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You will help Uncle Sam conserve men, material and money - you will help your self by saving.

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| 8 oz. French Mustard, 15c bottle    | 9c  |
| Arm & Hammer Soda                   | 5c  |
| Corn Meal in bulk, per pound        | 6c  |
| Fancy Rolled Oats, 3 pounds for     | 25c |
| Medium Karo Syrup                   | 48c |
| Best Coffee sold in Salem, 3 pounds | 90c |
| Campbell's Soup                     | 11c |
| 25c Pineapple sliced                | 18c |
| 25c Alaska Salmon                   | 17c |
| 25c Hersheys Cocoa                  | 18c |

It pays to investigate.

## FARMERS CASH STORE

Opposite Court House.

## YOUNG SENATOR IS MAKING GOOD

### Kay Says McNary Makes Very Favorable Impression in Washington

United States Senator McNary has made a strikingly favorable impression in the United States senate, says State Treasurer Kay, who has just returned from a trip east which included Washington. Senator McNary has already become one of the strong men of the senate.

Nearly all of Oregon's interests in the senate are on the shoulders of Senator McNary for the reason that Senator Chamberlain's work with the military affairs committee occupies most of his time.

Mr. Kay found that all over New England and in Washington, Mr. Chamberlain is considered one of the biggest men in the senate. In his controversy with the president and Secretary of War Baker he was upheld, Mr. Kay says, by 75 per cent of the people. The sentiment in the southern states, however, was different where the people were inclined to stand by the president.

### CREAM FOR CATARRH OPENS UP NOSTRILS

Tells How To Get Quick Relief from Head-Colds. It's Splendid!

In one minute your clogged nostrils will open, the air passages of your head will clear and you can breathe freely. No more hawking, sniffling, blowing, headache, dryness. No struggling for breath at night; your cold or catarrh will be gone.

Get a small bottle of Ely's Cream Balm from your druggist now. Apply a little of this fragrant, antiseptic, healing cream in your nostrils. It penetrates through every air passage of the head, soothes the inflamed or swollen mucous membrane and relief comes instantly. It's just fine. Don't stay stuffed-up with a cold or nasty catarrh—relief comes so quickly.

### Kay Throws No Light on Election of Superintendent

State Treasurer Kay could throw no light yesterday on the probable choice of the state board of control of a successor to S. G. Sargent as state superintendent of banks. Mr. Kay found a stack of letters on his desk in behalf of several candidates but was unable to go through all of them yesterday.

Whether Charles H. Stewart is to be chosen depends on Mr. Kay. Stewart is favored by Secretary of State Olcott, but not by Governor Withycombe, and Mr. Kay declared he has not made up his mind whether he will support Stewart.

"Mr. Stewart is a man of ability," said Mr. Kay, "but I haven't had a chance to decide whether he will have my support."

## GOVERNMENT TO FACE DEFICIT IN RUNNING ROADS

Railways Earned in 1917 \$958,000,000, Sum U. S. Must Pay in 1918

### EXPENSES ITEMS HIGHER

### War Business Steadily Grows and Year's Net Profit to Go Down

WASHINGTON, Feb. 7.—Railroads in 1917 earned about \$958,000,000, which is near the amount the government will have to pay the roads this year as compensation under national operation. This was indicated by figures on revenues, expenses and income of all roads earning more than \$1,000,000 last year, available today in unofficial computations based on interstate commerce commission reports for eleven months and an estimate for December, and the sum the government will have to pay the roads under the bill pending in congress is estimated at \$945,000,000 by Chairman Smith of the senate committee having the railroad bill in charge.

**Government Deficit Looms.** Figures for 1917 show that if railway income continues to decline as it has in recent months, the government will face a deficit in making its compensation payments, augmented by increases in wages and the constantly rising cost of materials and supplies.

On the other hand the railroad administration hopes to be able to cut operating expenses sufficiently, and economize on charges necessary only under competitive conditions, to offset the declining income.

In December, the last month under private operation, rail earnings declined sharply, according to early reports from railroads. The average reduction of income was estimated at 30 per cent caused by the ever-mounting cost of operations, doubly increased by the bitter winter weather of December, together with a sudden drop in revenue resulting from congestion and embargoes.

**1917 Earnings Decline.** Compared with the estimated income of \$958,000,000 last year the figures for 1916 were \$1,087,533,000; for 1915, \$716,476,000; for 1914, \$692,320,000; and for 1913, \$816,510,000.

Last year the total revenue from railway operations were \$4,035,000,000, and operating expenses were \$2,816,000,000, leaving a net revenue of \$1,177,000,000. From this were deducted \$217,000,000 taxes and minor items of uncollectable revenue, to compute the net income figure which is comparable in a general way to the basis of government compensation.

These figures will be increased about 4 per cent by addition of reports from numerous small roads, having operating revenues of less than \$1,000,000 a year, whose records are not included with the reports of standard class roads.

The reason for the decline of net income last year is shown graphically by the report. Operating revenues were 10 per cent greater than the \$2,622,000,000 of 1916, but expenses ran more than 20 per cent above the \$3,273,000,000 mark of the year previously.

**Expense Items Higher.** Nearly all items of expense were higher. Wages increases are estimated at 20 per cent. Cost of coal, train supplies and repairs went up by bounds with which the immense receipts from freight and other revenues did not keep pace.

People traveled more in 1917 than in the year previous, but the increased revenues did not go far in counteracting the steadily declining income. War caused an immense increase in hauling, and from freight the roads received most of their revenues.

These revenues are estimated at \$2,808,000,000, as compared with \$2,573,000,000 in the banner net income year of 1916. Passenger revenues were \$310,000,000 as compared

### WOMEN SUFFER MOST OF ALL

From those conditions of the blood and nerves in which the combination treatment, Hood's Sarsaparilla before eating and Pepton after eating gives so much satisfaction at so little cost as compared with other medicines or physicians' fees.

These two great medicines are especially effective in cases of physical weakness, nervous irritability, run-down conditions in which there is iron deficiency. Price of each \$1. Ask your druggist for them.

ed with \$708,000,000 the year before. Receipts from mail were actually smaller than in 1916, despite the fact that the bulk of mail transported was much greater. Only \$58,703,000 were received from the government on this account, nearly \$3,000,000 less than in 1916. The reduction is attributed to the readjustment of the basis of payment from weight to space.

**Express Companies Gain.** Receipts from express companies for hauling jumped from \$90,293,000 in 1916 to \$106,000,000 in 1917. For maintenance of way and structures railroads spent \$452,900,000, about \$28,000,000 more than the year before. For maintenance of equipment the cost was \$692,000,000 as compared with \$597,915,000 in 1916.

The biggest increase in so-called transportation expenses, which includes the principal items of train operation, this amounted to \$1,535,000,000, or \$341,000,000 more than the \$1,184,000,000 figure of 1916. A government commission estimated the added financial burden on railroads caused by the Adamson act at \$61,000,000, most of which is included in transportation expense. Other wage increases are spread out in nearly every expense category.

In addition to short hauling, and common use of facilities, the government hopes to effect big savings this year by eliminating expense of traffic solicitation agencies, maintained by individual roads under the competitive system. This expense constitutes a large part of the \$64,800,000 item, classified in railroad reports of 1917 as "traffic expense."

**Freight Shipments Surge.** Taxes in 1917 showed a sudden increase in the last three months, when railroads were able to determine for the first time approximately what their war taxes would be. They began in September to figure on the increase in their tax accounts, and these jumped from \$17,000,000 in August to an average of \$23,000,000 in each of the later months.

Other comparisons by months show that beginning in May, freight receipts increased rapidly as the government was building cantonnments and stimulating big war industries. Although the government was given rates averaging 40 per cent lower than rates to private shippers, this traffic proved profitable because it was in large quantities. Freight revenues reached the peak in October, amounting then to \$270,000,000, and have declined rapidly since. December freight revenues were estimated at not more than \$200,000,000, the reduction being caused by the bad weather.

**Total railway operating expense** increased every month since last February when it was \$297,883,000 to \$268,000,000 in November, and December's figure is estimated at even more.

## CASTORIA

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Always bears the Signature of *Dr. H. H. Weston*

### W. A. Wiest Is Appointed Deputy Supreme Court Clerk

Announcement was made yesterday by Arthur S. Benson, clerk of the Oregon supreme court, that W. A. Wiest had been appointed deputy clerk. Mr. Benson was elected by the court to succeed the late Judge J. C. Moreland, and Mr. Wiest takes the place vacated by Benson as deputy.

Mr. Wiest taught school for several years in Salem. Later he served as secretary to Justice Moore of the supreme court and is now a practicing attorney in Salem.

Mr. Wiest was private secretary to Chief Justice Moore during the years 1915 and 1916. He had much experience with the court dockets which will be of value to him in his new position. Mr. Wiest was graduated from the law college of Willamette university in May, 1917, but was admitted to the bar the previous October. He was graduated from the Oregon Normal school at Monmouth in 1907 and has been in Salem since 1910, having been principal of one of the schools for three years. At the present time he is noble grand of Chemeketa lodge, No. 1, I. O. O. F. The position of deputy clerk carries a salary of \$1800 a year.

Mr. Wiest was recently made legal representative of the Salem Business Men's league, but it will be necessary for him to drop his law practice in accepting the deputy clerkship.

### State Hospital Inmates Subjected to Sterilization

The sterilization law was applied to six inmates of the state hospital for the insane yesterday and to six others the day previous. The application of the law was by order of the state board of eugenics.

Herbert Merithew, alias Curtis, on whom the law has been ordered applied, has appealed his case to the circuit court. The Merithew case is the first appeal and will serve to test the constitutionality of the law.

## FLAX MILL HERE IS NOT FAVORED BY GOVERNMENT

Officials Tell Mr. Kay That Airplane Linen Problem Is Solved

### METHODS ARE OBSERVED

### State Treasurer Examines Sparling Mills for Portland Chamber

State Treasurer Kay, who has returned after a trip east in behalf of the Oregon flax industry, brings the report that government officials do not consider it practicable at this time to advance money toward the establishment of linen mills in Salem. The Salem Commercial club has been negotiating with the government relative to the establishment here of mills for the production of airplane linen.

Federal officials explained to Mr. Kay that the linen problem is solved satisfactorily for the present, and say further that transportation of machinery, most of which would have to come from Europe, would be impracticable.

### Flax Is Made Study

Mr. Kay's trip east was as a representative of the Portland Chamber of Commerce to investigate methods used by J. Sidney Sparling in his factory at North Tonawanda, N. Y., concerning this he said he would make no statement until he reports to the Portland Chamber of Commerce, other than to say that he investigated the plant and its methods thoroughly. He investigated other factories at Lockport, N. Y., and at Andover, Mass., the latter the oldest flax establishment in the United States. All eastern flax men with whom Mr. Kay conferred conceded that Oregon produces the best flax fibre in the United States. All of them offer encouragement to Oregon to produce the raw material for manufacture in the east. The question to be solved by the Portland chamber is whether the Oregon product can be manufactured without resting according to the Sparling process.

**Business Conditions Observed.** Mr. Kay made a careful observation of business and industrial conditions while traveling through the east and south. He says one thing that impressed him was the increased cost of living and the poorer accommodations received in the east as compared with the west.

"Hotel charges in the east are at least 25 per cent higher than on the coast for the same accommodations, both for lodging and eating," said Mr. Kay. "There is a railroad congestion that doesn't exist on the coast, trains are rarely on schedule time and their accommodations are poorer."

"Laboring people receive slightly higher wages than in the west, but the higher cost of living more than offsets the difference."

### Fuel Order Deplorable

The Garfield fuel order caused much dissatisfaction in the east, Mr.



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Kay observed, and the people considered it necessary. "I returned home through the southern states," said Mr. Kay, "and passed through seven or eight cantonnments, five of which were in Texas. The five cantonnments contained 250,000 men and I was told by a prominent man at one cantonment that there was just one gun for every five men."

**NOTICE.** Sealed proposals will be received at the office of the secretary of the state fair board, 210 State House, Salem, Or., up to 3 o'clock p. m., February 20, 1918, for the erection of the first two units of the stadium building to be built on the state fair grounds, according to the plans and specifications which may be obtained at the office of Lewis I. Thompson, Atelier Building, 91 North Tenth street, Portland, Or. A deposit of \$25 will be required upon delivery of the plans and specifications.  
Board of State Fair Directors.  
By A. H. Lea, Secretary-Manager.

### War Department Answer Is Several Months Late

The rapidity with which the United States war department untakes its red tape is shown by a telegram that was received by the state highway commission yesterday.

Last fall some time the commission made application to move the old Marion-Polk county bridge fifty feet up stream to make way for the building of the new bridge. No reply was received from the war department. Some way the application was forgotten and the old bridge went in fifty feet up stream anyway and served for traffic for several months. Some piers of the old bridge were washed out by the

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