



ANOTHER MILESTONE

1918 marks another turning point in your life—judgment becoming better and ambition stronger as age grows older. Though even a few days ago you might have questioned the part the United States National Bank plays in the affairs of people and institutions in this community—now the importance of its aids and conveniences are realized.

Be a "THRIFTER" and invest in Government Thrift and War Savings Stamps.

United States National Bank
Salem Oregon

U-BOATS DOWNED SET NEW RECORD
(Continued from page 1)

coastal steamer almost within gunshot of land.

Americans already have been told of the success of an American liner's gun crew on another, although this score will not be recognized by the admiralty unless confirmed from some other source, owing to the fact that the gunners saw only a smashed periscope and the submarine might conceivably be able to limp home.

Deadliness on Decline.

Reports of encounters with submarines in the past three months indicate that whatever improvements have been made in the U-boats, they are not nearly so efficient or deadly as they were earlier in the war. This is due partly to the lower standard of their torpe-

does and also to deterioration in the quality of their crews.

The American naval men have learned to identify the German U-boat merely by the character of his operation, and can tell when the novice comes on their beat by the amateurishness of his methods. Some of the German veterans like the commander whom the Americans named "Kelly," are fishermen worthy of the navy's best efforts, but the U-boat novices fall into the net easily and their chances of escape are small.

Mine-laying submarines continue very active and figures given the Associated Press today show that last year more than 4600 German mines were swept up in British waters alone. The lane through which the American destroyers enter and leave their base is a favorite spot for German mine-layers, and sweepers are kept constantly at work there.

HAD THE GRIP THREE WEEKS.

With January comes lastrippe. Lingering colds seem to settle in the system, causing one to ache all over, feel feverish and chilly, tired, heavy and drooping. Mrs. Lizette Tyles, Henderson, Ky., writes: "My daughter had lastrippe for three weeks. I gave her Foley's Honey and Tar and now she is all right." J. C. Perry.

Swiss Troops Fire on Steamer Kaiser Wilhelm

GENEVA, Jan. 2.—Swiss troops on duty on the shores of Lake Constance yesterday fired upon the newly-launched German lake steamer Kaiser Wilhelm which entered Swiss territorial waters. The vessel was pierced in many places by rifle fire and withdrew rapidly. No lives were lost. The incident is regarded as marking Switzerland's determination to protect her neutrality.

HERE SUNDAY



William S. Hart in Triangle Play

In One of His Proven Successes.

Bligh Theatre

ALL NEW SHOW To-Day

BLIGH THEATRE

TO-DAY OLIVE THOMAS

She wanted to be a bold, bad Vampire with a "past." She shocked her family; she will delight you in

"INDISCREET CORINNE"

She Does the Dances that Made Her Famous

COMEDY WEEKLY

LIBERTY

THE MASTERPIECE OF PHOTO-MELO-DRAMA

"THE LONE WOLF"

WITH Hazel Dawn and Bert Lytell

WHAT THE REVIEWERS SAID:

"It has enough punch for several pictures. It is pictures like 'The Lone Wolf' that furnish the best answer to the question, 'Why moving pictures are popular.'"—New York Morning Telegraph.

"'The Lone Wolf'—a most remarkable production bristling with tense moments, strong action, human incidents and powerful drama."—Motion Picture News

SEE The Racing Auto leap 50 feet off a draw bridge
The Battle for Wealth and a Girl
The Aeroplane Battle
The Great Conflagration

LIBERTY THEATRE FRIDAY SATURDAY SUNDAY

FREIGHT MOVES FASTER THAN EVER BEFORE

Five Hundred Cars of Coal Reach New Jersey Terminals in Day

CONGESTION IS CLEARED

Fuel Is Carried Ahead of Other Freight—Ships Pledge Help

WASHINGTON, Jan. 2.—Solid coal trains were ordered moved eastward ahead of all other freight tonight after conferences between the director general of railroads and the fuel administrator on further plans for speeding coal to New England and other sections short of coal in the midst of a blizzard. The railroads were directed to give preference so far as possible to shipments from mines nearest the destination to curtail hauls and promote efficiency.

The organization of a great army of laborers, loaned by cities and corporations to unload coal and freight at congested terminals now is under consideration and some thought even has been given to the possibility of having soldiers assigned to these tasks if the civilian organization proves impracticable.

Motive Power to Be Increased.

Transfer of locomotives from the west and south where congestion is not so serious and weather less inclement, was planned by Director General McAdoo and his staff. With the equipment will come a number of employees from those districts to assist the overburdened staff. Reports of frozen boilers in locomotives and trains stalled in snow, led to special consideration of a plan of augmenting the available motive power.

Despite the weather freight actually is moving faster than before the government assumed management, according to reports from interstate commerce commission inspectors.

Congested switch yards are being cleared without regard to old priority orders. At least ten trains carrying in all 500 cars of coal reached New Jersey terminals today and many were either routed through the Pennsylvania passenger tunnel or ferried to the East river for transfer to Brooklyn or dispatch to New England.

Nine Ships to Carry Coal.

Ships were pledged by the shipping board to carry coal from Hampton Roads to New England. Director General McAdoo tomorrow will discuss the labor situation under government operation with heads of the four railway brotherhoods, who were invited to confer with him.

Wages probably will not be discussed at the conference except in a general way, but the brotherhood heads may be told that the entire problem of readjusting wages will be taken up by the railroad administration as soon as the more immediate operating and traffic questions are disposed of.

Mr. McAdoo is considering the naming of additional district superintendents of railway management with functions similar to those of A. H. Smith, assigned to district transportation on eastern trunk lines as Mr. McAdoo's assistant.

Construction of barges for the Mississippi, Missouri and Ohio rivers and the Erie canal also will be discussed soon.

Legislation Soon Due.

Drafting of legislation to make government operation fully effective was nearing completion today and will be finished before President Wilson delivers his address to congress Friday. One of the principal disagreements over recommendations for this legislation has arisen on the method of determining what accounting elements shall enter into fixing the compensation basis. Some railroad interests are expected to urge congress to include rental from cars and locomotives leased to other lines during the pre-war period, and other rents, while a number of Mr. McAdoo's legal advisers advocate basing compensation on strict operation income, which for most roads would mean less money.

The senate interstate commerce committee today suspended until next Monday its inquiry into railroad conditions when it learned all the railroad presidents had come to work and that none was available to testify.

MEHAMA PEOPLE WORKING HARD FOR RED CROSS

Auxiliary Is in Line for Promotion to Branch, Says Secretary

SOLDIER IS PLEASED

Letter From Camp Lewis Expresses Appreciation for Remembrance

Excellent work is being done by the Mehama auxiliary to Willamette chapter, American Red Cross, and Miss Anna J. Stout, one of the leaders of the auxiliary, has received a letter from Corporal R. R. Hudson of Calsson Company No. 2, Camp Lewis, thanking the members of the auxiliary for their Christmas remembrances of the soldiers. He writes: "Mehama auxiliary, A. R. C., Mehama, Or.

"Kind Messdames and Misses: Since you have chosen to allow me only the above collective title as a clue to the identity of the donor of a generous box of confectionery, fruit cake and stationery which arrived here yesterday I cheer one soldier (Christmas day spent away from home and a dull sky) I am taking this opportunity to write my appreciation of the loving thought and efforts spent by your organization for the benefit of the boys in khaki.

Calls It Noblest Work.

"You will pardon extravagant language, I am sure, when I say that to me your is the noblest work in its very nature—actuated by patriotic and sympathetic motives alone and of the most humanizing influences which may be the redeeming feature of war's desolate trial. The Red Cross auxiliaries are surely to be praised for their substantial part of relief work carried on in every national calamity; these activities have been part of its peace program. Now that the United States is in the war, how nobly has this same organization risen to the increased demands made upon its resources. (I do not like that possessive pronoun "its." May I speak of the A. R. C. as "her"?)

"Long may her work continue in the alleviation of pain, the amelioration of human misery and the furtherance of brotherhood and sisterhood on this globe."

Mehama May Be Promoted.

Mehama auxiliary is in line for promotion from an auxiliary to a branch, judging by the following letter that has been written to Miss Stout by Mrs. Rollin K. Page, secretary of Willamette chapter:

"Enclosed please find your bill receipted and also the stock receipt which we have to make up for money which was received. Thank you very much for this prompt payment for the supplies.

"I note with pleasure that you have a lot of hot water bottle covers ready for us at this early date. We certainly appreciate the spirit which you have in Mehama.

"Now that you are trying to be self-sustaining and pay for your material in this way, we think, if you care to become a branch in Mehama, that you are entitled to be promoted from an auxiliary to a branch. The spirit which you have in your community reflects great credit on those of you who are managing the Red Cross in Mehama and entitled you to the highest rank.

Membership Increasing.

"I think the work from Mehama has been perfectly satisfactory. Mrs. Muirkey might ask the women when she brings in the shipment this time, for any comments on it at the time she brings them in, for I know that you want to do things in a way that is most helpful to us."

Mehama auxiliary has over 105 members and the membership is increasing daily. Miss Stout is a professional nurse who formerly lived in Salem and who is well known here.

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WASHINGTON, Jan. 2.—Extracts from many of the leading German papers received here by cable today contain boasts that the peace formula given the Russians by Kuchinmann and Czernin mean nothing and have no binding force upon Germany. They agree that Germany never will give up certain of the lands she has conquered, but some of the editors suggest that what cannot be appropriated by violence may be taken by agreement. Sneering references are made to the democratic peace demands by Russia delegates.

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AMERICA TO HURRY BIG ARMY ABROAD
(Continued from page 1)

reached when in full operation will greatly increase the effectiveness of the efforts now being put forth by the United States and the allies in the conflict between them and Germany and Austria-Hungary.

A summary of the results accomplished at their conferences and the recommendations made by the American mission will indicate the value of the work done and the practical methods which were considered in the report.

(WAR SUMMARY)

Entire unity henceforth is to be the watchword of the United States and her allies in the prosecution of the war.

American troops are to be rushed to the fighting fronts in large numbers as quickly as possible and there is to be perfect co-ordination in naval, military, financial, food, war industries and diplomatic matters.

The agreement between the allies for unified action was reached at the recent inter-allied conference in Paris, which was attended by an American mission, headed by Colonel E. H. House, and signed on January 1. It has been made for the United States to carry out its part of the compact.

In order that American troops may be dispatched in a constant stream to Europe, the allied nations are so to arrange their merchant shipping that the necessary transportation will be available for the huge task.

Apparently proof that the Germans are preparing for a big offensive is the almost continuous bombardment of various sectors along the British and French fronts. Aside from these bombardments there has been little activity except by small raiding parties. A heavy fog is falling and another cold wave has set in on the French front from St. Quentin to the Vosges mountains.

Enemy Attempt to Land Falls.

Snow and cold weather also are giving the Italians a chance further to strengthen their northern line against the Austro-Germans. Aside from reciprocal artillery duels, little fighting of moment is in progress. In an endeavor to offset their loss of ground resulting from having been driven back across the lower Piave, the enemy has tried to effect a landing on the west bank of the stream a short distance from the mouth of the Piave. His boats, however, were caught under the fire of the Italian guns and the project had to be given up.

Austro-German airmen continue to bomb towns on the Venetian plains. Treviso and Bassano again have been attacked, and bombs also were dropped on Mestre. Little damage was done by the bombs. Three of the enemy aircraft were shot down in aerial battles or by anti-aircraft guns.

Reports from Russia indicate that negotiations for peace between the Bolshevik government and the Teutonic allies have reached a virtual impasse owing to the unreasonable demands of the Teutons. Particularly distasteful to the Russians is the attitude of the central powers with regard to the holding of Poland, Lithuania and Courland and their determination to retain garrisons at Riga, Libau and other Baltic ports.

Twenty-one British merchantmen were sunk by mines or submarines last week, as compared with twelve the previous week.

Government Purchase OF SUGAR IS URGED
(Continued from page 1)

by the facts as he knew them, and tended to offset the administration's campaign for conservation. He said he regarded it as vital that his statement should counter-act the testimony as quickly as possible and thought his own statement on the situation would be more convincing than that of George M. Rolph, head of the administration's sugar division.

State Department Fixes Price.

The witness denied that the Cuban price had been fixed by a committee of refiners at prices advantageous to them. The price, he said, was fixed by the state department and the international sugar committee had nothing to do with it. The Cuban government wanted 5.25 cent as pound, he said. The committee deemed this too high and as the state department then was negotiating with the Cuban government on the matter, the committee dropped it. A price of 4.60 finally was agreed upon by the state department and the Cuban government, he said.

Mr. Hoover defended the food administration's action in naming the president of the American Sugar Refining company, an officer of the Arbutle Refining company, and Mr. Rolph as the American members of the committee, saying this country could be represented properly only by refiners.

"We are primarily dependent in these times on patriotic men who understand their business," said

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Washington next week was made known here today, together with the personnel of the conferring bodies. Privileges of fishing vessels of either country in the ports of the other, restoration and adequate protection of the Fraser river salmon fisheries and protection of the halibut fishery on the Pacific coast are some of the subjects to be considered.

Representing the United States will be Secretary of Commerce Redfield, Edwin F. Sweet, assistant secretary, Dr. Hugh M. Smith, United States commissioner of fisheries. The Canadian conferees will be Chief Justice J. D. Azen, former minister of the naval department, which the fisheries branch is a part; G. J. Desbarats, deputy minister of the naval department, and W. A. Found, superintendent of fisheries.

OUR JINNEY OFFER—THIS IS DON'T MISS THIS. Cut out this slip, enclose with 5 cents to Foley & Co., 2835 Sheffield Ave., Chicago, Ill., writing your name and address clearly. You will receive in return a trial package containing Foley's Honey and Tar Compound, for coughs, colds and croup. Foley Kidney Pills and Foley Cathartic Tablets. J. C. Perry.

FISH TROUBLES MEETING TOPIC

Representatives of Canada and United States to Hold Session

OTTAWA, Ont., Jan. 2.—The character of the fishery problems which representatives of the United States and Canada will discuss at

Belle—if I were you, Perry, I should tell him just what I think of him.

Perry—How can I? The cat has no telephone.—Philadelphia Bulletin.

"What's most worn this year?" inquired the man who studies appearances.

"Raincoats and umbrellas," answered the salesman, wearily.—But-falco News.

CASTORIA

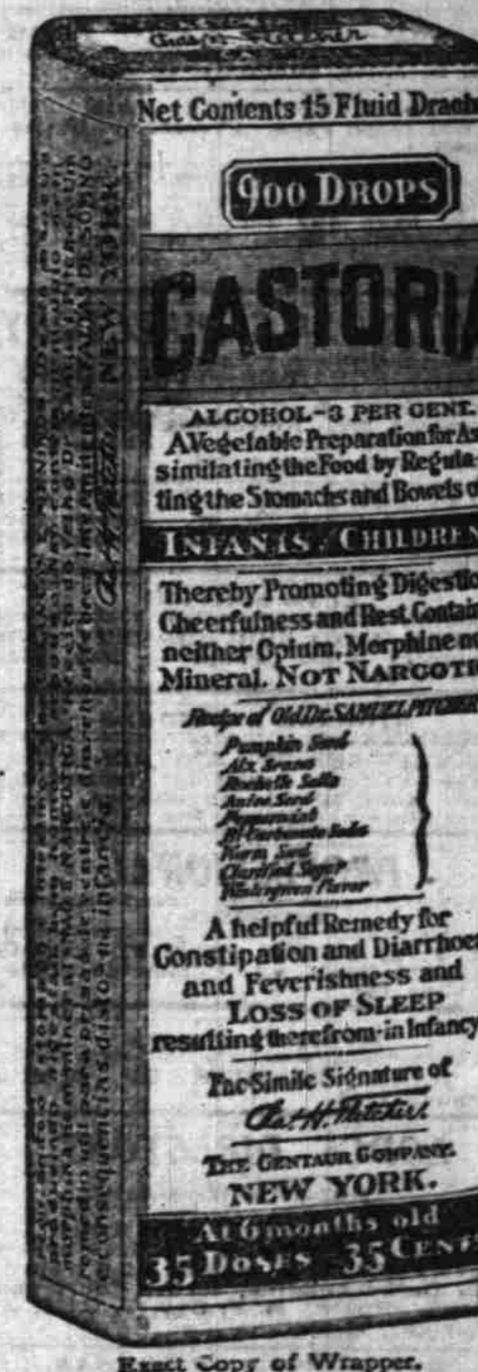
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