.

Hunt Brothers company, addition to cannery, $2500.

Statesman Publishing company, repairs to barn, $300.

G. G. Brown, residence, North Summer street, $600.

Mrs. J. H. Gantenbein, one story frame house, $2000.

Ida Storcy, repairing store building, $300.

Steusloff Brothers, two story brick, $15,000.

P. B. Kerberger, one story frame house, $2400.

Charles Packet, one store fram store building, $400.

Frank Jaskoski, one and one-half story residence, $2500.

Oregon City Flouring Mills company, two story warehouse, $1000.

Farrar Heirs, one story brick, $12,000.

F. Nicholson, one story frame, $800.

C. Engstrom, comfort station, $7000.

First Congregational church addition, $500.

Max Buren, one story brick store, $6500.

P. H. D'Arcy, addition to Liberty theater, $500.

A. L. Schreiber, frame house, $600.

Mrs. James, Day, one and one-half story building, $400.

Farrar estate, concrete vault under sidekalk, $300.

Prison Honor Man Hurt Seriously at Gold Hill

Warden Murphy of the state penitentiary received a message last night that Lee Dale, one of the prison honor men, who is with a gang engaged in dismantling an old tramway at the state lime quarry at Leland, near Gold Hill, was seriously injured yesterday and is in a hospital at Grants Pass. Dale was hurt while assisting in rolling a cable. Warden Murphy telegraphed instructions that Dale be given the best care possible.

FREIGHT IS ORDERED TO MOVE FAST

Director McAdoo Instructs Eastern Lines to Clear Up Congestion Despite Priority Regulations

PASSENGER TRAVEL MAY BE CURTAILED

Consignees Must Unload Shipments Promptly—Drastic Action Planned

WASHINGTON, Dec. 31.—Orders went to eastern roads tonight from Director General McAdoo to clear up freight congestion regardless of previous priority regulations, passenger schedules and any hampering practices under the old competitive system and to pay special attention to movement of coal and food.

Lines of the west and south were notified that soon they might be called on to furnish locomotives and other equipment to help lighten the traffic burden in the east and a committee of government officials was created to work out a plan for diverting export freight to ports other than New York. Quantities of coal actualy were started moving to New England to relieve the serious shortage there.

At the same time the director general dissolved the railroad war board at its own request and named a temporary advisory cabinet of five members. One of these, Hale Holden, president of the Chicago, Burlington & Quincy, and a member of the war board, will be retained to supervise the machinery which the war board has created within the last nine months to co-ordinate the roads of the country.

Personnel of Board Given.

Other members of the new advisory board are John Skelton Williams, comptroller of the currency, who will have charge of financial questions arising out of government operation; Henry Walters, chairman of the board of Atlantic Coast line, who will assist nn operation problems; Edward Chambers, traffic director of the food administration, who will have general charge of traffic, and Walter D. Hines, assistant to the director general.

Other railway heads who made up the war board, Fairfax Harrison of the Southern, who was chairman; Rea of the Pennsylvania; Kruttschnitt of the Southern Pacific, and Elliott of the New Haven, will return to the active supervision of their roads, but all the sub-committees and organization of the board will be turned over to Mr. Holden.

The question of increased pay for railroad employes will be taken up soon by Mr. McAdoo, but he said today he had given little thought to wages and did not know what his attitude would be. Heads of the four brotherhoods will confer with the director general Thursday at his in-

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ENTENTE MAY REPLY TO HUN PEACE OFFER

Premiers to Meet in Paris to Discuss Proposal of Bolsheviki

BAIT FOR ALLIES SEEN

U. S. Staff Officers Believe Germany Foresees Limit in Field

Washington, Dec. 31.—Insidious efforts of the Germans to inolve the United States and the entente allies in the peace negotiations proceedings with the Russian Bolsheviki have developed to such a stage that in the opinion of some officials here notice of the propaganda must be taken and an attempt made to neutralize it.

If the British and French premiers are to meet in Paris soon with the purpose of discussing the advisability of receiving and answering the proposals of the Bolsheviki to participate in the negotiations, as has been reported by a leading conservative British newspaper, they will act in accord with the agreement rigidly adhered to by all the entente allies until the defection of Russia, not to entertain any peace proposals from the enemy withount consultation with each other. In diplomatic circles here today it was said that any decision from such a meeting would be promptly laid before the American state department.

Germany is believed to be prepared to offer almost any conceivable bait to an individual enemy in order to drive a wedge into the allies and cause its disruption, and having succeeded measurably with Russia, is trying to get that nation to influence her late allies.

Rumors that have existed for the past fortnight to the effect that another peace proposal was about to be launched by the central powers either through the vatican or some neutral state, are believed to have their foundation in the adroit attempt of the German negotiators to use the Russian delegates for that purpose.

Limit in Field Foreseen.

Since none of the entente countries has recognized the Lenine-Trotsky regime in Russia it will be difficult for the Bolsheviki to convey the invitation for a peace discussion, but it is regarded as entirely possible that the German government might request the Swiss foreign office to transmit an initation to America and to her co-belligerents.

General staff officers here are understood to attach great significance to the present at ttempt of the central powers to force the entente powers into peace negotiations. To their mind it is a clear indication that the German military learders have accomplished all that they feel capable of doing in the field. They can "hold on" for a long time yet, it is suggested, but they cannot extend fields of occupation without an enormous loss of men and time at the risk of a terrible defeat

1400 MEN, 60 GUNS TAKEN BY FRENCH

Mountain Position at Monte Tomba Captured by Storm in Effective Co-operation with Italians

HUNS STRIVING FOR GROUND AT CAMBRAI

Front Line Advantages Gained, Then Lost Again to British

(WAR SUMMARY)

Notwithstanding the fact that deep snow covers the ground along the western front in Northern France, bitter fighting has been in progress between the British and Germans on the Cambrai sector. After having captured British front line positions Sunday and later lost the greater portion of them in a counter-attack, The Germans Monday again set forth after a heavy bombardment in quest of a much desired position—the Welch ridge—which lies to the south of Marcoing in the old Hindenburg line and offers a splendid vantage point for observation.

Attacking over a front of about 1200 yards, the enemy entered one of the British trenches. His tenure, however, was of short duration, as Field Marshal Haig's men in a brilliant counter-attack completely regained their lost ground. On the other part of the line the Germans were met with a withering fire and compelled to retreat with heavy casualties.

1400 Prisoners Captured.

Aside from this battle little fighting of moment is in progress on any of the fronts, although violent artillery duels continue at various points in France and Italy. Especially severe is the duel around Monte Tomba, on the Northern Italian front. It is in this sector that the French are lending their aid to the Italians, and in their attack against the enemy they captured important positions and took about 1400 prisoners and sixty machine guns and seven big guns as booty.

From Jaffa eastward General Allenby's forcer in Palestine are continuing their advance against the Turks. The latest reports from Palestine show that the Britons are now well to the north of and northwest of Jerusalem and in possession of some of the most important roads in central Palestine.

Entente Confident of Victory.

The advent of the new year finds tch United States and the entente allies confident of the ultimate success of their arms, notwithstanding the cessation of fighting in Russia. The peace proposal made by the Brest-Litovisk council by Count Czernin, the Austrian foreign minister, has not yet been officially recognized by any of the allied governments, but one of the leading English newspapers says the British premier will send a serious and reasoned reply to it when it is presented officially. Any reply, it is believed, will first have the sanction of all the countries now at war with the Teutonic allies.

That the British premier is optimistic as to the future course of events is shown in his new year greetings to the viceroy of India, in which he says that before the new year is passed he has the good hope that the purpose to which we have set our hands will have been completely achieved.

Petrograd Passports Refused.

M. Clemenceau, the French premier, has no intention to premit the Russian Socialitss to gain an erroneous idea as to the stand of France in the war. He therefore has refused to sanction the granting of passports to Petrograd for Socialist delegates who desire to visit the Russian capital, declaring that the situation was too chaotic there to bring about any useful result, and that a visit by Frenchmen at this time might be harmful to the morale on the allied front and also work injury to the allied cause within the enemy lines.

ROME, Dec. 31.—"The enemy becomes more bitter in [illegible] ment of open cities," [illegible] official communication says. [illegible]

"Last night his [illegible] returned from the fifth time [illegible] ping several scores [illegible] to arrangements [illegible] the casualties were [illegible] ed, including one [illegible]

Cathedral Suffers.

"The rich and [illegible] of the city suffered [illegible] facade of the [illegible] down and the [illegible] and the [illegible] siderably damaged.

"Yesterday [illegible] sector, after [illegible] ration the [illegible] enemy positions [illegible] Montcornera [illegible] overcome [illegible] the enemy [illegible] linked [illegible] attacks [illegible] efforts [illegible]

UNSELFISH EFFORT OF ALL WHO STAY AT HOME NEEDED TO WIN WAR BY NEXT NEW YEAR'S DAY

Lavish Spending on Luxury Means Prolongation of Struggle and Discomfort to Boys in Uniform Fighting Bravely to Bring Victory for Democracy—"Do My Best" Resolution Every Man, Woman and Child Must Adopt

WASHINGTON, D. C., Dec. 29.—Wil the year 1918 see the ned of the world war-period. Wil the nation be at peace a year hence, or will it still be engaged in conflict? These will be questions uppermost in the public mind on this New Year's Day. At this time it seems most pertinent to call the attention of the people to ways and means by which they may help to shorten the war, and possibly to bring it to an end, before another twelve months have come and gone.

It has been said over and over again that this is a war of nations, and not of armies or navies—and the truth of the assertion becomes more apparent each day.

To shorten the war and to achieve a lasting peace it will be necessary for every man, woman and child in the United States to do his or her part. To do this part and to go the limit should be a New Year resolve of every person living under the Stars and Stripes.

What should be borne in mind is that those who stay at home cannot hope to win the war unless, in their capacity as individuals, they are prepared to shoulder their full share of the burdens and the efforts which war entails.

Are the masses of the people really doing their share? Are they today making the effort [illegible] sary to win the [illegible] as yet made any sacrifice in the least degree comparable with that of our boys at the front? These are the questions it would be wall for the people to ask themselves before the beginning of the new year.

The vast majority of the people, undoubtedly fail to realize that by their selfishnes and want of effort they themselves will be largely responsibile for the prolonging of the war, and therefore the cause of the death of many gallant men, and the sorrow which their death entails to those dear to them.

The American people are to be given credit for the generous manner in which they have responded to the nation's needs. Men and money have been griven freely. The burdens and inconveniences necessitated by war time conditions have for the most part been borne without complaint. A good beginning has been made, but, as already stated, greater sacrifices must be made during the coming year. And the greater the sacrifices, the shorter will be the duration of the war.

There is one effort in particular that very few people seem to be making, except in a half-harted sort of way—the effort to save money in order to lend it to the Nation. Yet, in the opinion of the President and those who are helping him to

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BUILDING OF OLD PEAPLES' HOME STARTS WITH FAVORABLE WEATHER

Announcement was made yesterday that raising of the building fund for a new Salem Old Peoples' home has been completed and that construction of the building will begin as soon as the weather is favorable. The location has not been chosen definitely, but it will not be the location of the present inadequate building on Twelfth street. The new structure will be fire-proof and modern in every way. The cost will be $25,000.

Of the $25,000 the sum of $10,000 is given by William W. Brown of Portland. A condition of Mr. Brown's gift is that a like amount be raised. Committees were appointed in Salem and $5000 raised in this city. Another $5000 was raised outside of Salem and another $5000 comes as a bequest.

The committee in charge of raising the money in Salem wired Mr. Brown last night that his conditions had been met. The time expired at midnight last night, he having stipulated that the $10,000 must be raised by January 1.

Solicitation of funds in Salem has had the endorsement of the Salem Business Men's league.

"We feel that a lot of credit is due the league," said a member of the committee last night, "and we certainly are thankful to that organization."