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ME FOR THE
BALMY SOUTH

FORTIETH YEAR—NO. 307

SALEM, OREGON, WEDNESDAY, DECEMBER 26, 1917

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DESPERATE EFFORT IS MADE BY TEUTONS TO BREAK ITALIAN LINE

Winter's Approach Forces German's Supreme Effort to Break Through—They Realize It Must Be Done Now or Be Delayed Until Spring—Snow Begins to Hamper Getting Supplies to the Front—Fighting Is Desperate and Has Continued Since Saturday—Battle Today Is Culminating

By Henry Wood,

(United Press Staff Correspondent.)

With the French Armies in Italy, Dec. 26.—The Teutons are making their last supreme effort to reach the Venetian plains today before winter irrevocably checks all operations.

Since Saturday General Conrad's Austrians have been battering unceasingly against the Italian lines. It is confidently expected his assault, west of the Brenta, will be followed quickly by new assaults by Generals Krauss and Buelow, east of the same river—particularly around Monte Grappa, where the Austro-Germans are now freshly concentrating.

The battle as thus developing will decide whether the Italians will be able to maintain their present positions until spring. Snow and ice are already checking offensive possibilities through all the mountain region. The winter, nevertheless, continues unseasonably open. As yet there is no sign of heavy snow having fallen in the mountains. Yet these passes are gradually being covered with a mantle sufficient within a week or ten days more to check the enemy's operations.

Already snowfall has curtailed the bringing up of food to such an extent that the enemy has been forced to substitute for massed attacks the drive of special troops, carrying emergency rations. These forces fight until relieved by others like themselves carrying equipment for four days' service.

The fighting today is the culminating, decisive stroke of the past two months' operations. The credit to date is with the Italians in the struggle. Enemy prisoners unanimously declare the vigorous Italian resistance has already forced the Teuton staffs to abandon their original plan to establish a military and political front from Trent to Venice. They are contenting themselves now with the mere hope of reaching the Venetian plains before a defeat—and by defeat they mean the necessity of a winter campaign in the ice and snow covered summits of the Alps.

The allies are determined not to permit the Austro-Germans even to touch the dominating summits of Asiago and Grappa. The Austro-German decision to accept their present front for the winter has been further indicated by their feverish fortification of the Piave into a permanent front while all offensive efforts are concentrated against Grappa, to improve permanent positions there.

The resistance of the Italian first army at Asiago equals that exhibited by the fourth army in its re-capture of Assone last week. These two examples of splendid courage and fighting ability have allied officers the highest hopes of the Italians' ability to pin down the enemy to his present positions.

But even should the Austro-Germans succeed in descending to the plains from the mountains, they will find themselves faced by divisions seeking for an opportunity to smash the enemy back to his mountain fastnesses.

The tenacity of the Teutonic assault against Monte Grappa resembles strikingly the German assault on Verdun. German prisoners declared this to be explained in the German staff's opinion that Grappa constitutes the "Achilles heel" of Italy, at which, next spring, the Austro-Germans hope to deliver a fatal drive.

Austrians Hold Gaps
With the Italian Armies, Dec. 26.—Pierce fighting between Buza and Monte Valbella was in progress today. Despite violent Italian attacks, the enemy at fearful cost still held the two thirds of a mile gain achieved Monday.

The enemy's advance was made possible by an immense concentration of enemy artillery of all calibers, which smashed the Italian front lines. The Austrians managed to pinch off a tiny salient, the apex of which was at Monte Valbella. On the next attack the enemy consolidated his position.

Around Monte Grappa the enemy tried an attack timed to coincide with the Valbella assault, but failed to gain.

On the lower Piave, the Austrians vainly endeavored to fraternize, but

TO TAKE OVER THE RAILROADS NEXT JANUARY

Washington, Dec. 26.—Government operation of the country's railroads probably under the direction of William G. McAdoo, now secretary of the treasury, will begin early in January.

A few legal and financial problems, not yet finally disposed of, are holding up President Wilson's announcement of this new war step—the most revolutionary yet taken by the government.

The president is confident that his plan, including the compensation to be fixed for the railroads, will meet with the approval of the railroad heads.

Wage questions pending with employees—one of the biggest problems before the government in its giant scheme will be taken up at a conference with railroad chiefs and their legal advisers at the White House tomorrow.

The president is sufficiently empowered by the act of congress of August 29, 1916, to assume control immediately, although there will be legislative adjustments necessary later, it is said. The act under which he will move provides:

"The president, in time of war, is empowered through the secretary of war to take possession and assume control of any system or systems of transportation for the transportation of troops, war materials and equipment or for other purposes."

Owing to the big financial considerations involved, high officials declared today Secretary McAdoo is regarded certain to be the president's choice because of his knowledge of the financial situation and possibility that he might prevent any financial distur-

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PRUSIAN HOSPITALITY

HIGHEST AGENT OF GERMAN SECRET SERVICE IS WOMAN

Arrest of Schulenberg and Examination of Papers Shows Identity

AMAZING REVELATIONS MADE BY DOCUMENTS

Woman Has Been at Head of Spy System Ever Since War Started

San Francisco, Dec. 26.—A woman spy, identified by Wilhelmstrasse as one of the highest agents in the German secret service, directed the movements of Franz Schulenberg, "master spy" who is held by the federal authorities here, according to an announcement today. The announcement followed admission by the authorities that Schulenberg had made a partial statement.

The woman, who signed her directions to Schulenberg with the single initial "H" is declared to have been in San Francisco December 8. When Schulenberg was arrested in Santa Cruz on that date, he was on his way to this city to confer with her.

Amazing revelations were made when federal agents began an examination of documents seized on Schulenberg when he was arrested. These showed that the woman, whose identity is said to be known to the government, directed Schulenberg's movements from the summer of 1914 until he was arrested. She first began her directions from Berlin, but later came to this country and has been in San Francisco or other California points for a year. Secret service agents are seeking her in all parts of the country.

It is understood that the Schulenberg documents have dovetailed exactly with other documents seized by federal agents when the New York offices of Wolf Von Igel were raided.

Now Directs Spies
Federal agents believe this same woman is now virtually the directing head of all German spies now operating in this country. She is said to be pretty, about 35 years old, with "snapping black eyes" and garbs herself fashionably. She is declared to have been associated with Franz Von Pappen, German naval attaché before his deportation, and to have been seen, after he was deported, with a man believed to have succeeded Von Pappen as German secret service chief

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THREATS OF GENERAL UPRISING IN AMERICA MADE BY I. W. W. GANG

Anarchists Think They Can Overthrow Government—Are Closely Watched

Washington, Dec. 26.—Threats of a general uprising of ultra-radicals in America are in the hands of this government. That any Bolshevism will be stamped out if it attempts to thwart government war work was officially declared today.

I. W. W. and other revolutionists in this country are under strictest surveillance. Any move to carry out designs on the solidarity of the American people at this time will be dealt with strenuously.

Since the advent of the Lenin-Trotsky regime in Russia, frequent utterances of these leaders has indicated their confidence in ability to stir up a world wide movement against existing government.

Arrival of the Bolshevik ship Shilka at a Pacific port has accentuated government watchfulness. Arms and ammunition found aboard the vessel are believed to have been for agit-

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Abe Martin



Life Bud was askin' this mornin': "Did y' Hooverize yisterdy?" Billy Mook says a fish diet may do for bunchees, but fer her claims "is it!" Charlie Berber sed just as he "went over th' top", "does anybody want t' fight?" "Ah wright."

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COAL PRODUCTION BREAKS RECORDS BUT SUPPLY SHORT

Fifty Million Tons More Bituminous—16 Per Cent More Anthracite

STILL THE SHORTAGE IS ABOVE 50,000,000 TONS

Fuel Administrator Lays Blame On Railroads—Says No More Suffering

Washington, Dec. 26.—A coal shortage of fifty million tons for 1917 in the face of the greatest production of any year in the country's history has been caused by war demands, Fuel Administrator H. A. Garfield told the senate investigating committee today.

"Bituminous coal production shows an increase of ten per cent over 1916, while anthracite shows an increase of 16 per cent," said Garfield.

"The increased production of bituminous coal is fifty million tons, but this is only half enough. Munitions factories in southern New England are being greatly hampered by shortage of bituminous coal."

"The anthracite coal situation is fairly good now," Garfield said.

"How have you tried to increase production?" asked Senator Kenyon.

"By placing the emphasis on production, not price," replied Garfield.

"Do you believe the operators have made big profits by this campaign?" asked Kenyon, who, in Chairman Reed's absence, questioned Garfield.

"I hardly see how to stimulate production without allowing these profits," the fuel administrator head replied.

Increases above the president's fixed coal prices have been granted 41 operators by the fuel administration to stimulate production, Garfield said.

"These are mostly small mines which would not be allowed to operate without the increased price," he explained.

"I suppose you have placed the government's interests first," said Kenyon.

"In this severe weather I have considered the consumer first, for with a dissatisfied people the government can accomplish nothing," was Garfield's reply.

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WILL NOT BE ABLE TO RETAIN POWER WHEN PEACE MADE

Bolsheviki Minister Vorovsky Realizes Government Must Fall

WILL NEVER CONCLUDE UNDEMOCRATIC PEACE

Claim Made Black Sea Fleet Is Supporting Trotsky Faction

By Joseph Staplen

(United Press staff correspondent)
Stockholm, Dec. 26.—Frank belief that the Bolsheviki regime will not be able to retain its grip on Russia after forcing through a separate peace with Germany, was expressed by Bolsheviki Minister Vorovsky today.

"The Bolsheviki will never conclude an undemocratic peace," he told the United Press. "The war will be continued if Germany insists on a policy of annexations. We still hope that general peace negotiations will be possible. We will fight defensively until a general democratic peace is achieved."

"I admit we do not intend and will be unable to remain in power until after peace."

Vorovsky flatly denied reports that German agents were in Petrograd financing the Bolsheviki.

"The Bolsheviki did not need German money," he declared. "We are printing all that is necessary."

Arrivals from Petrograd today reported a strong monarchist movement developing in the Russian capital, supported by some cadets and German agents.

Negotiations Suspended

London, Dec. 26.—Russian-German peace negotiations have been suspended pending consultation by German delegates with their government on Russia's terms, according to Petrograd dispatches printed by the Times today.

The Russian delegates, it was stated, are returning from Brest Litovsk to Petrograd.

Two commissions to negotiate peace will shortly be formed, the Times correspondent asserted, one to meet at Petrograd and the other at Odessa. Both will consider purely military aspects of the situation. A third will shortly be appointed to prepare for a prospective European peace conference.

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War Correspondent Tells of Peace and How "Old" Santa Claus" Wore Khaki

Americans Were Real Santas to Thousands of French Children

By J. W. Pagler

(United Press Staff Correspondent)
With the American Army in France, Dec. 26.—Christmas Day, 1917—An American Christmas in France, a merry Christmas, a Christmas full of such creature comforts as food, tobacco, candy and presents, but just the same a Christmas every man in America's army was glad to put behind him today. There was many a firm-jawed American fighting man over there in France whose thoughts went roaming back over the submarine-infested seas to "home folks" and a home Christmas—and who took a new resolve to do this job of democratizing the world in the most businesslike fashion.

It would require a modern day Santa Claus with an exceedingly busy span of reindeer and highly trained reportorial instincts to tell of the Christmas Day spent by every American unit now in France. The best the United Press correspondent can do is to give those back home this series of pictures of Christmas Day in France:

A giant Sammie sentry sending in the snow outside a quaint village hotel, giving pennies to three little French refugee children, who had just finished singing a real homey, Christmas carol. An expert on languages might—just might—translate his remarks to the youngsters to the effect that they'd better run along home and see what the American Santa Claus had put in their stockings that morning.

Downstairs in a roughly finished hotel dining room, a dozen Sammies have dragged an ancient tinny piano. They were clustered around singing "Holy Night". An ex-member of the Minneap-

olis Symphony Orchestra was the pianist. One hundred and fifty officers banqueting in a barrack like structure down one village street—singing the immortal—"F-o-o-r-t it's Always fair Weather." The singing to a critical ear sounded just a bit flat and unenthusiastic.

The 150 were plainly thinking of wives, children and sweethearts back home and trying to camouflage.

Y. M. C. A. barracks—anyone of a dozen, rather serious faced men tearing seals on Christmas packages, reading over and over letters from mother— "God bless you and bring you back to us."

Dozens of snowblanketed villages, like the little town of Bethchem, nestling in the valleys—and many Americans, billeted in stables, sleeping themselves in the managers.

Tobacco and Candy.
An American hospital—sick and wounded receiving bountifully from the Red Cross—tobacco, candy—sometimes the recipient was sternly forbidden to eat—and plenty of presents from home folks.

Thousands of little French refugee children, who learned of Santa Claus for the first time and got that immeasurable thrill that comes with the opening of queerly bulging stockings. Thousands more who learned all about Christmas trees and who treasured all through the day the wonderful toys and candy which moist-eyed Sammies getting ready to fight the boche had bought for them. Plenty of turkey and trimmings everywhere—even to thousands of American railway engineers, strung from close to the front to the seaport.

The United Press correspondent is writing this close to the point where the Minneapolis symphony man is tearing merrily out of the jangling wires of that resurrected piano. The "bunch"

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