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The Daily Capital Journal

CIRCULATION IS OVER 4000 DAILY

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SITUATION IS BECOMING MORE CRITICAL EVERY DAY

Break With Austria As Well As Germany Seems Certain To Come

NO BELLIGERENT STEP HAS OFFERED CAUSE

Congress Ends Sunday at Noon and Extra Session May Be Called

By Robert J. Bender,
(United Press staff correspondent.)

Washington, Feb. 17. — After two weeks of broken relations with Germany, President Wilson today finds the international situation increasingly difficult.

A break with Austria seems impending, in view of persistent reports that all negotiations tending to dissuade Austria from following the U-boat course of Germany have failed. Officials are convinced the economic situation in the United States as a result of the virtual blockade of American ports by the German U-boat decree makes some action designed to open the way for American shipping imperative.

Absence of word from American consul agents in central power countries is taken to indicate that Germany plans no relaxation in her course of interference with American privileges and American rights.

No Belligerent Act.

In spite of these developments of the last two weeks, however, there is no belligerent step immediately in sight, according to those immediately in the president's councils.

The most distressing problem is that of American shipping, now at a standstill in American harbors — a virtual recognition of the effectiveness of the German blockade.

Furthermore, as an additional thorn in the side of this government, Germany, according to Berlin dispatches, boldly announces she will sink any American merchantman that is armed without the usual formalities of warning, inspection or any other courtesy.

Meantime, England announces new measures for combatting the U-boat plague and the decreasing number of victims leads many officials here to believe the submarine campaign is fizzling out.

President's Course Veiled.

The president's course toward Austria is still veiled.

It is possible the president might sever relations with Austria, without appearing again before congress.

The fact that Secretary Grew, of the American embassy in Berlin, has been ordered to Vienna to "assist" Ambassador Penfield there, gave rise to the belief here that Grew might be carrying confidential information to Penfield, perhaps bearing on the American-Austrian negotiations.

The state department has heard nothing directly from Penfield for some days.

On the other hand, he might take advantage of that opportunity to notify congress the time had come to prepare for further eventualities and ask the means of protecting American lives and property.

Owing to the fact that congress soon adjourns, he might ask for necessary powers now, to be used later if necessary, thereby precluding the necessity of convening the new congress late in the spring or next summer for any ne-

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ABE MARTIN

Th' most unbecomin' fad th' girls have yet adopted is th' painted face an' hash brown neck. If it wuzn' fer smooth strangers lots o' money would never get in circulation.

Principal Appropriations Made By Legislature During Present Session

The following is a list of the principal appropriations made by this session of the legislature, covering most of the important ones:

For compiling and printing 30,000 copies Oregon Blue Book 1917-1918, $1,500.

For payment of expenses of emergency board and for the travel of its members, $200.

For payment expenses, arrest and return of fugitives from justice, $15,000.

For payment expenses of publication of executive proclamations, and notices of secretary of state and state treasurer, $500.

For payment of standing reward for arrest of persons obstructing railroad tracks, $1,200.

For printing and other expenses Grand Army of the Republic, $500.

For preservation of John McLoughlin home, $50.

For payment of salaries of commissioners and employes and contingent expenses of the public service commission, $80,000.

For payment of salaries of officer, instructors and employes and current expenses of school for the blind, $28,000.

For completing attic at main building of school for blind, $553.92.

For general repairs to school for blind, $1,299.65.

For aid of the Oregon historical society, $12,000.

For moving property of Historical society, $1,500.

For furniture and equipment of Historical society in auditorium at Portland, $4,000.

For payment of salaries, maintenance and curren expenses eastern Oregon state hospital, $210,000.

For other expenses at said hospital, $24,477.

For payment salaries and for maintenance and current expenses of state industrial school for girls, $30,600.

For other expenses and improvements at girls' industrial school, $2,625.

For payment of salaries, maintenance and curren expenses of state penitentiary, $190,120.

For improvements and incidental expenses at penitentiary, $58,940.

For payment of salaries, maintenance, betterments and repairs at institute for feeble minded, $159,600.

For constructing dormitory, building addition to kitchen and other improvements at institute for feeble minded, $50,200.

For payment salaries state engineer, assistants and employes, and expenses of office, $74,546.

For expenses of engineer's office in making stream surveys and gathering information in connection with water right determinations, $9,420.

For salaries and current expenses, etc., of the supreme court library, $15,000.

For salaries, purchase of books, etc., and for permanent improvements in library quarters of state library, $40,000.

For the payment of salaries of judges of the circuit courts, $200,000.

For the payment of salaries of district attorneys and deputies, $138,000.

For the payment of salaries, maintenance and current expenses Old Soldiers' Home, $38,930.

For equipping hospital building and bath room and for painting, $25,500.

For payment one-half bounties for destruction of wild animals, $65,000.

(Continued on page seven.)

Senate Endorses Sterilization and Authorizes Bee Inspection

The senators realized there was no time for fooling—some of them, and got down to business after noon. Seventy-three house bills were on the calendar, the senate bills and reports of committees and other work being about all put out of the way in the morning, and the senate went at them hammer and tongs style. There were but two real breaks in the ation along this line, one coming when house bill No. 106, fixing terms of school directors was read. Senator Gill spoke at some length in praise of the directors generally, and deprecated the treatment these men, who gave their time to the public generally received. A number of the senators felt called upon to tell what they thought of it, and there was a wide divergence of opinion. However, the bill passed, and now the school directors in Portland have but little to do, their range of work permitting them to do but two things, hire teachers, and promote them. There is no back talking on anything.

Sterilization Passes.

The other discussion came when bill No. 162, providing for a board of eugenics, to prevent procreation of feeble-minded, etc., and providing for sterilization of certain individuals. This started a red hot discussion which was only ended when the present previous question was demanded and carried, while, Senator Dimick was still voicing his vociferous protests. He wanted to know why two bills on the same subject were wanted? Why two different propositions of sterilization were submitted? If it was intended to sterilize a victim twice? If the victim escaped one board if the other would catch him? "When are we going to quit this damnable fool legislation?" he shouted. Nobody answered, probably because no one knew the exact hour of adjournment.

Others took part in the discussion, but their efforts were lost in the shadow of Dimick's attack.

Bee Inspector.

H. B. No. 290, introduced by Representative Burdick, because he thought the bees needed someone to inspect them caused a ripple of argument, but the bees will now have someone to inspect them to see they do not loaf on their job, and that they put in a full eight hours.

Many Bills Pass.

Following bills were passed:

H. B. No. 425, by Fuller. Providing for a closed season on crabs in Yaquina bay.

H. B. No. 259, by Dedman. Permitting communities to incorporate for purpose of owning water works.

H. B. No. 117, by Douglas county delegation. To regulate fishing in Umpqua river.

H. B. No. 489, by joint insurance committee. To assure future security of fraternal insurance benefits.

H. B. No. 469, by Laurgaard. Establishing new county road code.

H. B. No. 403, by Matthieu. Further regulating registration and examination of pharmacists.

H. B. No. 510, by house committee on fisheries. Providing for and regulating the taking of salmon and other sea food from Columbia river.

H. B. No. 204, by Brownell. Fixing salaries of the county judge and county treasurer, Clackamas county.

H. B. No. 308, by Small. Forbidding deposit of injurious or obnoxious substances on a public highway.

H. B. No. 23, by Clatsop county delegation. To prohibit fishing for salmon and other anadromous fish by means of purse seines.

H. B. No. 41, by house committee on banking. Amending law providing for escheat of savings deposits left dormant for seven years.

H. B. No. 18, by Jones of Lane. Relative to power of district meetings to levy tax on real and personal property.

H. B. No. 20, by Brownell. Fixing

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SHIP DAMAGED BY ORDER FROM GERMAN OFFICIALS

Captain of Interned Kronprinzessin Cecilie Testifies On Stand

PREPARING FOR WAR WITH UNITED STATES

Refused to Give Name of Official by Whom Orders Were Issued

Boston, Mass., Feb. 17.— Captain Charles A. Polack, master of the German steamship Kronprinzessin Cecilie, seized by federal authorities, testified on the stand here today that the engines of the vessel had been damaged on orders from a representative of the German government.

He declared the purpose had been to prevent movement of the interned vessel in case of hostilities between this government and Germany. He refused to give the name of the representative who had given the order.

Captain Polack was testifying in a hearing on the sale of the Kronprinzessin Cecilie, the "gold ship" as a result of a suit brought by certain banks against the company for failure to deliver her cargo when she was driven into Bar Harbor by British ships.

The National City Bank and the Guarantey Trust company of New York have libeled it for $2,300,000.

The captain said that about the time of the Sussex sinking, when relations were strained between this government and Germany, he was asked by his company to go to New York to talk with "a certain gentleman." The name of this gentleman he refused to disclose, saying if the name was made known he would be tried for high treason.

When asked the name of the man who instructed him to disable the ship, Polack replied:

"I am an officer of the German navy and liable prosecution for high treason if I give it. I wish you would not

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BRITISH INSPECTION OF FREDERICK VIII WILL BE THOROUGH

Liner Carrying Von Bernstoff Will Be Detained at Halifax For Week

Halifax, N. S., Feb. 17.—How thorough will be England's inspection of the Scandinavian-American liner Frederik VIII, bearing Count Von Bernstorff back home, was indicated today in the semi-official announcement that it may be a week or more before the liner is "passed."

A huge staff of naval, customs and immigration officials, with interpreters, women assistants and translaters swarmed aboard the Frederik VIII today beginning their work soortly after daylight. Their task includes minute examination of baggage and of the persons of those aboard—women inspectors being designated for the task of searching women passengers—as well as strictest search of the vessel's cargo. Lighters are held alongside the liner to carry such cargo as is necessary for temporary removal and detailed investigation ashore, or to enable inspectors to get to the bottom of the hold.

Customs officials are charged with detailed examination of the steamer's manifest and papers and anything in the slightest nature of contraband will be looked for carefully. It is not expected, however, that any contraband will be found, in view of the careful inspection accorded by American inspectors at New York.

While the work of examination was

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M'ADOO COMPELLED PAPER MILL COMBINE TO COME TO TIME

Secretary of Treasury's Stand Resulted In Offer of Arbitration

Washington, Feb. 17.—Threat by the administration that it would "take national emergency measures" unless the news print paper manufacturers came to terms with publishers, brought forth their suggestion that the federal trade commission arbitrate print paper prices and distribution, it was learned today.

Secretary of the Treasury McAdoo delivered the ultimatum to one of the country's biggest business men and financiers, following many conferences with President Wilson.

In effect, Secretary McAdoo told this business man, who, the administration knew, could "reason the print paper manufacturers into line," that since the government itself is prohibited by United States constitution from suppressing or interfering with the freedom of the press, it obviously was unlawful for any corporation or corporations to do this through combinations.

McAdoo told his auditor, furthermore, that if the president found he would be unable to prevent interference with freedom of the press through proclamation he would have a drastic law passed by congress making such action possible.

McAdoo hinted that these are times of national emergency; that such a law would positively be pushed through congress, and that "perhaps the law

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ROAD BOND BILL PASSED BY HOUSE THIS MORNING

Result of Roll Call Is Greeted With Cheers From Crowded Gallery

SENATE QUICKLY POSTPONED KUBLI'S ANTI BILL

Bishop's Proposition to Submit New Prison Proposition Also Killed

Shouts of joy, cheers of approval, and a burst of applause from the gallery marked the announcement of the passage of the six million dollar road bonding act shortly after noon today in the house of representatives after over an hour of discussion in the committee of the whole during which several amendments were offered and accepted.

The principal amendment offered was by Gordon, who asked that an additional section be added empowering the highway commission to contract for the construction of roads, contracts to be let at a public session. If the bids are considered excessive, the commission is empowered to reject them and go ahead and do the work itself. The amendment was accepted.

Representative Al Jones moved to strike all of the provisions designating the paved, post, and forest roads and allowing the designation to be left to the highway commission. This was objected to and overwhelmingly voted down.

Lunger thought the Marion county delegation was opposing the bill because they were not getting enough of the money.

Thomas opposed and cited the following facts that let light in on the situation: An estimate of the cost of hard surfacing 970 miles at $15,000 a mile, amounts to $15,550,000, with the counties building the crushed rock base, drainage, at about $7,500 a mile, or $7,275,000; 1,150 miles of post roads at $10,000 a mile, low estimate $11,500,000; 470 miles of forest roads at $10,000 a mile, $4,700,000, or a total for the 2,590 miles of roads of $38,025,000. This total he said was about double the two per cent constitutional limitation for bonding the state.

"Adding the interest at four per cent a year on the bonds, the result will be that the cost of the highway expenditure will total about $10,000,000 instead of the six million asked for. Besides there are no provisions for maintaining the roads after they are built. Some one must pay the bill," he declared.

Crandall was not in favor of the measure as it stood, Forbes defended it again, and Gore and Schimpff made strong pleas for it. Belland told history again and made strong plea for the roads on the score of military necessity. Clark was in favor also.

The vote on the bill was as follows:

Yeas—Barber, Bean Belland, Brand, Burdick, Burton, Callan, Clark, Corbett, Forbes, Fuller Goode Gordon, Gore, Griggs, Hodgen, Kubli, Laurgaard, Lewis, Lunger, Mackay, Matthieu, Mueller, Peck, Ritney, Rowe, Schimpff, Small, Stafrin, Stott, Willett and Speaker Stanfield.

Nays—Anderson, Ashley, Bowman, Brown, Cartmill, Childs, Cornelius, Crandall Dedman, Eaton, Elgin, Elmore, Seymour Jones, Al Jones, W. R. Jones, Lafferty, Mann, Martin, Meek, Porter, Portwood, Sheldon, Stephens, Sweeney, Thomas, Thompson, Tikenor.

Absent—Brownell.

MANY MEASURES QUICKLY DISPOSED OF BY SENATE

It was a typical morning after, with the senate evidently regretting much that it had done yesterday, for most of the morning was spent in reconsidering its votes, and repenting by changing them. Business moved along rapidly until on motion of Senator Bishop S. B. No. 316 which was defeated yesterday, was reconsidered. It is the companion bill of No. 317, passed yesterday, and simply declared it the policy of this state to care for all its wards in its own institutions and not in any sectarian or non-sectarian institutions. It did not amount to very much one way

(Continued on page six.)

Treaty Germany Asked Gerard to Sign in Berlin; Ambassador Refused

Washington, Feb. 17.—The United States government considers Germany's "treaty changes" as suggested to American Ambassador Gerard and later sent here, as a complete new treaty.

The German contention that the suggestions Germany made to Gerard, and which Gerard said he would not accede to if he had to stay in Berlin "until kingdom come," are merely reaffirmations and amplifications of the treaty of 1799, is diametrically opposed to this government's view.

These facts were made plain today, when shortly after the text of the German communication was made public, the state department said the document would have to "go before the senate" to be made binding. Mere signature by government heads would not suffice, it was stated. In other words the paper would have to take the usual course, prescribed by the constitution, of all new treaties, if considered at all.

It was understood that Germany, having failed to induce Gerard to approve to "amplifications" of the old treaty of 1799, has forwarded it here with the hope of having it signed. State department officials refused to discuss the document.

The text contains the "joker" regarding safe conduct demanded for German ships in American harbors, as outlined in a United Press dispatch from Paris on Thursday. The dispatch pointed out that this clause in the treaty Germany wanted Gerard to sign had been deleted from press dispatches sent out of Berlin and was therefore not carried in the Paris press.

It was declared at the state department that to make the paper binding it would have to be ratified by the senate. Officials refused to say whether the senate might be asked to take such action but did say that no such step is now contemplated.

Full Text of Revised Treaty

Washington, Feb. 17.—The state department today published the English text of a communication submitted by Swiss Minister Dr. Paul Ritter, as Germany's representative here, in which are contained the changes the kaiser's government wanted made in the old Prussian treaty of 1799, and which Ambassador Gerard refused to sign, saying he would remain in Berlin "until kingdom come" before accepting.

Officials refuse to discuss the document, but it was taken for granted generally that the German government, having failed to force Ambassador Gerard to sign the "amplification" of the treaty, forwarded it here through the channels open to it since the break in relations, in an effort to have it signed at the state department.

The communication on February 10 date from the Swiss minister reads:

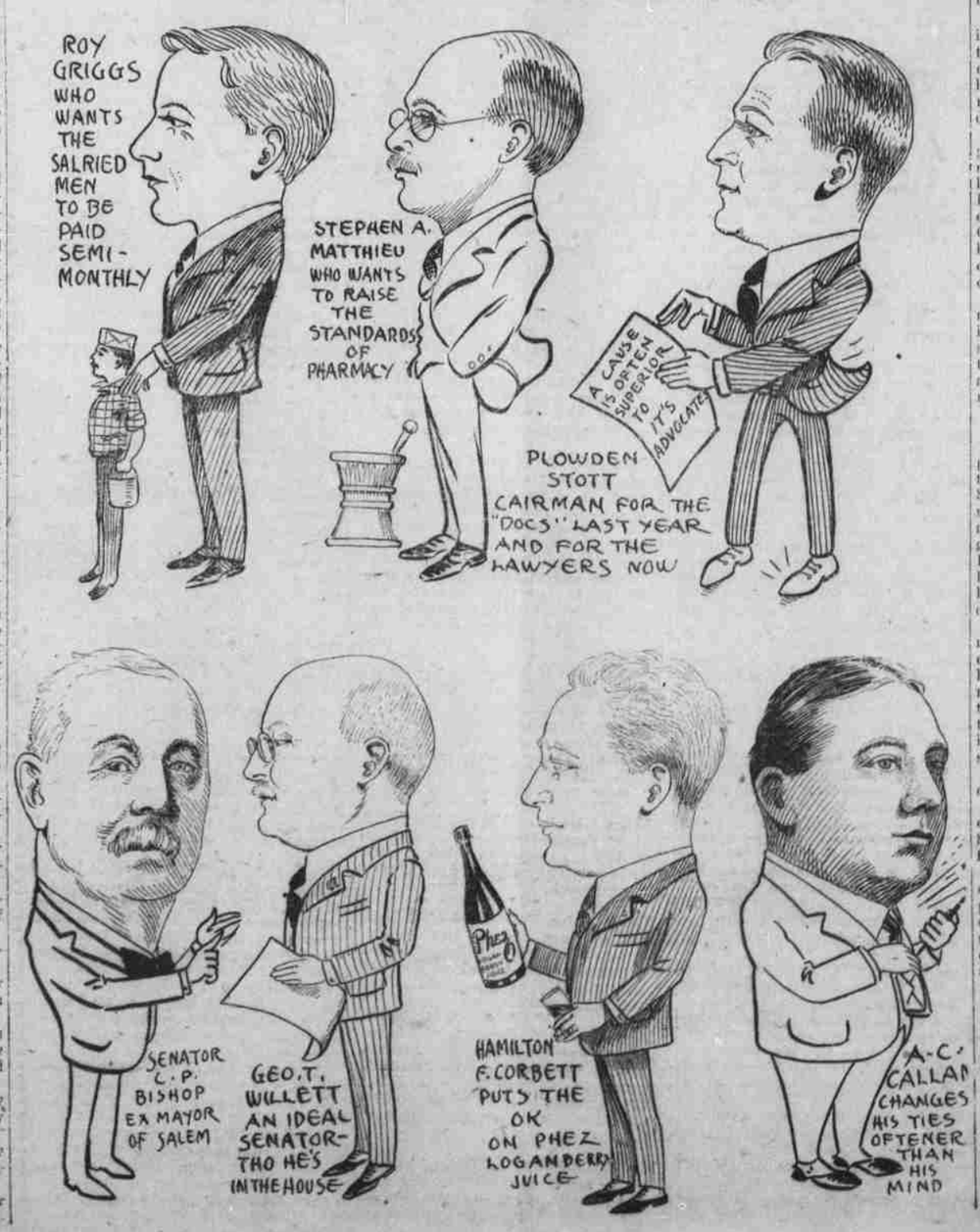
"The German legation at Berne has communicated the following to the Swiss political department (foreign office):

"'The American treaty of friendship commerce of the 11th of July, 1799, provides by article 23 for the treatment of the subjects or citizens of the two states and their property in the event of war between the two states. This article, which is without question in full force as regards the relations between the German empire and the United States requires certain explanations and additions on account of the development o. international law. The German government therefore proposes that a special arrangement be now signed of which the English text is as follows:

"'The agreement between Germany and the United States of America concerning the treatment of each other's citizens and their private property af-

(Continued on page six.)

THESE LEGISLATORS WILL FINISH LABORS TODAY



THE WEATHER

Oregon: Tonight and Sunday unsettled and occasionally threatening; winds mostly northerly.