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The Daily Capital Journal

TODAY'S
WEATHER

Oregon: Tonight
and Friday fair;
continued warm;
northerly winds.



FORTIETH YEAR — NO. 236

SALEM, OREGON, THURSDAY, OCTOBER 4, 1917

PRICE TWO CENTS ON TRAINS AND NEWS
STANDS—FIVE CENTS

HAIG STRIKES BLOW IN FLANDERS TODAY COVERING WIDE FRONT

British Troops Drive Mile Deep Into Enemy Trenches, Take Many Prisoners—Three German Divisions Churned Into Loblolly by Barrage Fire When They Attempted to Regain Lost Ground—Drive Still On This Afternoon

By William Phillip Simms,
(United Press Staff Correspondent)

With the British Armies in the field, Oct. 4.—British forces have advanced more than a mile deep into the German lines in what looked today to be one of the war's greatest battles.

Prisoners already taken reach into four figures. Several villages have already been taken. The drive was still on this afternoon. Haig struck his blow early this morning, the climax to a whirlwind of artillery that for days has beat relentlessly, unceasingly on the German positions. In all respects the blow impresses one as among the biggest, if not the biggest, of all the battles of the greatest of all wars.

Fighting is on an unprecedented scale of magnitude of men, munitions, guns and territory.

At Zonnebeke alone, three enemy divisions (Note—A German division ordinarily contains 15,000 men) were ordered to attack and retake ground they lost in the first staggering impact of the British blow.

The Germans—the whole three divisions—were caught in the British barrage. The terrific fire literally churned the poor devils into a bloody loblolly.

Battle in Adriatic

London, Oct. 4.—British troops started successfully early today on another "big push" in Flanders.

"East of Ypres we attacked at 6 o'clock this morning on a wide front and with satisfactory progress," Field Marshal Haig reported. "A number have already been prisoners."

For ten days London has been eagerly awaiting just such news as that contained in Haig's message.

During that time massed British guns have been pouring a concentrated fire of the greatest intensity the war has yet recorded on German positions in the Ypres sector.

The bombardment has been interspersed with desperate German assaults. The enemy high command realized the tremendous gunfire prosaged another British drive and has sought in every manner to mass troops and guns to prevent it.

Nearly a week ago correspondents at the British front gave hint of what was preparing. Then a day or so later they aroused London's expectancy to the highest pitch by mysteriously announcing nothing would be reported from the British front for 24 hours. It was during this time, the public figured today, that Haig completed all plans for the drive.

Presumably Haig struck again today at the Passchendaele ridge line—the strategic center of the German front in Flanders. It is the key to the German lines from there to the coast, the dominating geographical citadel defending the Roulers railway and certain arteries of communications with the German bases at Zebrugge and Ostend.

German Report Battle

Berlin, via London, Oct. 4.—Strong English attacks on the Flanders front were reported by the war office in its statement today. The statement said:

"The fighting on the Flanders front yesterday was similar to that of preceding days, with the English launching strong attacks in the Ypres district. This morning a stubborn battle again developed in Flanders."

Fighting of secondary importance was reported in operations on other fronts.

Prepare for Air Raids

London, Oct. 4.—Formation of a special ministry to return measure for measure to the Germans for air raids over London is the war cabinet's response to the public demand for reprisals, according to the Chronicle today.

The special minister, it was asserted, would concentrate British aerial forces specifically for raids over German cities. His duty would be to devise the maximum amount of frightfulness which could be inflicted upon German cities.

All official announcement on the matter of reprisals was withheld today.

Proponents of a vigorous reprisal policy brought a new argument today. It was that the German cities most accessible for British raiders were in southern Germany—and the southern German, according to reports, is chafing over too much Prussianism in the empire. Advocates of British raiding held that nothing could bring home to

British Troops Capture All Objectives Today

London, Oct. 4.—British troops have captured all objectives today on a front of 16,000 yards, reaching a maximum depth of 2,500 yards, declared General Maurice, director of operations this afternoon in disclosing what appeared to be Field Marshal Haig's greatest of all drives.

"Broodseinde is among the villages taken today.

"In the nine months ending September 30," General Maurice told the United Press, "the British on the west front captured 51,435 men, 332 field heavy guns and lost 15,085 men and no guns."

"In all theatres of war the British captured 72,513 men and 470 guns and lost 15,065 men in prisoners and no guns."

General Maurice's statement indicates today's drive is perhaps the greatest of all the offensive blows yet aimed at the German lines.

Sixteen thousand yards would mean a base front of more than nine miles. A penetration of 2,500 yards would mean more than a mile gain into the German-held territory by the British forces.

Broodseinde is about half a mile beyond Zonnebeke, almost in the center of the great Ypres sector. It lies slightly below the Ypres-Roulers railroad, along which Haig has by his three last offensive blows been steadily advancing toward the main German line of communications on the Belgian coast.

Presumably the nine mile front runs almost along the line of where Haig last struck, approximately from Lange-marek to the Comines canal around Hollebeke.

the southern Germans the brutality and arrogance of Prussianism so much as a series of raids over Southern German cities specifically announced as reprisals for similar excursions over England.

Battle in Adriatic

Washington, Oct. 4.—One Austrian officer was killed, the ship commander was seriously wounded and the imperial flag was shot off an Austrian warship during an engagement in the Adriatic with the Italian destroyer Anila.

According to official cables received today, the damaged cruiser, which sustained severe shell damage, was able to withdraw into the Cattaro, accompanied by two sister cruisers.

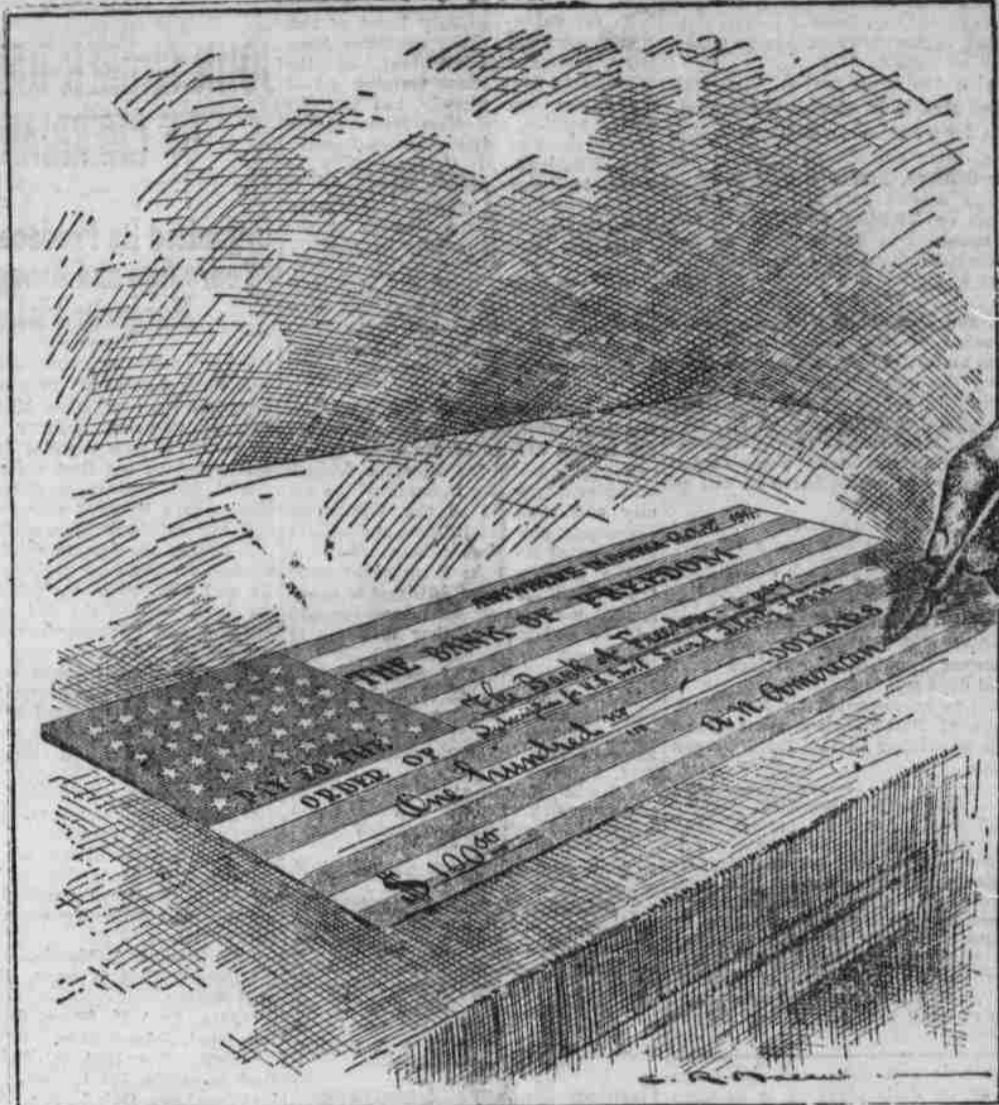
An Italian torpedo flotilla and other units of the Italian fleet pursued the retreating Austrian ships. The Anila, battered by shellfire and with her rapt tank ablaze, made an Italian port.

American Schooner Sunk

London, Oct. 4.—The American schooner Annie F. Conlon has been sunk by gunfire of a German submarine, the admiralty announced today. The attack occurred off the Scilly Islands. The crew of eight were landed.

Lloyd's lists the Annie F. Conlon as

(Continued on page six.)



SIGN YOUR NAME FOR THE FLAG

WAR TAX TAKES TOLL OF ALL POCKETBOOKS IN AMERICA TODAY

Public Assessment Starts In Sixty Days—Now in Effect

Washington, Oct. 4.—The war tax toll on the American pocketbook began today.

Within two months the buying public will be paying over the counter, through ticket windows of various kinds—and almost everywhere else the levies under the \$2,535,000,000 revenue bill, now a law.

Throughout the land today the high cost of drinking mounted with additional taxes on hard, soft and medium beverages effective immediately. Automobile owning, with a tax of three per cent of the sale price, becomes more costly. Pills, patent medicines and chewing gum are hit.

Sporting goods, motor boats, estates, inheritances, incomes, war profits and other luxuries of the wealthy are taxable immediately.

Smoking also may be more costly within 30 days, with added taxes on tobacco, cigars and cigarettes, ranging from \$1 to \$7 a thousand on cigars and from 80 cents to \$1.20 a thousand on cigarettes. Even snuff users will suffer.

On November 1 also, the tax on freight and express packages—one cent for each twenty cents charged—becomes effective, together with a ten cent levy on berths and staterooms in Pullman cars.

Every telegram, telephone or wireless message costing more than 15 cents after November 1, will bear a five cent tax and taxes of eight cents on each \$100 on life insurance and one cent on each dollar of fire insurance also begin.

With a tax on "movie" and "legitimate" theaters after November 1, of one cent on each ten cents admission charged, the cost of "looking them over" either on the screen or in the "pony" row promises to mount. The usual New Year's outbreak will be more expensive with a new tax on table reservations. It will cost a toll equivalent to 10 per cent of the dues to join a club after November 1.

Stamp taxes on bonds, promissory notes, bills of sale and playing cards become effective December 1, as does the one cent tax on parcel post packages costing 25 cents or more. The additional one cent on letters is effective November 1.

Money raising bills being disposed of, congress will adjourn Saturday. House and senate are to pass the adjournment resolution today. The senate also will pass the soldiers' and sailors' insurance bill.

House adoption of the conference report on the \$8,000,000,000 urgent deficiency bill is expected today. The senate passed it late yesterday.

The civil rights bill, suspending legal action on debts of soldiers and sailors in foreign service may squeeze through.

GENERAL PERSHING SEES CAMP LEWIS BOYS SAMMIES GO OVER TOP OF CAMP TRENCHES

Commanding General Is Pleased With Showing of His Troops

By J. W. Pegler,
(United Press Staff Correspondent)

American Field Headquarters, France, Oct. 4.—Major General Pershing watched his Sammies "go over the top" today. He spent the day on a hill top in the training grounds, critically viewing his troops as executing practice attack formations. The work was over rough, muddy practice ground or through knee-deep yellow acres of wild mustard.

The concluding drill was an attack in force. Pershing, General Sibert and three other American generals, with a French general, followed close behind the waves of the American troops, on a battalion frontage.

With their grenadiers in front, the Sammies walked slowly behind an imaginary barrage after leaving the trenches. A volley of real grenades reverberated through the valleys as the line reached the first objective—the Wilson trench.

There a section detached itself—the "moppers up." Others maintaining the same leisurely pace, passed on, with helmeted machine gunners closely following.

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ABE MARTIN



Mr. and Mrs. Tilford Moots wish to thank all who assisted in the marriage of their daughter, Mrs. Lafe Bud's grandfather passed away today. He had long been prominent in the business life of the community and was a constant church goer till he got a car.

BERNSTORFF'S WELL OF GOLD IS LOCATED IN DEUTSCHES BANK

Inexhaustible Millions For Germany's Propaganda Work Came From This Source—Much of It Paid to Americans—Bolo Pasha and His Intrigues Are Now Under Investigation by Federal Authorities—Many May Be Implicated

New York, Oct. 4.—The well of gold from which German Ambassador Bernstorff drew apparently inexhaustible millions for Germany's propaganda work here and abroad, is believed by New York legal authorities to have been located at last.

In statements to the United Press today, the authorities indicated that trace had been found of a pouring out of literally millions of dollars—much of it to Americans—on Count von Bernstorff's orders through the Deutsches bank. Hugo Schmidt, prominent German banker here, and head of the Deutsches bank, first mentioned through Bolo Pasha intrigues, is to be examined by those probing the case this afternoon.

"Millions upon millions of dollars and securities have passed through the Deutsches bank," said Perley Morse, expert accountant entrusted with investigation of the Bolo Pasha and other intrigues.

"If the source and destination of these sums and securities became known, the information would no doubt be valuable for the apprehension of many men closely connected with Germany."

The widest possible search for just this information is now under way by New York authorities. Officials indicated today that the new government in quistorial powers conferred in the trading with the enemy act might be turned over for the president exclusively toward running down the "leads" already uncovered in the Deutsches bank.

"A thorough investigation of the books and dealings of the Deutsches bank and the activity of Hugo Schmidt offers an unlimited field for the United States authorities which has not been exploited," said Attorney General Lewis of New York today. Lewis has been specifically entrusted with the preliminary investigation by the state and the government, as well as by the French ambassador, who is interested in the matter because of the complicity of Bolo Pasha.

"Investigation Searching
"We are leaving no stones unturned," Albert Becker, deputy attorney general, told the United Press, "to uncover the whole matter and have found many crossing trails. A report of all information we obtain regarding other financial transactions of a suspicious character is being made directly to Washington. It was not definitely disclosed today whether Attorney General Lewis has been authorized to go further than investigate the Bolo Pasha intrigues, which he formally disclosed last night. This showed that Bernstorff, through financial transfers, cleverly cloaked through the Deutsches bank, had paid Bolo Pasha nearly \$1,800,000 for influencing the French press."

"The system of German propaganda needed a strong financial backing," Perley Morse said. "The best way of tracing the whole scheme in my mind, is through the money end."

What makes the investigation of immediate and prime importance as a war measure is the belief hinted at by officials today that Bernstorff was only one of active heads of the German espionage and propaganda system. Through full investigation, it is hoped that other agents may be unearthed.

French Kept Informed
Attorney General Lewis is examining many witnesses at his headquarters in the Murray Hill hotel. Some of this testimony is directly in line with the Bolo Pasha case and is being transmitted to the French government for use against the Levantine agent, now held in strict custody at Paris. Other witnesses, it became known, are being cross examined for the purpose of eliciting information of all the Deutsches bank transactions. Among those of the latter class who were expected to be examined was Hugo Schmidt himself. Lewis refused to say what Schmidt would be questioned about. Other officials today pointed out that the selection of a banking institution as the fountain of German gold from which streams were to be diverted for propaganda was exceedingly clever, because behind the screen of the bank's heavy business the trail would be lost.

Star Pitcher In Camp
Camp Lewis, Tacoma, Wash., Oct. 4.—"Say bo, have you got a lump of good butter and a spoonful of sugar on you?"

This is the way Eddie Klein, one time shining light of the St. Louis National league team and pitcher on the Seattle and Tacoma nines greeted a visitor yesterday. Klein is now Private Klein, headquarters company.

Eddie sure misses his little old "three times a day at the best hotel." "If they would only give me some butter I wouldn't mind it so much," he said, "but I don't like bread without something to make it go down easy."

Eddie is playing a lot of baseball, although he has been forced to lay off for the last few days because of a sore arm due to the inoculation for typhoid the men of his company received this week.

He says he likes army life well enough, having the fact that there are only three mail deliveries a day and no butter on the bread.

His mail, according to his bunk mates, mostly comes in scented envelopes and is delivered by the bucket.

Heart Is Implicated
New York, Oct. 4.—Former German Ambassador Bernstorff's whole corruption fund may be revealed in investigations under way in New York today

Wireless Messages Show Berlin Foreign Office Was Sending Money to America
New York, Oct. 4.—The unlimited flow of gold with which Ambassador Bernstorff carried on his propaganda and intrigue against the United States which America and Germany were still at peace, was revealed this afternoon as having its source direct from the Berlin foreign office.

This revelation came direct on the heels of disclosures which showed how Bolo Pasha, now imprisoned in France as a traitor, came to this country to carry on his work of influencing newspapers in behalf of Germany.

Hugo Schmidt, resident agent of the Deutsches bank of Berlin, appeared before Attorney General Lewis of New York state in response to a subpoena this afternoon and turned over to him copies of wireless messages he had exchanged with the bank in Berlin. These messages showed the code for Bernstorff was "Charles Gledhill."

The code for the Guaranty Trust company of New York, where some of the German funds were deposited, was "Fred Hoomen."

Another code designated the Berlin foreign office. It was "William Foxley." The first message surrendered by Schmidt was one sent via Sayville by him to the bank in Berlin, dated March 11, 1916. The message said:

"Communicate with William Foxley and telegraph whether he has placed money my disposal for Charles Gledhill."

The answer, dated March 13, said: "Replying your cable, Gledhill, Fred"

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