



THE OMAHA DAILY BEE

THE WEATHER Fair; Cold

VOL. XLVII--NO. 166.

OMAHA, FRIDAY MORNING, DECEMBER 28, 1917.—TEN PAGES.

Single Copy Two Cents

U.S. RAILROADS UNDER GOVERNMENT CONTROL

PEACE TERMS ON WHICH TEUTONS WILL END WAR OUTLINED BY CZERNIN

Favor General Peace Without Forcible Annexations or Indemnities, But Will Not Bind Themselves to Such Terms Unless All Russia's Allies Will Recognize and Carry Them Out.

Virtual acceptance of the peace terms offered by Russia was made by the central powers in a statement issued to the peace conference Tuesday by Count Czernin, the Austro-Hungarian foreign minister, provided Russia's allies also recognize them and carry them out honestly toward the central powers.

AGREEABLE TO KAISER. Peace without forcible annexations and indemnities is agreeable to the central powers and they will conclude a general peace immediately on conditions equally just to all the belligerents.

SPEED FREIGHT HAULS UNDER U.S. RAIL CONTROL

Shipments Now Will Go Over Shortest and Most Convenient Routes; Formerly Competition Reduced Efficiency.

Washington, Dec. 28.—Under the traffic pooling plan worked out by Secretary McAdoo as director general of railroads, freight will move over the shortest and most convenient routes regardless of the individual interests of the roads.

Since earnings, as well as facilities will be pooled, this system can be pursued to an extreme limit, officials pointed out today, without endangering the revenues of any line.

Earnings will be pooled and paid out on the basis of pre-war returns regardless of how much freight a railroad actually moves.

Competition Loses Efficiency. Railroad experts admit that there is a great loss of efficiency in competition. Freight often is billed over a particular line when it might be handled much more expeditiously over another.

Under the ordinary system, freight goes to one road in New York would proceed all the way over that line. Under the new plan it might be diverted to the other road at the crossing point if the other road from the crossing on to Chicago offered at the time better facilities for moving.

Will Relieve Congestion. While admitting that competition slows up traffic in a situation such as exists at present, railroad men point to the fact that competition has brought all the improvements in railroad facilities such as the airbrake and other devices. But during the war, even railroads running between New York and Chicago, for instance, might cross at some point in between.

Under the government pooling plan a railroad with its lines congested will not be given more freight to handle if it appears it may add to the congestion.

Interstate Commerce commission officials will work closely with Secretary McAdoo on a comprehensive operating plan. They believe a system will not be hard to devise and that with a skeleton plan outlined railroad officials themselves can carry out the details without a great deal of trouble.

Officials Seize Sugar That Was to Be Given Away. Paterson, N. J., Dec. 27.—Three hundred and seventy-five pounds of sugar which were to be given away free last night to the patrons of a local theater are now in the possession of the federal food administration, and D. Nochinsohn, a wholesale grocer, must go before the United States commissioner in Jersey City to answer a charge of boarding the conveyer. When the theater advertised that it would give the sugar away last night, an agent of the food administration seized it and served the grocer with a summons after being informed that the sugar had been purchased from Nochinsohn.

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BOLSHEVIKI ADMIT RIVALS TO COUNCIL

Seek to Placate Political Opponents Who Have Majority in Constituent Assembly.

The Bolsheviks are taking measures to placate their opponents. Seven members of the social revolutionist party, which has a majority of the constituent assembly, have been admitted to the council of national commissioners, as the ruling body in Russia is called. The Bolsheviks still retain 10 members in the council.

London, Dec. 27.—The Bolshevik newspapers continue to print revelations of an alleged American plot to support General Kaledines, according to a Petrograd dispatch to the Morning Post, dated Tuesday. So far as Ambassador Francis is concerned, the dispatch adds, the whole ridiculous charge falls to the ground before the straightforward statement issued by the American ambassador on Tuesday. Colonel Kolpashnikoff never applied to the ambassador for any fund for any purpose, although fully empowered to draw as needed on the Red Cross account, he being connected with the American Red Cross.

Leon Trotsky's charges against Kolpashnikoff and American representatives in Petrograd, the correspondent adds, amount to a series of suppositions, unsupported by evidence of any kind. The correspondent says that Colonel Kolpashnikoff assisted the officials in Halifax in examining Trotsky when he and Trotsky were traveling to Russia together, and adds:

Trotsky's Personal Hatred. "The matter thus comes down to the personal element, which plays so large a part in what is called politics in Russia today."

Colonel Kolpashnikoff, the correspondent says, is still in prison and has not been seen by any American official.

It is plain, according to the correspondent of the Post, that in some small bits of friction between the respective American missions in Roumania and Russia, Trotsky found a peg on which to hang a series of baseless charges against Ambassador Francis and the American nation. Trotsky's object is to discredit the entire allied governments, through their representatives, and the methods he has adopted are calculated to intensify the hostility of the Russian proletariat toward the allies, which German agents always have fostered.

IOWA PREACHER ALMOST HANGED FOR HIS SPEECH

Audubon, Ia., Dec. 27.—After months of friction between citizens, members of the county Council of Defense and pro-Germans of this community, late yesterday a sensational attack was made upon Rev. W. A. Starck and Fred Tenekheig, both of whom had ropes placed around their necks and were all lynched by the parents of boys who have gone to war and who have become infuriated by the continued unpatriotic actions of certain citizens.

This followed a public meeting, at which both men refused to be subjected to the Council of Defense. Tenekheig, 30, single, and said to be worth \$45,000, had done little for the war, and Rev. Mr. Starck has been before the Council of Defense repeatedly for alleged treasonable acts.

Both men at different periods of the late afternoon had ropes placed about their necks and Tenekheig was dragged nearly a block to the public square, where he was released more dead than alive and where he signed a check for \$1,000 for the Red Cross. Starck's escape from lynching was due to his wife, who ran screaming to the spot where they had led him, and as she fell fainting to the ground the men turned their attention to her and later let Starck free on condition that he and his family leave the community at once. He left within an hour.

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ALL LINES TO BE OPERATED AS ONE GIGANTIC SYSTEM AND DIRECTED BY THE SECRETARY OF TREASURY

Your Uncle Samuel's New Role



FEDERAL BOARD PROBES CASE OF WILBER LAWYER

Frank W. Bartos' Alleged Activities Before Exemption Boards Investigated by Representatives of U. S.

Frank W. Bartos, former state senator and senior member of Bartos & Bartos, lawyers, Wilber, Neb., was investigated recently by a government board because of his activities before the various exemption boards and the big fees he charged.

The first intimation that Bartos was making money out of his activities on behalf of drafted men was received when a Wilber farmer came into the exemption board rooms at Lincoln and stated Bartos had made out exemption papers for him and charged him \$250. He had offered the attorney \$25, which was refused, he said. L. B. Frye, of the appellate board, advised the farmer to offer Bartos \$5. That was the last heard of the case.

E. M. Pollard, of the appellate board, said information had come to it that Bartos was charging exorbitant fees.

Pictum Case Cited. Another case cited by the critics of Bartos is that of Eman Pictum, a son of a wealthy farmer who had neglected to register. Information of this came to the government, but before any action could be taken, Bartos made a trip to Lincoln and asked the governor for permission to let Fictum register.

There was no necessity for this, as the law allowed the young man to register. But his registering did not exempt him from arrest, and he is now awaiting a hearing. According to a story circulated in Saline county, Bartos charged Fictum \$1,500 for his services. Fictum says he paid \$250 and expects to pay more.

Another case is in connection with the son of H. D. Damkroger, president of the Farmers and Merchants bank of DeWitt. The son was drafted. (Continued on Page Two, Column Six.)

GERT HOFFMANN JUST MUST HAVE HER CHAMPAGNE

Max, Her Hubby, Also Requires a Cocktail Now and Then, According to Testimony in Court.

Gertrude Hoffmann would be subject to grave danger and risk if deprived of champagne.

Max Hoffmann, her Adonis-like husband, might collapse if he could not have a nip of martini now and then.

This information was brought out in municipal court before Judges Holmes and Baldwin at the hearing of cases filed by Prosecutor McGuire against members of the Hoffmann company and Skeets Gallagher, another Orpheum performer who happened to be on the same train when the Hoffmann company's baggage was raided last Sunday morning at Union depot.

Rule Car Is Home. The court dismissed the case against Max Hoffmann on the grounds that the car on which he arrived from Kansas City was his private car, and, therefore, was his home within the meaning of the Nebraska prohibitory law.

Mr. Gallagher was fined \$100 and costs, as the evidence showed that he brought four quarts of intoxicants to Omaha for the purpose of cheering his aged mother on Christmas day. He admitted those circumstances, but the court held that sentiment should not contravene the law.

Six bottles of champagne and one bottle of martini were found in the personal effects of Gertrude and Max Hoffmann. Gertie was not required to appear in court. On behalf of his wife Mr. Hoffmann offered in evidence the following telegram received in the morning from a New York City physician of the famous disciple of terpsichore:

Says Necessary Stimulant. "I prescribe champagne for Gertrude Hoffmann, one glass after each (Continued on Page Two, Column Five.)

EXPECT REDUCTION IN OPERATING EXPENSES TO SAVE ONE BILLION

Enormous Salaries of Rail Managers to be Cut and Wages to Workers Increased; Government Will Sell Bonds to Buy New Equipment and Guarantee Earnings of All Properties Taken.

Washington, Dec. 27.—Order No. 1, to be issued shortly by Director General of Railroads McAdoo, will provide for the pooling of all traffic and facilities, the common use of terminals, tracks and equipment, the hauling of freight by the shortest route regardless of billing or routing, and the retention of all present officers and employes of railroads.

One effect of this order will be to give a number of railroads terminal facilities which they do not now have in big cities. The Baltimore & Ohio probably will enter New York City at the Pennsylvania station.

BROTHERHOOD CHIEFS CONFER. Heads of the four railroad brotherhoods conferred with President Wilson for an hour and a half late today, discussing in detail the part of the employes will play under government operation. A. B. Garretson, of the conductors, said afterwards that wage increases were not mentioned.

Mr. Garretson added that the brotherhoods were behind the government operation plan and the president had known it for two weeks.

REDUCE LARGE SALARIES. One of the first acts of the government in beginning operation of railroads will be to reduce large salaries now being paid to the railway executives and increase in some measure the wages of the railway workers.

Securities to be issued while the government is in control will be at interest rates not less than 4 per cent and the issues will be made under joint authority of the director general and the Interstate Commerce commission.

U. S. TAKES SURPLUS EARNINGS. President Wilson, when he outlines the government's plans in the forthcoming address to congress, will ask that the government be empowered to buy any quantity of new railroad securities. All earnings over and above an amount to be agreed upon will go to the government.

Congress will be asked also to appropriate a large fund—probably \$200,000,000—for the immediate supply of rolling stock to handle the flood of traffic which has swamped the roads.

MAY TAKE EXPRESS. The director general will have authority to decide whether the government shall also assume operation and control of the express companies.

President Wilson will recommend to congress that the railroads be guaranteed the average net income of the three years ending June 30, 1917, but any railroad may abide by its constitutional right and refuse to accept this basis of compensation. In that case the question will pass to an arbitrating body, the precise nature of which is to be determined by congress.

MAY SAVE A BILLION. The equipment fund will also be used to pay any deficit of earnings this year under the pre-war average or the amount agreed upon, but officials who have given the situation close study believe it may be unnecessary to expend any great sum in this way. They believe that the government by eliminating wasteful competition and unnecessary expenses under a common control, can save hundreds of millions of dollars. Some officials even estimate that the saving will be a billion dollars a year and that the government will be able to garner revenue from the government operation plan in addition to insuring railroad securities holders against loss.

To Help Weak Lines. Although in most cases earned dividends exceeding the guarantee will revert to the government companies, Mr. McAdoo would like to see some provision for railroads whose pre-war earnings were abnormally low, by authorizing the payment of dividends in excess of those amounts on approval of the Interstate Commerce commission.

Railroads will continue to provide for their own issues of securities, but will be compelled to obtain the approval of the director general before going to the Interstate Commerce commission for final sanction. The commission will pass upon the size of the issue and the director general will determine the interest rate, which could not be less than 4 per cent under the proposed plan.

Work for McAdoo. In his dual position of secretary of the treasury and director general of the railroads Mr. McAdoo would be in the best position to pass on questions of securities interest rates. It also would be his duty to determine when the government should purchase new securities issued under his approval, and this plan would prevent the rail securities from interfering with future issues of Liberty bonds without necessitating actual government financing of the railroads.

The legislation which will be recommended to congress would specify that the roads would remain subject to all existing laws and regulations of the Interstate Commerce commission. Those who have given careful thought to the situation believe the director general will not modify the existing order radically at first, but eventually will go far toward centralizing authority under the federal government.

State Commissions. The Association of State Railroad Commissioners will give full support to the new plan so long as its functions are not reduced materially but it is expected to protest against being deprived of adjusting minor questions of rates and rules within its territories.

Until Mr. McAdoo outlines his plans the status of express companies under government operation of railroads will not be fully determined. Naturally they will be under very (Continued on Page Two, Column Four.)

The Weather

Table with weather data for Nebraska, including temperatures at Omaha, Yesterdays, and comparative local record.

LATE WAR BULLETINS

UKRAINIANS WINNING. London, Dec. 27.—Ukrainian forces, according to a report received from Petrograd, have occupied the headquarters of the Fourth, Eighth and Eleventh armies on the Roumanian southwestern front. Those who resisted were disarmed and a quantity of guns and rifles were seized. The Ukrainians have occupied the station at Brailoff and disarmed the guards. A telegram received in Petrograd from Toms reports fighting in Irkutsk, Siberia. Cossacks and military cadets have engaged the garrison there for two days with alternating success. GERMANS REPULSED. Paris, Dec. 27.—Three attacks were made by the Germans last night on the Verdun front east of the Meuse, it is announced officially. At their third attempt the Germans succeeded in reaching the French lines, but were driven out immediately with heavy losses, leaving prisoners.