

KAISER MUST PAY FOR HAVOC DONE—GEORGE

British Premier, Defining Allies' War Aims, Says Restoration and Compensation Are Price of Peace.

London, Dec. 21.—In the midst of the peace pourparlers that are in progress between the representatives of the Teutonic allies and the Bolshevik government in Russia the war aims of Great Britain—and doubtless of all her allies—have been concretely set forth in the House of Commons by David Lloyd George, the British prime minister.

The complete restoration of territory now in the hands of the enemy and compensation for the havoc they have wrought is the price that will be demanded for the laying down of arms and the bringing about of peace.

Great Britain did not seek territorial aggrandizement for herself or for any of her allies when she entered the war, Mr. Lloyd George said, but entered into the hostilities merely for the sake of her honor. As to Germany's colonies, all of which are now in the hands of the entente, Mr. Lloyd George said, their disposition must be determined at the peace congress. Jerusalem, however, the premier declared, would never be restored to the Turks.

"If we could project ourselves into the year 2000 what would be the opinion of many of the events of today?" asked the premier. "No doubt the Russian revolution would hold a conspicuous place. Another feature would be the advent of America for the first time, not into the war, but into world politics—a gigantic event of itself. The next event would be the conquest of Mesopotamia and Palestine and the release of Arabia from the dominion of Turkey. Another event would be the setting up of the inter-allied council."

"What are the prospects?" asked the premier. "France's losses, no doubt, have been serious; despite the reverses which Italy has endured, their losses are not to be compared with those of Austria, and despite the losses inflicted on us, the permanent loss to the British army is not more than one-fourth or one-fifth the permanent losses endured by the Germans. If we take the reserve man power of the nations allied against Germany it will be found to be more than twice as great as that of Germany and its allies."

PLENTY OF SUGAR FOR U. S. NEXT YEAR

Babst Declares There Will Be No Shortage in 1918; Opposes Cutting Consumption, Fearing a Surplus.

Washington, Dec. 21.—A plentiful supply of sugar for the American people during the coming year, was predicted today by Earl B. Babst, president of the American Sugar Refining Company, testifying before the senate investigating committee.

He opposed placing a limit on domestic consumption, contending that such a plan would result in a larger surplus than the tonnage shortage would permit to be shipped abroad.

Half of the world's sugar crop outside of the central powers, Mr. Babst said, is produced in the United States, its territories and Cuba and if properly distributed this production is more than enough to meet domestic demands as well as supply all that can be shipped to the allies.

Of this year's shortage, Mr. Babst said, it had its inception in unwarranted famine stories spread broadcast early in the year which resulted in hoarding and has been aggravated by a series of unavoidable conditions. When people began to hoard the refineries held large stocks but soon these were materially reduced because of strikes fomented by the Industrial Workers of the World.

Then came an unprecedented demand, he said, because of the food administration's canning campaign. The pinch came a little earlier than might be expected because England took 200,000 tons of the Cuban crop.

JOINT BOARD ON SHIP TONNAGE OF THE ALLIES

Paris, Tuesday, Dec. 21.—Close cooperation in utilizing means of maritime transport has been realized by the allies, says an official note issued here today, supplementing the statement made at the time the inter-allied conference concluded its sessions here.

It was announced at that time that the allies had decided to create an organization for co-ordination of maritime activities, and today's statement says this council has been created, consisting of representatives of the United States, France, Great Britain and Italy.

The council will draw up schedules for the division of tonnage in accordance with the needs of each country for food supplies and war purposes.

A board will be created in each country to decide on utilization of the tonnage placed at the disposal of that nation.

The French board will be composed of Etienne Clement, minister of communications; Louis Boucheur, minister of munitions; Victor Borani, minister of provisions; M. Vigram, under-secretary for provisions; M. Jeanneney, under-secretary for war; M. Lemery, under-secretary for mercantile marine; M. Sergent, under-secretary for finance, and representatives of the army, navy, chiefs of staff and chambers of commerce.

HOW TO FIGURE NEW INCOME TAX DUES

Treasury Department Eliminates Unnecessary Accounting in Making Excess Profits Returns.

Washington, Dec. 21.—Internal Revenue Collector Roper tonight issued a series of rulings designed to eliminate unnecessary accounting and in computing excess profits and income taxes, and in many cases to materially reduce the amount of tax to be paid. The rulings, approved by Secretary McAdoo, in substance are as follows:

Partnerships and individuals are permitted to deduct reasonable salaries before figuring excess profits on the business.

A partnership may deduct payments to a partner as interest on a bona fide loan.

A partner in his individual capacity is not subject to excess profits on his share of profits except at the 8 per cent rate on profits exceeding \$6,000, applicable to businesses with no capital or only nominal capital.

A taxpayer need not report his pre-war earnings if he is content to accept the minimum 7 per cent deduction in calculating excess profits taxes.

MOBS HOT AFTER BUSH, SAID TO HAVE SLAIN SON

Montrose, Colo., Dec. 21.—While feeling against him ran high in this community tonight, posses of farmers, and deputy sheriffs, continued to scour the canyons running up into the Uncompahgre plateau in hope of finding John O. Bush, accused of killing his 11-year-old son, Ira, and dismembering the body.

Meanwhile, Bush's mother, Mrs. J. I. Bush, is in the county jail at Delta, where today she repudiated a statement given a coroner's jury that she had killed her son and treated him as he had done the child.

A man whom farmers believe to have been Bush was seen early today walking along an irrigation canal. Poses tracked this man three miles into the Uncompahgre country but lost track of him.

Threats of lynching have been made. Some of the searchers for Bush are without official authority, and tears have been expressed that should Bush fall into their hands he would not reach the jail alive.

Bush's wife, stepmother to the boy Mrs. Bush says was murdered, who returned from a visit after Bush disappeared, left today for the home of her parents in a small town near Kansas City.

BETTER GUNS ARE RESULT OF DELAYS

Testimony in Senate Probe Shows Loss of Time Gave Superior Weapons to U. S. Troops.

Washington, Dec. 21.—The senate military committee today virtually completed its inquiry into the army ordnance shortage, paving the way for the beginning tomorrow of the next phase of its investigation—that of clothing, supplies, transportation, contracts and cantonments.

More testimony regarding delays in rifle and machine gun production was given today by a private ordnance manufacturer and civilian rifle expert. The former, however, said that although delay in both had occurred, the loss of time had resulted in evolving much superior weapons.

B. W. M. Hanson, general manager of the Colt Arms company, told the committee that the new modified American Enfield rifle and American ammunition are at least equal to German rifles and ammunition and superior to any used by the allies. In his opinion, the new Browning machine gun is the best in existence.

Efforts toward higher standards of interchangeable parts in the Enfield rifles, Fred H. Colvin, a rifle expert, testified, caused three months' delay in their production.

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Say Universities of U. S. Aided Indian Revolution

San Francisco, Cal., Dec. 21.—American universities were used as a direct means of fitting young Hindus to be leaders in a proposed revolution to overthrow British rule in India, according to disclosures today in the United States district court at the trial of 31 persons charged with conspiracy.

Nawab Khan, a prosecution witness, testified that five young Hindus were picked each year from many candidates and awarded scholarships at several American universities in order that they might become mentally equipped to take leading parts in the proposed revolution. Har Dyal, formerly connected with the faculty of the Leland Stanford, jr., university and one of the defendants was one of the trustees of the scholarship fund, Nawab said.

Serbian Mission is On Way to Washington

An Atlantic Port, Dec. 21.—A Serbian diplomatic mission to the United States arrived here today on a French steamship. It is headed by Dr. M. R. Vesnich, who represented Serbia at the inter-allied conference at Paris, its members include a number of Serbian army officers. The mission plans to go direct to Washington.

Dr. Vesnich, who is Serbian minister to France, will express to President Wilson his country's appreciation of the help it has received, financial and otherwise, from the United States, and of the president's attitude toward small nations. The president will receive an autographed letter from King Peter of Serbia.

Stocks, Bonds and Securities. Indebtedness are to be considered tangible property included in "invested capital" in estimation of excess profits.

Bonus payments to employees may be deducted from gross income in figuring income taxes, except when the payments are proportional to any investments the employees may have in the business in which case the payments are to be considered in the nature of distribution of profits.

In practically every instance Commissioner Roper is said to have adopted the recommendations of the excess profits advisors, a body of volunteer experts who have been working for weeks to untangle knotty problems arising in administration of the law.

Another ruling issued tonight extends from January 1 to February 1, the time in which corporations may file income and excess profits tax returns on the basis of their fiscal year. Others will be issued soon.

First Cargo of Wool Arrives From Australia

Boston, Dec. 21.—A cargo of Australian wool, valued at \$7,000,000, has reached this port. It is the first lot to be released by the British government since last spring.

Entente Said to Have Recognized Ukrainians

Copenhagen, Dec. 21.—The entente allied powers, according to the Vossische Zeitung of Berlin, on December 10, accredited legations to the government of the Ukraine.

National Guard Officers Found Physically Unfit

St. Louis, Mo., Dec. 21.—Brigadier General Harvey C. Clark, long commander of the Missouri National Guard, and who was assigned to the depot brigade when the Kansas and Missouri guards were united in one division at Camp Doniphan, Okla. said today that his continuance in the army depended on the findings of a medical board which recently examined him in Washington.

General Clark said it was known that Major General Clements of Pennsylvania, Brigadier General Wedge of Utah and Brigadier General Gaihet of Maryland had been found physically unfit for service.

U. S. Soldiers Abroad Make Xmas Merry for French War Orphans

With the American Army in France, Dec. 21.—The purchase of thousands of dollars worth of Christmas toys and clothing for the children in this section of France, was begun today by the army. One purchase consisted of 300 overcoats for the children of refugees. Everything has been bought from drums to toy rifles and dolls and all the gifts will be presented on Christmas day.

One American unit squadron set up a Christmas tree in a hangar for the children of a nearby town. It will be lighted with regulation candles and there will be a present on it for every boy and girl. Each child will get the gift most desired, the officers having made a list of the names and written beside each what that particular child wanted.

All over the zone it will be a Christmas long remembered if the Americans can make it such. Some of the towns will have community trees set up in the public squares, while others will have theirs in the city halls.

The presents for the children are all being paid for out of the soldiers' own pockets and one division has raised so far nearly \$7,000 for the purpose.

For the army itself there will be foot ball games in the morning and a dinner at midday that will surpass even the one served on Thanksgiving day. Thousands of pounds of mince-meat, turkey and trimmings have already arrived and are awaiting the cooks and thousands more are expected.

Shipping Board to Permit Wooden Vessels to Be Built

Washington, Dec. 21.—In a definite statement of policy, the shipping board announced today that it would not discourage construction of wooden ships for private account, where their building would not interfere with the government program. Permission will continue to be refused construction of steel ships and passenger ships. In granting permission for private construction of wooden ships the board will give preference to American owners. Private building of barges and tugs will be encouraged in every way possible.

French Sink German Subs.

Athens, Dec. 21.—French destroyers have sunk two enemy submarines in the Gulf of Taranto.

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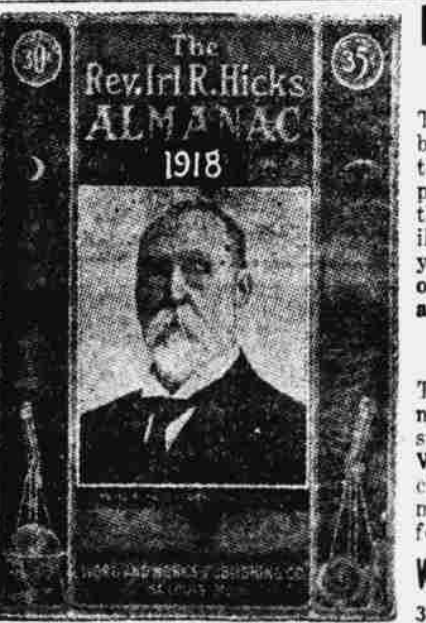
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