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## GERARD HANDED GERMANY'S REPLY

### PLAN PROPOSES MEETING OF DELEGATES AT NEUTRAL POINT

"Immediate Exchange of Views Seems Most Appropriate Road in Order to Reach the Desired Result" Says the Reply—Germany Will Gladly Assist in Perfecting Plans for Prevention of Future Wars So Soon As This Is Ended

Berlin, via Sayville wireless, Dec. 26.—Germany today proposed a meeting of delegates of belligerents in her answer to President Wilson's peace note.

Her formal reply to the American peace suggestion was made in a note handed to United States Ambassador Gerard at Berlin and at the same time the American diplomatic representatives at the capitals of the other central powers—Vienna, Sofia, Constantinople.

The note also hints that the "great work of the prevention of future wars can be begun only after the end of the present struggle of nations," and declares "when this moment shall have come," Germany will be "ready with pleasure to collaborate entirely with the United States at this exalted task."

The German note holds the "most appropriate road to reach the desired result," is an immediate meeting of delegates of belligerent states at a neutral peace.

**Text of Note**

Berlin, via Sayville wireless, Dec. 26.—Germany today handed to United States Ambassador Gerard for transmission to Washington her answer to President Wilson's recent peace note.

American diplomatic representatives at Vienna and Constantinople were also handed the same reply.

The text reads:

"The high minded suggestions made by the president of the United States of America, in order to create a basis for the establishment of lasting peace, has been received and considered by the imperial government in the friendly spirit which was expressed in the president's communication.

"The president points out that which he has at heart and leaves open the choice of the road.

"To the imperial government the immediate exchange of views seems the most appropriate road in order to reach the desired result. It therefore begs, in the sense of its declaration made on December 12, which offered its hand for peace negotiations to propose immediate meeting of delegates of the belligerent states at a neutral place.

"Also the imperial government is of the opinion that the great work of prevention of future wars can be begun only after the end of the present struggle of nations.

"It will (namely the German government will) when this moment shall have come, be ready with pleasure to collaborate entirely with the United States at this exalted task."

The answer finishes with the usual terms of international politeness.

**Rumored Terms Are Stated**  
By John H. Hearley  
(United Press staff correspondent)

Rome, Dec. 26.—Germany has handed to the neutral nations whose suggestions she asked in forwarding peace suggestions to her enemies, a sealed packet containing the specific terms upon which she was willing to make peace, according to a report in circulation here today.

The report had it that this packet was sent with instructions that it was

**Abe Marlin**  
1916.



### COLONEL HOFER SEES PROSPERITY COMING—ALONE AMONG 400

Railroad Conditions Bad, So Was Trip, But the Lecture Was a Hummer

Col. E. Hofer returned Monday morning from a three weeks spent in eastern business centers and visiting relatives in Chicago. He reports business conditions good and the outlook for the coming year as exceptionally bright. There will be enough business growing out of conditions in Europe whether there be peace or war, in his opinion, to keep up a high state there will be tremendous activity developed in the lumber industry which will become the backbone of the west which will enjoy its long delayed share in the cream of things which has passed around to other industries in rich shimmings. He believes with the revival of ocean shipping the Pacific coast will have longer enduring prosperity than the middle west which is now reveling in wealth.

"Railroad conditions are not good," said Mr. Hofer. "While the railroads are making more money, increased cost of materials and operation seems to eat up all their great earnings and they cannot get hold of surplus or new capital to keep up or extend their plants to meet the needs of the country. The car shortage is largely due to the fact that terminal facilities in large centers have been outgrown and there seems to be no way to increase them without large blocks of capital that is not forthcoming. In entering big cities like St. Paul, Minneapolis and Chicago one sees hundreds of acres of cars, loaded and empty, standing idle on the tracks. In many lines values of a loaded car have gone up so fast that merchants and operators in the necessities of life or merchandise have preferred to pay demurrage by the month to unloading them, making money by doing it.

"Regulations at the hand of forty odd railroad commissions and the in-

### RUSSIA AND JAPAN TO FORM NEW ALLIANCE

Politicians See Long Period of Friendly Relations of the Two Countries

Tokio, Dec. 8.—(By mail.)—Plans for strengthening the new alliance between Japan and Russia are believed here to be behind the selection of Viscount Yasuya Uchida, former ambassador to the United States and as Japanese envoy to Russia.

Viscount Uchida fills the post vacated when Viscount Motone was recalled from Petrograd to become foreign minister in the new Terauchi ministry.

Politicians here accept the conclusion of the Russo-Japanese pact last spring as only the beginning of a long term of friendly political and commercial relations between the two countries. The general belief is that Russia has requested Japan to wait until the close of the war for signature of additional clauses of the new convention.

Viscount Motone is given credit here for having laid the foundation for the new alliance and his service as foreign minister is expected to develop pro-Russian tendencies. Upon Viscount Uchida, however, is placed the responsibility of promoting relations in Petrograd, so that, after the war, the two nations will be even more closely aligned in promoting their interests in the far east.

### Telegraphic Tabloids

San Francisco.—Even Christmas does not keep D. Cupid from working. Marriage License Clerk Munson locked up his office yesterday but two couples declining to wait until today to get married, went to Munson's home and insisted on getting licenses.

San Francisco.—A regular old fashioned snowball fight in which 2,000 children participated was the novelty staged in Golden Gate Park as a Christmas day affair. Great banks of snow had been brought here on flat cars from the Truckee region.

Los Angeles, Cal.—Three prisoners at the city jail did not receive the Christmas pie thoughtful friends sent them. Police examining them found tiny packages of narcotics concealed therein.

Los Angeles, Cal.—Alleging that a local photographer and the Vitagraph company used her picture to advertise Norma Talmadge, movie actress, Laverne Burton, aged 16, filed suit for \$75,000 damages.

**SITE FOR THE PLANT**

Washington, Dec. 26.—The ruling of the navy department that the proposed \$11,000,000 government armor plate should not be located nearer than 200 miles to the coast or any of the Great Lakes, has eliminated from the Ohio cities available site but Ironton, Senator Harding told the United Press today.

### MADE JOURNEY TOGETHER

Santa Monica, Cal., Dec. 26.—Together even in death, as in life, Mr. and Mrs. John Lavelle, who celebrated their golden wedding a few years ago will tomorrow go side by side to their graves. Theirs was a happy Christmas, for it was decreed that they should die together should be granted.

Both were taken sick the same day at their ranch near Beverly. Mrs. Lavelle passed away late Sunday night. Three hours later Lavelle from whom the tidings was kept, joined his wife in the hereafter.

### TWO PATROL BOATS SUNK BY RAIDERS IN OTRANTO STRAITS

Austro-Hungarian Destroyers Claim to Have Routed Enemy

CLAIM 5,500 RUSSIAN PRISONERS IN TWO DAYS

Russian Position Stormed and They Forced to Abandon Filipsei

Berlin, via wireless to Sayville, Dec. 26.—Four Austro-Hungarian destroyers made a successful raid in the Straits of Otranto, sank two patrol boats, and on the way back, routed six enemy destroyers of superior type and speed, a Vienna official statement declared today. "On the night of December 22-23," the statement declared, "four Austro-Hungarian destroyers, on a raid in the Ot-

## French Soldiers Celebrate Christmas in the Trenches Believing War Nears End

By Henry Wood.  
(United Press staff correspondent.)

With the French Armies in Alsace-Lorraine, Dec. 25, via Belfort and Paris.—France's soldiers celebrated Christmas with the absolute conviction that they will spend December 25, 1917, at home. They were all certain the victories along the Somme and at Verdun have established such an ascendancy over the enemy that France and her allies will make "peace on earth, good will toward men," a reality.

Especially was the conviction of peace within a year through France's victory strong in trench number four at Belfort. There the soldiers spent their Christmas defending first line positions.

"It's the men who are closest in fighting contact with the enemy who feel most strongly that they have attained a moral and material superiority over the enemy that makes a victory certain," explained an officer commanding this trench. "All my men during today have been writing home expressing the firmest assurance that they will pass next Christmas at their own firesides."

It was this conviction—felt by every poilu—that made every soldier rise to exceptional efforts to render today's celebration memorable.

Hundreds of regimental letter carriers became veritable—and heroic—Santa Clauses. They worked all Christmas eve night and Christmas day often at great risk, under heavy shell fire, delivering to the first line trenches all Christmas packages. Opening of these parcels was the only celebration possible in the first line trenches.

But in the rear, the celebrations were elaborate. There were Christmas tree exercises at all churches, where operatic singers, violinists and other musicians now serving in the army made up programs of entertainment.

I attended one of the celebrations in a Protestant church where the audience was made up of soldiers from the trenches, captain and villagers. There was an elaborate program preceding distribution of the Christmas presents, and the minister, wearing rough field leggings and the uniform of an army chaplain, preached a sermon.

It was a discourse declaring that not only civilization but even Christianity itself was at stake in the present conflict.

"The new Christian duty," he declared, "is that of choosing and fighting for the nations whose civilization

and whose ideals render the carrying out of the Christian life possible and of choosing and fighting against those whose acts show they would not permit attainment of Christ's ideals."

German efforts to fraternize were discouraged by grenades and trench mortars. On one occasion the Saxons, in an opposite trench, lifted up over their parapet a Christmas tree—and as the Tommies facing it remarked—"we hung oranges, apples and lollipops on it." Or in other words, they deluged it with grenades. It was observable that the experiment was not repeated.

Troops resting in billets at the rear began Christmas celebration with lunches, dinners and parties today. There were amateur theatricals and Christmas trees at the field Y. M. C. A. huts, the Y. M. C. A. furnishing band music and all extras.

In the meanwhile, those in the foremost trenches awaited their relief that they, too, might celebrate.

**Packages From Home.**

In the front trenches the fighters, between periods of watching and fighting, opened their packages from home. For the most part these were trinkets made by mothers, sweethearts or wives. But for the Tommies who had none of these there were plenty of trinkets and Christmas gifts from volunteer friends back in England. The procedure of this opening of gifts was the same all along the line—with the British Tommies, the Americans and the Canadians.

Christmas eve came with stars shining from a cloudless sky. But that great illumination in the east was not the Star of Bethlehem—but a star shell

(Continued on page two.)

### STEAMER MARYLAND REPORTED SINKING

Wireless Says Engine Room Flooded—Is About 150 Miles from Sandy Hook

New York, Dec. 26.—The steamship Maryland is reported sinking about 150 miles off Sandy Hook, according to wireless messages picked up here.

Four vessels are now on their way to aid her. The steamship Savannah, the cutter Aehuset from Boston, the cutter Seneca from Newport and the cutter Mohawk, which picked up the distress signals at sea.

Wireless messages said the engine rooms of the Maryland were rapidly being flooded.

There are two steamships in the maritime register named Maryland. One of these is a British vessel of 2,962 tons and the other is an American vessel of 1,899 tons. The latter was last reported on December 25, leaving Philadelphia for Liverpool or London. This is believed to be the ship in distress.

The American ship Maryland is owned by the New York, Philadelphia & Norfolk railroad and when she left port in Philadelphia on Saturday she carried a cargo of oil, iron pipe, fiber, paper and miscellaneous merchandise. She last reported her position as 75 miles east of the Five Fathom bank lightship.

Because her wireless was weak no messages giving cause of distress could be interpreted at wireless stations here. The position reported, however, latitude 39, longitude 67, is in that region where allied shipping was recently raided by the German submarine U-54.

The Maryland was built in Wyandotte, Mich., for lake trade. She carried a crew of 20 while engaged in lake traffic.

**Help on the Way.**

Washington, Dec. 26.—So serious does the coast guard service consider the condition of the steamer Maryland, reported sinking 150 miles off Sandy Hook, that the cutter Gresham has been added to those already on the way to help.

Four government boats are speeding to the Maryland's rescue.

**Is Hard to Set.**

Boston, Mass., Dec. 26.—Difficulty in locating the Maryland is expected unless she can inform the rescuers of her whereabouts by wireless, according to wireless, according to wireless station authorities here. Nothing is being received from her at the radio station here and it is thought probable her apparatus is out of commission for some reason.

**PULLED HIS LEG**

San Francisco, Dec. 26.—George S. Park, of Bend, Ore., a guest at the Winchester hotel, had his leg pulled for \$120 last night, he told the police today. And it wasn't any figurative pulling either. When George started out to celebrate Christmas royally he wore around his leg a purse containing six \$20 gold pieces. Somebody got to the purse during the evening and when Park awoke this morning the money was gone.

## ENGLISH PRESS MODIFIES VIEWS ON WILSON'S NOTE

Sees Threat That Unless Terms Are Satisfactory U. S. May Join Allies

SWISS STATEMENT HAS MOLLIFYING EFFECT

South American Countries Discussing Backing Wilson's Stand

By Ed L. Keen.  
(United Press staff correspondent.)

London, Dec. 26.—English hostility toward President Wilson appeared to have been considerably modified today. The change was attributed to the latest interpretations of the motives which impelled dispatch of the American peace note. London now regards it as having been sent with the main purpose of forcing Germany to state her peace terms and to carry the implication that unless these terms are "satisfactory" America may enter the war on the side of the allies. There was, however, considerable continued criticism of what was termed the president's "obscurity and 'infelicity' of language and his apparent reversal of principles since May 27, when he stated that America was not concerned with the causes and objects of the war.

The declaration in the Swiss statement that the Swiss government was "in touch" with President Wilson five weeks ago was regarded as conclusively disproving the "obscurity" and "infelicity" of language and his apparent reversal of principles since May 27, when he stated that America was not concerned with the causes and objects of the war.

**South America With Us.**  
By Charles P. Stewart.  
(United Press staff correspondent.)

Buenos Aires, Dec. 26.—Certain South American chancellors are tentatively communicating regarding the dispatch of a note to belligerents backing up President Wilson's peace plea forwarded here today. No official confirmation was to be obtained. The report, however, went so far as to suggest that the A. B. C. (Argentina, Brazil and Chile) governments were mainly concerned in the move.

South America has generally applauded the timeliness of President Wilson's peace suggestions and saw in Secretary Lansing's hints of America joining a league of nations after the war to force peace, an opportunity for a closer Pan-Americanism. Lansing suggested that the United States would first of all, feel the desire of joining with South American nations in any such plan.

**Stocks Fluctuated On Rather Dull Market**

New York, Dec. 26.—Gains of a point or more were made by many of the leaders of last week's peace crash when the stock exchange opened today.

United States steel opened up 1 1/8 to 1 3/4 to 107 3/4 to 107 1/2. Cuba can sugar, Reading, Atlantic Gulf, International paper, Studebaker and marine preferred gained a full point each on first sale.

Cruible steel sold down 1 point at 58 and Lackawanna was down 102.

The market backed and filled without definite tendency during the first hour, during which 191,000 shares were traded. Cruible sold up 3 to 61; Republic was strong and United States steel moved between 106 and 107 1/2.

**SIZES UP BILL SUNDAY**

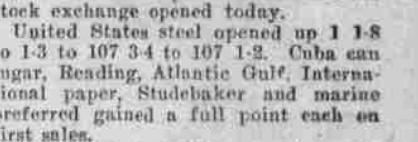
New York, Dec. 26.—Dr. Appleton Morgan, Shakespearean scholar and author, has weighed the "movie" against Billy Sunday and "the movies" win.

Dr. Morgan is heartily in favor of Sunday motion picture shows, but he wants "such sacrilegious performances" as Billy Sunday's meetings confined to week days, "that the Sabbath may be kept holy."

**Attrain three-quarters of a mile in length recently left Detroit, carrying automobiles.**

**THE WEATHER**

THIS STOVE FEELS GOOD



Oregon: Tonight and Wednesday fair, cold; east portion tonight, continued cold west portion; easterly winds.

## FRANCE FOLLOWING BRITAIN'S LEAD; GIVES SUPREME POWER TO FIVE MEN



Following Great Britain's lead, France has entrusted its government to a war council of five consisting of the following: Premier and foreign minister, Aristide Briand (No. 4 in the picture); minister of finance, Alexander Ribot (No. 3); minister of war, General Hubert Lyautey (No. 2); minister of marine, Rear Admiral Lacaze (No. 5); minister of national manufactures, including munitions and transport, Albert Thomas (No. 1).

Stephane Lauzanne, formerly editor in chief of Le Matin of Paris, one of the newspapers which have advocated the bringing about of just such a re-

organization in France as has now been accomplished by Premier Briand, said

## FRANCE FOLLOWING BRITAIN'S LEAD; GIVES SUPREME POWER TO FIVE MEN

in an interview in New York that Premier Briand, who is trusted by all France, had selected as his associates in the new French war council four of the ablest and most far-seeing men in all France. The new war council, Mr. Lauzanne added, would work hand in hand with the British war council. Briand and Lloyd George, he said, were men of the same type and both possessed of great driving power. General Lyautey has been governor of Morocco, Admiral Lacaze is considered one of France's ablest sailors. Ribot is a famous statesman and Thomas is an experienced administrator.