

\*\*\*\*\*  
5000 CIRCULATION  
(25,000 READERS DAILY)  
Only Circulation in Salem Guaranteed by the Audit Bureau of Circulations  
FULL LEASED WIRE  
DISPATCHES  
SPECIAL WILLAMETTE VALLEY NEWS SERVICE  
\*\*\*\*\*

# The Daily Capital Journal

\*\*\*\*\*  
Weather Report  
Oregon: Tonight and Friday rain, west, rain or snow east; moderate winds, mostly southerly.  
\*\*\*\*\*

FORTY-FIRST YEAR-- NO. 288.

SALEM, OREGON, THURSDAY, DECEMBER 5, 1918.

PRICE TWO CENTS

ON TRAINS AND NEWS STANDS-- FIVE CENTS

## Thousands of Germans Now Under Yankee Authority on Rhine

### Germans Astonished At American Lack Of Harshness And Policy Of Non-Interference.—Normal Life Is Going On In Occupied Towns.—Americans Are Gradually Taking Over Supervision of Telegraph And Postal Systems.

By Webb Miller  
(United Press Staff Correspondent)

With the Americans in Prussia, Dec. 4 (Night)—Several hundred thousand Germans are now under American authority. They are accepting the situation with remarkable quietness and complacency and are not finding this authority onerous. Astonishment is often expressed at the American's lack of harshness and their policy of non-interference.

Normal life is going on in the occupied towns and peasants are plowing the fields as the troops march past. Factories are humming with activity. Hundreds of discharged German soldiers are passing through the American lines. I recently saw some of these men still in their uniforms working in the fields.

The Americans are gradually taking over supervision of the telegraph, telephone and postal systems. American trains carrying supplies are arriving at Treves, which is now generally referred to by its French name of Trier. This

## THE AMERICAN PEACE DELEGATION THAT LEFT NEW YORK YESTERDAY FOR EUROPE



Left to right, Robert Lansing, Tasker H. Bliss, President Wilson, Colonel House and Henry White

### WILSON TO DISCUSS PLAINLY HIS PEACE TERMS IN FRANCE

#### George Washington Expected To Arrive In Brest December 12.

By Robert J. Bender  
Aboard the U. S. S. George Washington, Dec. 5.—(By wireless to New York.)—President Wilson will talk plainly upon his fourteen principles when he reaches France. That he will make speeches is indicated by the concern shown over his slight cold and as to whether his throat will be in good condition upon his arrival. After disposing of his routine work, the president rests much of the time under orders of Rear Admiral Grayson, his personal physician. The latter and President Wilson take frequent constitutional walks about the decks. The president attends the ship's movies and participates in all functions.

The George Washington is expected to arrive in Brest on December 12 or 13 by way of the Azores. The ship's wireless is in constant touch with Washington.

All the vessel's appointments are very plain. The president and Mrs. Wilson occupy the same staterooms that were built especially for the Kaiser and Kaiserin years ago.

The same waiter who served the former Kaiser and Kaiserin is serving the president and his wife in the same suite.

### PRESIDENT WILL GIVE AMPLE TIME FOR LEGISLATION

#### Seems To Be Leaning Toward "Regional Director" Plan Of Railroad Control

By L. C. Martin  
(United Press Staff Correspondent)

Washington, Dec. 5.—President Wilson leans toward the "regional director" plan of railroad control as a solution of the problem he put up to congress in his message Monday.

He will give congress ample time to work out legislation, solving the problem and will not turn the roads back to private control unless congress fails to move within the 20 months after peace, fixed by law as the limit of government control.

These statements were made today by Senator Smith, South Carolina, chairman of the senate interstate commerce committee. He had a conference with President Wilson a few hours before the latter left Washington to go abroad.

"It is my purpose," said Smith today, "to get the Newlands joint committee together as soon as other pressing matters have been disposed of. This committee is peculiarly well equipped to tackle the railroad problem intelligently. It is unlikely any congressional action can come out at this season however."

The regional plan was suggested to the Newlands committee by lawyers for the railroads. Smith favors some modifications of the original plan, including:

- 1—Federal control exercised by a body sitting in Washington, such as the interstate commerce commission, for instance.
- 2—Formation of regional corporations or appointment of regional directors to regulate locally, ownership and operation of the railroads to remain in private hands.
- 3—Central and regional federal control to extend to rates, bond issues, and financing, but not to rearing or divison of equipment.

### LENINE NOW INTENDS TO MAKE RUSSIA INTO INDUSTRIAL NATION

#### Comes Out For Extreme Protectionism Of Russia's Infant Industries.

By Raymond Clapper  
(United Press Staff Correspondent)

Washington, Dec. 5.—Lenin—casting overboard ideals of his soap box protectionism to make Russia a strong industrial nation, semi-official diplomatic advisers, stated today.

Attempts to flood Russia with agricultural machinery, railway equipment, textiles, leather and clothing will be fought by the soviet government, it is stated, to protect Russia's infant industries.

Summarized, the soviet foreign trade policy as outlined in these advices follows:

- 1—Import of articles in general use, including boots and shoes, restricted.
- 2—Importation of luxuries forbidden.
- 3—Import of foodstuffs to be permitted temporarily.
- 4—Agricultural machinery must be manufactured; railway traffic must be safeguarded, as must industries connected with agriculture, textiles, leather and timber.
- 5—Exports in raw materials must be reduced and exports of manufactured goods increased.

This latest policy of Lenin's is the same as that attempted by the late finance minister of the czar, Count Witte who attempted, at all costs, to create a national industry for Russia.

### GERMANS SEEM NOT TO BE SUFFERING MUCH IN RHENISH PRUSSIA

#### Is Unquestionably Short On Food But Masses Of People Are Not Starving.

By Webb Miller  
(United Press Staff Correspondent)

With the American Army of Occupation of Rhenish Prussia, Dec. 5.—Despite the harrowing stories flowing out of Germany regarding shortage of food during the past few months, those portions of Rhenish Prussia occupied by the Americans do not seem to be suffering very severely.

Unquestionably there is a shortage and some of the poor are probably suffering, but the masses of the people are not starving by any means.

At an ordinary hotel I obtained vegetable soup, two slices of roast beef, a goodly helping of boiled potatoes, some meat gravy and a really palatable coffee substitute, although I go no bread.

This meal cost five marks—about \$1.25.

At a second class hotel I ate pea soup, smoked horse meat, sauerkraut and mashed potatoes and got a glass of possible beer for four marks.

Charges Reasonable.

Charges for meals at the first rate hotels run from three to five times above those at the ordinary hostelry, but there is a greater variety of food, of better quality and better served.

The laboring classes are undoubtedly undernourished. Eggs and milk practically unobtainable excepting from farmers. They are little butter and sugar is very expensive. The bread is mostly unpalatable. It is dark brown and of a sad consistency.

The effect of the general undernourishment is clearly seen in the villages. I did not see a corpulent person and most of the people appeared anemic. Nearly all the children between the ages of two and four years, born during the war, have an unhealthy appearance.

The people are apathetic and lack interest. The American soldiers have shown no lack of "pep" and "ginger" in striking contrast to the actions of the townfolk.

Saw Only Two Autos.

During two days in Theux and Saar.

(Continued on page two)

## RUSSIA COULD HAVE BEEN REPUBLIC, SAYS KERENSKY

### Revolution Of Slav Nation Differed From Present German Situation.

By Edwin Hurlinger  
(Copyright, 1918, by United Press)

London, Dec. 5.—(By wireless) had Germany's present opportunity it should now be a great democracy like America," Alexander Kerensky, former Russian premier, declared in an interview with the United Press today, in which he drew a comparison between the Russian and the German revolutions.

"I believe the German revolution, although started under similar conditions and with similar aims to the Russian revolution, will be able to withstand bolshevism."

"There are three striking features in which the two differ:

- 1—"First, owing to peace having been attained, Germany can devote her entire effort to internal reconstruction instead of being compelled, like Russia, to defend herself simultaneously from the foe.
- 2—"Second, Germany is subjected to no powerful, hostile internal propaganda.
- 3—"Third, if starvation actually threatens, Germany can get the allies to help. Russia has nobody to aid her.

Would Now Be Democracy.

"These spell the difference between success and failure and tell the story of Russia's tragedy. If Russia had Germany's present opportunity she would now be a great democracy like America."

"When the old regime was overthrown, Russia had to fight an outside foe with one hand and do the best she could to build up herself with the other. As a result she was unable to erect a new economic and political structure sufficiently strong to withstand the strain."

"The Russian army was worn out with German propaganda. As an example of this, every time I issued an order while preparing for the July offensive, I happened to appeal to the Russians not to obey. These appeals were widely circulated. At the same time, Germanophiles were active internally, and their cumulative impact against Russian morale was tremendous."

"Russia faced starvation single handed, and fell down because it was physically impossible for her to meet the situation unaided. If a similar food crisis arises in Germany the latter has the right under the armistice, to appeal to the allies, in which event the allies should respond for their own protection against bolshevism. Therefore Germany is not obstructed by any of the great obstacles which caused Russia's failure."

Former Premier Aged.

The former premier, sitting in the parlor of a friend's house in the secluded Cambridge Square terrace and speaking in French, passed for a moment. He had greatly aged in appearance since I last saw him in June. When he resumed speaking, his voice was tense and earnest.

"Germany probably has turbulent days ahead and may split up, but I do not believe she will be subjected to the supreme tragedy, like Russia."

"I believe the German revolution is

## HAMMOND LUMBER CO BRINGS EQUITY SUIT

### Not Satisfied With Rulings And Orders Of The Public Service Commission.

The Hammond Lumber company has entered suit against the public service commission of Oregon to the circuit court before Judge George G. Bingham in which it asks the court for a decree vacating and setting aside certain findings and orders of the commission.

It also asks the court to remand certain proceedings of the commission for another hearing with the appropriate instructions upon the law and that the court shall grant the Hammond Lumber Co. relief if it is entitled to in equity and in good conscience.

In other words, the Hammond Lumber company is legally asking that Judge George G. Bingham give the public service commission a legal decision as to certain of its acts, especially in regard to one in which the commission permitted the Columbia and Nehalem railroads to raise its local rates on logs about 65 per cent.

The complaint which was filed this morning, is entitled the Hammond Lumber company against the Public Service Commission of O. G. A.

The complaint states that the Columbia and Nehalem railroads issued a tariff July 15, 1917, for the transportation of logs between points on its line and this tariff was in effect when the road filed with the commission an application for an increase in freight rates, including rates on logs, and on logs the increase asked was one third higher than former rates.

It is alleged that on May 18, 1918, the Hammond Lumber Co. filed with the commission a protest against this application praying that it be denied. That the railroad later withdrew its application for a one third increase on the rate on logs.

That July 18, 1918, the railroad filed with the commission a printed copy of its local freight rates which rates had been altered from the printed tariff, to become effective Aug. 1, 1918.

That in its proposed tariff the Columbia and Nehalem railroad placed the rates on logs 65 per cent higher than in the past. That the plaintiff filed with the commission a protest against the proposed rates, requesting a suspension of the hearing.

It is further alleged by the Hammond Lumber Co. that the commission ordered a time for a hearing and temporarily ordered a suspension of the increased rates.

That a pretended hearing was held and after said pretended hearing the commission unlawfully attempted and endeavored to make and did sign Sept. 21, 1918, what purported to be findings and an order approving the 65 per cent increase on the local rates on logs.

That on Oct. 24, 1918, the Hammond

## MONTENEGRIN KING BELIEVES RUMOR TO DEPOSE HIM IS FALSE

### Says Rulers Of Small Country Have Always Listened To People And Will Continue.

By William Philip Sims  
Paris, Dec. 5.—King Nicholas of Montenegro does not believe reports that the Montenegrin national council has decided to depose him and to unite Montenegro with Serbia under the rule of King Peter.

In an interview with the United Press today he said:

"I have no confirmation whatever of the reported action of the national council and I do not consider the report seriously. I believe the Montenegrin people do not desire me to go. I am perfectly willing to abide by the decision of my people, but they must first be put in a position where they can speak their will freely."

"I do not think this is actually the case at present."

"The rulers of Montenegro have always listened to the voice of their people and they will continue to do so, confident that everything will come out all right."

TRANSPORT ORCA ARRIVES

New York, Dec. 5.—The transport Orca, with 172 troops, two Y. M. C. A. men and 159 officers, arrived here today.

The Orca left England ahead of the Lapland and Minnekanda, which arrived yesterday, but took a different course and was buffeted for days by violent gales. One soldier died of pneumonia.

## LEUTENANT HOGLAND FIRST AIR POST MAN

### Makes Satisfactory Flight From Sacramento Stopping Three Times.

Seattle, Wash., Dec. 5.—The first bag of aerial mail was delivered in Seattle yesterday afternoon from Sacramento by Lieutenant A. F. Hogland, of the United States Army, in a Curtiss plane. The time of the entire flight, for the interval in the air, was 12 hours and

## CARTER GLASS TO BE TREASURY SECRETARY

### Will Assume New Duties December 16 McAdoo Announced.

Washington, Dec. 5.—Nomination of Carter Glass, Virginia, to be secretary of the treasury, was sent to the senate today by the white house.

"It would be presumptuous on my part to give out any statement before the senate confirms my appointment," Glass said. "Glass' friends say he had taken the position against his wishes, when informed his nomination had been sent to the senate."

"I expected it would be," was his only comment.

Glass explained that he had just come from Europe and was out of touch with the treasury for the past several weeks. Friends of Glass say, however, that he is fully alive to the problems that the treasury must meet and it was the belief that some one else could handle them better than he that made him reluctant to enter the cabinet. Added to this is the fact that Glass is one of the democratic leaders in the house and has been re-elected time after time without opposition.

Applaud New Secretary

A few minutes after the news of Glass' appointment was received on the house side of the capitol, Glass walked on the floor and answered to roll call.

Three hundred representatives applauded for several minutes.

Glass will assume the duties of the secretary of the treasury, December 16, retiring Secretary McAdoo announced this afternoon.

## ABE MARTIN



## COMMISSION HAS GIVEN CONGRESS ITS RAIL POLICY

### Primary Aim Should Be To Secure Systems Adequate For Nation's Needs.

### SHOULD PROVIDE FOR MERGER IN EMERGENCY

### Three Plans Will Doubtless Be Proposed For Disposing Of Railroad.

Washington, Dec. 5.—Congress today was provided with views of the interstate commerce commission as to what problems must be considered in deciding the future of the railroad lines.

In its annual report, the commission sets forth in detail what it believes to be "certain lines of inquiry which must be persuaded to reach sound conclusions." It deals thoroughly with both government control and private ownership with the varied forms of each. The section of the report setting forth the commission's ideas follows:

"Whatever line of policy is determined upon the fundamental aim should be to secure transportation systems that will be adequate for the nation's needs even in time of national stress and that will furnish to the public safety, adequate and efficient transportation at the lowest cost. To this end there should be provision for the prompt merger without friction of all the lines into a continental and unified system in time of emergency; merger within proper limits of the carriers' lines and facilities in such part and to such extent as may be necessary to meet the reasonable demands of our domestic and foreign commerce; limitation of railway construction to the necessities and convenience of the public and assuring construction to the point of these limitations; and development and encouragement of inland waterways and co-ordination of rail and water transportation systems."

Probable Plans Proposed

Among the plans which doubtless will be proposed are the following:

"Continuance of the present plan of federal control; public ownership of railroads; private operation under regulation; private operation under regulation with government regulation of public ownership."

"If the policy of private ownership and operation under regulation is continued the following subjects will require legislative consideration: revision of limitations upon public or cooperative activities; amputation of railway operation from financial distasteful; regulation of issues of securities; establishment of a relationship between federal and state authority which will eliminate the twilight zone of jurisdiction; restrictions governing the treatment of non-competitive traffic; the most efficient utilization of equipment and provision for distributing the burden of furnishing equipment on an equitable basis among the respective carriers; a more liberal use of terminal facilities in the interest of free movement of commerce and limitations with which common carrier facilities and services may be furnished by shippers and receivers of freight."

Just Price Considered

"Should the policy of public ownership and operation be adopted, there must be considered: the just and fair price at which, and the terms under which, carrier properties are to be acquired; prohibiting the operation of railroads as a fiscal contrivance, insuring their administration in the interests of the convenience and the convenience of the people requiring that their rates shall be properly related to the ascertained cost and service and retaining and extending the economies and advantages of large scale production in transportation; responsibility and relationship of the railway administration to congress and other federal authorities and to the states; guarding against the intrusion of party politics into railway service with a view to retaining the best talent; and maintenance of a tribunal for the determination of controversies that will inevitably arise under public operation."

Meeting Of State Emergency Board Was Called Today

A meeting of the state emergency board was called yesterday by Secretary of State O'Leary at 10:30 a. m., December 4, to act upon the request of the State O'Leary for 10:30 a. m., December 3, to act upon the request of the public service commission for a deficiency appropriation of \$3000 to be used in connection with the investigation of the rates of the Pacific Telephone & Telegraph company. The meeting was called at the request of Governor Withycombe.

(Continued on page two)

(Continued on page four)

(Continued on page seven)

(Continued on page four)