

MINOR LEVIES TOLL ON YARDS

Witness Says Chicago Company Pays Big Sum Annually to Retain Big Packing Plant.

IS THREATENING TO MOVE Company Would Locate Further West, Is Claim—Ownership of Property at Issue.

Washington, D. C., Dec. 21.—Sensational disclosures of "high finance" between the Chicago packers and the stockyards and terminal railroads there—and promise of more to come—featured today's session of the federal trade commission's investigation to get at some of the innermost causes of the "high cost of living."

Backed with an array of facts and figures gathered by trained investigators working with the new \$250,000 fund recently appropriated by congress, Francis J. Heney, in charge of the investigation for the commission, began cracking a sensational story for the other.

Today's session had wholly to do with a big corporation in which a \$2,500,000, clerk was the medium of forming an \$8,000,000 corporation which took the risk of the Chicago stockyards and terminal railroads being moved further west and undeveloped testimony to show how the packers in return, to use the railroads as formed to take over the stock yards and properties and assume the risk of their becoming valueless, and that as result the enormous profits of the yards and terminal equipment was divided with the packers as an inducement to continue their business in Chicago and not move further west.

While today's testimony dealt only with the phase of the packing industry, it is said the commission is in possession of facts which will broaden the investigation to show whether there is not an gigantic combination in practical control of the country's food supply.

The full story of how the big transactions about was laid bare by the intrusion as evidence of letters passing between the organizers of the holding corporation and the stockholders of a company which formerly controlled the yards and the railroads.

One letter said that the directors, fearing court decision against the reorganization plan, were anxious to get it through before the decision came down.

Another telling the reasons for the organization of the new company said: "For a long time some of the western railroads have been endeavoring to induce the packers to move west and it has only on account of pecuniary considerations which your company has given the packers from time to time, that they have remained in Chicago."

Interest of the packers in the country's stock yards and terminal railroads, according to E. V. R. Thayer, president of the Chase National bank of New York, who said he understood one of the packers owned part of the yards but that the others did not. He did not name the packer.

Certain minutes of the first meeting of the Chicago Stock Yards company on September 17, 1911, were introduced to give details of an agreement between the packers and the company. The minutes stated that Pegram had obtained an assent of the holders of 60,000 shares of the common stock of the Chicago stock yards and terminal railroads, and the Chicago Stock Yards company to a plan formulated by a committee headed by Richard J. Pegram.

It was said to "plan assure to the Chicago stock yards and terminal railroads the continuance of the business by the packers on a permanent basis and a great increase in profits and the value of the three stocks."

Pegram was forced as having given the plan and cents and \$1,000,000 in cash to the company for \$8,000,000 in common stock, Pegram, who previously had testified that he was worth \$2,500,000, a great deal that he knew nothing of the agreement as set forth in the minutes.

Mr. Hart to the commission the plan was devised because there seemed great danger of the business being driven away in Chicago to place further west.

HURON BUSINESS MAN FATAL PRO-GERMAN

Pierre, S. Dec. 21.—George Leebuth, a business man of Huron, was killed by a train on the Chicago and North Western railroad here today. He was on a train bound for Chicago when it was derailed by a landslide. He was the only person killed.

HERO OF LIEGE HELD UP AT SWISS BORDER

General Liman Arrested, Although Promised Passage to Neutral Soil.

Geneva, Switzerland, Tuesday, Dec. 18.—General Liman, known as the hero of Liege for his defense of that city at the time the Germans were going through Belgium in the first month of the war, was expected to arrive in Switzerland yesterday, the German government finally having agreed to his internment in this country. New difficulties arose, however, and the general was arrested yesterday on the frontier at Constance. It may be recalled that General Liman, although seriously ill, declined last year to accept a German offer of permission to come to Switzerland because it was made on the ground of his ill health and age. The general said he did not wish to admit he was unfit to fight for his country.

LUXBURG DISCLOSURES MAY FORCE ARGENTINE

More Diplomatic Documents to Be Made Public—People Are Inflamed.

Washington, D. C., Dec. 20.—Disclosures of some of the sensational Luxburg telegrams which are expected to lay bare more evidence of the German diplomat's duplicity, comes at a most interesting time, especially as it is being done by agreement with the Argentine government.

How the public mind in Argentina, already pressing President Irigoyen to go to war with Germany, will regard further exposure of German intrigue, is of no less interest to officials here than it is to the Argentine people. The public mind in Argentina, already pressing President Irigoyen to go to war with Germany, will regard further exposure of German intrigue, is of no less interest to officials here than it is to the Argentine people.

154 GERMAN DIVISIONS ON ANGLO-FRENCH FRONT

Washington, D. C., Dec. 20.—Germany's strength on the Franco-British front is placed in official dispatches received here today at 154 divisions, or a great increase over the force massed there last July, when the German military effort against France was at its maximum.

Withdrawals from Russia and drafts upon the younger classes of reservists have enabled the Kaiser not only to make up the enormous losses suffered in bloody battles with the allies, but to replace the men sent to aid the Austrians in their invasion of Italy. Winter, therefore, finds the Germans with armies facing the allies in France virtually equal to the largest ever before mustered with advertisement of a great offensive, which may presage another peace proposal.

SICK CHILDREN PROVE AUSTRIA IS SUFFERING

Geneva, Switzerland, Tuesday, Dec. 18.—Living proofs of the terrible economic conditions in Austria were furnished yesterday by the arrival at Buchs, on the frontier, of 576 pale and suffering children between the ages of 7 and 9. They are from Vienna and other Austrian towns. The children had not tasted milk for months. They had received bad bread in insufficient quantities, stomach diseases resulting. Their clothing was most scanty and there was no fuel in their homes. They will be distributed among various places in Switzerland until their health is restored.

WANT AMERICAN TOYS FOR TOTS OF HALIFAX

Halifax, N. S., Dec. 19.—An American Society must provide toys for hundreds of blind and crippled children in hospitals here. The limited stock carried by the local dealers has been exhausted. Americans have been asked to help.

Although no approximate estimate of those blinded by the explosion is available, it is believed the number may reach 1,000, including those who lost the sight of one or both eyes. Many of these are children and little girls which they never will see as sadly needed.

CANDY MONEY WILL GO TO AMERICAN RELIEF

Wheeling, W. Va., Dec. 20.—Sunday school scholars of West Virginia will sacrifice their Christmas candy this year and send the money that would be spent for sweets to the American committee for Armenian and Syrian relief in New York.

DELAY PROBE AGAIN.

Washington, D. C., Dec. 20.—Inability to obtain a quorum compelled the Senate committee investigating Senator La Follette's recent St. Paul speech to postpone action again today for the fourth time.

EVA TANGUAY GAINS DIVORCE FROM FORD

Chicago, Dec. 20.—Eva Tanguay obtained a divorce today from John W. Ford after the actress had given her testimony before Judge David M. Broderick. Ford was her dancing partner and the actress swore that after their marriage his habits were so irregular that he would remain away from the show for days at a time. They were married at Ann Arbor, Mich., in 1913.

Italy, Yielding, Battles Valiantly, Awaiting Snow

By United Press. With the French Armies in Italy, Dec. 18.—The fate of the Venetian plains this evening hangs on the weather. If Italy's line holds for a fortnight under the tremendous Teuton pressure, winter's ice and snow will lock the door to the plains. Both sides realize the supreme necessity of a decision on both sides of the Brenta river.

If Italy can make a successful defense, as she now is doing, and check the Austro-Germans at their present lines, she will be ready for a spring counter offensive. Officials regard the present situation as the most favorable it has been for the Italians since the original retreat commenced.

Berlin, Dec. 21.—Repeated Italian counter attacks against the positions recently captured by the Austro-Germans on Monte Petrica were repulsed yesterday by the German general staff and the German army. Since December 11 the Teutons have taken nearly 9,000 prisoners in the fighting between the Brenta and Piave rivers.

WORKMEN PLAY; CONTRACTS WAIT

Factory Hands Played Checkers While Waiting for Ordnance Bureau Heads to Act.

Washington, D. C., Dec. 21.—With its inquiry into alleged delays in supplying the war army with guns and ammunition virtually concluded, the Senate military committee today prepared to question Quartermaster General Sharpe, regarding shortage of and production delay in clothing and food for soldiers. Chairman Chamberlain promised a thorough investigation of the work of the quartermasters' department of which Major General Soethals, recently recalled to active service, soon will take charge.

The reorganization of the department, the result of a disease in various cantonments also will be developed. Ordnance officers were criticized by Fred H. Colvin, editor of the American Machinist, for imposing too rigid rifle specifications. Requirements for inter-changeability of parts, he said, delayed production three months last summer and he cited one private factory where last August workmen on a "cost plus" contract played checkers while waiting for work held up. Government arsenal methods he also criticized, saying the Springfield arsenal has some machinery 50 years old while many ordnance officers, he asserted, have no special training to qualify them.

Correspondence with Secretary Baker which he produced disclosed a controversy between Mr. Colvin and General Crozier, chief of the ordnance bureau, the former told Secretary Baker that the arsenal officers were not qualified production engineers. General Crozier said Mr. Colvin should be barred from inspecting arsenals because he insisted expert machinists and not army officers should be in charge.

Additional testimony regarding delay in machine gun production was given by Vice President B. M. W. Hanson, of the Colt Arms company at Hartford, Conn.

Although given the Browning type was adopted last May, he said, no contract was made until July, although orders were anticipated and preliminary work begun. The delay was explained by Mr. Hanson as due to deliberations of the joint civilian army board appointed by Secretary Baker to test and adopt the new weapon. Hanson was a member of the board.

Regarding government arsenal production, Mr. Hanson said the impression that they are "away behind the times" was wrong. The arsenal committee, he said, has been in touch with foreign government and American private factories. The principal difficulty of American arsenals, he said, is in retaining skilled workmen. Rifle production has been greatly increased, he said, by adoption of the modified Enfield. The American rifle and ammunition, he said, are much superior to those of any of the allies and at least equal to Germany's.

American machine gun manufacturers Hanson declared, have had practically no encouragement from this government. Most of their orders come from abroad.

In reply to questions by Senator Wadsworth, the witness admitted that if machine guns had been promptly ordered when the government went into the war General Pershing's machine gun units, now would not be required to use French army-made machine guns.

Upon conclusion of Hanson's testimony, the hearing was adjourned until tomorrow, when Quartermaster Sharpe is to be examined.

SENSATIONAL STORIES CAUSED SUGAR FAMINE

Washington, Dec. 21.—Foundation for the sugar shortage was laid while refiners held large stocks last February, by sensational stories of a threatened famine among strikers caused by the W. W. Earl D. Babst, president of the American Sugar Refining company testified today at the sugar investigation. He did not say who he believed was responsible for the stories. Consumers began to hoard, he said, and during the spring and summer demands upon the refiners were unprecedented. When consumers began to hoard, refiners raised prices, he said, but refiners did not increase prices correspondingly, as they did not desire to increase the alarm.

Added to the scare stories came reports of a Cuban revolution which stimulated the demand greatly. Babst said. Then after stocks became low there developed a difficulty in getting raw sugar.

BLAIR RESIGNS. Chicago, Dec. 20.—Resignation of George A. Blair, assistant freight traffic manager of the Chicago, Milwaukee & St. Paul railroad to enter an industrial business was announced today. President Brum said that for the time being the position would not be filled.

CHICAGO ROBBERS GET \$30,000 IN BANK RAID

Overlook Suitcase Containing \$40,000—Main Vaults Not Touched.

Chicago, Dec. 21.—Robbers last night stole approximately \$30,000 from the safety deposit vaults of the State Bank of Summit, a suburb. The money was in bills of small denominations and belonged to the Corn Products company. It was reported, and was placed in the vaults yesterday in preparation for pay day today. The robbery was discovered when the bank was opened this morning.

H. Kilgore, who is president of the bank, is also vice president of the State Bank of La Grange, another suburb which was held up in daylight a week ago by robbers, who escaped with \$48,845. According to Mr. Kilgore, the pay roll at the Summit bank was insured. The money stolen was in a suitcase in the vault. Another suitcase containing \$40,000 was overlooked.

The robbers entered the bank by a rear door, and using a gas torch, burned their way through eight inches of steel and concrete to their booty. They left no clue, nor has any trace of the quartet which robbed the La Grange bank been found.

According to an official of a burglar insurance company, there have been 17 bank robberies, netting approximately \$400,000, and 14 payroll robberies of insured firms, netting \$200,000 to the bandits, in the past 18 months. The deprivations have cost the lives of 17 policemen.

A long series of house burglaries led to an increase of 10 per cent in the burglar insurance rates on residences and apartments. Payroll robberies last month resulted in an increase of 33 1/3 per cent in payroll insurance.

As he said, will come next. The automobile has made modern robber raids possible. The robbers usually young, numbering four or five, lie in wait unnoticed among other machines, for the appearance of the payroll messenger or descend suddenly on a bank.

BRITAIN NEEDS MORE SOLDIERS

Further Draft on Man Power Is Necessary, Says Premier—Allies' Failures Cause Sub Losses Less.

London, Dec. 21.—Speaking in the house of commons today David Lloyd George, the British prime minister, said that the margin of losses at sea was narrowing. The sinkings by submarines, he declared, was decreasing, while ship building was increasing.

The premier said the sinking of submarines was increasing. Although the merchant tonnage was down by 20 per cent, he added, the loss had been only 6 per cent of imports over that of last year.

Regarding the military situation, Mr. Lloyd-George said it was idle to pretend that the hopes formed had been realized. This disappointment he attributed to the Russian collapse.

The Germans, the premier said, had had only one success, which was due to surprise and this was now engaging inquiry. The Germans, he stated, had lost 100,000 prisoners, valuable positions and hundreds of guns.

Says Germany Must Pay. Complete restoration of the territories taken by the enemy, together with compensation, was demanded by Premier Lloyd George in explaining the war aims of the government.

The premier said that the losses in shipping had been lighter by 100,000 tons than he had anticipated in his August estimate.

The premier said that if the Russian army had fulfilled the expectations of its generals, by this time the pride of the German military power would have been completely humbled.

On the whole the British campaign had not achieved the expectations formed, he said, but there had been military successes in Palestine which would have a permanent effect on the history of the world. Jerusalem, he stated, never would be restored to Turkey.

Greater Sacrifices Necessary. After referring to the Italian reverses the premier said it would be necessary for Great Britain to make greater sacrifices to strengthen its armies in the coming year. The need would arise to increase the nation's man power by taking some men now exempted. The premier's speech was delivered when adjournment for the holidays was moved in the house of commons this afternoon. He dealt first with the problem of food.

Two circumstances, he said, had contributed lately to the gravity of the situation—the failure to obtain margarine and butter from Holland and Denmark and the fact that England had been required to make sacrifices in order to supply deficiencies of her allies. Owing to the efforts of the food controller an improvement was visible in circumstances which had caused so much anxiety in the last few days. More tea was coming in and it was hoped by increased manufacture to improve the situation as regarded margarine shortly.

Owing to the food difficulties in Germany, the premier went on, the physical deterioration of workmen had been so marked that the output per man had been decreased by 32 per cent.

As for the British casualties, Mr. Lloyd George said they had not amounted to more than one-fourth or one-fifth of the Germans'. Opposed to Germany, Austria and their allies, he asserted, were man power and reserves more than double those which the Teutonic allies possessed.

The government, said the premier, would confer next week with trades unions on the man power proposals.

FUEL SITUATION IN NORTHEAST CRITICAL. Washington, D. C., Dec. 21.—A critical fuel situation in New England, was pictured to the fuel administration today by J. J. Storrow, fuel administrator for New England and Governor McCall, of Massachusetts. Public utilities companies and manufacturing plants the fuel administration was told will be forced to close unless shipments are increased.

ALTERED PEACE PLAN OUTLINED

Kaiser Would Make England Pay for African Colonies, Using Money to Pay Indemnities.

TERMS REACH WASHINGTON

Sincerity of Offer Open to Question—Russia Informed Proposals Soon Will Be Made.

Washington, D. C., Dec. 21.—What purports to be an outline of the Kaiser's much advertised "Christmas peace terms" has been received through neutral diplomatic channels. The so-called terms include the following:

To leave the disposition of Alsace-Lorraine to a plebiscite of inhabitants. In England to pay Germany for her lost African colonies and the money to be used for the rehabilitation of Belgium, Serbia, Rumania and northern France.

Russian provinces bordering the Baltic sea, the Black sea and Prussia to become independent under a German plan. Poland to be called an independent state under Austrian suzerainty.

Disarmament, freedom of the seas and commerce to be left to the peace conference. Rumania, Serbia and Montenegro to retain their original boundaries with the right of access to the sea being granted to Serbia. Turkey to remain intact.

Whether such a proposal of terms is merely another step in the German propaganda to impress the public mind that the allies are responsible for a continuance of the war, or whether it is really a feeler for peace, is a subject for the estimate of the governments concerned.

USE RUSSIA AS TOOL. Petrograd, Wednesday, Dec. 19.—According to press reports Russia has been informed by the central powers that they intend to make peace proposals to the allies.

This report is published in the Evening Post, which says the representatives of the central powers at the first preliminary peace conference with the Russians held yesterday announced that their governments intended in principle to put the question of peace before all the powers and that they had asked their allies to do likewise. Russia was requested to take similar steps. It is stated the Russians are endeavoring by all means to sound the allies.

The Evening Post says the Germans have officially informed the bolshevik headquarters that the central powers are ready to consider the arrangement of peace on the basis of no annexations and no indemnities, but pointed out that self-definition of nations was impracticable.

The representatives of the central powers informed the Russians they were ready to discuss peace preliminaries, but desired to know the result of the Russians' efforts to induce the allies to join in the negotiations before proceeding with them. They said this point of view might be changed, however, and that they might be willing to discuss peace with Russia alone. The Germans were of the opinion that the Russian armistice might influence the other fronts.

The first conference was devoted merely to a discussion of who would participate in the negotiations.

GIVE ALLIES TWO MONTHS. Stockholm, Dec. 21.—The Russian bolsheviks have given the allies two months in which to join in the "general peace," according to a speech by Leon Trotsky reaching here today.

"We do not promise to conclude a separate peace," he declared. "We are not able to make war for 10 years in the interest of the French aristocracy and the British imperialists. History will condone a separate peace."

Trotsky's speech was made to a group of members of the "left wing of the radical party" at the peasants' congress last Monday afternoon, after the bolshevik minister had been hoisted down by the main convention.

COMMENDS SEAMAN. Washington, D. C., Dec. 20.—David Goldman, machinist mate in the navy has been commended by Secretary Daniels for gallantry in having rescued Arthur C. Palmer, water tender from drowning on October 30. Palmer fell overboard from the U. S. S. O'Brien and Goldman jumped over board after him and held him up until he was rescued.

HEADS BALLOONING IN ARMY SERVICE. Col. John Nance is chief of the balloon division of the U. S. aviation service. Though airplane development has been great during the war the use of balloons for observation and other purposes has been of increasing importance.



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