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FULL LEASED WIRE
DISPATCHES
SPECIAL WILLAMETTE VAL-
LEY NEWS SERVICE

The Daily Capital Journal

TODAY'S WEATHER

Oregon: Tonight and Friday fair, except probably rain northwest portion; increasing southerly winds.

CAN YOU BEAT THIS?

FORTIETH YEAR — NO. 230 SALEM, OREGON, THURSDAY, SEPTEMBER 27, 1917 PRICE TWO CENTS ON TRAINS AND NEWS STANDS—FIVE CENTS

WAR APPROPRIATION GREATEST IN HISTORY

\$20,000,000,000 Is Sum America Raises First Year In War to Make the Whole World Free—This Means 35,000 Tons of Gold—Of This \$7,000,000,000 Will Be Loaned Allies—This Great Sum Leaves Deficit About \$3,000,000,000

SOME FIGURES AS TO MONEY

How Money Is Raised for War Chest.

Bond bill of April 24	\$ 7,000,000,000
Bond bill of September 24	8,538,000,000
War revenue bill	2,500,000,000
Regular revenue	1,333,000,000
Total	\$19,371,000,000

How Money Is Spent for War.

Loans to allies	\$ 7,000,000,000
Army	6,890,019,661
Navy	1,605,098,458
Aviation and aircraft	694,000,000
Shipping	1,040,000,000
Selective draft	8,658,413
Food control and survey	173,846,400
Soldiers and sailors insurance	176,250,000
Emergency fund to president	100,000,000
Total	\$17,687,872,932

Washington, Sept. 27.—Congress today is nearing the greatest money raising feat in the history of the world's parliaments. No nation, with an equal time, ever appropriated such sums—\$20,000,000,000—for any purpose.

Means for raising nineteen and a half billions of dollars have been provided under revenue and bond bills. Only the conference report on the \$2,500,000,000 revenue bill awaits final disposition today.

Out of the giant appropriations may be traced the new courses modern warfare has taken. Nearly \$7,000,000,000 has been set aside for the army, of which about a third is devoted to artillery and ammunition alone. Ship building has demanded more than a billion. Aircraft production is given a start with \$89,000,000 and more to come. An even \$90,000,000 is provided for a loan to the allies. The navy has needed to date only \$1,600,000,000.

There is pending a soldiers and sailors insurance bill which appropriates \$176,250,000 to take care of the wounded and dependents.

More than eight and a half millions have been set aside for the selective draft. Herbert Hoover is given \$102,500,000 to control the food situation, while Secretary of Agriculture Houston has \$11,340,400 to hold a nation-wide survey and learn what the food supply really is.

But even with the great sums raised, all expenditures of the government up to June 30, 1918, will leave more than a billion dollar deficit if more funds are not raised. Senator Lodge figures the deficit will reach \$3,000,000,000. To meet this will be left to the December session.

Revenues \$9,833,000,000.

The deficit is based on the fact that in addition to war expenditures of \$17,687,872,932, there will be other regular expenditures to bring the total to \$20,000,000,000.

PORTLAND STRIKE SHOWS NO SIGNS OF APPROACHING END

Portland, Or., Sept. 27.—Today brought new complications in the ship yard strike—complications which threaten added difficulties in settling the labor disputes.

The effort of some ship yards and steel plants to resume work this morning with non-union crews was a complete failure.

However, the retaliatory step of the union—the closing out of men in four plants supplying ship yards with materials—was largely a success. Three iron and steel works were closed today and the big plant of the Willamette Iron and Steel company crippled.

A mass meeting of members of all unions here affiliated with the American Federation of Labor was called today for tomorrow night at the municipal auditorium. It is generally understood they will discuss a general strike in other lines than shipbuilding and iron working to make Portland a closed shop town.

The strike is settling down largely to a fight between the unions, who demand closed shop policies, and the employers, who declare they will not under any condition adopt the closed shop principle. All other issues are secondary.

This Strike Ended.

San Francisco, Sept. 27.—Paralysis of San Francisco by shipbuilding which has tied up for ten days work on \$120,000,000 worth of government contracts, will end tomorrow morning, when 25,000 members of the iron trades council will resume work in all yards and shops. This will bring to an end the strike declared September 17, following a disagreement over wages.

Reports that many members of the boiler-makers' union might refuse to resume work could not be confirmed and were not generally credited today.

The decision to end the strike came after a five hour session of the Iron Trades Council marked by spirited debate.

ABE MARTIN

Th' trouble with a golden bantam rooster's ear is that you no sooner get a good start on one till you have t' fura back. What's become o' th' ole ear—arven mustache with th' curled ends?

SECRET SERVICE ROUNDS UP BUNCH OF GERMAN SPIES

Ninety-One Caught In Raid In New York Will Be Put Behind Bars

INVALUABLE MATERIAL CAPTURED WITH THEM

Vast Number Tabulated and Their Every Move Under Surveillance

New York, Sept. 27.—Ninety one Germans, caught in the government's drive against enemy aliens, plotting to hamper war work, were taken to Ellis Island today and interned. Guarded by sixty federal officers, the Germans were transported to the wharf in patrol wagons. Additional armed guards were on the pier. Later federal charges were filed against individuals suspected of having made actual attempts to damage machinery or otherwise interfere with government work. In the meantime, blue prints and maps confiscated when the Germans were seized will be carefully examined. Other arrests may be made tonight.

"Invaluable material to the navy department was found in their possession," said Thomas Tunney, chief of the bomb squad of detectives. "Blue prints, charts, maps and other documents and a collection of revolvers were confiscated."

Large quantities of carbide were found in the possession of one man employed in a plant where machinery for the navy is being manufactured. A small amount of this when put in the finer parts of a machine will completely disable it.

"We believe," said Captain Tunney, "that he received his supply from a German agent who was arrested in Christiania, Norway."

The men taken into custody have been shadowed by detectives for several months at the request of the navy department. It was announced that many of those arrested were working together and had effected an organization.

Among those caught was Heinrich Wetterhahn, former wireless operator on the German steamer Friedrich der Grosse.

Have Them Located.

Washington, Sept. 27.—Alien enemies infesting war works of the government are being swept out. The navy and justice departments, co-operating to promptly thwart a any effort to cripple this nation's war machinery.

THAT AT SAN FRANCISCO ENDS—SWITCHMEN'S STRIKE HITS STEEL PLANTS

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BAVARIANS TIRED OF WAR SAY THEY DO MOST FIGHTING

Prisoners Say Unless Peace Comes Soon Officers Cannot Control Men

ALL NIGHT FIGHT LEAVES BRITISH HOLDING GAINS

Germans Make Four Desperate Counter Attacks, All of Which Fail

(By William Phillip Simms)
(United Press Staff Correspondent)

With the British Armies in the Field, Sept. 27.—British troops held fast to their victories today after a night of unceasing beating back of German counter-attacks.

The whole of the Ypres sector was ablaze with artillery, trench mortars and grenade explosions.

Prisoners pouring back of the lanes were glad to emerge from the fighting alive.

Bavarian and Baden troops, who opposed part of the British advance on the six mile front declared they were sick of war. They complained that the losses of their troops were higher than those of the Prussians, whose battles they were forced to fight. Still other prisoners declared unless peace comes soon the German high command will have difficulty in keeping all its troops in the fighting. This latter statement of serious discontent in the German ranks is completely belied, however, by the stubborn German defense which the fighting has developed.

Further counter-attacks late today won the German minor local positions in the region of Winzig farm and vale house, but British troops, in desperate fighting, wrested back some of these points.

The same violent combat brought relief today to a detachment of Argyll and Sutherland highlanders who had been cut off 24 hours from their lines and who, despite the fact that they only one division as reserve in their Italian campaign; while the British and French artillery, infantry and aircraft have done most spectacular work the past week. Such a situation means that Germany is on the downgrade.

With the military situation thus shaping much of Germany's disadvantage, experts here see clearly that her peace maneuvers are based on a real internal desire for peace above which rides the spectre of a terrible beating if the struggle goes on.

"Nothing Doing," Say Allies

Germany's latest peace move, a sug-

IT'S A ROYAL CROWD AND SPORTS ROYAL PURPLE

"Gus" Moser Makes Stirring Address—"A Perfect Day" Ends Tonight

Of course it was the weather—according to Saclimies at least, that is responsible for an increase of 3000 over yesterday's attendance at the fair.

Portland boosters and the Elks give themselves the credit, but whatever or whoever did it the actual returns show that 32,300 people passed inside the gates yesterday, Salem day, and every indication points to an attendance of 35,000 or more today.

The Elks are out in full force, the Salem lodge acting as host at the luncheon today at noon, The Salem

GERMAN ALLY READY TO DESERT HER

BULGARIA BRIBED TO AID KAISER BY PROMISES—READY FOR PEACE

KAISER WILHELM BEGINS TO ADMIT HE HAS LOST WAR

He Is Not Beaten But Realizes There Is No Possible Chance to Win

WANTS PEACE BEFORE AMERICA CAN STRIKE

This Is Reason for Offer to Restore Belgium—None of His Acts Are Open

Washington, Sept. 27.—Frank A. Vanderlip, president of the National City bank, New York, the largest institution of its kind in the United States, has severed all his business connections to work for the United States government at \$1 a year.

Vanderlip, directing head of the American International Corporation and the International Mercantile Marine, many times a millionaire, is to be chairman of the war savings certificates committee, organized by the treasury department to conduct a campaign for extensive saving throughout the war.

Vanderlip, who before he became leading figure in Wall Street, was an assistant secretary of the treasury, is working on a ten hour basis. The severance is only temporary and will be in effect as long as Vanderlip is needed in Washington.

Entered the War Solely to Regain Sections Lost In Balkan War

HER SYMPATHIES WERE ALWAYS WITH ALLIES

Would Have Fought On Their Side On Promise of Territory Being Restored

By J. W. E. Mason
(Written for the United Press)

New York, Sept. 27.—Realization of the inevitable overthrow of the Hohenzollern autocracy if the war is prolonged until America gets into the thick of the fighting, has caused the kaiser to make his offer for the apparent return of Belgian independence.

Step by step, the kaiser is beginning to admit he has lost the war; but each admission shows that the same old crafty diplomatic methods dominate the German government. The kaiser's Belgian offer, if accepted, would represent a far reaching victory for kaiserism. The kaiser insists that there be administrative separation of the Flemish and Walloon districts of Belgium. This is where kaiserism displays its sinister purpose.

Wants German Language

The kaiser might as well insist that those parts of America where the German language is spoken be administratively separated from the districts where English is spoken. The official Belgian language and the language of Belgian literature is French. Walloon is a French dialect. The Flemish language, however, is a Dutch dialect, strongly allied to the German tongue.

It is spoken most extensively by the peasantry and has no literature of its own. The kaiser's purpose is to cause a Teutonic language to supersede the French language in Belgium, from which it is but a step to the introduction of German "kultur" among the Belgians.

Cannot be Honest

Cardinal Gasparri's recent declaration to the United Press that the pope's peace plea should be interpreted requiring special consideration for Belgium, is sufficient indication that the Vatican has secured from Germany the present offer of partial restoration of Belgium. But, the Flemish-Walloon tripe in the kaiser's offer shows how necessary it is to scrutinize every word of the kaiser's diplomacy for secret, underhand meanings. Nothing can be accepted as open and above board.

The Belgium proposal will not be accepted by the allies. Other offers, reluctantly won from the medieval absolutists in Berlin, can safely be predicted. These will show a gradual increase of the price the kaiser is willing to pay for peace, if they are all rejected, there will then come the final step of German democratization as the result of America's preponderant strength in the conflict.

GERMANY AWAKENING

By Carl D. Groat
(United Press staff correspondent)

Washington, Sept. 27.—Germany, weakening, though not benton, is making a desperate effort for peace, in the face of America's might next year.

International experts today repeated this declaration even more emphatically than they have voiced it for weeks past—on the strength of Secretary of War Baker's official war review showing that Germany's punch is waning.

The government was informed long ago that Germany would start a new propaganda for peace to avoid a winter campaign and the effects of America's participation in the war. German replies to the Vatican proved the intention was entirely correct. Germany's moves now are looked upon here as an appeal to pacifists.

Russian Bronzer

Secretary Baker's war review—the first of a weekly series—show that the enemy does not feel himself able to undertake the much advertised offensive action, so often boasted of at home during the past summer in order to end the war victoriously by Christmas. The report shows Russian resistance stiffening; the Austrians using only

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By A. E. Johnson
(United Press staff correspondent)

Washington, Sept. 27.—Bulgaria is not interested in Kaiser Wilhelm's dream of a Mittel Europa empire. In an interview with the United Press today, Stephen Phansaroff, Bulgarian minister to the United States, said his country had attained the sole ends for which it entered the war and is ready to quit, providing she can keep the territory "which by language, nationality and historic right belongs to her."

Bulgaria, he said, would have preferred to have fought on the side of the allies, but Germany made a more acceptable business proposition.

"Bulgaria entered the world war with one object in view—regaining Dobruja, Macedonia and parts of Serbia which were unjustly taken from her during the Balkan war and in the treaty of 1878," said Phansaroff frankly. "She had no particular love for the central powers—in fact only a few years ago had been at war with us. As the price of entering the war she asked restoration of former territory which, by President Wilson's own statement of 'national boundaries rightfully belongs to her.'

"Bulgaria would have preferred to join the allies. But they offered restoration of her territory providing Serbia would consent to take in exchange other territory—presumably wrested from Austria-Hungary or Turkey. Our prime minister even stated to the allies that within 24 hours of the ac-

TOMORROW'S PROGRAM

OREGON STATE FAIR

GOOD ROADS, PRESS AND WILLAMETTE DAY.

Special Features.

Addresses by Justice Walter McCannant, Hon. Stephen A. Lowell, ambassador by Governor James Withycombe at 1:00 at grand stand.

Stock parade postponed until 1:15 p. m. At this time the 250 prize winning cattle and horses will pass the grand stand in grand review.

Final award of all school exhibits will be made.

Entries for Friday's Races.

2:15 pace—Purse \$1000—Lena Patch, Lolo, McAlpin, King Zoloch, Captain Mack, Bertha Seattle, Bonnie Antrim, T. R. McGregor.

2:20 Trot—Purse \$600—Oregon, Jet Loek, Cavalier Gale, Guy Light, Floeriel, Compleat, Byron and Guy Boy.

Special Pace—Purse \$400—For Named Pacers—Bubbles, Tillamook Maid, Hal Norte, Indian Hal, Haltamont.

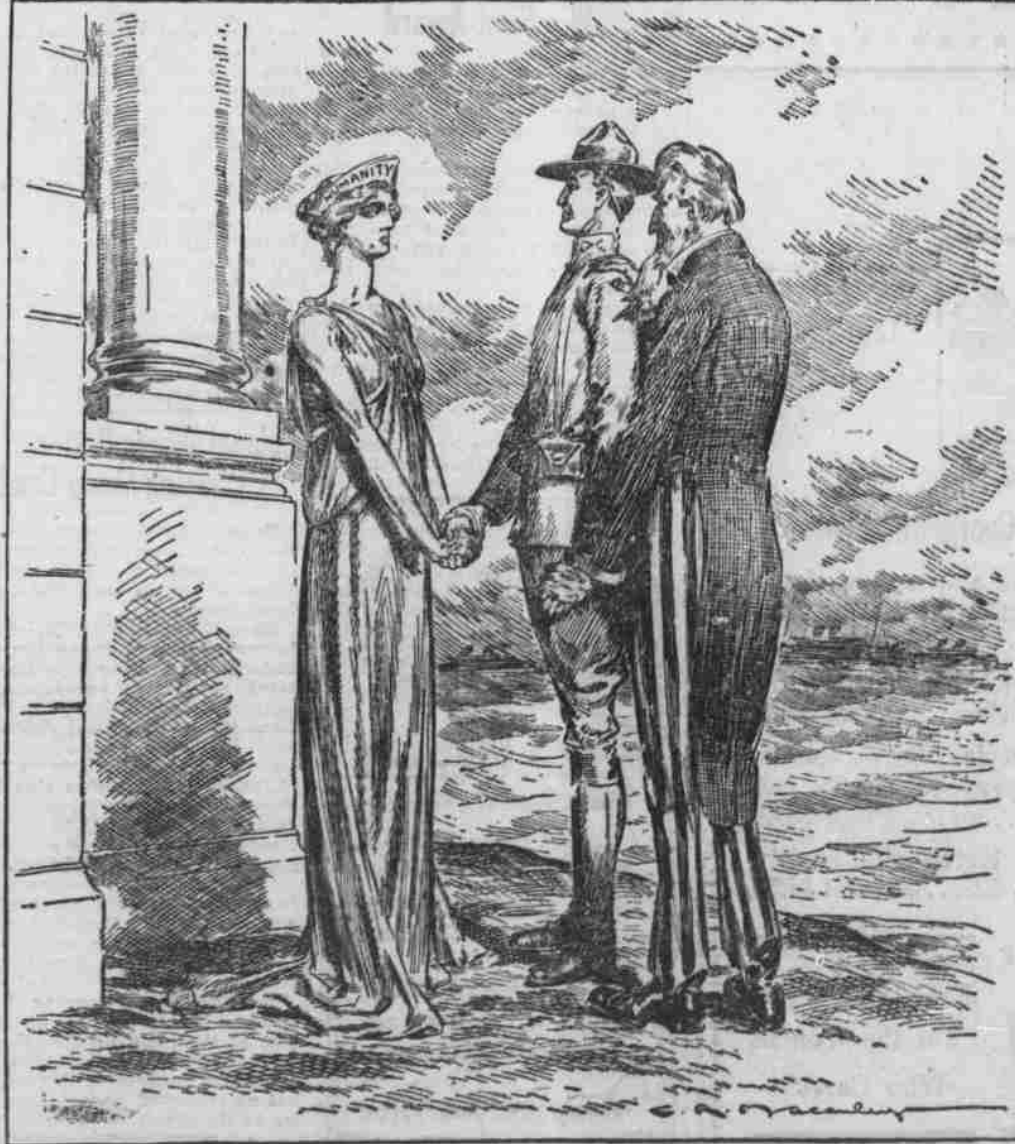
Four Furlongs—Purse \$100—Lettitia S., Ferridge, Bob Wade, Little Nell, Rosa Phoon.

Six Furlongs—Purse \$150—Drummer, Blackthorn, Solon, Dandy Jim and Hannah Phoon.

SCHOOL BOOK PRAISES KAISER

School, Or., Sept. 27.—The textbook, Vaterland, used in German classes in Portland schools, will be closely examined by school authorities and perhaps be dropped as a school book, despite contracts with its publishers, it became known today. The book praises the kaiser and Germany.

Kerensky and Korniloff are calling it offsky.



"THE BEST I HAVE, I GIVE TO YOU"

(Continued on page five.)