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# The Daily Capital Journal

TODAY'S WEATHER  
Oregon: Tonight and Wednesday fair.  
THE OLD LIP NEEDS CLEANING

FORTY-FIRST YEAR—NO. 154 SALEM, OREGON, TUESDAY, JULY 2, 1918 FIVE CENTS ON TRAINS AND NEWS STANDS—FIVE CENTS

## GERMAN SUPPLY CENTER RENDERED USELESS BY AMERICAN ADVANCE—ROAD FROM MARNE TO AISNE IS CUT

### CAPTURE OF VAUX CRIPPLES GERMAN COMMUNICATION

Americans and French Now Dominate Important Railway

Attack was Planned to Smallest Detail

Obtained Their Objective and Captured Vaux 23 Minutes After Start

### Will Celebrate Fourth by Many Launchings

Washington, July 2.—The Bethlehem Union plant at San Francisco will launch eight of the fourteen new destroyers to take to the water July 4, the navy department announced today. The Newport News Shipbuilding and Drydock company will contribute three; William Cramp and Sons company, Philadelphia, two, and the Fore River Shipbuilding company, one.

Chicago, July 2.—Part of America's big ship launching splash of July Fourth will be contributed by the Great Lakes district, shipbuilders announced today. At various lake ports a total of 14 steel ships will slide down the ways. Three more are nearly complete. Tonnage in all cases is under five thousand tons.

### Pershing Reports 8 Killed In Action—Casualty List 81

Of These 48 Are Wounded Slightly—Total Death List 19

Washington, July 2.—General Pershing today reported eighty one casualties, divided as follows:

Killed in action, 8; died of wounds, 10; died of disease, one; severely wounded, 48; wounded slightly, 2; wounded, degree undetermined, 2; missing in action, 10.

The list follows:

Killed in action: Lieutenants J. J. Brewer, Bristol, Tenn.; G. Bredwood, Baltimore, Md.; Wagoner F. J. Hatcher, Milvale, Pa.; Privates G. W. Earis, Corbin, Ky.; J. A. Jordan, Eby, Ky.; F. C. McDermott, Portals, N. M.; R. C. Naegle, Philadelphia; G. D. O'Neil, Jr., Reno, Nev.

Died of wounds: Lieutenants G. P. Gustafson, Sycamore, Ill.; G. D. Jackson, Kingwood, W. Va.; Sergeant S. C. Ostrowski, South Chicago, Ill.

Privates K. Adach, Schneetady, N. Y.; E. E. Baird, North Aspeka, Kan.; J. D. Clarke, Rockland, Texas; B. B. Hatelson, McRae, Ga.; A. H. Waller, South Norwalk, Conn.; C. Wheatley, Bunker Hill, Kan.; W. Yan, Three Rivers, Miss.

Died of disease: Private L. T. Shortridge, Kenmare, N. D.

The wounded severely included: Sergeants N. F. Berg, Chicago; B. H. Lewis, Centralia, Ill.; Corporal R. C. Robinson, Rawlins, Wyo.

Privates K. B. Copenhaver, Lytle, Mont.; E. D. Drago, Basin, Wyo.; H. S. Funk, Liberal, Kan.; P. Hanka, Chicago; E. Horton, Cincinnati, Ohio.

### VON HINDENBURG IS GIVEN HARD BLOW IN LOSS OF POSITIONS

Main Highway for Supplies Is Now Dominated by Americans

By J. W. T. Mason (United Press staff expert)

New York, July 2.—The brilliant American advance west of Chateau-Thierry last night has destroyed Chateau-Thierry's usefulness to the Germans as a supply center for Von Hindenburg's army of the Marne.

The capture of Vaux puts American artillery within a range of two miles of the Chateau-Thierry railway station. This is the most important terminus the Germans hitherto have possessed for their line of communications running from the Marne to the Aisne. It will be impossible for Hindenburg hereafter to use this station. The Americans now dominate it completely.

Chateau-Thierry's own safety is seriously menaced by the American advance. The German positions at Vaux were exceptionally strong, because Vaux guards the main highway running into Chateau-Thierry from the west. The Americans now control this road. The capture of Hill 204 which apparently has been made by united Franco-American forces, doubly assures the safety of the Americans on the Vaux road. Hill 204 is midway between Vaux and Chateau-Thierry, dominating the Vaux road from the southern flank.

There are no remaining strongholds protecting Chateau-Thierry from the west. The defense of Chateau-Thierry henceforth must occur within the immediate environs of the town itself. The town may fall to the Americans at the next assault.

The new American exploit inspires the effectiveness of the American system of training. The method of as-

### HUNS DELIBERATELY TORPEDO HOSPITAL SHIP 234 MISSING

Evidently U-Boat Had Message. Telling of Ships Movements

London, July 2.—Two hundred and thirty four members of the crew and medical complement of the Canadian hospital ship Llandovery Castle, torpedoed and sunk Thursday, were still missing early today. Patrol boats and destroyers are scouring the adjacent waters in search of possible survivors.

Stories of the 24 survivors indicate that German spies, working in the United States and Canada, have telegraphic or wireless communication with Berlin. The commander of the German submarine accused Captain Sylvester, master of Llandovery Castle, with carrying eight American aviators. In reality, eight medical officers were booked to sail, but one cancelled his passage at the last moment. The survivors believe the U-boat torpedoed the hospital ship deliberately on information from America transmitted since the ship sailed.

While the survivors were clinging to rafts, the submarine plowed through the wreckage tipping over the rafts and lifeboats, throwing the victims into the water. The U-boat commander afterward explained he was searching "for the American flight officers" which he believed, or simulated to believe, were on board.

One of those subsequently rescued, a Canadian sergeant major, was in a boat containing twelve women nurses which capsized. It is believed all were lost, as none reappeared.

When the sergeant major was rescued he was dazed as the result of his treatment. Seeing the submarine come alongside, he thought it was a British craft and climbed aboard. A German sailor picked him up and threw him bodily into a lifeboat.

## Kay Asks Questions On Wood Contract Withycombe Dodges

### Says He Has Pardoned So Many Convicts There Are Not Enough Left to Cut the Wood He Has Contracted Stumpage For—Costs More to Cut Wood With Prison Than with Free Labor—Asylum Fuel Supply Is Endangered

At a meeting of the state board of control yesterday afternoon, State Treasurer Kay wanted to know why it will cost so much to get out cordwood for the state institutions with convict labor as it does with free labor. He received no satisfactory answer either from Governor Withycombe or Warden Murphy of the penitentiary.

A special meeting of the board was held to consider the matter in which the penitentiary officials have gotten themselves in connection with wood contracts.

Because of the inability of the penitentiary, apparently due to lack of efficient management, to live up to agreements made by Warden Murphy, Superintendent Steiner of the Oregon state hospital has been in hot water for fear he would not have enough fuel on hand to run his institution through the winter.

As a means of furnishing employment to convicts, the governor and Warden Murphy sought contracts to cut wood for the asylum, which uses 7000 or 8000 cords a year. The state entered into two contracts for stumpage, one providing for stumpage on the South place, on the Pratum road, and the other for stumpage on the Porter place, near Astoria.

Last fall a convict wood camp was established on the Smith place. The convicts worked all winter, and began delivering some wood at the asylum this summer. But soon Dr. Steiner saw that unless something more was done he would never receive enough wood to run him through the winter. He bought a truck and a trailer and got behind the job himself in order to get the wood out of the timber.

At the meeting of the board yesterday he told the members he had no idea what the wood was going to cost. "You thought you could deliver this wood at \$3 a cord," he said addressing Warden Murphy. "Now you have no idea what you can do. At least I

### SIBERIANS UNITE THEIR GOVERNMENTS OMSK MADE CAPITAL

Germans Have Possession of Remnant of Black Sea Fleet

By Joseph Shaplen (United Press Staff Correspondent)

Stockholm, July 2.—The dreadnaughts Volia and Demokritia and six destroyers of the Russian Black sea fleet have arrived in Sebastopol, according to semi-official dispatches from Russian sources today. Their crews were disarmed by the Germans and forced to leave the city immediately.

In the revolt at Novo-Rossisk (200 miles east of Sebastopol), the Russians blew up the dreadnaught Svobodnaya-Rossia and ten destroyers.

Persons close to the leaders of the Siberian government, inform me that Alexander Kerensky led the Siberian government in favor of re-establishment of the constituent assembly from outside the country. I am not allowed to divulge the details, but Kerensky went into Russia from Christiania with a delegation, all of whom were traveling in disguise. They visited Moscow and other centers where they conferred with aides. Afterward they all returned to a Scandinavian city.

The two Siberian governments have been melted. The eastern government, the capital of which was at Harbin, has joined with the western government and the latter's capital, Omsk, has been chosen as the constituent assembly. Members of the constituent assembly, General Chortov, betman of the Galka Cossacks, and other leaders have formed a small cabinet. Colonel Ivanoff was named commander in chief of the Czech-Slovak front.

The Czech-Slovaks from the nucleus of the Siberian army. With them are brigaded several corps of volunteers and detachments of Cossacks.

### Races at Fairgrounds On Thursday Afternoon

With the State Fair track now declared to be the fastest on the Pacific coast and in the best condition that it has been for 20 years, a number of special races are billed for the afternoon of the Fourth of July, with some of the best horses that are to compete in the Pacific Northwest circuit this year entered. The races will be under the auspices of the Oregon Driving Association, which is not connected in any way with the State Fair Board.

A free-for-all trot, free-for-all pace, 2:18 trot and 2:18 pace will make up the card. Events already are well filled. Secretary Lea states:

Lady Hal, Captain Mack, Francis J. Salem Boy, Mountain Boy, Guy Light Ora Bond, Boneray, McAlpin and Ruth are among the horses entered.

The main event of the day will be a great patriotic parade, in which more than 10,000 Americans and foreign-born Americans are expected to participate.

### THREE MILLION CANS FROM ONE SALEM FRUIT CANNERY

One Industry Alone Pays Out \$700 Daily for Help—and There Are Many Others

Three million cans of fruits will be put up this season by the Oregon Packing company and this but one of the many institutions in Salem that is paying out money for fruit. These cans vary in size from the two quart to the one gallon size.

While Salem has no shipyards, it has the greatest fruit industry in the northwest that for three or four months in the year puts as much money in circulation as several ship yards. And this year the price of everything is higher and more money is being put into circulation now than any time in the history of the city.

Labor of all kind, even the young girls who are working in the canneries are being paid \$1.00 a day more than one year ago and for the Oregon Packing Company alone, this amounts to \$250 a day more than was paid out for the same number of workers last year. The pay roll of this company now averages \$4,500 a week, and this is but one of Salem's industries in this line.

It is estimated that for the cherry crop alone this year, there will be paid out in Salem close to \$100,000, as the crop is much larger than anticipated. The war difference is about \$20,000 as the same amount of cherries now sold are bringing that much more than if sold one year ago.

The Oregon Packing company, with its 250 employees is paying out about \$700 a day for labor and has worked enough ahead to continue or even increase its working force for several weeks. Loganberries will be coming in next week and this may increase the force. Of the 250 workers, about 200 are girls.

From 50,000 to 60,000 cans of goods are being packed each day by the Oregon Packing company, and for each can there is paid 25 per cent more for the fruit than one year ago and full that per cent or more for labor compared to one year ago and this difference may be said to be the war difference, bringing that much additional money into the community.

For the cherry crop this year, fully \$40,000 will be paid into the industries in the city more than one year ago and this amount may be said to be the war difference, or advance in price of fruit and amount paid labor on account of.

### Consider Employing Chinese In America

The Salem Commercial club has under consideration the matter of taking action favoring a proposition whereby 100,000 Chinese shall be permitted to come to this country under three to five year contracts.

It has been pointed out that fully 2000 men have left Marion county and probably as many more will find work in the ship yards and in other occupations in the large cities with the result that the labor channels have been exhausted.

In favoring the admission into this country of so many Chinese, it is thought their services could be profitably used as laborers on the farms and in the development of new lands and in road building and in much of the labor that the average American will not do. The French have found the Chinese of use in road building and by some it is thought they could be of service here.

A meeting of the members of the club will be called at an early date to discuss the proposition and to gather information on the subject and to also get expressions of opinion. Should the club officially favor the admission of Chinese into this country, it would draw up resolutions asking the senators and representatives from Oregon to submit a bill to congress.

### Seven Are Arrested On Mexican Border

Nogales, Ariz., July 2.—Charged with conspiring to foment a revolution in Mexico, seven men arrested on the border by army officers will be taken to Tucson today for arraignment. Others under arrest are held at Nogales. Sonora and further arrests are expected today.

A confession said to have been made recently by a Mexican prisoner in Sonora caused the investigation. Captain A. Lipscomb, U. S. A., and department of justice officials, cooperating with Mexican officials, took up the case and thus far there have been over twenty arrests on both sides of the line. It is also reported that over 25,000 rounds of ammunition and a number of rifles have been seized by cavalrymen and deputy marshals.

Today's arrests were made at Sasabe, M. A. Collins and Thomas Haulon, Nogales business men arrested Sunday in connection with the investigation, are at liberty today under \$1,000 bonds pending a preliminary hearing Saturday.

### CABINET MEMBERS WANT GOVERNMENT TO CONTROL TELEGRAPH

Burleson Strongly Urges Government Ownership Along With Telephones

Washington, July 2.—Three cabinet members—Secretary of War Baker, Secretary of the Navy Daniels and Postmaster General Burleson—today strongly advocated permanent government ownership of telegraph and telephone lines.

They appeared before the house interstate commerce committee and urged immediate passage of the Aswell resolution calling for government control.

Each of the three put the argument on the ground that the proposed step was a military necessity and that any interruption of service would seriously hamper war preparations, even though it lasted but a few hours.

Both Baker and Daniels admitted there had been leakage in important cables and wireless messages, but declared it had not been serious and would be reduced under government control.

Postmaster General Burleson who clearly indicated that he expects the line to be placed under control of his department if they are taken over, added the argument that the government could run the lines cheaper and more efficiently than private lines. Burleson said he was against domestic censorship of messages, just as he has opposed mail censorship, and declared he never would oppose government employment unless as long as they kept free of other organizations.

### Abe Martin

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### Careless Campers Start Many Bad Fires

Medford, Or., July 2.—Southern Oregon faces one of the most disastrous forest fire seasons in its history.

With the prospect for rains after July 4 very slight, the number of fires has increased to serious proportions. That some, if not many of them, are of "pro-German" origin, is suspected by the fire fighters.

Already one devastating fire has swept 20,000 acres and is still raging in the Crater Lake region.

Campers are responsible for most of these fires. A stern warning was sent out today that those who cause forest fires through carelessness are criminally responsible this year. The new law will be enforced to the limit, said officials.

### Attorney R. L. Smith Is Seriously Injured

Lebanon, Or., July 2.—Attorney Ray L. Smith of Portland was seriously injured Sunday in an automobile accident near Lebanon, when a roadster turned over on A. M. Reeves, a merchant of Lebanon, and Smith, his son-in-law. Reeves was badly bruised, but crawled from under the car and lifted it off Smith, who otherwise would probably have died in a short time. Four upper ribs near the heart were broken. The extent of his injuries is unknown and his condition is critical.

The Reeves family was entertaining Dr. and Mrs. J. L. Walton and Mr. and Mrs. Ray L. Smith of Portland and Mr. and Mrs. C. W. Smith and daughter, Grace of Salem at a picnic near Clark's Mill.

Returning home Mr. Reeves turned out to pass a team. The car struck loose gravel and skidded into the front wheel broke off and the car turned over.

### GERMANS PREPARE DRIVE ON MURMAN COAST LINE AT KEM

40,000 Assembling at Viborg Submarines In White Sea

Washington, July 2.—Between 35,000 and 40,000 German and Finnish mercenary troops are concentrating around Viborg preparatory to what is believed by military officials here to be a drive on the Murman coast and Kola (a few score American sailors are reported to be with the British and French at Kola).

Official French cables today brought information that while the concentration was progressing, a railroad extension has been pressed forward and now connects with the Murman line at Kem, on the southwest coast of the gulf.

German submarines are already reported to be in the White sea and the seizure of Kola and Archangel as northern submarine bases in Germany's hands.

### War Summary of United Press

1429th Day of the War; 102nd Day of the Big Offensive

Marne front—The Americans last night won what may prove to be their most notable victory to date, advancing more than half a mile on a two mile front, west of Chateau-Thierry and capturing Hill 204, which dominates the Marne city. The Germans are almost certain to evacuate Chateau-Thierry, either as a result of American artillery bombardment or our next infantry assault.

In addition to capturing Hill 204, the Americans took Hill 192, the village of Vaux, Larochette wood and part of Clerambout wood. They took 450 prisoners, inflicting heavy losses on the Germans and suffered only slight casualties themselves.

French troops took prisoners in a raid east of Rheims.

Oise front—German prisoners were taken in French raids between Montdidier and Noyon.

Picardy front—A German attempt to recapture ground lost to the British northwest of Albert last Friday was repulsed.

Flanders front—British repulsed German raids on the southern portion of the front.

Lorraine front—A German biplane was shot down yesterday near Regneville, on the Toul sector.

Alsace front—German raids repulsed by the French.

France—The Germans made their sixth air raid on Paris within six days last night. No casualties or damage was reported.

Russia—The bolsheviks, through military control of the election machinery, won the elections in Petrograd. The workers voted solidly against them.

All anti-bolshevik factions in Siberia have united and are forming a huge army to oppose the soviet forces.

England—The influenza epidemic continues to spread. Schools have been closed and mines are threatened with shut down.

### COTTON YIELD BIG.

Washington, July 2.—An increase of about 4,000,000 bales of cotton this year was forecast by the department of agriculture today. Conditions of the crop June 25 was 85.8 per cent, indicating a yield per acre of 290 pounds and a total production of 15,325,000 bales.

### REVENUES \$4,000,000,000

Washington, July 2.—The United States revenue returns for the fiscal year just closed are expected to reach the unprecedented total of \$4,000,000,000.

### GERMAN SUBMARINES IN WHITE SEA

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"We don't go by Democratic time at our home. We go 't' bed an' git up when we please," said Hilford Moots 'day. Give till it quits hurtin'.