The News and Observer

WATCH LABEL

on your paper. Send renewal five days before expiration in credit to avoid missing a single copy.

VOL. CXIV. NO. 155.

SIXTEEN PAGES TODAY.

RALEIGH, N. C., FRIDAY MORNING, DECEMBER 2, 1921.

SIXTEEN PAGES TODAY.

PRICE: FIVE CENTS

WILSON RETURNS TO BEGIN TREATY FIGHT IN SENATE

Foreign Relations Committee Invited To White House For Conference

PRESIDENT TAKES UP DETAILS OF LEAGUE

Lodge and Taft Had Advocated League Covenant, But Massachusetts Senator For Partizan Purposes Becomes Opponent When Wilson Comes Back

WOODROW WILSON AS I KNOW HIM BY JOSEPH P. TUMULTY (34th-Installment.)

> CHAPTER XL THE TREATY FIGHT.

Upon his return home from Paris the President imediately invited in most cordial fashion, the mem bers of the Senate Foreign Relations Committee to confer with him at the White House. Some of them who received the invitation immediately announced that as a condition precedent to their acceptance they would insist that the confer ence should not be secret in cuar acter and that what would happen DR. SAMUEL CROTHERS There should be disclosed to the public. The President quickly me cepted the conditions proposed by the Republican Senatura and made a statement from the White House that the conditions which the conterees naved were highly neceptable to him, and that he was willing and anxique to give to the public a

stenographic report of everything that transpired. In view of subsequent history, the conversation between the President and Senator Harding about the distinction between "legal" and "mornl" obligations, which was interest ing at the time, takes on an added interest, Said Senator Harding: "If there is nothing more than a moral obligation on the part of any nembers of the League, what avail Articles 10 and 111"

The President-Why, Senator, it is surprising that question should be galeed. If we undertake an obligation, we are bound it the most selemn way to carry it out.

Senator Harding-If you believe that there is nothing more to this than a moral obligation, eny nation will assume a moral obligation on its own account. It Is a moral obligation? The point I am trying to get at is. Suppose spmething arises affecting the peace of the world and the Council takes steps as provided here, to conserve or preserve and announces its decision, and every nation in the League takes advantage of the construction that you place upon these articles and says: "Well, this is only a moral obligation and we assume that the nation involved does not deserve our participation or protection," and whole thing amounts to nothing but an expression of the League

Council. The President-There is a national good conscience in such a matter. I should think that was one of the most serious things that could possibly happen. When I speak of a legal obligation I mean one that specifically binds you to do a particular thing under certain sanctions. That is a legal obligation and, if I may say so, has a greater binding force; only there always remains in the moral obligation the right to exercise one's judgment as to whether it is indeed incumbent upon one in those circum tances to do that thing. In every moral obligation there is an element of judgment. In a legal obligation there is no element of judgment.

Facing His Critics. Never before did the President show himself more tactful or more t Cliant in regartee. Surrounded by twenty or thirty men, headed by Senator Lodge, who hated him with a bitterness that was intense, the President with quiet courtesy, par ried every blow aimed at him.

No question, no matter how point ed it was, seemed to disturb his serenity. He acted like a lawyer who knew his case from top to bottom and who had confidence in the grea cause he was representing. His eards were frankly laid upon the table and he appeared like a fight ing champion, ready to meet all comers. Indeed, this very attitude of frankness, openness sincerity and courtesy, one could see from the sidelines, was a cause of discomfort to Senator Lodge and the Republicans grouped about him, and one could also see written upon the faces of the Democratic Senators is that little room a look of pride that self so gallantly and who so bril liantly met every onslaught of the enemy. The President anticipated an abrupt adjournment of the con ference with a courteous invitation to luncheon. Senator Lodge had just urned to the President and said: "Mr. President, I do not wish to interfere is any way, but the confer-ence has now lasted about three hours and a half, and it is half an hour after the lunch hour." Wherenoen the President said: "Will not you gentlemen take luncheon with me? It will be very delightful."

It was evident that this invitation

so cordially conveyed, broke the fee over the Danville Military Institute of formality which up to that time pervaded the meeting, and like boys out of school, forgetting the great affair in which they had all played.

College, it was unnounced today. J. R. Perkinson has been appointed trustee to represent the great in the structure of the structure of the structure. (Continued on Page Four)

Study State's History and Folk Lore



DR. D. H. HILL, Raleigh, President State Literary And Historical Association.



DR. JAMES SPRUNT, Wilmingto President North Carolina Folk

Historical Society Hears Dr. D. H. Hill and Dr. Sledd

Twenty-first Annual Session Begins Its Two-Day Program Here

IS SPEAKER TONIGHT

North Carolina Folk Lore 80 ciety Will Hold Its Meeting This Afternoon

Celebrating the twenty first anniversary of its organization, the North Carolina Literary and Historical Society held the first session of with President Daniel Harvey Hill and Dr. Benjamin Sledd, the latter Professor of English at Wake Forest College, delivering the principal The hitherto untold story of the

problem of furnishing arms and spoke English, and the rioters with-munitions to its armies during the drew from their room. Civil War was the theme of the historical address by Dr. Hill. original program included an address by Homer L. Ferguson, president of the Newport News Shipbuilding and Drydock Co., in which he intended to discuss expedients to which the nation was put in the recent war to

vercome material handicaps. More than a hundred men and wo men prominent in the State's intellectual life were present at the ses-sion last night, and many others are expected to attend the sessions this morning, this afternoon and tonignt. The chief speaker at the concluding semion will be Dr. Samuel McChord Crothers, of Harvard University, Cambridge, Mass. Business sessions will occupy with a meeting of the State Folk-Lore Society which will be held at 2:30 in the House of Representa-

Supplying The Army. A phase of Southern achievement usually neglected by historians was discussed with admirable clarity in Dr. Hill's paper dealing with difficulties encountered by the Confederacy in arming and equipping

the armies that were thrown into the field at the beginning of the conflict in 1861, and how well the South met a situation that seemed at the beginning beyond solution, For the background of his discussion, the speaker pictured the wide

difference in material resources with which the North and South began the conflict. The Union had twenty million people and a wide diversity of industry that could be turned easily into the channels of war. The Confederacy had five million white people and its one industry of agri-

In the North there were abundant factories, thousands of skilled workmen, unfettered ports through which war material could be imported, a strong navy and merchant marine, and an abundance of native raw material. In the South, searcely any iron or lead or copper, or any of the chemicals that enter into manufacture of powder, and but a gan to disband, gangs composed of handful of workmen whose hands

manufacture. Of setual arms equipment, there vere but few more than a hundred thousand rifles and less than a thousand cannon distributed in the few arsenals in the South, while in the they attacked every well-dressed per North there were many times that number concentrated in arsenals. In the beginning of the war, while the cafes are closed and the streets

(Continued on Page Two)

NEGROES FLOGGED BY PARTY OF ROBED MEN

Denison, Texas, Dec. 1,-Three negroes were flogged by a band of robed and hooded men Thursday night, it became known today when they reported the affair to the police. They were told to convey a warning to negroes here not to mingle with the whites, according to the stories told the police. One of the alleged victims, 75 years old, was seriously hurt. The negroes said the white robed men told them that they were members of the Denison Klan of the Knights of the Ku Klux Klan.

To Take Over Institute. Danville, Va., Dec. 1.—The Presby terian Synod of Virginia will take over the Danville Military Institute trustee to represent the synod in

MANY AMERICANS

Taken During Disturbances In Vienna

Vienna, Dec. 1 .- (By the Associ ated Press.)-In the widespread ricting which took place in Vienna today many Americans staying at its annual meeting in the auditorium the hotels were attacked, and some of the Woman's Club last evening, of them were subjected to rough treatment. Mrs. Hand, the wife of a colonel of the United States Army, and her daughter were robbed of furs and clothing, but on the same floor, Col. and Mrs. Miller, U. S. A., means by which the South solved the displayed the American flag and

> The the Old Bristol suffered most. They were partially wrecked and were looted to the second floor. Inquiries at the hotels disclosed that many guests were robbed of clothing and jewels, in some in-

Of the hotels the New Bristol and

stances the jewels being torn from Seemingly the most rowdy ele ments swept through the inner city.

they were joined by the worst criminal classes, committing all kinds of excesses. At seven o'clock tonight the streets were quiet, and further distrubances

of a serious nature are not looked The Associated Press correspond ent asked one of a squad of policemen who idly watched the wrecking of the Hotel Imperial, if there were not sufficient police to handle the situation. He replied"We are tired of shooting and being shot. These people are hungry and desperate;

so are many of us." Restaurants Looted. The disturbances today were the most serious since the downfall of the monarchy. They spread throughout the inner city, and practically every unshuttered window was smashed. All the famous restaurants and hotels frequented by foreign visitors were entered looted and partly wrecked, and the luxury shops

robbed, while the police watched without interfering. The disturbances are described as purely economic, due to the growing scarcity and cost of the necessaries of life. They had their inception in a general strike in the industrial suburb of Fleridadorf. The workmen marched to parliament and were joined by thousands from their district. A deputation waited on Chancellor Schober and demanded the

fiscation of foreign securities and a more effective food coutrol. Cause of Rioting. The deputation received an evasive answer, in its opinion, and as the demonstration before parliament bemany hundreds broke awhy and becould be turned to the tasks of gan the work of destruction. The rioters divided into several columns. one attacking the cafes, hotels and stores, another storming the empty stock exchange, while others process ed to the shopping district, where

abolition of the stock exchange, con-

son and stormed and plundered. Voenna is now a woeful sight. All flushed with victory and its enemies are in darkness. The occupants of the hotels, hearing that teh workmen threatened to renew the attack, fled early in the afternoon and remained huddled in doorways in the resider tial quarters, begging for shelter Large crowds collected on the ring iscussing means to protect them

selves and their possessions. TEN PERSONS KILLED IN RAILROAD WRECK

Portland, Ore., Dec. 1.-Ten killed and sitxy injured was the toll taken in a head-on collision of two Oregon-Washington Railread and Navigation Company sasenger / trains near Celfle Oregon, early today according to latest reports tonight to the company's head offices here.

The list of daed yeas increased inter today from six to ten by the finding of the bodies of four unidentified mer in the wreck-

ligation was in progres to de-nine the cause of the colli-

BILL

Will Ask Congress For Authority To Make Amend-Shipbuilder

NOT EXPECTED THAT CONGRESS WILL AGREE

Senator Simmons Informed That Jam of Early Business Causes Delay In Fed. eral Farm Loan Bank at Columbia; Brinson Recov. ering From Operation

The News and Observer Bureau, 603 District National Bank Bidg., By EDWARD E. BRITTON.

(By Special Leased Wire.) Washington, Dec. 1 .- Tariff tinkof his own for picking his party out of the pit of delay into which it fell after loud shouts that the tariff was the first thing that was to be given attention when the extra ses-

True, it is that the House made an early start at it, but when the monatrosity that was born with Dr. Fordney, chief officiator at the Jewels and Other Valuables birth, went over to the Senate there were some hearings held. But soon there was an abrupt close to these and the House tariff bill has been collecting dust in the Morse off the ship. No such order pigeon hole to which it was conpigeon hole to which it was con-signed. All that the country got was the enactment of a hurtful they were without authority to act emergency tariff bill and its reenactment when it has expired by

President Harding says now so he report goes to "let George do the report goes to Warren Gamaliel Harding playing the roll of George. The understanding in that early after ongress meets in regular session this month he will ask that it enact legislation that will permit him to amend tariff rates by executive order as an emergency measure in the aid of American business. It does not appear that the Sen ite at any early day will be able to enact a tariff bill and so the plan now said to be on the program is for President Harding to attempt to relieve the Republican party by becoming tariff arbiter. That he will be able to get away with such a proposition is hardly to be believed, for those in Congress who have been fighting in the interests of the people feel that with President Harding having ibsolute power to amend rates, big business will get the lion's share of any amendments that may be This means that if such a to Congress that there will be bitter debate with the probability that the permission sought will not be given.

To Resume Hearings Soon According to the Penrose sched ale, hearings on the tariff bill will be resumed on December 7, with the tobacco schedule first and the cotton achedule next on the list, while he has annuonced that there will be nothing further as to hearings on the American valuation plan. As to this it is said that Treasury experts set to working out in what marner this would affect American business have not yet completed gathering data, and this would mean

another delay in revising the bill, arting it over into the new year. Numbers of persons from North Carolina are expected to be here to go before the Senate finance com mittee on the tobacco and the cotton schedules. Senator Penrose has announced that he expects the hearings to be over in two weeks, but

(Continued on Page Two.)

EDISON AND FORD TO GO TO MUSCLE SHOALS

Detroit, Dec. 1 .- Thomas A Edison, whe will accompany Henry Ford in an inspection of the Mascle Shoals, Alabama, nitrate and water power project, arrived here today in Mr. Ford's private car. Mr. Edison was taken immediately to the Ford

nome at Dearborn. Mr. Ford and Mr. Edison will discuss details of the Detroit manufacturer's offer to the government for the Muscle Shoals plant and expeet to leave here for the South tomorrow or Saturday. A number of engineers of the Ford organization

will accompany the party. How long a time will be spent at Muscle Shoals is not known. It is understood, however, that the inspection to be made will be of the ost minute nature.

Declares Dividend. Chicago, Dec. 1.—Sears Boebuck and Company today announced the regular quarterly dividend of \$1.75 s share on the preferred stock, payable January 1 to shareholders of

CONSIDER MEANS TO BRING MORSE BACK TO THE U: S

Government Officials Aroused Over Departure of N. Y.

EXPECTED TO LAND AT HAVRE EARLY TODAY

Departed From Country Just About To Place Investigations of His Transactions duly delay its passage. With Shipping Board Before Federal Jury

Washington, Dec. 1. - Aroused by New York shipbuilder, from the country just as the government is about to place before a federal grand ering talk is now perking up in jury its investigation of his transac-Washington and the latest of this tions with the Shipping Board, offis that President Barding has a plan cials of various departments are considering tonight what means may be taken to bring him back to the United States.

It is hoped, Department of Justice officials said tha word can be sent to the French government in time to permit Morse's detention at Havre tomorrow morning when, according to latest advices, the French steamer Paris, on which he sailed from New York, is due to dock. No Order Issued

Early in the day the Justice Department called on the Navy Depart ment to send a destroyer to meet the vessel outside of Havre and take however, and officials declared later in that manner.

Tonight a plan to cancel the pass port issued to Mr. Morse was under consideration. The effect of such nction, it is understood, probably would be that the French govern men might, under representations from the United States, refuse to permit him to land. His return to the United States on the Paris prob ably would result.

Sons Issue Statement. Meanwhile, Erwin A. and Harry F Morse, sons of Charles W. Morse through their attorney, Wilton J Lambert, issued a statement here to night declaring that their father had sailed on the Paris under a pas-port issued to him in his own name and without knowledge of the govern ment's intended action before the grand jury. It was their belief, the statement said, that the government knew Morse had sailed before this contemplated action became known

Morse sailed under advice of his physician "that he would have to to save his life," the statement said,

Departure Unknown

Justice Department officials declared that nothing was known of Morse's department until it was re ported from New York last night Morse was granted a passport several months ago, state department officials said, and this passport presumably was good at the time of his sailing. No passport is necessary for a citizen of this country to leave the United States, it was explained, but the State Department issued them as the most convenient proof of American citizenship which is required for admission to virtually all foreign countries.

No Official Comment High government officials were not nclined to discuss the efforts being made to effect the return of Morse to this country. Secretary Hughen conferred with Ambassador Jusser and of France, at the State Depart ment, but it was not disclosed wheth

(Continued on Page Two) FIVE JAPANESE LOSE LIVES DURING STORM

Vancouver, B. C., Dec. 1 .- Five Japanese sailors lost their lives when the Japanese auxiliary schoon- the ex service men and urged the er Koon Maro foundered 200 miles off Cape Flatter in a southwest gale Tuesday, according to a wireless re-port received today. The remainder of the erew was rescued by the Jap- study anese steamer Tosan Maru, outward bound from Tamoma to Japan. First reports were that all mem bers of the crew were saved.

ANOTHER DEATH OCCURS

actual fire victims to seven. Nine hospital patients were re

nquiries had been made about supposed missing persons that Coroner Mix ordered a careful examination of the ruins of the theatre. The ashes were sifted, but up till afternoon firemen and policemen had found no trace of human bones.

The Effort To Oust Wilson From The Presidency During His Illness

Joseph P. Tumulty tells about it in his story, "Woodrow Wilson As Know Him," in tomorrow's News and Observer. This is the most interesting part of the Tumulty narrative. No ther North Carolina newspaper will have it. Those who have not read the earlier chapters will certainly want see these later revelations. Mr. Tumulty gives names and details.

There are many other absorbing incidents chronicled in these later Tumulty's story of Wilson, every weekday and Sunday in the News

Harding To Stress Tariff And The Merchant Marine

Message To New Congress Next Week Will Deal Prin cipally With These Subjects; Favors a Ship Subsidy And Wants Tariff Rates Based On Invoice Values

Washington, Dec. 1.-President | he had been assured it would be Harding's message to the new Con- better to apply the new system gress next week, it was declared piece-meal than by employing the n high official circles soday, will plan on all commodities at one

deal principally with two subjects: time. The tariff and merchant marine. Of the tariff, Mr. Harding is ex the President, is expected to urge House to say that its revision and ure, empowering him to apply the passage at the earliest possible date home value basis where, after cer Government Was is brighedly necessary and that it tain surveys, it is found to be ad should be stripped of such pro visible or necessary. Such a course vision as would endanger or un was regarded by Congressional visions as would endanger or un-

Favors Ship Subaldy. Concerning merchant marine questions, Mr. Harding is expected to take a definite stand for the granting of some sort of ship subsidy, probably in the nature of the departure of Charles W. Morse, preferential rates and routes, as preferential rates and routes, as immediate passage of the allied supplementary to the granting of debt refunding bill. While this through the Panama Canal. It was day, a divergence of opinion among expected also in the same quart- Senators as to the wisdom of taking ers that the President would dis up the measure during the sessions usa Section 24 of the Jones Act of the conference on limitation of dealing with the abrogation of trade armaments, it was said by some treaties by the executive. Study may yet force a change in that of the situation was said to have stand. developed a feeling on the part. The Senate finance committee is of administration officials that it not in agreement over what should would be difficult, if not impose be done, Senator Penrose, the

of this section. Tariff Matters First Tariff matters, Senate leaders in occupy the prominent position in the message. serted that Mr. Harding would ask that rates in the House bill, now in the hands of the Senate of the Senate Republican confer-Finance Committee, be fixed on the ence as well as Senator Lodge old basis of invoice values rather the conference head and one of the than on the House provision of Amer- American delegates to the arms ican wholesale valuation. His real meeting, are strongly opposed to son for that stand, according to consideration of the debt bill at some of his conneillors, was that this time.

To that end, it was stated also tariff builders as obviating the ne cessity for computing the rates on what opponents of the American valuation plan describe as unknown

quantities Allied Debt Refunding. Mr. Harding is expected to urge to coastwise shipping was represented as his attitude to-

> The Senate finance committee is Watson, of Indiana and several others arguing that there could be no embarrassment for the arms con ference developed by the on the funding measure. On the other hand, Senator Curtis, a committee member and vice chairman

Walnut Creek Will Fill

BECOME CENSORS PROPOSES EXPENDITURE

No Club Lecturer Can Promulgate Views In State Without Endorsemen

Rocky Mount, Dec. 1 .- No club lecturer will be allowed to promulgate his or her views in North undergo an operation if he desired Carolina without andorsement by the department of the Women's adding that he would return when-Federation of Clubs under which new and radical proposition is made ever his presence was desired "and his or her subject falls and the when he is in physical condition to legislative committee, according to a resolution adopted here this morning by the Council of the Federation upon motion of Mrs.

> Adoption of the censorship reso lution featured the concluding session of the Council, which de cided to hold its next meeting at Pinehurst next fall in conneceastern Council, which embraces seven Southern States. The specific date for the meeting was not fixed. Steps were also taken to raise a \$5,000 fund for the Federation during the current year by levying n 50 per cent assessment upon each club member. The Council passed a resolution

> agreeing to furnish the living rooms of the five new buildings recently crected at Samarcand through the secial service department of Mrs. S. C. Sitterson, of Kinston, is chairman, Mrs. F. R. Michaux, vice president of the State Federa tion, of Greensboro, told of the plans that were being made for the lub convention in the Gate City next May and gave a tentative outline of the program. Mrs. Charles E. Quillan, of Waynesville, made a report upon industrial and social conditions in the State. She especially told of the needs of club members to continue their work and aid along this line more

particularly during the approaching holiday season. She urged that the of the labor problem and conditions he included in the clubs programs and emphasized the fact that women must crystallize pub-

lic opinion in the State.

A conference of the district presidents with Mrs. John L. Gilmer, of AS RESULT OF BIG FIRE Winston-Salem, presiding and a New Haven, Conn., Dec. 1.—John special session of the executive Dunn, scorehed in the Rialto committee of the legislative council Theatre fire of Sunday night, died of Women's organizations, Miss today. His death brings the list of Elsie Riddick of Raleigh, presiding were two other features morning. The sessions adjourned ported this afternoon as in ex- at noon after which the Council remely serious condition. So many members were guests of the Rocky Mount Woman's Club at a luncheon at the Woman's Club cafeteria, this social event bringing the meeting here to a close.

Mistrial In Murder Case. Celumbus, Ga., Dec. 1 .- A mistria was declared here late today in the ease of L. C. Hammond, charged with wife murder, after the jury had the case would be tried again at the next term of court. The prosecution

Engineer Reports That Other Sources of Supply Are Prohibitive in Cost

Needs For Next Ten Years

OF HALF MILLION NOW Would Duplicate Lake Ral. eigh Plant With Neuse River Project in Reserve

Declaring that Walnut Creek, if properly developed, will yield sufficient water to fill the needs of Ral eigh for the next ten years, Wil liam C. Chen, the craesiting ergi neer retained by the city, has recom mended that approximately \$500,000 according to expensed present to lities and that develop ment of the resources offered by Neuse river be reserved for the future. The recommendations contemplate the improvement of Lake Ral eigh and the construction of a dupli-

cate plant. Mr. Olsen's report, which has been in the hands of Commissioner of Public Works John R. Bray since Moday will be formally laid before the City Commissioners at their meet ing today. Mr. Bray, it is also ex pected, will submit his recommendations concerning action on the re port this morning, and these recom-mendations will adhere closely to the eport, it is understood,

In his report, Mr. Olsen discards possibilities offered by Crabtree reek and Swift creek as involving prohibitive cost and advises against any immediate utilization of Neuse iver on the same ground. Each of hese projects is treated exhaustively. Comparison of Costs.

Estimates for each of the projects nder consideration as submitted by Mr. Olsen are as follows: Crabtree creek, steam operated construction cost, \$971,036; annual operating cost, \$175,620. Crabtree creek, electrically operat

ed, construction cost, \$896,424; annual operating cost, \$158,016. Walnut creek, construction \$400,084; annual operating cost, \$75,-165. Swift creek, construction

\$824,084; annual operating cost, \$142,-Neuse river, construction \$1,291,183; annual operating cost,

4288,275. It is pointed out in the report that the present location of the pumping station, which enables a maximum use of the force of gravity, is the material factor in the great advant-

(Continued on Page Two) FOUR CREW MEMBERS

REACH SHORE SAFELY

Destroyer De Long Aground Off California Coast; To Rescue Others

San Francisco, Dec. 1 .- Four weanen came ashore safely from the destroyer De Long, which went ashore early today on the rocks a mile and a half south of Half Moon Bay, Cal. Early in the afternoon destroyer swung broadside against the shore and began to pound

BRITISH LEADERS IN RATIO DISPUTE

Making Effort To Harmonize Japan's Views With Those of United States

MAY NOT RECOGNIZE REQUEST AS FORMAL

Principals To Naval Controversy Do Not Regard Negotiations As Deadlocked; Think Japan Will Abandon Proposal; Shantung Tangle Up Again

Washington, Dec. 1 .- (By the Associated Press.) - Great Britain, as the ally of Japan, is using her influence to bring the Japanese views in the naval ratio dispute inte harmony with those of the United

With this development, the Japanese plempotentiaries again have submitted the whole question to their home government.

Britain's Influence. The exact nature of the latest move for a solution of the ratio problem is not disclosed, but it is indicated that Great Britain has found a double interest in the success of the negotiations because she has accepted in

principle the American "5.5-3" pre-

posal and because on the other hand she is in alliance with Japan, who asks for a ratio of "10 10-7. All the principals on both sides of the controversy refused tonight to recognize the situation as a deadlock. The American delegates, it was said authoritatively, were even declining to regard Baron Kato's proposal for an increased Japanese strength as a formal presentation of the Japanese viewpoint. They were confident, its was declared that the 10-10-7 proper-tion would be abandoned before Japan's final statement of position.

is placed before the conference. Not Formal Request.
It is apparent that if the proposal of the Japanese statesman is not to be regarded as formal, the reason ies in the fact that it was not passed across the table" at a formal session of the arms conference or any of its regularly constituted sub-

divisions. Baron Kato's request for an inrease over the American ratio was communicated to Secretary Hughes and Arthur J. Balfour at a meeting of the three late Tuesday afternoon, In relating frankly his government's position, the Japanese plenipotentiary touched on the reason which impelled him to make the request and asked that the question of national needs be taken into account in de-

ermining the new naval relativityes Frank Exchanges, In response, Secretary Hughes and Mr. Balfour made plain the opposidelegations to vitally changing the Baron Kato indicated he desired before going further to communicate again with his government. then the three have not met to dise cuss the question, but their come versations are to be resumed when further advices have been received

from Tokio. Shantung Matter Up. During the lud a new attempt was begun today to settle the long deated Shantung controversy, but in view of the status of the naval negoiations, the Shantung conversations were looked on by many of the dele gates as a small part of the main picture. Secretary Hughes and Mr. Balfour, exercising their "good offices," met with the Japanese and Chinese delegations for a preliminary survey of the situation and then left American and British "observers" on the ground to aid in whatever way they can to bring the

two oriental groups into agreement. The part taken by Mr. Hughes and Mr. Balfour in the meeting was said to have been confined to a general statement of confidence that a just and fair solution would be reached? Baron Kato responding for Japan and Minister Sze for China, with general expression of gratification in the interest taken by the two others powers. The session lasted little more than an hour, and afterward it was indicated that it had not been! determined whether Japan or China should make the first move. There will be another meeting tomorrow.

Note of Optimism The note of optimism over the outcome of the naval discussions was particularly manifest tonight among he Japanese. While refraining from any comment on the British position Baron Kato said he would not regard the situation as constituting a deadlock, and another members of the Japanese delegation, using a different phrase, emphasized that "we ase not pessimistic."

The submission of the entire mi ject to Tok o indicates that under he Japanese system it will be considered by the Japanese cabinet as well as by the diplomatic advisory council, a body composed of eminent Japanese, chiefly former ministers. Representative Japanese expre he opinion tonight that in order to reach a decision every element connected with the question must taken into consideration with result that the exchanges here might be slowed down appreciably.

Up To "Big Three."

So far as the Washington end Clarke Starts Proceedings
Atlanta, Ga., Dec. I.—Proceedings for the recovery of property valued at \$15,000 were starte I in the Fulton county superior court today by E. T. Clarke, Imperial Kleagle of the Ku Klux Klan, against Harry D. Terrell Grand Goblin of the "Capital Domain," of Washington, D. C.

The officers and crew number about 100 men.

The officers and crew number about 100 men.

The four men who reached shore were Ensign R. T. Townsend, Fireman G. M. Leeper, Toppedoman Sherman and Scamma Kirsch.

Twelfith Naval District headquarters will be available, of course, if further questions of fact have to be more really grand Goblin of the "Capital Domain," of Washington, D. C.

(Continued as a naving narrowed down to direct and personal mechanges among the naval "Bi Three"—Secretary Hughes, Mr. Halfour and Baron Kato. The committee of naval experis will be available, of course, if further questions of fact have to be more really grand as a line had been passed to the destroyer despite the heavy seem and that the grew would be decided by the plenipotential as a line had been passed to the destroyer despite the heavy seem and that the grew would be decided by the plenipotential as a line had been passed to the destroyer despite the heavy seem and that the grew would be decided by the plenipotential as a line had been passed to the destroyer despite the heavy seem and that the grew would be decided by the plenipotential as a line had been passed to the decided by the plenipotential as a line had been passed to the decided by the plenipotential as a line had been passed to the decided by the plenipotential as a line had been passed to the decided by the plenipotential as a line had been passed to the line ha the situation is concerned, the prob-lem is regarded as having narrow-