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TODAY'S WEATHER
Oregon: Tonight and Sunday fair; moderate southerly winds.
THE MOVIES WILL SUIT ME TODAY

FORTY-FIRST YEAR— NO. 5 SALEM, OREGON, SATURDAY, JANUARY 5, 1918 PRICE TWO CENTS ON TRAINS AND NEWS STANDS—FIVE CENTS

PREMIER LLOYD-GEORGE TELLS WHAT HIS AIMS OF ALLIED NATIONS ARE

In Address to British Laborite "Man Power" Conference Today Principles Involved in Struggle Are Stated in No Uncertain Words—Sanctity of the Treaty—Territorial Settlements Based on Consent of Governed—International Organization to Limit Burden of War Armaments—These Are the Three Cardinal Principles

By Ed. L. Keen,
(United Press Staff Correspondent.)
London, Jan. 5.—Britain's answer to Count Czernin's terms of peace for the Central Powers was emphatically announced to the world today by Premier Lloyd-George in a speech at the British Laborite "man power" conference.

The British premier laid down three cardinal principles on which Britain—and the allies—would be willing to talk of peace.

"Before permanent peace can come," the prime minister declared impressively, "three conditions must be fulfilled.

"First: The sanctity of the treaty must be re-established.

"Second: There must be territorial settlements based on the consent of those governed.

"Third, and last: There must be created some international organization to limit the burden of armaments and diminish the probability of war."

The British premier went into detail to outline forcefully, pointed and clearly, every one of the aspirations of the forces of democracy.

He held Britain and her allies are fighting:

Not for the destruction or disruption of Germany.

Not to destroy Austria-Hungary or Turkey.

Not merely to alter or destroy the imperial constitution of Germany.

Not to take Turkey's lands that are predominantly Turkish from them.

But for these principles:

First—Complete restoration of Belgium.

Two—Reparation as far as possible for devastated towns and cities.

Three—Neutralization and nationalization of the Danubies.

Four—"Reconsideration" of the "great wrong" done to France in 1871—referring to Alsace-Lorraine.

Five—Establishment of an independent Poland—comprising all genuinely Polish elements because this is necessary to the stability of western Europe.

Six—Arabia, Armenia, Mesopotamia, Syria, Palestine—all entitled to separate national conditions.

Seven—Of Russia, the British statesmen left the future to the decision of the Russians themselves.

Eight—Inhabitants of African colonies to be placed under an administration acceptable to themselves for the purpose of preventing exploitation for the benefit of European capitalists and of European governments.

"We will stand by the French democracy to the death," Lloyd-George declared.

"We demand reconsideration of the great wrong of 1871.

"It is difficult to speak of Russia without suspension of judgment, Russia can only be saved by her own people.

"An independent Poland, comprising all the genuinely Polish elements, is absolutely necessary to the stability of western Europe.

"The Danubians should be neutralized and internationalized.

"Arabia, Armenia, Mesopotamia, Syria and Palestine are entitled to recognition and separate national conditions. What from each shall take it is not necessary to discuss here.

"The governing conditions in Africa is that the inhabitants shall be placed under an administration acceptable to themselves—for the purpose of preventing their exploitation for the benefit of European capitalists and of European governments."

"It has been a year since President Wilson asked the belligerents why they were fighting," Lloyd-George continued. "The Central Powers have not yet replied."

The premier pointed out Germany's repudiation of reparation, as contained in the Czernin statement. He added that Belgium's autonomy was subject to the nations leaving Turkey to decide the fate of the Arabs, Armenians and Syrians, while the Central Powers were demanding the restoration of their African colonies.

"All principles of self-determination here vanish into thin air," he asserted emphatically. "The allies' requirements are:

RUSSIA'S ACTION PLACES GERMANY IN BAD POSITION

Central Powers Are Said To Be Between Devil and Deep Blue Sea

NEXT STEP TO BE TAKEN ONE OF UNCERTAINTY

German Peace Delegates Surprised To Find Russians Are Absent

By Webb Miller,
(United Press Staff Correspondent.)
London, Jan. 5.—The Russian Bolsheviks have put the imperial German government between the "devil and the deep sea," in the universal view here today.

Germany's next effort to avoid one or the other contingency will be some "additional concessions" in her peace terms in a desperate effort to prevent final and complete breaking off in the negotiations.

Amicable relations with Russia are vitally necessary for the kaiser's empire after the war. Opportunities for economic penetration to restore the Teutonic commercial position is imperative—and particularly with Russia. In the view of observers here, it is almost more important than any eastern conquests.

The German leaders, facing this necessity, are nevertheless apprehensive lest the Bolshevik government may not "stand up."

On the other hand, they are afraid to loose the bird in hand conquests their armies have already grabbed, while there is a chance of catching, "also," the whole "flock."

Evidences multiplied today also that the internal situation in Germany is worrying the imperial government leaders. The pan-Germans are insistently demanding that all conquests be retained.

The liberals and socialists are just as determined that all be given up. The situation in the reichstag is such that it offers the first chance for a trial of strength between the annexationists and the democrats.

The reichstag is at present in recess, but dispatches received by way of Amsterdam report a strong demand in Germany for immediate summoning of

NEW ENGLAND IS NOW MAKING SHOES FOR MILLIONS OF SOLDIERS

Contracts For Over Twenty-One Millions Pairs Are Let by Government

Boston, Mass., Jan. 5.—New England, the center of the nation's shoe industry, was leading today in the tremendous task of putting the army and navy on their feet—making shoes for our fighting men.

Government contracts for 21,000,000 pairs of army and navy shoes have been awarded in New England alone and the greater part of these orders are held by Massachusetts firms.

If the shoes under contract were laid end to end, they would reach from San Francisco to Australia, a distance of 8,500 miles.

The price Uncle Sam will pay for the shoes is between \$4.50 and \$4.90 a pair.

Big plants have added to their equipment and practically all are working 24 hours a day, the shifts being broken up into eight hour periods. Close to 20,000 shoe workers are engaged in the Brockton district alone.

Although thousands of pairs of shoes are leaving the factories daily, the output will reach an unprecedented height in the early months of the year, when many of the contracts call for delivery.

The leather upon which the comfort and, to a great extent, the efficiency of the nation's fighting men depend, of a high grade and the work of making the shoes is carried out under strict supervision. Military men agree that next to guns and food, well made and comfortable shoes are of the greatest importance to the army.

The Church Hill Ltd. Alden company of Brockton have contracts for 178,000 pairs of marching shoes, while other firms have proportional large orders. The M. A. Fessenden company have orders for 100,000 pairs.

Three firms in the Brockton district have contracts to supply a total of 150,000 pairs of navy shoes.



THE GOD OF THE HOHENZOLLERNS "An Unconditional and Avowed Ally."

SENATOR JOHNSON FOR GOVERNMENT OWNED RAILROADS

Fight Is Begun to Prevent Railroads Returning to Private Control

By I. C. Martin
(United Press Staff Correspondent.)
Washington, Jan. 5.—Government ownership advocates, headed by Senator Johnson of California, began their fight in congress today to prevent the return of the railroads to private interests.

Simultaneously Senator Smoot of Utah, completed for introduction a radical revenue bill, embodying all the principles of wealth conscription, fathered by the Johnson-Borah progressives at the last session.

Senator Johnson sounded the government ownership keynote when he said if the people are to foot the bills for railroad improvements, they should own the lines permanently.

All through the coming battle over rail control legislation asked by President Wilson, government ownership advocates will sound this slogan: "If the people's money goes into the railroads, the only way to get it back will be to take the roads for the people."

Cummins, Keaton, Borah and Hollis in the senate, and Keating, Doremus and Fess in the house are among those who will be found in the front line in the fight.

Legislators were busy today analyzing the administration railroad bill which senate and house committees take up Monday. On every hand predictions were made of a warm fight over the appropriation of half a billion dollars for new equipment and purchase of railroad securities.

Director General McAdoo will be called before the house interstate commerce committee next week to explain the workings of the administration's proposed legislation.

Members of the interstate commerce commission will be questioned concerning the proposed compensation plan.

Monday the senate interstate commerce committee will hear the railroad executives but this is expected to be largely a resume of the railroads' efforts to unify the systems.

But administration leaders in both houses are determined the hearings shall not delay the legislation. Leaders in the house are refusing to state their position on government ownership, claiming that the problem now is to give sufficient legislation to make federal control a success. Chairman Sims and Majority Leader Kitchin believe the government ownership question should be settled after the government

RUSSIAN LABORING MEN HAVE CLEVERLY OUTWITTED THE GERMAN DIPLOMATS

Note—William G. Shepherd, United Press correspondent, recently returned from Russia and by reason of his service particularly qualified to analyze the situation there, today wrote the following story for the United Press.

By William G. Shepherd
(United Press staff correspondent.)
Ashville, N. C., Jan. 5.—The laboring man's government of Russia has outmaneuvered the autocratic government of Germany in the Great-Litovsk peace parleys.

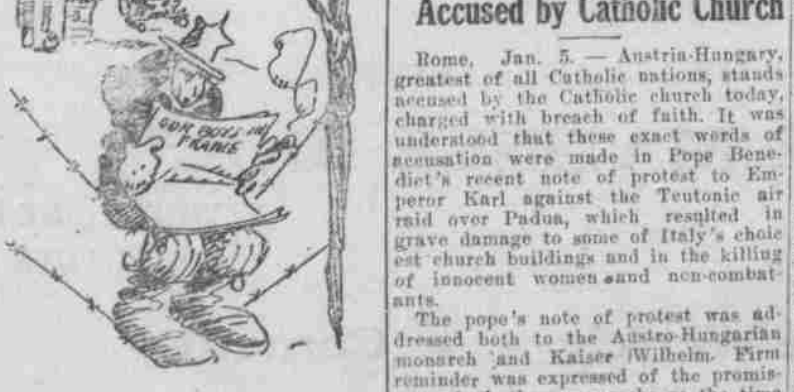
It has put the kaiser in the position of trying to carry water on both shoulders.

Unwittingly or not, Trotsky and Lenin are just at this time working exactly in line with America in President Wilson's plans to encourage the German people to throw off the yoke of their autocratic masters.

Russia's peace talk is poisoning Germany. It is a poison gas that the Germans first used after the Russian revolution that is now being blown back on them. The Russians are showing to the German democracy that German autocracy is deceiving it. They have shown that the kaiser is not on the square.

Trotsky and Lenin had the ambitious idea—going beyond President

Abe Martin



A new bunch o' bananas wuz unveiled at th' Little Gem restaurant t'day. One o' th' most uncertain things in this uncertain life seems t' be th' correct pronunciation o' cantonment.

GIANTS SPARRING FOR OPENING TO LAND A KNOCKOUT

World War Leaders Are Likened to Contenders For Prize Ring Honors

IN FORTY-SECOND ROUND OPPONENTS ARE CLINCHED

Germans Give Notice Daily That Great Drive On West Front Is Coming

By William Philip Summs
(United Press staff correspondent.)
London, Jan. 5.—Like heavyweights in the final rounds of a finish fight, the British and German armies during the first few days of this new year have returned to mutual sparring, watching for a lead.

Counting "time" monthly, the giant scrappers today are in their forty-second round. Both are clinched. They are easing up after the terrible blows in recent onslaughts.

The war zone is still snowbound. The trenches are locked in ice, the gullies as hard as granite. Fragments of frozen earth sprayed by exploding shells are as deadly as slivers of the bursting shells themselves.

Despite this sort of weather, the enemy is unusually busy in small enterprises. On our side, we have launched more than a dozen raids, big and little, since New Year's day, all the way from Ypres to St. Quentin.

Simultaneously, the German armies are attempting a ceaseless watch over a sky the color of an iceberg. The patrol men's the Prussian high command is straining every faculty to get posted as to British movements.

Meantime the British know surely that fresh divisions continue to arrive on the west front to aid the enemy. They come principally from Russia. There are more enemy troops on this front now than at any time since the war—and the German ranks are steadily increasing.

There is reason to believe these German troops are in better spirit than at any time since the Marne. The collapse of Russia and the Teutonic advance in Italy has visibly bucked up the waning courage of the enemy.

Stories that Germany is trumpeting for a great blow on the west front continue to filter behind the British lines through the declarations of German prisoners. But all signs impression that something is off color inside of kaiserdom, making peace in any way, by any fashion, during 1918 imperative for the militarists.

If the present peace plot fails, the British fighters expect Germany to turn loose her best mighty punch at her earliest convenience on the west front—at a time before America's fighting forces can count as a factor in the battle. This is probably the stem winder with all of Germany's hopes of the present and future pinned on it.

Forewarned and forearmed Tommies wear an air of grim certitude these days—perfectly confident of their ability to block anything Hindenburg can put across regardless of the amount of steam behind it.

Only Small Raids
London, Jan. 5.—Fading operations were all the fighting activity reported today by Field Marshal Haig.

"In the neighborhood of Hellebeke," he said, "the enemy attempted a raid at night and was repulsed without loss to us. East of Zonnebeke one of our posts was rushed. A few of our men are missing."

Aviators Drop Bombs
London, Jan. 5.—Numerous bombs were dropped by British flyers on sheds and buildings of enemy aerodromes at Ghistelles yesterday, an admiralty statement announced today.

Artillery Is Active
Rome, Jan. 5.—Artillery and aircraft activity was all the Italian official statement had to report today.

NORTHWEST SHEEP SHORT
Portland, Or., Jan. 5.—A striking proof of the sheep shortage in the Pacific northwest was given today when six carloads of sheep arrived from Nebraska, consigned to Frye & Company, Seattle commission men, for thousands of sheep from this section were sold in recent months to Nebraska and other middle western ranchers who were cleaned out by demands from abroad.

Joseph E. Howard of Vandeville fame, has the following questions to ask of grammarians: Whether a hen sets or sits, and also, when she cackles, has she laid or li'd?