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TODAY'S WEATHER
Oregon: Tonight fair; Thursday fair and warmer; gentle westerly winds.
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FORTY-FIRST YEAR—NO. 161 SALEM, OREGON, WEDNESDAY, JULY 10, 1918 **PRICE TWO CENTS** ON TRAINS AND NEWS STANDS—FIVE CENTS

GERMAN NERVE BADLY SHAKEN GENERAL REPORTS

Von Der Marwitz, Commander On Somme, Deplores Bad Conditions

MANY SOLDIERS REFUSE TO OBEY THEIR OFFICERS

Late General Orders to Army Direct Severest Punishment of Offenders

By William Philip Simms (United Press staff correspondent)
With the British armies in France, July 10.—"Discipline, which is the keystone of our army, is seriously shaken."
General Von Der Marwitz, commander of the German second army, which holds the lines astride the Somme east of Amiens, thus begins his most recent order of the day, insisting that full punishment be dealt out to unruly spirits.
"I cannot permit commanders to take upon themselves to shield officers under-officers or men guilty of breaches of discipline and military regulations, or inflict upon them disciplinary penalties of too mild a nature."
A few days before this, Von Der Marwitz issued another order which began this way:
"Cases of soldiers openly refusing to obey orders are increasing to an alarming extent."
To Attack Americans
Washington, July 10.—"Excessive troop movements" continue in the enemy areas before American positions in France, General Pershing reported in his communique of July 9, reaching here today.
The indications of the possible gathering of Germans for a storm against the Americans were further substantiated by increased aerial activity during the last week. On July 5 and six Pershing reported "enemy airplanes flew over the American lines in great numbers in the Chateau-Thierry region."

THIRTY MILLION DOLLAR GERMAN SLUSH FUND

Department of Justice Officials May Make Other Arrests Soon

New York, July 10.—The federal grand jury investigating the activities of Dr. Edward A. Rumely, in connection with his purchase of the New York Evening Mail, today added an investigation into the alleged \$30,000,000 slush fund, which is said to have been placed in the United States by the Kaiser for propaganda.
There is some mystery attached to the manner in which Dr. Rumely was finally able to produce half. Thirty five liberty bonds, each for \$1,000, were delivered to him by his attorney about 2 o'clock yesterday. Their ownership is being kept a secret.

Other Arrests Likely

Washington, July 10.—Ramifications of Germany's "slush fund" with which she hoped to influence public opinion in the United States are being sought by government agents today as an outgrowth of the charge that the New York Evening Mail was owned by the German government.
It is broadly hinted that arrests in addition to that of Edward Rumely, publisher of the Mail, will be forthcoming soon. It has long been known that, following the sinking of the Lusitania, Germany arranged various sums of money for propaganda purposes for distribution in this country. Many of these expenditures have been traced.
The agents for others and their objectives are now being ferreted out by the justice department.
While the department worked on its investigation today, Alien Property Custodian Palmer conferred with Francis P. Gavin, head of his New York branch, and Henry L. Stoddard, one of the bond holders of the Mail, as to the future of the newspaper itself.
It was stated that some announcement would be issued by Palmer late today.

PENSION FOR WIDOW

Washington, July 9.—The house today by a vote of 228 to 7 passed the bill granting pensions to widows of the veterans of the Spanish-American war, Boxer rebellion and the Philippine insurrection.

Oregon's Quota Will Be \$45,000,000 Next Loan

Salem, Or., July 10.—Oregon's quota for the fourth liberty loan, the amount for which will start October 1, will be between \$45,000,000 and \$50,000,000, on estimates brought back to Portland by Robert E. Smith, state manager of the liberty loan campaigns, who returned here yesterday from San Francisco where he attended a conference of the twelfth federal district.
Oregon's quota last time was \$17,500,000, though the total subscribed was \$27,500,000. The vast prospective increase in the Oregon quota has already stirred bankers to contemplative action, and Mr. Smith yesterday gave out word that it would go hard with liberty loan "slackers" in October.
The Oregon quota has been arrived at after careful figuring. The total of the fourth loan will be \$8,000,000,000, it is thought, because the total of anticipatory certificates now authorized in advance of the loan is that sum.

Over Hundred Casualties Are Reported Today

Twenty-One Killed In Action and Fifteen Died of Wounds Received

Washington, July 10.—General Pershing today reported 103 casualties, divided as follows:
Killed in action 21; died of wounds 15; died of disease 4; died of accident and other causes 3; wounded severely 45; wounded slightly 1; missing in action 12; prisoners 2.
The list follows:
Killed in Action
Lieutenant W. C. Peterson, North Crystal Lake, Ill.
Sergeant J. T. Mason, Huntsville, Ala.
Corporals H. O. Diller, Pittsburg, Pa. W. P. Gallagher, Lima, Ohio C. Alexander Mohr, Jr., Hoboken, N. J.
Privates H. J. Allana, Lanare, Cal. J. J. Breton, Holyoke Mass. A. Camato, Naples, Italy F. G. Douette, Bangor, Mont. A. J. Downey, Boone Rapids, N.C. G. Dvorak, St. Louis, Mo. J. Guguzio, Italy C. E. Harris, Springfield, Ohio S. Kozinski, South Bend, Ind. E. H. Moore, Milton, Ill. D. Munroe, Scotland

PRICE FIXING IS NOT BAR TO PROFITEERING IN HOOVER'S OPINION

Finance Committees of Congress Wrestle With War Revenue Problems

By L. C. Martin (United Press Staff Correspondent)
Washington, July 10.—Governmental price fixing will never eliminate profiteering, Food Administrator Hoover declared today in a letter to Senator Sims, chairman of the senate finance committee.
Hoover urged heavy profits taxes as the only means of returning to the public money taken from them by profiteers. He declared, however, that the price fixing policy will be continued because of the shortages now existing in nearly every commodity.

MILITARISM ISSUES LAST CHALLENGE TO AMERICANISM

Von Kuehlmann's Resignation Means That Force of Arms Will Be Relied Upon

By J. W. T. Mason (United Press staff expert)
New York, July 10.—If reports of Von Kuehlmann's resignation as German foreign minister prove to be true he will have been sacrificed as a final challenge by the Kaiser and his militarists to America.
The only influence powerful enough to overthrow Von Kuehlmann would be a united demand by Von Hindenburg and Ludendorff that he be disciplined for declaring peace could not be won on the battle field. Militarism cannot survive the teaching of this doctrine in Germany. So, if the foreign minister has been thrown overboard, it is because Von Hindenburg, Ludendorff and the Kaiser have decided to attempt to save their autocratic powers by defying America on the field of battle. The fall of Von Kuehlmann

ITALIAN FORCES IN ALBANIA ARE GOING FORWARD

Broad Sweep of Allied Armies Over Forty Mile Front Reported

GERMANS REPULSED IN WEST FRONT ATTACKS

Turks Report Constantinople Bombed by Squadron of Airplanes Today

Rome, July 10.—Italian forces in Albania are still pressing forward on the forty mile front between the middle Osun river and the Adriatic, the Italian war office announced today.
They have reached the west bank of the lower and middle Semeni rivers, an advance of about 15 miles since Sunday and are progressing on both sides of the Osun.
"We have reached the west bank of the lower and middle Semeni and have extended our line eastward, occupying the heights of Tomorica," the statement said.
"We have repulsed the enemy center and are advancing astride the Osun."
The Semeni river, formed by a junction of the Devoli and Osun, flows into the Adriatic 12 miles north of the mouth of the Vojutza—the original Italian line. The course of the Semeni is in a general southwesterly direction, while that of the Vojutza is northwesterly. The greatest Italian advance between these two streams evidently is at a point where they are about fifteen miles apart.
Fieri, capture of which was announced in yesterday's Italian official statement, lies between the Semeni and the Vojutza, about eight miles from the sea.
The Osun river rises in southeastern Albania and flows northwesterly into the Semeni. It crosses the present battle lines about forty miles from the sea.
It is evident that the important city of Berat is about to be, or already has been encompassed by the Italian advance.

GERMANS REPULSED

London, July 10.—Following repulse of enemy attacks south of the Somme last night, German artillery early today began an active bombardment along the ten mile front between Villers-Bretonneux and the Ancre, Field Marshal Haig reported today.
"Local enemy attacks, following increased artillery fire last night east of Villers-Bretonneux, were repulsed," the statement said.
"Early this morning enemy artillery firing became active between Villers-Bretonneux and the Ancre."
"We conducted successful night operations in the neighborhood of Merris (in Flanders) advancing our lines a short distance and capturing prisoners and machine guns."
"A hostile raid south of Buequey was driven off yesterday."

RUSSIAN TERRORISTS ACTIVE

By Joseph Shaplen (United Press Staff Correspondent)
Stockholm, July 10.—Assassination of Ambassador Mirbach was only the first step in a plot by Russian terrorists to wipe out the whole German military clique.
Before I left Petrograd I heard of—but was unable to verify—a plot to kill Mirbach and then send terrorists

BUSINESS CENTER OF SALEM WAS ONCE A FINE SKATING POND

Charles Bagley Recalls Some Incidents of Boyhood Life In Capital City

There was a nice little pond extending from about where the Roth grocery is now located, diagonally across the street toward the Meyers' department store and then on across Court street including the present location of the Stensloff meat market. The skating was fine on this pond along in the early '60's and Court street was such a slough that a bridge was built connecting the Meyers and Stensloff corners. A. N. Moores had the time of his life skating on the Meyers corner and he well remembers the wooden bridge across Court street at the Meyers location.
Charles B. Bagley, who is with the department of public works in Seattle, was an old timer in Salem, dating his residence here from 1852 until about 1860. Regretting that he was unable to attend the Homecoming recently held \$75 a week.

LEADER OF MOVEMENT AGAINST BOLSHEVIKI



General Horvath was chief administrator of the Manchurian Railroad during the regime of Czar Nicholas. As an outspoken revolutionist he was detained by the Kerensky government after the fall of the Romanoffs. He is now the leader of the Semenov movement in Manchuria. Copyright, Underwood & Underwood.

ALLIES SCRAMBLE FOR THE PLACES IN PRESIDENT'S RUSSIAN AID EXPEDITION

All Nations Aligned Against Germany Are Anxious For Recognition

By Robert J. Bender (United Press Staff Correspondent)
Washington, July 10.—All the allies today are scrambling for generous recognition of the President's Russian aid expedition.
Russia must be united within herself. Then she must be united against the German. The armed force accompanying the mission will take the place of propaganda, which has failed because many Russians do not read.
It will be the business of the propaganda-police to exemplify and teach the aims of the enterprise to inspire the

GERMAN U-BOATS AGAIN ATTACKING AMERICAN SHIPS

Activities of Submarine Raiders Are Again Reported Along Coast

Beneficial Rainfall Noted at Some Places

New York, July 10.—German submarine activities have been resumed off the United States coast.
An American liner from Chile, arriving here today with 85 passengers and a cargo of 2,000 tons of nitrate for munitions, was attacked by a U-boat off Cape Henry, Monday night. Two torpedoes were fired without warning, both missed by a narrow margin.
The attack took place about 350 miles off the coast. Passengers believe the submarine had warning of the liner's coming with its valuable cargo and lay in wait for it. The first torpedo swished down the side of the steamer. Benito Alvarez, of Buffalo, N. Y., was one of those who saw it.
Immediately thereafter an alarm was given on the ship and passengers were hurrying to the deck when, less than a minute later, a second torpedo passed so close the stern that it barely cleared the propeller. The submarine, however, was not seen.
Through the remainder of the night the liner followed a zig-zag course.
Early yesterday morning wireless warnings were received by the captain which caused him to alter his course several times.
The liner was not camouflaged and was not armed, as it left American waters on its southward trip before the first submarine raid on this coast.

STORY OF AMERICANS AT BALLEAU WOOD IS GIVEN IN ITS DETAIL

KAISER ACCEPTS THE RESIGNATION OF FOREIGN MINISTER

Fall of Von Kuehlmann Regarded As Complete Pan-German Victory

Copenhagen, July 10.—Resignation of Foreign Minister Kuehlmann, if finally confirmed, is interpreted as a pan-German victory.
This view is strengthened by the report that Admiral Von Hantzke will succeed Kuehlmann, as he not only is close to the Kaiser, but is a friend and supporter of Admiral Von Tirpitz and Admiral Schroeder, leaders of the Belgian annexationists.
However, it is considered here that a pan-German foreign minister is not so dangerous to the allies as one of the Kuehlmann type, who masked Germany's plan of conquest under continuing peace offensives, giving allied pacifists debating material.
London newspapers devote considerable space to discussion of Von Hantzke's history. He is generally characterized as the most notorious master of intrigue in the German diplomatic service.
Von Hantzke's activities in China first brought him international notoriety. His behavior there was so scandalous that he was recalled and sent to Mexico.
He was German minister in the latter country during Huerta's regime. He was implicated in the plot to furnish Huerta with German arms during the United States embargo.
When the war broke out Von Hantzke returned to Germany, disguised as an Englishman, traveling through the United States, England and Holland. He was sent to China as minister again in 1915, traveling through the United States once more.
After China broke off diplomatic relations with Germany, Von Hantzke was sent to Christiania, where he was involved in last summer's plot in Norway to smuggle bombs to America for the purpose of blowing up allied merchantmen.

United Press Tells How One Thousand Yankee Soldiers Took Part In Clearing Strong Wooded Position of Germans--Details Are Given That Cable Dispatches Did Not Carry--Story Shows That Boys In France Are Rapidly Becoming Seasoned Veterans

The following is the first of two mail stories by Lowell Mellett which constitutes what is probably the most detailed and accurate description received in his country of the now famous battle of Belleau wood and the moves preceding it. Many surprising episodes not contained in any cabled dispatches are given in these stories, the second of which will be carried on the wires tomorrow.
By Lowell Mellett (United Press Staff Correspondent)
With the Americans on the Marne June 25.—(By Mail, passed by Censor)—Here's the story of a thousand American boys in the battle of Belleau wood (Bois Des Americains). They composed a battalion whose number cannot be given because of the censorship. Part of a brigade which cannot be named for the same reason.
May 30, they were ordered to leave Concelles (six miles southeast of Nanterre) and at five a. m. the next day they were on the road in motor trucks. An all day ride took them to Gandelu (two miles northwest of Neuilly-La-Poterie), where they arrived at 8:30 p. m. Thence they were ordered to hike back to May, reaching that town tired enough to sleep in a field, despite frequent bombing. At daybreak they took the road to Pyramid farm and spent the night there. Next morning they were ordered to Marigny (a mile and a half south and east of Neuilly-La-Poterie) for third line support, and by afternoon were established in the third line from Neuilly wood to Hill 142 (a front of about a mile extending from a mile southeast of Neuilly-La-Poterie eastward).
The night was comparatively quiet, but the next day the French, under orders, started retiring before the German advance. A colonial of French chasseurs ordered the American battalion commander to fall back. This he did not do. The French infantry, the chasseurs and a company of Malagash (colonials) passed through the American line that day. About 1500 men in all went through.
The third line held by the Americans then became a first line, without immediate support. Through the night the Germans sought to feel them out and daylight revealed that the Germans had crept through the wheat field which the line faced. A machine gun and ninety men were discovered in a "diamond" formation, the gun at the point of the diamond toward the Americans. Half a platoon—thirty Americans—attacked and captured the gun. The Germans attacked several times in small groups, always losing men and gaining nothing.
That evening the Germans started heavy shelling, compelling the abandonment of three command posts successively. The next day, June 5, the line was kept intact despite heavy shelling. At 2 o'clock the next morning the 11th French infantry came in and relieved the Americans, who withdrew to the woods north of Voie-Du-Chateau (a

Abe Martin



There's jest as much t'backer chewed as ever, only ther haint as many white vests as ther used t' be. Ez Pash, 87, retired, went back t' work yesterday at \$75 a week.

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