

PRESIDENT DISCUSSES THE PEACE SITUATION WITH SENATOR STONE

They Spend Hour Together, Going Over Various Phases of Nation's Foreign Affairs.

CONFERENCE AT CAPITOL

No Further Formal Action by the United States on Peace Move is in Sight at Present.

IS NO INCREASE IN HOPE

Mr. Wilson Not Believed to be Seeking Action by Congress.

Washington, Jan. 11.—President Wilson late today went to the capitol and spent an hour discussing the country's foreign affairs with Senator Stone, chairman of the Foreign Relations committee. Their talk covered a wide range, but it is understood that much of the time was devoted to the situation growing out of the Entente reply to the peace proposals of the Central Powers, which the President had been studying during the day.

No Further Action in Sight.

Aside from transmitting the Entente note to Germany and her allies, the United States will take no further formal action in the peace movement, at least until the Entente governments have replied to the communication of President Wilson addressed to them. If the notes to the Teutonic nations have been forwarded tonight the state department did not disclose this fact, although it had been officially stated that it would be dispatched as soon as checking for errors in cable transmission could be completed.

Cable reports from Paris announcing that the Entente answer to President Wilson had been prepared and would be the same in effect as that to the belligerents, did not increase hope here for a favorable outcome of the negotiations. It is known that the German embassy believes that unless the note to President Wilson opens the door for a further advance by its government, the war will go on another year, at least.

So far as could be learned, the President during his talk today to Senator Stone sought no action from Congress, relating to the peace movement. Afterward, however, it was learned that administration leaders in the Senate were preparing to sound sentiment on resolutions introduced just before the holiday adjournment which would be called up for action tomorrow. It is understood that the President would like to have it assured that the resolution, if passed, would not be rejected.

Senator Stone tonight conferred with Senator Hitchcock regarding a resolution now on the table, and urged him to ask tomorrow that it lie over for a day, in order that there might be a conference of senators on both sides of the chamber regarding it.

Stone Resolution

Senator Stone frankly stated that he was heartily in favor of adopting the resolution and that friends of the President generally believed that an official endorsement of his action from the Senate would be desirable.

Senator Hitchcock will confer with the Foreign Relations committee on the matter again tomorrow morning before the Senate meets. It will then be determined whether to press for immediate action or to permit a day's delay.

No Supplementary Note

During the day an explanation was obtained from official sources of the previously mysterious clause in the note from Spain to the United States referring to another communication from the American government, suggesting that the time was opportune for Spain to co-operate with the United States.

It was learned authoritatively that no note was sent to neutral nations but that in forwarding copies of the President's suggestion to the belligerents the State Department instructed American diplomats in the neutral capitals to intimate to the governments which they were accredited that in making this move the United States had no intention of urging neutral nations to act, or to set on foot a movement for an entente of neutral nations.

No Action by Neutrals Urged

It was stated emphatically that in making this move the United States had no intention of urging neutral nations to act, or to set on foot a movement for an entente of neutral nations.

In explanation of this point it was stated that the primary purpose of the

MAY ANSWER THE REPLY OF ALLIES

German Officials Appear Not to be Surprised at Response to Peace Proposal.

TO FIGHT WITH MORE VIGOR

Nation Disappointed Because Hope for Ending the War Has Vanished But is Not Despairing of Confidence in Future.

Berlin, via London, Jan. 1.—The press version of the reply of the Entente powers to Germany's peace proposals was received here yesterday. A definite statement regarding the official attitude concerning the document cannot be given before the official text has been received, but officials intimate that the reply is just about what had been expected, taking into consideration the preliminary announcements from various statesmen in the Entente countries and the Germany, while disappointed that her hope of the end of the blood-letting and destruction has vanished, is prepared to carry on the war with increased vigor and with a united people back of her.

The Entente statement, it is intimated, will probably evoke an answer in some form, Germany laying down from the government's standpoint, the results of the peace overtures and analyzing the question of responsibility for a further continuance of the war.

Owing to the holiday suspension of the newspapers, the note will not be published until tomorrow. The content of the note is not known to the general public.

SIR GEORGE BUCHANAN SAYS

GERMANY MUST BE DEFEATED

London, Jan. 2.—"A great gift is fixed red with the blood of peaceful non-combatants between Great Britain and Germany," according to Sir George Buchanan, British ambassador to Russia, is quoted by a Reuter's dispatch from Petrograd.

"We cannot grasp Germany's hand again until her armies have been defeated and the spirit of militarism permeating the whole nation exterminated." Sir George is quoted as having said at the annual dinner of the English Club of Petrograd last night. "During the last 20 years," he declared, "Great Britain more than once has been accused not only of wishing to secure the lion's share of the spoils, but of thwarting the realization of Russia's traditional ambitions." Premier Trepoff's recent statement in the Duma laid that heavy at rest forever.

"The British government, when first approached on the subject of Constantinople and the Straits early in the spring of 1915 immediately expressed its whole-hearted assent. We want to see Russia largely compensated for all her services and sacrifices; we want to help her to the prize she has so long dreamed of, we want to see her

SAYS WHOLE RUSSIAN NATION WANTS PEACE

Members of the Duma Quoted by Overseas News Agency.

Maxim Gorky, the Poet, Reported as Saying "Russia Is Sacrificing Herself for Her Friends and in Return Has Been Abandoned."

Berlin, Jan. 1. (via Sayville).—Reports of the recent memorable session of the Russian Duma received here, says the Overseas News Agency, include a speech by a member of that body named Tshenkelt quoting him as saying: "The parliamentary majority, formed in arbitrary fashion, raves against peace in order to conceal the fact that the whole Russian nation and laborers of Russia desire nothing more ardently than peace. The so-called progressives intrude themselves in an effort to separate the government from the people in order to enslave the nation to a so-called allied power which today is even more hated than all our enemies together."

Maxim Gorky, the Russian poet, is quoted by the Overseas News Agency as saying in a speech at the anniversary celebration of the association of Russian writers that the future now is darker for Russia than ever before, that her military prospects are hopeless and that Russia is facing a winter of famine, privation and misery.

"Russia sacrificed herself for her friends and in return has been abandoned by them." Gorky is quoted as declaring. "Wealthy England, which could alleviate our misery, remains

RIGID SUBSTITUTE FOR OWEN MEASTRE

Would Limit Campaign Contributions to Any National Committee to \$1,500,000.

\$5,000 FOR AN INDIVIDUAL

Betting Would be Made a Felony, as Also Would Practices to Intimidate—Limits Expenses of Candidates for Congress.

Washington, Jan. 1.—Campaign contributions to a national political committee would be limited to one and one-half cents per capita of the total population of the United States in the revised corrupt practices bill completed tonight by the Senate elections subcommittee to be referred to the full committee tomorrow and placed before the Senate Wednesday.

Senators Reed, Walsh and Keyton drafted the bill in collaboration with Senator Owen, author of the original measure debated in the Senate at length before the holidays. Senator Owen said tonight leaders of both parties had agreed to expedite passage of a bill along the lines proposed.

The per capita basis would limit total contributions to any national committee in a presidential campaign to approximately \$1,500,000; no individual would be permitted to contribute more than \$5,000 and contributions by corporations to any campaign fund would be prohibited.

Another important provision would prohibit contributions to a national committee within ten days of a general election, and require a complete report of contributions and disbursements to be filed with the clerk of the House of Representatives ten days before the election. Election betting and advertising of betting orders would be made a felony, and drastic provisions are proposed with relation to political advertising in newspapers and other publications. The bill provides that any person or corporation withdrawing or attempting to withdraw its name or advertising or otherwise from any publication for the purpose of influencing the election shall be guilty of a felony.

Newspapers or periodicals charging for political advertising in excess of normal commercial advertising rates, or refusing non-litigious political advertisements offered at such rates when it opens its columns to other political advertising, would be denied the use of the mails for 90 days.

Further the measure provides that no publication shall publish gratuitously any political matter during a campaign except that written by its own employees, unless the matter is signed by the real name of the author and that no political advertising matter intended to influence an election shall be published unless marked "paid advertising matter" with the name of the candidate or committee presenting it attached.

Financial contributions to state and county political committees also would be limited on a per capita population basis. State committees would be restricted to five cents per capita up to the first 500,000 inhabitants, three cents up to the second 500,000 and two cents per capita over the first million. County committees would be limited to three cents per capita for the first 25,000; two cents per capita in excess of 25,000 to 100,000 and one cent above 100,000.

Candidates for United States senator (Continue on Page Eight).

GEN. E. L. HAYES DIES AT NEW JERSEY HOME

Was Once Governor of North Carolina for Nine Months.

Verona, N. J., Jan. 1.—General Edward Lewis Hayes, a cousin of Presidentutherford B. Hayes, and at one time governor of North Carolina, died at his home here today. He was 97 years old last Friday. At a celebration in honor of the event he insisted on cutting the birthday cake himself, and seemed better than for some months. That night, however, he suffered an attack of indigestion, and grew steadily worse.

General Hayes was a prominent Republican, and was a delegate to the convention which nominated Abraham Lincoln for the Presidency. He served throughout the Civil War, entering the service as a major in the 100th Ohio volunteers. He was promoted to colonel of that regiment, and later became a brigadier general. He took part in thirty battles, although he was a prisoner in Libby for 11 months. During the reconstruction period, he was governor of North Carolina for about 18 months.

After the war, General Hayes entered the commission business in New York city, but returned about eight years ago, because of failing health. He is survived by one daughter, Mrs. Elizabeth Graves, of Glen Ridge, N. J., one grand-daughter, and one great grand-daughter.

CONGRESS READY TO GET BUSY ON STRENUOUS TASK

Members Determined to Dispose of Necessary Bills to Avert an Extra Session.

FLOOD OF WORK IS AHEAD

Interest Centered on Hearings on President's Recommended Railway Legislation.

Washington, Jan. 1.—Members of Congress were returning to Washington tonight from their Christmas holidays, prepared to get down to hard work on the accumulation of legislation that must be dealt with before adjournment on March 4.

With railroad legislation and revenue deficits confronting them as unusual issues, the rank and file are determined to labor with a will to clear the way of routine business, particularly the appropriation bills which must be completed before the actual revenue needs can be definitely established. Estimates on all these measures, including the extra heavy army and navy supply bills, are in hand, giving the House Ways and Means committee enough information upon which to frame revenue legislation at once.

Appropriation measures will be considered in the Senate immediately, the Indian bill probably being the first taken up while various committees are engaged in paving the way for consideration of railroad measures, a corrupt practices bill and other general legislation. The house which already has passed five appropriation bills, still has nine more to work out, and will approach that task tomorrow with night sessions in prospect for the near future.

Returning members were elected to do not look on the talk of an extra session and declare they are willing to work night and day to avert it. They insist that no emergency action by Congress on the railroad legislation proposed by the President should be held up. Even in that event all are not satisfied that the President would call an extra session for this purpose.

RAILWAY LEGISLATION TO ATTRACT CHIEF INTEREST

Washington, Jan. 1.—Upon the reconvening of Congress tomorrow, interest will center in hearings before the Senate Commerce committee on President Wilson's recommendation for legislation to supplement the Adamson law which was enacted to become effective today and the constitutionality of which is to be argued in the Supreme court next week.

The bill, which employers, brotherhood railroads of the country and the general public have been invited to appear before the committee by Chairman Newlands. The attitude of the brotherhood officials is known to be antagonistic to the President's recommendation, which would enact a law which would make railroad strikes unlawful pending a period of investigation of disputes by an official board of inquiry, should mediation by a board of conciliation fail to settle threatened trouble. An alternative suggestion is expected in the form of a law which would provide for compulsory investigation of disputes between railroad managers and the employees, but which would not deny the right to strike pending outcome of an inquiry.

Besides the original arbitration and strike prevention bill the committee also will have before it a proposal by Senator Underwood which would give the Interstate Commerce Commission the right to fix wages and conditions of employment of railway workers. Opposition to the general legislative scheme is developing in both branches of Congress, which would arouse misgivings whether anything can be accomplished by March 4. If nothing is done some members of Congress believe that the President may call an extra session to deal with the problem.

PARISIANS BEGIN NEW YEAR STUDYING NEW WAR TAXES

This Takes Place of Usual Exchange of Cards and Calls.

Paris, Jan. 1.—Parisians began the new year by studying the new war taxes, instead of making the usual exchange of visiting cards and calls. Both houses of parliament, in a special Sunday session that continued until New Year's eve, worked on the new system of taxes in order to make it effective at the beginning of 1917.

The salient features of the new order of things include a three cent instead of a two cent domestic postage; a 10 to 20 per cent increase of the tax on tobacco and cigars and a tax of from 10 to 50 centimes on theatre tickets, graduated according to the price of the seats, more costly telegrams and increased charges upon beverages and certain provisions.

LAWSON SAYS HE IS READY TO 'PUT UP'

Says He Can Give Some "Interesting Testimony" Regarding Stock Manipulations.

ARRIVES IN WASHINGTON

Declares He Knows Men Who a Year Ago Had Less Than \$50,000, But Who Now Have \$50,000,000 to \$60,000,000 Each.

Washington, Jan. 1.—Thomas W. Lawson, of Boston, arrived here today, prepared, he said, to testify before any congressional or other committee in relation to any phase of the stock exchange business.

The alleged "leak" forecasting President Wilson's note to the European belligerents, Mr. Lawson said, was but a small part of the inside working of stock exchanges which the Federal authorities should investigate.

"I think every phase of stock market manipulations should be gone into by a Congressional committee or some committee or some other authorized body," he said.

"The stock exchange certainly offers a fertile field for investigation. I am in the game myself, and certainly will be able to give some interesting testimony if it really is desired. I know any number of men who a year ago did not have \$50,000, but now, as a result of playing the market, have from \$50,000,000 to \$60,000,000 each. This situation alone would warrant investigation."

Upon his arrival, Mr. Lawson had no immediate plans for getting in touch with Congress, except that he had arranged to attend the session tomorrow.

THREE BOYS KILLED

Were Tunneling Near River Bank When Earth Caved in on Them.

Newport News, Va., Jan. 1.—Three small boys were killed here this afternoon when a section of the river bank in which they were tunneling gave way, sending tons of earth down on them. The water had eaten in the bank leaving an overhang under which the lads were tunneling a cave. The lads are Frederick Sanford, Jr., William Hartung, Jr., and James Warren, sons of prominent citizens.

AMERICAN ENGINEERS ARE RETURNING FROM RUMANIA

London, Jan. 2.—Seventy-five American engineers who escaped from the Rumanian oil fields during the German invasion, have arrived at Gothenburg, on their way home, according to a dispatch to the Morning Post from Stockholm. The engineers quit the oil fields at the last minute, they say, and several persons were killed when the rear car of their train was shattered by the German artillery fire.

FIGHT FOR SPEAKER OF HOUSE WARMS UP

General Opinion in Raleigh is That Murphy Will Win.

Democratic Caucus Will Be Held Tonight—Great Majority of Members of Legislature Had Not Arrived Last Night.

(Special Star Telegram) Raleigh, N. C., Jan. 1.—With the great majority of the members yet to arrive, there is strenuous log rolling going on among members on the scene in preparation for the voting in the Democratic caucus Tuesday night for speaker of the House of Representatives.

All three candidates, Murphy of Rowan, Roberts of Buncombe, and Page of Moore, were in conference with supporters frequently during the day and all three talk confidently tonight. Murphy insists that he has a majority on the first ballot assured. Roberts and Page both believe there will be an election on first ballot and each insists that he will win subsequent balloting.

The most general opinion here is that Murphy will win.

GERMANY IS MAKING HUGE PREPARATIONS FOR BATTLES OF 1917

TEUTONIC ADVANCE GOES ON UNABATED

Russo-Rumanians Steadily Pressed Back From Transylvania Alps and Lower Moldavia.

LOSE GROUND ELSEWHERE

Paris Claims Repulse of Attempted Attack of Germans East of Chambrettes Farm in Region of Verdun.

Bombardments and minor patrol engagements continue to prevail on all the fronts, except in Rumania, where the Teutonic allies are keeping up their inroads into the kingdom.

Russians and Rumanians are being steadily driven back from the Transylvanian Alps and lower Moldavian region, their line in the latter district now resting half way between Rimnik-Sarat and Fokshany. Around Braila, on both sides of the Danube, the invaders have further driven in the defenders of the territory. Near Fokshany and thence southeast to the Danube, Petrograd reports, the Russians and Rumanians have taken up new positions without pressure from the Teutonic lines. In Dobruja, the invaders, 23 battalions strong, have forced the defenders to give ground.

In the Verdun sector east of the Chambrettes farm the Germans were repulsed, according to Paris. In the region of Ypres and Loos considerable artillery activity has prevailed.

On the front in Russia comparative quiet prevails, while in the Austro-Italian theatre the usual bombardments are in progress. No reports have been received from Saloniki.

SAYS BUSINESS MEN ARE THE ONES HURT MOST BY STRIKES

President of Switchmen's Union Says None of Union Men Struck

Buffalo, N. Y., Jan. 1.—S. A. Heberling, international president of the Switchmen's Union, said tonight that none of the switchmen affiliated with the Brotherhood of Railway Trainmen has gone on a strike in any of the New York state yards nor in Detroit, Toledo, Cleveland, Chicago and St. Louis.

"There was a threat of a strike among these men for New Year's day," said Mr. Heberling. "They are the men who were not included in the arbitrator's award of the eight-hour day for the switchmen affiliated with the union announced on December 23. The award did not cover all the members of the union itself, but only those working in yards for which we hold contracts with the 13 railroads party to the award."

EPISCOPALIANS RAISE FOUR-FIFTHS OF FUND

Four Million Dollars Already Pledged for Pensions.

Bishop Lawrence Expresses Confidence That Remaining One Million Will be subscribed—Pension Plan Described.

New York, Jan. 1.—Success in obtaining pledges for \$4,000,000 toward the \$5,000,000 church pension fund being raised for Protestant Episcopal clergymen and their dependent families was announced here today by Bishop William Lawrence, of Massachusetts, chairman of the fund committee.

"This great sum of money is the largest the church has ever raised in so short a time," Bishop Lawrence said. "The campaign, which began March 1, 1916, will end on March 1, of this year. On that day the entire \$5,000,000 must be in hand; otherwise we are not entitled to keep the four millions now pledged. We are confident, however, that the extra \$1,000,000 will be raised."

The plan as described in an announcement by the committee is based on thorough investigation and recognized actuarial principles. It is calculated to provide a minimum old age pension of \$600 to clergymen who voluntarily retire at the age of 68; while the maximum is to be for half the average salary.

Guns by the Thousands Being Turned Out Weekly to Offset Artillery of Allies.

QUANTITIES OF AMMUNITION

Soldiers Brought From the Front to Work in Factories, Turning Out Munitions.

TO BE YEAR OF PRIVATION

Short Potato Crop Has Offset Increased Grain Harvest.

Berlin, Jan. 1, via Sayville.—Many thousand guns per week is reported to be the measure of the mighty manufacturing effort which Germany is now making for the campaign of 1917, an effort upon which the entire manhood force of the nation, which can be spared from the front and their regular occupations, is being concentrated under First Quartermaster Von Ludendorff's universal labor service law.

New Immense Supply Needed.

Counting four months before the probable renewal of the world war in full vigor on all fronts, these figures mean a new immense supply of cannon of all calibres, from field guns up to the gigantic howitzers, to meet the admittedly gigantic efforts which the Entente Allies are expected to make in the third year of Kitchener's prophecy, to turn the scale of the war.

Along with these guns, the German factories are turning out correspondingly stupendous quantities of ammunition and the production of machine guns, all of which virtually replaces a platoon of men, has been placed on scale far beyond that of the past year.

Soldiers Working in Factories.

To produce great masses of war material thousands of skilled men have been brought out and being brought back from the front and placed in the Krupp and other munition factories. These men are replaced in the ranks by levies set free by the universal labor service law and by conscripts coming out of able bodied men from hitherto exempt occupations. Another expected development of 1917 is a change in the center of gravity on the western front. The military experts await its start with comparative quietude and while the military experts here naturally are unable to predict with certainty the plans of the Anglo-French leaders, recent advices point to a transfer of the Entente Allies' main effort to another region—most likely that of Verdun, where the French energies recently have been concentrated—on extending to its original site the rally port west of the Meuse, the most important objective to roll back the tide of invasion or, in case of minor success, a point where operations into the rich iron fields would be possible.

The military experts here point out that the employment of British troops in large numbers at this point of the battle line would be hampered by great transportation difficulties and assert that the French reserves are inadequate for any great unsupported effort. They express the fullest confidence that with the balance of artillery strength fully restored, as they expect it to be by spring, Germany will be able to prevent any serious advance at this salient.

Year of Privations.

The new year, as far as internal conditions are concerned, will be a year of privations. The increased harvest of grains is offset by a disappointing potato crop, that the food supplies captured in Rumania no prospect of an increase in the total ration can be held out for the present, though perhaps later it may be found possible to provide an extra allowance of meat. The military experts here, however, say that the present ration is entirely adequate to support life and maintain working vigor, except in the case of those occupied in heavy work, for whom special provision is now being made under the appeal of Field Marshal von Hindenburg, chief of the general staff, to the rural population for contributions. It is maintained that while life within the blockade may become increasingly unpleasant, the military efficiency of Germany will not be diminished.

Gloomy Outlook for Peace.

In foreign affairs, the new year, of course, dawns under a sign of peace overtures. The Entente's official reply thereto has not yet been received but little expectation is entertained here that it will be favorable or that, even assisted by the United States and other neutrals, the peace movement will for