

PEACE PARLEY'S PRESUMED TODAY

Nothing of Day's Developments at Brest-Litovsk Confer- ence Made Public Up to Late Hour.

ALLIES CONSIDER POLICY May Recognize Bolshevist Gov- ernment in Event It Re- fuses to Be Tricked by Teutons.

By United Press.
Amsterdam, Jan. 5.—Chancellor Hertling announced to the main committee of the reichstag that the delegates to the Brest-Litovsk conference have been instructed to reject the Russian proposition for the transfer of the peace negotiations to a neutral country. It is also stated that the German delegates to the conference have been instructed to continue negotiations as to Russian territory now held by the Germans.

(By Associated Press.)
Unless there is a change in original plans, the emissaries of Russia and the central powers will meet today to continue their discussion of peace terms which the bolsheviks have declared are unacceptable. Russia's delegates have proposed that the conference meet in Stockholm, which is agreed to by the Germans. The German delegates say the Russians have made counter proposals to the Germans. It is added that they will be discussed at the next meeting at Brest-Litovsk on Saturday, which would indicate the Russians have not persisted in their demand that future meetings be held on neutral soil. The new Russian proposals call for complete evacuation of occupied territory pending a referendum on self-determination.

May Oust Hertling.

Reports that the German and Austrian emperors and their military and political advisers are much perturbed over the Russian attitude are followed by one that Count Von Hertling, the German imperial chancellor is ill. Berlin political circles have a rumor that Von Hertling, who is 74 years old, is to be ousted in favor of Prince Von Buelow, the former chancellor, who is very close to the German crown prince. Recognition of the Lenin-Trotsky regime in Russia as a de facto government by the central allies is probable, according to the London Daily Chronicle. Such change of sentiment, it is said, would be due to the threatened break in peace negotiations and might bring from the allies a statement of democratic policy toward Russia.

London, Jan. 4.—Recognition of the Lenin government in Russia by the central allies is probable owing to the developments in the Russo-German negotiations, according to the Daily Chronicle. The statement is apparently based on a contribution "by a diplomatic correspondent," which is printed beneath it. The writer says that owing to the bolshevist discovery of German duplicity, anything may happen.

"There are," he says, "three alternatives. The bolshevist may give way, the Germans may give way or there will be a rupture of relations. The first is hardly likely in view of Foreign Minister Trotsky's declaration; the second is possible for the central powers; the third is most probable since the bolshevist have exhibited a perspicacity which was hardly expected in this country.

"Russia, the land of boundless surprises, may possibly witness a revival of war, if not in the most active form. It might at least be a sullenly defensive war necessitating the keeping on the frontier of a considerable German force. It would at least prevent those pleasant and profitable commercial exchanges which Germany hopes for.

"Assuming such a situation and the consolidation of bolshevist power, provided failure to extract a peace does not wreck Lenin's regime then recognition of that power as the de facto government follows. Since that is so, a socialist would be the logical representative of that government, and Maxim Litvinoff, who has been appointed, is a likely enough occupant of the embassy."

"Referring to the retirement of Sir George W. Buchanan, the British ambassador to Russia, whose services are praised highly, the writer says: "In his place probably would be sent a diplomat in marked sympathy with the ideas of revolutionary Russia."

"It is to be expected that we may expect shortly some new statement of policy with regard to Russia which should lean toward the latest developments and democracy, would undoubtedly strengthen the allied cause in Russia."

GERMANS HOLD TWO VIEWS.

London, Jan. 5.—There were two distinct tendencies noticeable in the enemy declaration at the Brest-Litovsk meetings, the Petrograd correspondent of the Daily News says. One was annexationist and was represented by General von Hoffman. A more moderate view was upheld by Foreign Secretaries von Kuehlmann and Czernin.

"There were frequent disputes between the two tendencies. These were settled, it is added, by appeals to Berlin which supported von Kuehlmann and Czernin.

General von Hoffman took the purely military point of view and complained with great bitterness that the Russians were using the armistice to agitate among German soldiers.

According to the correspondent there is a belief among the Russian delegation that Germany will yield to the Russian demands concerning Poland and Lithuania, so as not to lose the advantage she gains by seeming to agree with Russia while the entente allies disagree.

"The reason for wishing the negotiations to be continued at Stockholm is a desire for greater publicity and this idea expressed in a bolshevist statement.

PROFIT OF MILLION ON SHIP CONTRACTS

Senate Investigators Inclined to Question Company's Profits.

Washington, D. C., Jan. 5.—Profits amounting to more than \$1,000,000 were made by the Clinchfield Navigation company in a deal involving government ship building contracts, according to testimony today before the Senate commerce commission investigating the ship building program.

This information was disclosed by Theodore E. Ferris, chief constructor for the emergency fleet corporation, and by a report by a district officer of the shipping board at today's hearing.

The Clinchfield corporation, it was declared, sold to the government four ships under construction for the company in the yards of the Sloane Shipyard corporation of Little, making a profit of \$2,000,000. The Clinchfield sold to the Sloane corporation contracts for 12 more ships on which it made a 5 per cent profit.

Senators questioned Mr. Ferris closely as to the reason for letting contracts for the 12 ships to the Clinchfield corporation, an owner, but not a builder of ships, and expressed dissatisfaction over a deal by which the corporation sold to the government the four ships at a price so much higher than it was paying for their construction.

Mr. Ferris declared he knew nothing of the financial arrangements, but admitted recommending the Clinchfield corporation to General Goethals in a letter. The committee asked that the letter be produced tomorrow.

FREEDOM TO BE GIVEN UKRAINE

Bolshevist Government to Ac- knowledge Independence of the Proposed Republic.

By United Press.
Petrograd, Jan. 5.—Decision to acknowledge the independence of Ukraine was reached by the commissioners' council today.

Presumably the council of commissioners held a meeting of the various executives which the bolsheviks named to administer the affairs of various cities and states of Russia and that the sentiment of that meeting represents the will of the bolshevist government. A decision to acknowledge Ukrainian independence is virtually a victory for the Cossack rebels. The Korniloff and Kaledine revolt, however, did not originate in Ukraine but when that section of Russia made its bid for separate rule it joined forces with the Cossacks.

VISCOUNT GREY MAY BE NEW AMBASSADOR

Reading and Chamberlain Also Mentioned to Succeed Spring-Rice.

London, Jan. 5.—It is suggested editorially by the Daily Chronicle that either Viscount Grey, former foreign secretary; Earl Reading, lord chief justice, or J. Austen Chamberlain would be acceptable as ambassador at Washington.

It has been reported that Sir Cecil Arthur Spring-Rice, the British ambassador to the United States, will soon retire from that post. Yesterday Sir Cecil said farewell to President Wilson, having announced previously that he was going home on a leave of absence.

NEW SUGAR CROP ARRIVES.

Philadelphia, Jan. 4.—The first cargo of the new crop of Cuban sugar consigned to this country arrived here today on a Norwegian steamship. The sugar is for the McCahn Sugar Refining company.

THIRD LIBERTY LOAN SOON.

Washington, D. C., Jan. 4.—The third Liberty loan will probably be authorized February 15, it was learned today. What amount is to be raised was not ascertained. An extensive program of advertising and for the distribution of the bonds is nearing completion.

FLOODS IN SIAM.

Washington, D. C., Jan. 4.—Floods in Siam worst since 1931 are devastating the country. Dispatches today from the American legation at Bangkok say the water has risen to the roofs of houses causing great crops and cattle losses. A relief commission has been appointed.

PERSHING RESPONDS TO SAMMY BOOSTERS

Touching Messages From Com- mander in Chief Reflec Confidence.

With the American Army in France, Thursday, Jan. 3.—(Delayed.)—On behalf of the American expeditionary force, General Pershing has answered New Year's messages from the United States. A message to the army from the Children's American Loyalty league read:

"Dear American Soldiers: We know the sacrifice you have made for us and will make that we may be safe and happy. We thank you and wish you all a happy New Year."

General Pershing responded as follows: "The American soldiers in France are very glad to have your message. No sacrifice we can make will be too great if we can insure the safety and happiness of the children of America."

From Dr. Anna Howard Shaw, suffrage leader and member of the Woman's Council of National Defense came this greeting: "The women of the United States are with you in the spirit of service. You are our standard bearers, our hope. We love you, believe in you, pray for you."

General Pershing replied: "All ranks of the American expeditionary force unite in heartfelt thanks to the women of America for their love and prayers. The patriotism of our incomparable women, than whom there are none others more noble, shall be our constant inspiration until the great task which is entrusted to us has been accomplished. Accept our best wishes for the coming year and our firm confidence in final success."

To Christmas messages from the women of the American Red Cross the American commander sent the thanks of all ranks, adding: "The love and confidence of our women will make us all better men and better soldiers and hold us firm in the courage and determination to win."

MAY SELL SEEDS TO THE FARMER AT COST

Washington, D. C., Jan. 4.—If normal production of the nation's food and feed crops is to be had this year prompt action to protect the seed supplies is necessary. Secretary Houston warned congress today in asking for an urgent deficiency appropriation for government purchase and sale of seed to farmers at cost.

"There is a great and immediate need for at least \$8,000,000 and it is probable that an additional sum will be required in the near future," said the secretary. "The seed situation presents many difficulties. Two general areas have suffered severely from drought during the past season—the southwest, including a large part of Texas and a part of Oklahoma, and a considerable portion of the northwest, including large sections of North Dakota and eastern Montana. These regions represent a large part of the grain producing areas of the United States. At the seed corn situation in the northern half of the corn belt is more serious than it has been for many years."

The secretary said it is important that adequate seed supplies of soy beans and white or navy beans are available for the next planting season.

TAILORS TO ABOLISH SARTORIAL FLUBDUBS

New York, Jan. 4.—"Peg Top" trousers, "back" coats, French facings, fancy flaps and patch pockets are the latest luxuries to be offered as a sacrifice to economy. In an address here today on cloth economy before delegates from virtually every clothing center in the United States, M. Cutter, member of the commercial economy board cited some of the limitations in men's clothing that had been decided upon as a conservation measure.

All yokes and pleats are to be eliminated, Mr. Cutter said, as well as outside penny pockets, double-breasted sack coats and vests and cloth belts on coats.

Announcement was made that a war service committee would be named to represent the clothing industry in dealings with the government.

MITCHELL, CUB MANAGER, OPPOSES CALIFORNIA TRIP

Chicago, Jan. 4.—Manager Fred Mitchell of the Cubs, is in town. The cold snap he met on his arrival from Boston did not receive any praise from him.

"You can talk about New England weather, but this has it beaten 10 different ways," said Mitchell.

The long training trip to California does not appeal to the Cub leader, and if he has any influence with President Weegman he will endeavor to persuade him to change the plans for the spring work. Mitchell does not think the long journey is worth while for the short time the club has to remain on the coast. He favors going to Florida, Louisiana or Georgia and it would not be surprising if a training camp in that section of the country is selected.

HERZOG, GIANT STAR, IS "OFF OF" M'GRAW

New York, Jan. 4.—Charley Herzog, captain of the Giants, is through with the team. He recently reiterated his determination not to play again for John McGraw.

"I never had any confidence in McGraw," said the star second baseman. "I have had no confidence in any use for me. He has treated me shabbily on a number of occasions, and I don't intend to stand for it. He told me before the world series that he'd pay my salary for the time I had to rest at my home, and urged me to play against the White Sox. Later I determined that it was he who was responsible for withholding my money. It has been a pleasure to play for the New York fans, but I am absolutely through with McGraw and the club."

SPINAL MENINGITIS EPIDEMIC IS FEARED

Columbia, S. C., Jan. 4.—Warning of a possibility of a statewide epidemic of spinal meningitis was given today by the state board of health in a formal statement to the public. The disease, which has prevailed in military camps in the state and which has been epidemic at Camp Jackson here, has appeared in various parts of the state, the statement said.

RAILROAD SERVICE TO BE IMPROVED

Proposed to Spend Vast Sums for Equipment, Terminals, Etc., to Obtain Greater Service.

BILL BEFORE CONGRESS Measure Also Fixes Method of Payment for Roads, While Operated by Federal Government.

Washington, D. C., Jan. 5.—Director General McAduff and heads of the four railroad brotherhoods agreed today on a plan for threshing all wage and labor disputes, while government operation preliminary through an investigating board, which will report recommendations to the director general.

Washington, Jan. 5.—The administration bill for government operation of railroads proposes that the government shall pay compensation at an annual rate as near as possible to the net operation income for the three years ended June 30, 1917.

The bill also would appropriate \$500,000,000 to be used as a "revolving fund" with the excess earnings of the roads for the operation of the law.

The bill is entitled "A bill to provide for operation of transportation systems while under federal control, for the preservation of their owners and for other purposes."

Basis of Federal Pay.

Section 1—Provides that the president is authorized to agree with and guarantee to the roads that during the federal control they shall receive as just compensation an income at an annual rate equivalent to nearly as much as the roads have received for the operating income for the three years ending June 30, 1917. This, the bill officially calls the standard returns. This section provides that the net railway operating income is to be computed from returns to the Interstate Commerce commission, excluding dividends and credits, arriving at the accounts which are called in the monthly interstate commerce returns, "leased road returns and miscellaneous returns."

No federal taxes in excess of taxes assessed during the year ending June 30, 1917, are to be charged against the revenue in computing the standard return. Any net railway operating income in excess of the standard return is to be the property of the United States. The amount of the standard return accruing during the three years' period is to be determined by the Interstate Commerce commission, whose certificate as to the amount is to be taken as final and conclusive for the purpose of the agreement and guarantee. During the federal control adequate depreciation and maintenance of the properties of the roads will be provided through a reserve fund, in accordance with principles and rules which the president will determine.

Section 2—Provides that if no such agreement is made with a road, the president may nevertheless, pay or cause to be paid by any railroad while under federal control, not exceeding 90 per cent of the standard return. Under this section the legal rights of the railroad for prosecution of its claim for the balance of the amount of claims is provided for and any amount in excess of the amount that has been paid will bear interest at 6 per cent a year and any excess amount paid by the government will be recoverable by the government with 6 per cent interest.

In Cases of Dispute.

Section 3—Provides that any claim for just compensation is not to be adjusted under the terms provided in Section 2 until it is submitted to a board of three auditors appointed by the Interstate Commerce commission, whose members and official force will be eligible for reappointment without an additional compensation. These auditors will give a full hearing to the road and to the government and will report to the president the amount due the road as just compensation. A sum not exceeding the amount so reported may be agreed upon by the president and the road. Failing this agreement, either the federal government or the road may file a petition in the court of claims for final ascertainment of the amount of just compensation and in the courts of claims proceedings the report of the auditors will be considered prima facie evidence of the facts stated. The just compensation of any federal controlled road not making returns to the Interstate Commerce commission will be determined in accordance with these provisions.

Section 4—Provides that the return of any carrier will be increased by an amount reckoned at a rate per cent to be fixed by the president, upon the cost of any additions and improvements made while under federal control by the carrier, or upon the net capital or surplus of the carrier, equal to the rate accruing to the government upon any advances made to the road for the cost of additions and improvements.

Section 5—Prohibits any carrier, while under federal control, without the president's prior approval, from paying any dividends in excess of its regular rate during the three years ending June 30, 1917. This section stipulates, however, that the railroads that have paid no regular dividends or no dividends during that period may, with the president's prior approval, pay dividends at whatever rate the president may determine.

How Fund Will Be Used.

Section 6—Appropriates \$500,000,000, "which, together with any funds available from any excess earnings of the railroads, may be used by the president as a revolving fund to pay expenses of the federal control on any deficit of a railroad below the standard return and to provide terminals, improvements, engines and rolling stock and other necessary equipment. These terminals, improvements and equipment are to be used for the benefit of the president may direct and to be disposed of as congress may hereafter provide. The president may also order any road to make any additions and improvements. He may from this revolving fund advance to the road all or any part of the expense of the additions and improvements so ordered and constructed by the road or by the government. These advances are to be charged against the road and to bear interest at such a rate and to be payable on such terms as the president may determine, so that the United States may be fully reimbursed for any sums advanced.

May Acquire Water Lines.

Any loss claim to accrue to any road by reason of any of these additions or improvements may be determined by an agreement between the president

JAPAN MAY INTERVENE IN RUSSIA TO "PROTECT ASIA"

Collapse of Muscovite Government Held to Endanger Inter- ests of Allies in Siberia—Tokio Considers Sending a Large Body of Troops.

By United Press.
Tokio, Jan. 5.—The Russian wall which has protected Japan and the rest of Asia from German influence having apparently collapsed, it is feared Japan's attitude toward the war has assumed an unprecedented seriousness.

The feeling is reflected everywhere in Japan—in press comment, statements of military authorities, government conferences and many official utterances. For two weeks reports received here via Vladivostok and from Harbin have indicated that these districts are plagued by lawlessness, that Russian authorities are losing or have lost all semblance of power. There is a reign of terror in Harbin. Foreign subjects are being mistreated. Robbers have plundered Japanese warehouses and Russian soldiers have attacked a prominent Japanese company's plant.

Unless something is done to aid the Russians in restoring order it is believed and the road. Failing this agreement, the amount of the loss will be ascertained under the terms provided in section three. From the revolving fund, the president may expend whatever amount he may deem necessary or desirable for purchase, construction or utilization and operation of boats, barges, tugs and other transportation facilities on the inland and coastwise waterways and may in the acquisition, operation and use of these facilities create or employ such agencies and enter into such contracts and agreements as he shall deem to be in the public interest.

To provide funds for maturing obligations or for other legal and proper expenditures or for reorganizing railroads in receivership, carriers may, during federal control, issue such bonds, notes, equipment, trust certificates, stock and other forms of securities secured or unsecured by mortgage as the president may approve as consistent with the public interest.

The same section authorizes the president to purchase for the United States all or any part of these securities at prices not exceeding par, and to sell these securities whenever in his judgment it is desirable, at prices not less than their cost. Any sums available from the revolving fund which is published in section 6 may be used for such purposes.

President Has Great Power.

Section 8 provides that the president may execute any of the powers granted him through whatever agencies he may deem fit and may fix reasonable compensation for service.

Section 9 would authorize the president to extend the federal workmen's compensation law to apply to railroad employees on such terms and conditions which will give due consideration to remedies available under state compensation laws or otherwise.

Section 10 gives the president in addition to powers specifically prescribed, any other and further power necessary.

Section 11 provides that while under federal control the roads are subject to all laws and liabilities as common carriers, and suits may be brought by and against them and judgments rendered as provided by law. Except with the president's written assent, however, no attachment or execution is to be made on any property used by a road in performance of its common carrier duties.

Section 12 stipulates that any person or corporation acting for or employed by a carrier or shipper or other person who shall fail to observe any of the provisions of the proposed law, "shall knowingly interfere with or impede possession, use, operation or control of any railroad or transportation system taken over by the president," or shall violate any order or regulation for carrying out the law, shall be guilty of a misdemeanor and punishable by a maximum fine of \$5,000 or if a person by imprisonment for not more than two years or both.

Federal as well as state criminal statutes, where applicable, shall apply to all railroad officers, agents and employees. Prosecutions will be in federal district courts.

Section 13, the last, provides for the indefinite continuance of the law. It makes this brief general provision: "The federal control of transportation systems herein and heretofore provided for shall continue for and during the period of the war and until congress shall thereafter order otherwise."

GREAT HOBOKEN FIRE MENACES WAR STORES

Blaze Brought Under Control and Confined to Loss of One Factory.

Hoboken, N. J., Jan. 4.—Firemen, United States soldiers and civilians aided by New York fire boats and railroad tugs brought a stubborn blaze under control after a fight of several hours in the heart of the industrial section paralleling the government controlled water front here today.

A six-story manufacturing plant containing paper and other mill supplies owned by the Gatz-McCann company was destroyed with an estimated property loss of \$250,000. Numerous small fires caused by sparks carried by a 40-mile wind were checked.

Fire boats reached Hoboken after cutting their way through the Hudson river ice and prevented the fire from spreading to a number of ships loading with war supplies.

About 1,000 soldiers guarded the district and civilians were called on for patrol duty. A munitions factory in the vicinity was not touched by the flames.

lied here means must be taken to protect the property and lives of foreigners in Siberia, particularly in Harbin.

There are 2,500 Japanese, 100 Britishers and about 50 Americans there.

Should Lenin establish his power over Russia," said Lieutenant General Ojino, former Japanese ambassador at Petrograd, "Germany might invade Russia further and advance toward the east. The entente cannot send troops to Asia. America would find it difficult to do so and Chinese troops can hardly be trusted. It is necessary, therefore, that Japanese troops be mobilized."

Lieutenant Horluchi who has held numerous important diplomatic and military posts holds to the same view. He points out that the dispatch of Japanese troops to Siberia would be fruitless unless the whole Japanese empire is alive to the gravity of the situation.

MAY WITHDRAW ON TURK FRONT

Bolsheviks Offer to Take Troops Out of Persia If Turkey Will Do Like- wise.

London, Jan. 5.—The bolshevist foreign minister, Leon Trotsky, is said by the Petrograd correspondent of the Exchange Telegraph company to have sent a communication to the Persian government offering to begin negotiations for the withdrawal of Russian troops from Persian territory, provided Turkey will withdraw hers.

According to the same correspondent, M. Kerensky, the deposed premier, has prepared an account of his services during the period of the first revolution, which will be presented to the constituent assembly. It includes full details of conditions at the front during the June offensive and the reasons why M. Kerensky should be removed. Former Emperor Nicholas to Siberia.

ARGENTINE MINISTER OFFERS RESIGNATION

Naon Miffed Over Publication of Count Luxburg Corre- spondence.

Buenos Aires, Jan. 5.—Confirmation was received here last evening of the report that Dr. Romaulo S. Naon, the Argentine ambassador to the United States, has resigned.

In official circles every possible effort is being made to persuade the government not to accept the resignation.

Friction arising from the publication of the secret telegrams sent by Count von Luxburg before his dismissal as German minister to Argentina, to Berlin through the medium of the Swedish legation, is given as a reason.

In these telegrams Count von Luxburg advised the "sinking without trace" of Argentine vessels and advised his government concerning German propaganda in South America. Some of the dispatches were withheld from publication for several weeks and it had been reported previously that Ambassador Naon, who sent them to his government with the expectation that they would be given out, was to be recalled.

MAY INCREASE DRAFT AGE IN NEAR FUTURE

Would Give Government Larg- er Number of Skilled Workmen.

By United Press.
Washington, D. C., Jan. 5.—Increase of the draft age from 21 to 24 or 25 is "one of the problems of the future," according to Provost Marshal General Crowder in his comprehensive report to the secretary of war.

The draft of the older men should be mainly for skilled labor for the war and to distribute the burden of the war, according to Crowder.

KAISER AND CZAR IN FIGHT ON SOCIALISM

Had Laid Plans to Combat Doc- trine Throughout Entire World.

Petrograd, Jan. 4.—That the czar was in communication with the German autocracy seeking an international convention which would lay plans for a world wide fight against socialism, was revealed in documents found at the foreign office and made public by the bolshevist government today. The records showed conferences had begun at the time with this program in view.

MUNITIONS DEPOT IS BLOWN UP; 2,000 DEAD

Stockholm, Jan. 4.—A Haparanda dispatch to the Tidningen says that the munitions depot on the Russian southern western front was blown up recently and that all buildings within a radius of two kilometers were destroyed. Two trains loaded with Cossacks on the way to the Don district were wrecked, causing the death of 2,000 men.