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Leased Wire
Dispatches.

The Daily Capital Journal

Today's News
Printed Today

THIRTY-SEVENTH YEAR

SALEM, OREGON, TUESDAY, NOVEMBER 17, 1914

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ON TRAINS AND NEWS
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CONDITIONS WORST SINCE WAR BEGAN; SUFFERING INTENSE

Trenches Are Flooded Over Their Tops and Great Num- bers Drown

ELECTRIC CURRENT TURNED OFF WIRES

Little Groups Huddled On Islets and Helpless Killed by Artillery Fire

Paris, Nov. 17.—Conditions in the flooded districts of the fighting zone in northwestern Belgium were frightful today almost beyond belief.

From Dixmude to the coast the German trenches were flooded above their tops. Great numbers of the Kaiser's troops were drowned. Numerous small command posts were marooned on small islets of high land, where the allies' artillery wiped them out, while they huddled together powerless to resist.

In other places, where the Germans had the better of the fighting, the allies' troops stood knee deep in icy water, holding their positions in the face of a terrific fire.

Both sides had cut off the electric current from the barbed wire entanglements, owing to the danger of electrocuting their own men.

In this area no important movement either of troops or of guns was possible.

Between Armentieres and LaBasse there was again ferocious fighting. The Germans had also resumed their attack on Rheims and their shells were falling in the town.

Fighting in Bizzard.

London, Nov. 17.—Following the repulse of a three-division attack near Ypres, Monday, the allies were on the offensive in the Ypres region today, messages from the front stated.

A veritable blizzard was reported in progress but it was said fighting went on, nevertheless.

The Daily Mail's Dunkirk correspondent estimated that the Germans lost 100,000 men in the past four days struggle in Belgium.

LARGE SUMS OF COIN SPENT ON ELECTION

Here Are a Few of the Larger Sums Spent in Aid of Meas- ures and Candidates

Orton E. Goodwin, trustee of the committee of one hundred, of Portland, expended \$10,000.58 in the recent election campaign to assist in making Oregon dry. Governor-elect Withycombe, according to his statement of campaign expenses filed with the secretary of state yesterday, expended a total of \$498.90 in the furtherance of his candidacy for gubernatorial honors and Frederick Hollister, democratic candidate for congressman in this district against Congressman Hawley, paid out \$61,140 on his own account. Lester W. Humphreys, assistant treasurer of the democratic state central committee, paid out a total of \$6393.72; and Floyd Blyden, treasurer of the same organization, expended \$6037.78 on behalf of the democratic candidates on the state ticket. M. J. Waite, secretary of the Smith campaign committee, expended \$321.02 in the interests of Dr. C. J. Smith's candidacy for the governorship; A. S. Bennett, of The Dalles, spent \$500 in the behalf of Judge William Galloway in the race for the supreme court bench, and Laura J. Tweedy expended \$100 in the aid of the candidacy of U. S. Senator Chamberlain for reelection. The Coos county democratic central committee expended \$1697.55 in behalf of the candidacy of Frederick Hollister for congressman; W. M. Davis spent \$125 in support of the initiative measure to extend the terms of county officers, and \$384.67 in advocating the non-partisan judiciary bill. S. A. Barnes, treasurer of the Eastern Oregon state normal school campaign committee, expended \$2786.55 in the effort to re-establish the normal school at Weston, and the Oregon Society for Dental Education spent \$4161.54 in opposing "Painless" Parker's dental bill.

CHRISTIANIA, Norway, Nov. 17.—That the German cruiser Berlin had entered at Tromsund was officially announced today. Earlier in the day the Berlin was reported on Tromsund, supposedly conveying a flotilla of destroyers, which were believed to have established a base in Norwegian waters. What mishap befell the cruiser to compel it to intern was not known.

One Case at Spokane

Washington, Nov. 17.—The department of agriculture announced today it undoubtedly soon would quarantine the state of Washington. It was said that a case of foot and mouth disease had been discovered at Spokane.

COUNCIL COMPLETES THE CITY BUDGET

Every Department and a Total Reduction Is Made of \$16,902.20

A budget calling for \$173,916.80 for the expenses of the city of Salem for the ensuing year was made up last night in the city council meeting. Every single item with the exception of the bonded indebtedness and fixed expenses was cut to the bone where possible. One or two were raised above the amount asked by the chairman of the committees handling those departments. A cut of \$12,000 was made in the police budget. Councilman Von Eschen asked for \$6000 to run that department but the council reduced it to \$4,200 which will provide for four policemen and allow \$800 of this sum for extras in the summer time. The fire and water committee asked for \$13,750 for salaries of firemen and maintenance for the department but this sum was cut to \$12,835 which will provide for a reduction in the salaries of the paid firemen and a certain number of call men. Last year the fire department received \$14,900 in the budget.

The City Hydrants.

An item of \$4800 for water supply for fire hydrants aroused considerable discussion as this would only provide for 100 hydrants at \$25.00 per month, which price was fixed as just and reasonable by the order of the railroad commission. The city holds a contract with the water company which contract was one of the stipulations when the franchise was granted to the water company, stating that \$1.52 per hydrant shall be the maximum charge. The city attorney was constrained to hold that the powers of the railroad commission did not extend to the franchise provisions of the water company and that the commission could not order the revocation of a contract between the city and the water company. In the event the city would be justified in holding the water company to the original contract price regardless of the order of the commission affecting the water users of this city.

Will Furnish Work.

The item of \$4,800 was finally passed in a lump sum without stating the number of hydrants or the price for each. The sum of \$3000 was allowed for engineering and surveying as against \$4,500 for last year and a number of smaller appropriations were reduced as well as a few eliminated from last year's budget. The sum of \$1000 was sought for maintenance of public buildings and as \$600 of this sum alone was to be used for insurance it was voted to place \$1,500 in this fund so that the roof of the city hall might be painted and repaired. The sum of \$5000 was set aside to provide for new sewers and Councilman Southwick spoke in favor of increasing this sum to just as much as the city could stand because he said that the present indications were that the city would have to provide charity for some of the people of this city before spring anyway, and if the city had work to do it could give some of the deserving idle men work to do. Accordingly it was voted to increase this sum to \$7000 with the provision that all new sewers installed should be done by the city and not by contract and that it should be done by day labor.

Reduction Is \$16,902.20.

This item alone brought the budget for next year and made a grand total of \$173,916.80. Exclusive of the sewer fund the budget of the general fund for this year was a decrease of \$16,902.20 over last year's budget of \$117,239.00 for the general fund and the street fund also shows a decrease of \$7900 over last year's budget. The policy of the council was to retrench on all city expenses and even after the committees and out their individual budgets to the quick the council lopped off a total of \$5987 more but added \$2650 to some of the items which were considered to be necessary.

The budget in full for 1915 follows:
General Fund.
Recorder's salary \$1,200.00
Clerk hire 1,700.00
Treasurer's salary 1,500.00
City attorney 1,500.00
Stenographer, city attorney 300.00
Marshal's salary 1,200.00
Salaries police department 4,200.00
Expense, city jail 500.00
Salaries, firemen and maintenance fire department 12,835.00
Health officer 500.00
Incidental expenses, health officer 500.00
Public parks 2,000.00
Lighting 16,500.00
Engineering and surveying 3,000.00
Bond redemption 3,800.00
Public library, maintenance, operating and betterments 5,500.00
Elections 1,500.00
Maintenance of public buildings 1,500.00
Public printing 1,500.00

Street Fund.
Salary Street Commissioner 1,080.00
Materials and labor, street department 15,000.00
Construction and maintenance city bridges 4,900.00
Sub total \$20,980.00
Special Sewer Funds.
Installments \$24,000
Interest 22,500
New sewers \$46,500.00
7,900.00
\$54,400.00
Grand total \$173,916.80

MEXICAN SITUATION CLEARING RAPIDLY; PEACE IS IN SIGHT

Carranza and Gutierrez Agree and Their Generals Stand by Them

EX-PRESIDENT WILL LOCATE IN SAVANNAH

Villa Expected to Leave Soon —Evacuation of Vera Cruz Begins Monday

(By John Edwin Nevin.)
Washington, Nov. 17.—Satisfied that peace in Mexico is very near, government officials here were considering today the best means of aiding in the restoration of the republic to normal conditions. Reports that Provisional President Carranza was inclined to hedge on his promise to quit were discarded in official circles here.

The United States will not ask Mexico to pay any indemnity or to pay the expenses of the American occupation of Vera Cruz.

"The United States will not make any claims on Mexico," said a high government official. "Such action now would be equivalent to asking a bankrupt who had failed for 100 per cent to pay his creditors in full on the penalty of going to jail."

"What we want to do is to restore the republic and we will try to aid it to secure the necessary cash. Because of the European war Mexico must depend on the United States and South American countries for the money."

It was expected here that Carranza would leave for Savannah, Ga., within a fortnight for a lengthy stay. The prediction was freely made here that he would leave before the evacuation of Vera Cruz starts next Monday. General Francisco Villa also was expected to come to Washington to see Secretary Bryan and others.

Secretary Bryan could not explain why Carranza has not quit yet but was certain he would leave Mexico soon. Administration officials were confident that only unforeseen complications can upset the peace program now.

Conditions Agreed On.

Washington, Nov. 17.—Diplomatic Agent John R. Silliman wired Secretary of State Bryan today that Provisional President Carranza of Mexico had agreed to eliminate himself under certain conditions and that General Gutierrez had agreed to these conditions. The dispatch was based on information Silliman had gleaned from Mexican newspapers. The conditions named by Carranza were not stated.

Silliman wired that Mexican newspapers said General Obregon and General Gonzalez had accepted the negotiations between Carranza and Gutierrez. The state department was unable to confirm reports that General Villa will retire but Secretary Bryan said he understood the conditions of Carranza's retirement provided that Villa quit also.

General Bliss telegraphed the war department that fighting at long range continued at Naco, Sonora, but that the casualties were small.

NINE TEAMS TIED FOR FIRST PLACE

New York, Nov. 17.—At 8 a. m. today nine teams were tied for first place in the six day bicycle race in progress at Madison Square Garden. Each had made 686 miles and 7 laps.

The Cameron-Kaiser, Bedell-Bejell, Ryan-Whitaker, Thomas-Hanley and Mitten-Anderson teams were a lap behind; the Piery-Cavanaugh and the Dupuy-Sears teams were three laps behind. The Kopy-Hytassen team was seven laps behind.

Fuel, city hall 600.00
Incidental expenses of city 1,500.00
Salary, police matron 600.00
Salary, police matron I. E. depot 120.00
Installation and maintenance fire hydrants 500.00
Water supply fire hydrants, per month 4,800.00
Interest and installments of city bonds other than sewers 12,602.50
Maintenance of band 2,000.00
Deputy health officer 600.00
Redemption of sinking fund loan 16,157.30
Sub total \$100,336.80

Street Fund.
Salary Street Commissioner 1,080.00
Materials and labor, street department 15,000.00
Construction and maintenance city bridges 4,900.00
Sub total forwarded \$20,980.00
Special Sewer Funds.
Installments \$24,000
Interest 22,500
New sewers \$46,500.00
7,900.00
\$54,400.00
Grand total \$173,916.80

Death Penalty Abolished

Portland, Or., Nov. 17.—Complete unofficial returns from every county in the state today indicated that the voters on November 3 abolished capital punishment in the state of Oregon by a majority of 96.

If the unofficial figures are borne out by the official count, two condemned murderers in the state penitentiary at Salem, will escape the noose.

BOARD OF CONTROL COMPLETES BUDGET

Agrees On Sums Necessary for Conducting the State's Institutions

The state board of control, after nearly a week's intermittent sittings in consideration of the estimates of the superintendents of the nine state institutions in and near Salem for funds for the ensuing two year period, finally concluded its labors yesterday and the combined total of appropriations for all of the institutions which it will recommend to the coming legislature will be \$1,763,516.83, as compared to the appropriations of two years ago when the legislature appropriated \$1,635,561.61 for these same institutions.

The largest items in the budget for the approaching legislature are the recommendations for appropriations for general maintenance of the state insane asylum, main building, which is estimated at \$612,000, as compared to \$511,728 two years ago; \$175,500 for the eastern Oregon branch of the insane asylum for 1915-16, as compared to \$187,200 two years ago, a reduction of \$11,640, and \$150,000 for the penitentiary for the ensuing biennium, as compared to \$147,000 two years ago. The increase in the maintenance fund for the insane asylum and the penitentiary were due to the rapidly increasing population of these institutions and were considered absolutely necessary.

Recommended Additions.

In the case of the tuberculosis hospital the code already provides an annual appropriation of \$25,000 for the support of this institution and the board recommends an additional \$8,861 per annum on account of the growth of the institution, and in the case of the soldiers' home an annual appropriation of \$12,000 is provided by the code and the board recommends an additional \$12,000 for the biennium. The total appropriations for all institutions as will be recommended by the board of control, as compared to the appropriations of two years ago, follow:

Biennium 1915-1916.
Oregon state hospital \$774,711
E. O. state hospital 315,950
Penitentiary 188,300
Feeble-minded institution 156,100
Reform school 68,645
Tuberculosis hospital 69,015
Blind school 37,789
Deaf-mute school 78,774
Girls' reformatory 26,875
Soldiers' home 37,349
Total \$1,763,516.83

Biennium 1913-1914.
Oregon state hospital \$414,353
E. O. state hospital 284,829
Penitentiary 203,500
Feeble-minded institution 202,244
Reform school 75,459
Tuberculosis hospital 58,000
Blind school 37,345
Deaf-mute school 79,750
Girls' reformatory 50,000
Soldiers' home 57,000
Total \$1,635,561.61

The total appropriations as shown above include the amounts to be recommended for repairs, improvements, additions and betterments for the several institutions.

GALVESTON HAS BIG FIRE

Galveston, Texas, Nov. 17.—Nine hundred and fifty thousand bushels of wheat and the Southern Pacific's grain elevator were destroyed by fire this afternoon. The loss was estimated at more than \$1,500,000.

The fire was controlled at late hour this afternoon. The origin of the conflagration was not known.

PORTLAND GIRL IS KILLED BY LOVER

Emma Ulrich, Aged 21, Is Shot to Death as She Reached Door of Her Home

Portland, Ore., Nov. 17.—Known to have been madly infatuated with the girl who had spurned his advances on many occasions, Fred Trauson, a young elevator operator, is being sought by the police today in connection with the shooting and killing of Miss Emma Ulrich, 21, a pretty stenographer, at her home in South Portland last night.

Five shots were fired at Miss Ulrich the last taking effect in the back of her head as she, wildly fleeing, opened the kitchen door of her home. She fell dead in the presence of her mother, Mrs. Carl Smith, and her little brother and sister.

The police declare the description given by several persons who saw the man lurking in the vicinity of Miss Ulrich's home just before the shooting last night, fits Trauson exactly.

WAR OFFICE CLAIMS TWO BIG VICTORIES OVER THE RUSSIANS

Germans Say Victories So Important Western War Zone Was Forgotten

RUSSIANS GIVE WAY ALL ALONG FRONTIER

Czar Loses Half An Army Corps—Germans and Austrians Take Offensive

Berlin, by wireless via Sayville, Nov. 17.—Victories so important that the public nearly forgot the situation in the western zone were announced here by the war office today over the Russians on the eastern frontier.

Whether or not the Slav advance had been definitely checked was not known certainly but there was no question that the confusion into which the czar's forces had been thrown and the positions they had been compelled to accept had enormously increased their difficulties. The German situation, on the contrary, was all that could be desired strategically.

In the most important of the eastern engagements the Russians, pushing toward the frontier, had been driven back until the Vistula divided the opposing armies. From the vicinity of Soldau they had been hurled back upon the town of Plock, in Russian Poland. The army defeated by General Von Hindenberg on the East Prussian frontier had retreated to Kutno.

The czar's losses in the latest engagements were said to exceed a full army corps, prisoners being included.

In Serbia, operating independently, the Austrians were reported to have captured the towns of Veljevo and Obrenova.

Interest lagged in the western campaign partly for the reason that the severe weather had interfered with fighting to such an extent as to make any important changes on either side practically impossible.

The English Version.

London, Nov. 17.—Though latest accounts from the eastern field of war indicated that hostilities were rapidly developing at many points along the line from the Baltic to the Carpathians, not much fresh news was available today.

Nothing had been heard from Berlin through any of the various channels by means of which German advances reach here and if the Petrograd war office had furnished information to the corresponding department in London the latter was withholding it.

Unofficial reports, however, were to the effect that fighting was in progress from the vicinity of Thorn, in East Prussia, to the neighborhood of Plock, in Russian Poland. To the general surprise, too, it was learned that Cracow had already been invested and was burning.

The decisive engagement in the east, however, was looked for along the line from Thorn, through Posen, to Breslau. At all these strongly defended points the Germans were said to have concentrated powerful forces to meet the advancing Russians. The beginning of a conflict between the opposing armies was expected in the very near future and experts said if the Russians won, it would be fair to expect a speedy ending of the war. They think very likely however that the battle would last many days.

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Four Miles of Grave

Amsterdam, Nov. 17.—A grave two yards wide and four miles long is one reminder of the fighting thus far in Galicia, it is stated in a letter from a Galician priest published here today by the Nieuw Rotterdamse Courant. In this grave, said the writer, Austrians were buried in three layers to the number of about 40,000.

ALL SCANDINAVIA IS HARD HIT BY WAR

Norway and Sweden Feel Effects of War as Badly as the Warring Countries

Stockholm, Oct. 21.—(By mail to New York.)—Industrial conditions throughout Scandinavia are deplorable as a result of the European war.

In a sense, they are perhaps worse than in the countries actually engaged in fighting for in them there is at least employment on the battle fields.

There is hardly an industry which has not been paralyzed by the conflict, and the country is filled with the involuntarily idle. The winter seems certain to be a terrible one.

Earlier in the war there was unquestionably considerable trading in contraband, with Germany, but this has been practically, if not quite stopped by the severity of the British blockade. Indeed, there is little shipping of any sort, owing to the dangers of North sea navigation.

Both in Sweden and Norway and especially in Denmark there is also the gravest anxiety lest the Scandinavian countries be drawn into the war. This danger is probably not great in the case of Sweden and Norway, but Denmark, adjoining Germany as it does, undoubtedly would be gravely imperiled if a situation should arise calling for control of the Kaiser of the straits connecting the Baltic and North seas. The Germans might also deem a strip of Swedish and perhaps even of the Norwegian coast essential to their purposes in such an event, but there is small likelihood of any such general invasion of either country as has occurred in Belgium's case and may occur in those of Holland and Denmark.

Sympathies Divided.

Swedish and Norwegian sympathies are mixed in the pending struggle. Both countries are pro-English, but Norway, to some extent, and Sweden very much, fears Russia, Great Britain's ally.

Some Scandinavians incline to the view that the danger of Russian aggression in the north would be lessened if the czar should secure the warm water port of Constantinople. Others, however, point out that a Mediterranean outlet would not be the same thing, by any means, as one on the open ocean, and that even the possession of Constantinople would make no difference of the Slav's anxiety for a port, or may be all the ports, on the western coast of the Scandinavian peninsula, an ambition which naturally could only be fulfilled by acquisition like those of the eastern coast of all the intervening territory.

Besides, it has been suggested, even though the Turks should lose Constantinople, the other allies may not permit Russia to take it.

Denmark, of course, above all fears Germany and hopes unqualifiedly for an Anglo-Franco-Russian victory.

It must not be supposed, however, that open expression is given to these partisan views. Not only are the Scandinavian governments scrupulous in their observation of neutrality but the people, as individuals, are generally so conscious of the dangers their countries would incur by taking sides in the pending struggle that the war is hardly even talked about publicly, and the newspapers continue to confine themselves to the strictly official accounts of developments, with practically not a word of editorial comment.

SPECIAL RATES TO BIG FOOT BALL GAME

Already the football fans of the city are beginning to prepare excuses for attending the big annual football game between the University of Oregon and O. A. C., to be played at Corvallis next Saturday. The Southern Pacific will run an excursion train from Portland, which will take on all of the passengers from this city if there is not a sufficient number to justify a special train from here. If the Salem people take the Portland excursion trains, they will pay a fare of one and one-third for the round trip, or \$1.50. If, however, enough signify their intention of going to justify a special train, or 125, they can make the round trip for \$1.10.

E. B. Houston, the E. P. agent, said this morning he was endeavoring to sell enough tickets among high school and university students and townpeople to get a special train out of Salem, but so far this is not settled. The Salem high school and the Corvallis high school teams will play a preliminary game to the main event.

Mrs. Laura E. Coress has been nominated for the city council at Oreoso.

EAST IS OPTIMISTIC OVER THE OPENING OF REGIONAL BANKS

The Incentive for Banks to Hoard in Times of Pressure Is Now Removed

SWEEPING BUSINESS REVIVAL PREDICTED

New York Press Says "Country Is Getting Ready for Boom that Is Now Here"

New York, Nov. 17.—The opening yesterday of the government's regional reserve banks drew forth optimistic editorial expressions on the business outlook today in New York's leading morning newspapers. All were agreed that a revival of business was on its way.

"Everything," said the New York Tribune, "points to a sweeping revival of business confidence. The deadlock in trade and industry following the outbreak of the war in its last broken, Two powerful and steady influences (the cotton exchange reopening and the inauguration of the new federal reserve banking system) have been applied to business, encouraging those who have marked time since August 1."

"More sunshine was flooding business yesterday," said the New York Press, "than the country has known for months. The country is getting ready for a boom; in fact, it's already here."

Under the caption, "Our Economic Fourth of July," the New York World said:

"Instead of the predicted stringency, an easier money market accompanies this great change. Instead of the predicted disturbance of business confidence, we have general reports of strengthened confidence. What was to have been followed by a period of doubtful waiting is being followed by every evidence of new hope and courage along the whole line."

"By making banking assets available as a basis for currency issues, the incentive to hoarding in times of pressure has been removed and the banks of the country are in a position to extend greater credit facilities than ever before to the business community."

In a Great Success.

Washington, Nov. 17.—"Wonderful, simply wonderful," was the way Secretary of the Treasury McAdoo referred today to the first day's operations of the government's regional reserve banks. He said it would require at least a week to determine the necessary routine changes but added indications already were that the system was far more efficient than had been anticipated.

Secretary Willis of the reserve board asked each bank for a report on the first day's re-discount business. Those already available indicated that business was brisk everywhere. It was estimated that within a week the system will augment the cash in the banks of the country at least \$150,000,000.

The federal reserve board, it was expected, will deposit in the branch banks the treasury's surplus cash and at least part of the government funds now held by national banks. It all depends on whether the report of the first few weeks of operation indicates the reserve banks need more cash for re-discount business. Such action would furnish the reserve banks with \$110,000,000 from the treasury department and \$40,000,000 from national banks.

FIGHT SETTLES DOWN TO CANNONADING

(By United Press staff correspondent.)
Paris, Nov. 17.—Fighting along the line from Nieuport, through Dixmude, to Ypres had settled today into a fierce artillery duel at long range, according to the official communication received here this afternoon from the Bordeaux war office.

Infantry and cavalry operations, as well as the handling of the lighter guns and rapid fire, it was understood, had been rendered practically impossible owing to the bog-like condition of the country, and the only available weapons were the big cannon for which semi-permanent emplacements had been provided.

Along the Aisne and in the Argonne region, however, it was said there was increasing activity. The Germans were said to have attempted a crossing of the Aisne near Valmy. The blowing up of a line of German trenches by French mines in the Argonne district was described in the official statement.

Baker is to make a whirlwind campaign to lift a \$25,000 debt from the Y. M. C. A. of their building at that place.

The Weather

IT'S A BIT CHILLY TO DAY

Pair tonight and Wednesday; easterly winds.