

EXCESSIVE GAIN TO CONTRACTORS DELAYED COATS

Investigation by Senators Reveals Brother of Committee-man Is Reaping Rich Profits.

(By Associated Press.)

Washington, Dec. 27.—Examination of Quartermaster General Sharpe was resumed today by the senate military committee investigating war preparations.

Sharp criticism for the shortage of winter overcoats was made by the senators, who declared orders for clothing were not followed up to insure deliveries. General Sharpe said he had the information in the files, but could not recollect the details.

"It is a question of details," said Senator McKellar. "It is a question of coats. Thousands of men are without them. Why is it?"

General Sharpe repeated that delay in deliveries was largely the cause.

Surrendered Powers.
"You practically surrendered your power over contracts to the Council of National Defense, didn't you?" asked Senator Chamberlain.

General Sharpe answered in the affirmative and explained that the council had nothing to do with making uniforms, but only with getting cloth for their manufacture.

Tracing the causes for delay in getting clothing to the troops, Senator Frelinghuysen declared it was due in part to changes in cloth specifications, resulting from a conflict of authority between the quartermaster general and the Council of National Defense.

Practically every contract for overcoats was delayed, General Sharpe said, by trouble in getting cloth and strikes in the clothing factories. The decision to send forces to France sooner than expected was another cause.

Senator Weeks brought out that Boston wool dealers early in the war offered wool supplies to the War department.

"Was anything done?" he asked.
"Not then," General Sharpe answered. "Later I think the Council of National Defense took up the matter."

Gave Excessive Profits.
Senator Weeks brought out that the supplies committee of the council recommended a contract for sorting scraps from army cloth at 6 cents a pound and that it was found excessive and canceled. Two cents was later reported as a fair price. A Mr. Kaplan, said to be a brother of a member of the council's committee, was mentioned as a member of the firm that got the 6-cent contract.

At the 6-cent rate the private contractors' profits were estimated by General Sharpe at \$400,000 a year. If he had known all the facts at the time, General Sharpe said, he would not have signed the contract.

U. S. DOUBTS SINCERITY OF THE GERMANS

Washington, Dec. 27.—The conditions surrounding Count Czernin's proposals for a basis of peace cause officials here to feel some apprehension for their sincerity. There is a great disposition to feel that the object of the German plenipotentiaries is simply to protract the negotiations as long as possible without any expectation of an immediate peace agreement, with the double purpose of leading the German people to believe that their government really is desirous of making peace, and of gaining time for the further strengthening of the German lines in the west.

One condition regarded as impossible for the present at least is that the adherence of all belligerents must be secured to the peace the Germans are trying to make with Russia before it can become effective. This is accompanied by a demand for the return of the German colonies now in the possession of Russia.

United States Stand Unaltered.
It can be stated authoritatively that the position of the American government has not changed in any respect with regard to its determination to enter into no agreement with a government which does not represent the free will of the governed people. This would dispose of any hope the Germans might have that America would enter the conference. As for the German colonies Lloyd George recently declared that was a subject for the peace conference.

No provision is made in Count Czernin's terms for the return of Alsace-Lorraine, which is regarded here as a condition that must be met as a preliminary to any peace agreement.

In the light of the extraordinary efforts Germany has been making to rid those provinces of French inhabitants, it is believed here that Germany may propose a plebiscite of inhabitants, relying upon the vote of German soldiers and the imported German population, but such a proposal probably will be rejected by the United States and its co-belligerents.

Apparently Belgium is promised freedom by Count Czernin, if all the other German demands are met. But officials note there is a reservation, almost inseparable from German diplomacy, in the shape of "guarantees" which Germany requires to insure the execution of all these complicated factors of the peace treaty.

The German insistence that the pledge to restore the political independence of countries occupied by the central powers shall not apply to nationalities which did not previously enjoy independence, is regarded as aimed directly at the projected Polish state.

Discontinue Study of German.
Long Beach, Cal., Dec. 27.—Study of German except for those needing it for entrance to college, will be discontinued during the war, the Board of Education announced here today. It will be effective immediately.

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Peace Terms On Which Teutons Will End the World War

(Continued From Page One.)
Russia Gratified.

The chairman of the Russian delegation expressed gratification at German willingness to make peace without annexations and indemnities and with self-definition of peoples. He demurred, however, at the German statement on self-definition as being incomplete. He said the war could not end without the re-establishment of the violated rights of little and oppressed nationalities and Russia would insist on guarantees that their lawful rights would be protected in a general peace treaty.

Count Czernin explained the position of the central powers in a statement which he read at the second session of the peace conference at 10 o'clock Tuesday evening. His statement follows:

Austrian Statement.
"The delegation of the allied (Teutonic) powers, acting upon the clearly expressed will of their governments and peoples, will conclude as soon as possible a general peace. The delegations, in complete accord with the repeatedly expressed view point of their governments, think that the basic principles of the Russian delegation can be made the basis of such a peace."

"The delegations of the quadruple alliance are agreed immediately to conclude a general peace without forcible annexations and indemnities. They share the view of the Russian delegation which condemns the continuation of the war purely for aims of conquest."

"The statement of the allied (Teutonic) governments in programs and statements have emphasized time and again that for the sake of conquest they will not prolong the war a single day. The governments of the allies unswervingly have followed this view all the time. They solemnly declare their resolve immediately to sign terms of peace which will stop this war on the above terms, equally just to all belligerents without exception."

"It is necessary, however, to indicate most closely that the proposals of the Russian delegation could be realized only in case all the powers participating in the war obligate themselves scrupulously to adhere to the terms in common with all peoples."

Entente Allies Must Join.

"The powers of the quadruple alliance now negotiating with Russia cannot, of course, one-sidedly bind themselves to such terms, not having the guarantee that Russia's allies will recognize and carry out these terms honestly without reservation with regard to the quadruple alliance. Starting upon these principles and regarding the six clauses proposed by the Russian delegation as a basis of negotiations, the following must be stated:

"Clause 1. Forcible annexations of territories seized during the war does not enter into the intentions of the allied powers. About troops now occupying seized territories it must be stipulated in the peace treaty, if there is no agreement before, regarding the evacuation of these places."

"Clause 2. It is not the intention of the allies to deprive the political independence of those nations which lost it during the war."

"Clause 3. The question of subjection to that or the other country of those nationalities who have not political independence cannot, in the opinion of the powers of the quadruple alliance, be solved internationally. In this case it must be solved by each government, together with its peoples, in a manner established by the constitution."

"Clause 4. Likewise, in accordance with the declarations of the statesmen of the quadruple alliance, the protection of the rights of minorities constitutes an essential part of the right of peoples to self-definition, indicated by a constitution."

No Indemnities.

"Clause 5. The governments of the (Teutonic) allies also recognize the principle. (This refers to clause 5 of the Russian peace terms, stipulating that no belligerent country shall be required to pay contributions and that private persons shall be compensated for losses incurred through the war from a special fund contributed by all the belligerents on a proportional basis.) In this event each belligerent would be required to bear only the expense of its subjects made war prisoners and to pay for damages caused to civil subjects of an adversary by deliberate violations of international law. The creation of a special fund, etc."

"Clause 6. Of the four allied powers, Germany alone possesses colonies. On the part of the German delegation, in full accord with the Russian proposals regarding that, the following is declared:

Return of German Colonies.
"The return of colonies territories forcibly seized during the war constitutes an essential part of German peace terms."

JAPAN PLEDGES CO-OPERATION WITH ENTENTE

Tokio, Dec. 27.—Co-operation of Japan with its allies in the war to the fullest extent of its ability was pledged by Emperor Yoshihito in the speech from the throne at the opening of parliament today. The emperor said Japan's relations with the entente powers were extremely close, which was greatly pleasing to him, and continued:

"The European war is becoming more and more important. It becomes us to devote our efforts toward more effective co-operation with the allied powers. We expect the alliance to secure the full fruits of victory and to obtain the objects with which we heartily sympathize. We are prepared to co-operate to the fullest extent of our ability while maintaining peace in the orient."

"In consequence of present conditions we have ordered our ministers to present plans having to do with the necessities of national defense."

The embassies and legations were fully represented in the diplomatic boxes. After the delivery of the speech from the throne the parliament adjourned until January 20.

demands, which Germany cannot renounce under any circumstances. Likewise, the Russian demand for immediate evacuation of territories occupied by an adversary conforms to German intentions. Having in view the nature of the colonial territories of Germany, the realization of the right of self-determination, beside the above outlined considerations in the form proposed by the Russian delegation is at present practically impossible."

"The circumstances that in the German colonies the natives, notwithstanding the greatest difficulties and the improbability of victory in a struggle against an adversary many times stronger and who had the advantage of unlimited import by sea, remained in the gravest circumstances faithful to their German friends, may serve as proof of their attachment and their resolve by all means to preserve allegiance to Germany, proof which by its significance and weight is far superior to any expression of popular will."

"The principles of economic relations proposed by the Russian delegation in connection with the above six clauses are approved wholly by the delegation of all the allied powers who always have denied any economic restrictions and who see in the re-establishment of regulated economic relations, which are in accord with the interests of all people concerned, one of the most important conditions for bringing about friendly relations between the powers now engaged in war."

Statement Pleases Russians.

Chairman Ioffe, of the Russian delegation, expressed gratification at the willingness of Germany to conclude peace on the basis of no annexations, no indemnities and the self-definition of peoples, but pointed out that the self-definition of peoples within the limits granted by constitutions as stated by German reply, was not complete.

"Renouncing the application of the right of the stronger nation with regard to territories occupied during the war," he said, "the powers of the quadruple alliance at the same time give all their opponents an immediate peace ground. They affirm that the right of the stronger, after unprecedented bloodshed, shall be preserved with all its integrity within each of the countries with no regard for little and oppressed nationalities."

"The war cannot end without the violated rights of those nationalities being re-established. The Russian delegation insists that those nationalities must in the very next peace treaty establishing a general peace among all nationalities receive on the basis of international agreement, guarantees that their lawful rights will be protected. The lapse of time in no case legalizes the violation of one people by another."

Concerning Prisoners.

Regarding compensation for the maintenance of prisoners of war, the Russian chairman said it might be construed as an indemnity. He insisted that an international fund be used to pay damages against private persons. He had no objection to Germany's request that her colonies be evacuated by entente troops.

"Russia's delegation," he stated in concluding his statement, "withstanding differences of opinion, thought that the German declaration that Germany has no aggressive plans, offered the possibility of the immediate beginning of negotiations for a general peace among all belligerents." He proposed a 10 days' recess until January 4, "so that the peoples whose governments have not yet joined in the negotiations for a general peace may have an opportunity to acquaint themselves with the principles of such a peace as now is being established."

"At the expiration of the indicated time," he declared, "the negotiations must be resumed, disregarding whether or not other belligerents have joined in the negotiations or how many."

The next session of the conference was set for December 26.

Expect Reduction In Operating Cost To Save a Billion

(Continued From Page One.)

close government control, since most of their transportation traffic is dependent on railroads. Rolling stock owned by the express companies, which is comparatively little, will pass automatically under direct government supervision and eventually it may be necessary for Mr. McAdoo to take them over to protect their own rights as well as to provide the proper measure of co-operation with railroads and with each other.

Government War Board.

The status of the railroads war board also is dependent on the director general's plan of organization. It has been the medium of transmitting government orders to all the railroads, but this function now will be assumed by the director general.

The presidents of many large lines now receive salaries ranging from \$50,000 to \$150,000 a year and one of the first acts of the director general probably will be to cut these sharply. Ten thousand dollars a year is being discussed as a maximum. Some railroad men predicted that the officers would accept these reductions willingly in view of the fact that they are virtually drafted for war work.

Raise Pay of Men.

The saving in salaries would be applied to raising the pay of members of the four railway brotherhoods, whose officers conferred today with President Wilson, and also of other railroad employees unorganized.

The president was expected to ask the brotherhood heads to give the fullest measure of support to government operation and to leave their pending demand for higher wages for determination in the future when the director general untangles many of the complications now developing. Under government control every effort will be made to interfere as little as possible with the personnel of the companies, but it is considered inevitable that some employees will be cut off. This applies particularly to the large staffs maintained by many railroads for soliciting traffic.

Re-Route Freight.

One of the immediate effects of the new plan will be the re-routing of much freight now passing over congested lines, particularly in the west. The railroads war board was sought to divert traffic to lines least overburdened, but anti-pooling regulations have hampered it.

Mr. McAdoo is expected to develop a staff of assistants soon, but probably will use the existing agencies of the Interstate Commerce commission to a large extent.

The name of John Skelton Williams, now controller of the currency, and one of Mr. McAdoo's principal lieutenants in the treasury, is being mentioned today as chief executive director under Mr. McAdoo. He formerly was a railroad financier.

Secretary McAdoo worked today on the principal problems confronting him at the outset and planned to make some announcement later of his policies.

Refiners to Eliminate Selling Through Brokers

New York, Dec. 27.—Selling sugar through brokers will be eliminated entirely by the American Sugar Refining company, beginning with the first of the new year, the company announced today. It will thenceforth sell its sugar to the domestic trade through its own selling organization.

The National Association of Brokers of Refined Sugars called a special meeting to discuss the company's action.

Turks Massacre Jews; Galileans Are Destitute

New York, Dec. 27.—Thirty Jewish men and women were executed by the Turkish army that surrendered Jerusalem to General Allenby December 10, according to an announcement made today by the provisional executive committee for general Zionism affairs. Included in the number massacred were some of the leading residents of the Holy City.

A father and sister of Aaron Aaronsohn, head of the Palestine agricultural experiment station, which is subsidized by the United States Department of Agriculture, were among the victims, according to the announcement. Mr. Aaronsohn is now in Washington. The retreat of the Turks through Galilee drove 12,000 Jewish survivors northward where they are in dire need. The committee has undertaken to furnish a minimum of \$30,000 monthly for their relief, it was stated.

SHIPBUILDERS PUT UP 'KNOWLEDGE,' UNCLE SAM COIN

Washington, Dec. 27.—The wooden shipbuilding program was pictured as an almost complete failure today by Rear Admiral F. A. Bowles, assistant manager of the emergency fleet corporation, testifying at the senate commerce committee's investigation of shipbuilding.

Three steel ships of 28,000 tons carrying capacity have been launched since Saturday, Admiral Bowles said. One went into the water at New York, one at Seattle and one at Camden, N. J.

The committee went into contracts let by the fleet corporation for fabricated steel ships and appeared somewhat disposed to criticize their terms on the ground that the profits were too high.

Questions brought from Admiral Bowles that the American International corporation at Camden, N. J., will profit \$6,000,000 on the construction of 120 steel vessels. The government furnishes all the capital and pays all the bills. Asked what the corporation furnished, Admiral Bowles replied:

"They put up the 'know how' and the organization."

If it becomes desirable for the government to build and operate ships after the war, the investment in the fabricating yards, Admiral Bowles said, will be found to have been a profitable one for the government.

The maximum number of wood ships that possibly could be built, even if all available ship timber was delivered to the corporation, Bowles said, would total next year only 370, although the corporation has contracts outstanding for the construction of 459.

No more wooden contracts will be let, he said, unless the builder convinces the corporation that he has available under his own control a proper supply of timber.

"I want it understood, in justice to myself," said the admiral, "that I had nothing to do with placing these contracts."

Admiral Bowles assumed entire responsibility for changes in the design of wooden vessels, but declared they caused little delay.

GERT HOFFMANN JUST MUST HAVE HER CHAMPAGNE

(Continued From Page One.)

meal, to counteract the fatigue caused by the tremendous strain on her heart by the condition of the present act, and in my opinion there is grave danger and risk for her if my orders regarding this necessary stimulant are disregarded."

This is signed by H. L. Constable, M. D.

Another telegram, from Dr. Philip Nash of New York City, stated that he had attended Max Hoffmann and prescribed martini and added that the lack of such stimulant might result in serious consequences.

Mr. Hoffmann entered a plea of not guilty of unlawful possession of liquors. He testified in behalf of himself and wife. "Owing to the exceedingly violent work, my wife takes two glasses of champagne after each act. Frequently she faints after the performance. The six pints we had were for the Omaha engagement," he said.

Max Cannot Sleep.

Mr. Hoffmann told the court that he is subject to heart affection and it is a common occurrence for him to remain up to 2 or 3 o'clock of the morning before he can sleep, on account of the strain of the work. He explained that his home while traveling is the private railroad car now on track here. Attorney Macfarland, for the Hoffmanns, pleaded that it is a matter of life or death for his clients to have the stimulants which the morals squad took from them.

In stating his case to the court, Prosecutor McGuire declared that the court had found persons of humble station guilty under a similar state of facts as were presented in the Hoffmann case.

Skeets Gallagher testified he had not visited his mother for seven

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Many doctors and nurses use Musterole and recommend it to their patients. They will gladly tell you what relief it gives from sore throat, bronchitis, croup, stiff neck, asthma, neuralgia, congestion, pleurisy, rheumatism, lumbago, pains and aches of the back or joints, sprains, sore muscles, bruises, chilblains, frosted feet, colds of the chest (it often prevents pneumonia).

30c and 60c jars; hospital size \$2.50.

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FEDERAL BOARD PROBES CASE OF WILBER LAWYER

(Continued From Page One.)

He came with Bartos to Lincoln, where they saw Mr. Smrha, a Bohemian, member of the appellate board. The young man was not exempted. He received a bill for \$250 from Bartos.

The case of George Kiburz is cited. He is the son of a widow who has also an invalid son. She owns property in DeWitt, including a building which rented for \$200 a month for a saloon, but now brings only \$20 a

month. George had been working for the railroad at DeWitt. He lost out on exemption at first because it was stated he had not contributed to his mother's support. His mother then circulated a petition in DeWitt, stating that his earnings were necessary to her support. He was exempted.

Mr. Smrha of the appellate board has declared his intention to demand an investigation to clear him of some implication contained in a letter that F. W. Bartos is said to have written to another client. In it Bartos is said to have declared that he had to work hard for his exemption and that if it had not been for Smrha he might not have won. This was followed by a request for \$100.

Bartos is said to have asked the assistance of B. V. Kohout, the government agent at Wilber, in some exemption matters and to have told him that County Judge Grimm had about decided to go to war and that he, Bartos, would get Kohout the position.

Predict Chicago Will Have Some Cold Weather

Chicago, Dec. 27.—A drop of 40 degrees in temperature to 10 below by Friday night or Saturday morning is predicted for Chicago in a special forecast issued this afternoon.

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