MAILS
From San Francisco: Matsonia, Jan. 2.
For San Francisco: Siberia Maru, Jan. 2.
From Vancouver: Makura, Jan. 24.
For Vancouver: Makura, Jan. 5.

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PRICE FIVE CENTS

WILSON HOPE ACTION MAY COME OF PEACE DISCUSSION

GANG OF ALLEGED COUNTERFEITERS TAKEN BY POLICE

Raid Results in Capture of Four Filipinos and Seizure of Outfit and Bogus Coins With Face Value of Over $5000

Four alleged counterfeiters, Filipinos, with about $5000 worth of bogus money in $10 gold piece denominations were arrested this morning in a combined raid made by Detective Harry Lake of the city attorney's office and Chief McDuffie with the latter's men. The officers say the haul is the biggest of its kind ever made in Hawaii.

Joaquin Reyes, Sancho Quino, Bunifacio Serrano and Fernando Ferrer were the men taken. They are all recently from the Philippines, and three of them were in the act of coining in a little room back of the Yee Wo theater on Asia street when the place was surrounded. A fourth was outside guarding and tried to warn his companions but was nabbed too quickly.

In the plunder now at McDuffie's office is a suitcase full of the nearly finished coins, made chiefly of solder and painted with gold ink, and several $10 gold piece dies and files for retouching. In a box are the acids, chemicals and colorings used in the business. A pot of dye was on the stove cooking and one of the counterfeit coins in one of the men's hands when the officers entered.

Information recently came to Attorney A. M. Brown that counterfeiters were operating in the city, although it is not certain whether any of the $10 pieces had been passed or offered. Lake located the place, and with McDuffie made the raid this morning when they could catch the men in the act. Lake sent at noon today that one of the men had confessed everything.

The case, with all evidence, was turned over to United States Marshal J. J. Smiddy this afternoon.

The U. S. district attorney's office this afternoon expected to issue warrants on the arrest of persons who are charged with counterfeiting.

THREE CRIMES ARE CHARGED TO BURNS

Mystery which surrounded the arrest in Honolulu recently of William B. Burns on advices from Akron, Ohio, charging embezzlement, was cleared today when Deputy Sheriff Julius W. Asch, who took the prisoner and the latter's wife as far as San Francisco, returned in the Malaonia to tell that Burns was wanted under three names in three places for three offenses—forgery, bigamy and embezzlement.

Star-Bulletin readers will remember stories about three weeks ago dealing with the erratic stranger who professed ignorance of his own name, birth and childhood and the intimation of a heart-broken young girl in Hawaii with the prisoner on their honeymoon trail he was mentally unbalanced.

Asch says now that Burns, or whatever his name may be, probably assumed the blank mind "scheme" rather than to tell lies and be caught up on them. The deputy says circulars in San Francisco showed that Burns is wanted in San Francisco for embezzlement in 1913, for forgery and bigamy in Detroit, where his wife is now living, besides in Akron, Ohio, where the coin embezzled was $2300 instead of $500 and where he will face authorities first.

The wife, who was with him here, was placed at work in a coast hospital by friends.

AWAIT FIGURES BEFORE CALLING NEXT MEETING

Until officials of the Inter-Island Steam Navigation Company can prepare the data on non-utility earnings that Commissioner W. T. Carden of the public utilities commission has requested it is not likely that any special meeting will be held.

This is the opinion expressed today by Commissioner A. J. Gignoux, who is also chairman in the absence of Charles R. Forbes. Norman E. Cadge, assistant general manager of the steamship company, is preparing the figures. Attorney L. J. Warren expressed the belief today that the data will not be ready for another week.

THREE ACCIDENTS, NONE SERIOUS, FOR NEW YEARS

Three accidents which were reported to the police Monday were the collision of auto No. 1777, driven by Mrs. M. T. Simonton, and the motorcycle of K. E. Smith of Fort Shafter at King and Nuuanu streets; the striking by W. V. Doyle in auto No. 1614 on King street, near Smith, of Maryvania, who went to the emergency hospital, and the fall of Domingo Lopez, who fell while playing at the county jail and was taken to the emergency hospital with a damaged head.

NEW YORK STOCK MARKET TODAY

	Today.	Friday.
Alaska Gold	11	11
American Smelter	105¼	104
American Sugar Rfg.	111⅜	108½
American Tel. & Tel.	123⅜	123⅜
Anaconda Copper	83¼	81¾
Atchison	104⅛	103⅞
Baldwin Loco.	59½	52½
Baltimore & Ohio	84½	84
Bethlehem Steel	510	525
Calif. Petroleum	25¾	25
Canadian Pacific	163¼	165¼
C., M. & St. P. (St. Paul)	90½	91½
Colo. Fuel & Iron	45¼	44¾
Crucible Steel	63¼	61⅞
Erie Common	33⅞	34
General Electric	169¼	167
General Motors	‡.....	‡.....
Great Northern Pfd.	117¾	117½
Inter. Harv., N. J.	121	125
Kennecott Copper	46½	45⅞
Lehigh R. R.	†78¾	77⅞
New York Central	102⅝	104
Pennsylvania	56⅞	56¾
Ray Consol.	26⅜	25½
Redding Common	137¾	‡.....
Southern Pacific	97⅝	96¾
Studebaker	103⅞	105¾
Texas Oil	230¾	236
Union Pacific	148¼	147½
U. S. Steel	109⅝	106¼
U. S. Steel Pfd.	119⅞	119½
Utah	103⅜	101¾
Western Union	96¾	96½
Westinghouse	54¾	54⅝

*Bid. †Ex-dividend. ‡Unquoted.

SUGAR

SAN FRANCISCO, Jan. 2.—Sugar: 96 degrees test, 5.27 cents. Previous quotation, 5.08 cents.

BISHOP BASHFORD HOPES FOR CHINA

Noted Far Eastern Authority Says New Government Gives Ground for Optimism

"China's present situation and government give ground for an optimistic outlook on the future, in the opinion of one of the best-informed men who has ever brought the Orient and Occident in touch—James W. Bashford, bishop of the Methodist Episcopal church resident in China.

Bishop Bashford, already well-known to many Honolulans from previous visits here en route to and and from his post in the Orient, passed through the city as a passenger on the Siberia Maru, arriving late yesterday and leaving early this morning for the coast. In an interview with the Star-Bulletin shortly before he sailed this morning, Bishop Bashford told briefly some of the reasons why the future of China is viewed with some hope and confidence.

While declining to comment on Japan's attitude toward the Oriental republic, as revealed in her "twenty-one demands," and other expressions, Bishop Bashford says of the new Chinese government that it holds out distinct promise, if it can attain something like permanence of safeguarding China's best interests.

"The Chinese are well pleased with Li Yuan Hung, the new president," he says. "There are, of course, local uprisings, more or less serious, some of which may seem to the outside world to be something like revolutions, but they are not of lasting menace. They are mostly caused by soldiers who have been unpaid and who organize into bands and begin looting as a means of livelihood. In general, the republic is peaceable and progressing.

Li Yuan Hung Has Good Qualities

"Li Yuan Hung has several outstanding qualities to command the respect of the Chinese. He has devotion, courage and unselfishness, the latter trait being an important one in Chinese official life now. He takes

(Continued on page four)

Arizona's War Of Governors is Raging Furiously

(Associated Press by Federal Wireless.)

PHOENIX, Ariz., Jan. 2.—Thomas E. Campbell, declared by the state election canvassing board to have been elected governor over his Democratic opponent, Governor George W. P. Hunt, went to the capitol today, but Hunt, who still claims the election and has appealed to the courts, refused to surrender, telling Campbell that he would not recognize his credentials.

After a formal demand for possession of the executive offices, Campbell withdrew. He will maintain headquarters downtown, pending a hearing on Thursday.

The Hunt appointees to state offices will not relinquish their positions. Some of them are arranging to start housekeeping in the capitol, so that no Campbell appointee can dispossess them.

Plans For Warship to Be Named 'Hawaii'

Delegate Kuhio to Introduce Measure Probably as "Rider" to Naval Appropriations Bill

Delegate Kuhio has a plan on foot which if successful will insure the naming of one of the new battleships or cruisers "Hawaii." He would amend the naval appropriation act, probably with a "rider," to require the secretary of the navy to name the vessel for this territory.

This news came by mail from Washington today. The delegate, now at the capital, plans to introduce the bill soon after the holidays.

He has already introduced the measure which would allow Hawaii to elect its own governor, and expects to introduce a bill allowing the legislature of the territory to alter or amend the territorial land laws without permission of Congress, which permission is now obligatory on Hawaii.

Another bill the delegate will introduce will be a measure to transfer at least part of the title to Sand Island to the territory.

Late News At A Glance

LORD CURZON MARRIES GRACE DUGGAN

LONDON, Eng., Jan. 2.—Lord Curzon, whose first wife was a Leiter of Chicago, was married today privately to Grace Duggan.

ALASKAN TOWN BURNED; LOSS OVER $75,000

VALDEZ, Alaska, Jan. 2.—This Alaskan town—a city during the days of the Klondyke gold rush—met disaster today when the business section was burned to the ground. The flames spread so rapidly that they threatened the docks. The cable station and offices are safe. The Seattle hotel, Blum's general store and other buildings were destroyed. Blum's loss is $75,000. The town was composed of wooden buildings, none more than two stories in height. It has a population of 650, and during the famous "gold days" was well over 2000.

"TOM" LAWSON'S CHARGES LIKELY TO BE DROPPED

WASHINGTON, D. C., Jan. 2.—The charges of Thomas W. Lawson of Boston that there were "leaks" from the state department to the stock market on the president's "peace note" are likely to be dropped. Lawson came from Washington at the summons of Chairman Henry of the house rules committee, presumably to give testimony, which he said he was willing to do. After a conference with Henry the latter announced that Lawson did not furnish names or definite information, and that, so far as he is concerned, the matter will be dropped. Senator Stone, chairman of the foreign affairs committee, during a speech in the senate this afternoon referred to the incident and said that confidential communications concerning the honor of the nation have fallen into improper hands but that he has no information whether a "leak" has occurred. If so, he believed it would be traced to departmental employes. "If any official used such secrets, he is an unspeakable scoundrel," declared Stone. "If any man in legislative life, if any senator—I believe that is impossible—he ought to be dismissed."

HILO ELECTRIC NOTIFIES OF RATE CHANGE

Official notification of changes in the charge system of the Hilo Electric Company, including the adoption of meters instead of flat rates, was read at the public utilities meeting this afternoon. The letter was laid on the table, to be taken up at a later meeting. The new system is to begin January 20.

REPORT KAUAI MAN KILLED IN ACCIDENT

A brief wireless message to Mrs. Charles Blake of Kauai, who is visiting in Honolulu, this morning brought word that her husband had been killed in some accident, the character of which is unknown, on the Garden Isle. He is an attorney and deputy tax assessor. Mrs. Blake will leave for Kauai tonight. She was not certain today that the information was correct and hoped against hope that a mistake had been made.

WANT LETTERS SENT TO COMMISSION ONLY

Hereafter public utility corporations writing to the utilities commission will address their letters to that body instead of to its chairman or a member according to a motion passed at the meeting this afternoon. Commissioner W. T. Carden, who moved for such action, stated that the custom of addressing communications to the chairman might easily result in an awkward situation when the chairman is absent from the territory as at present.

KINNEY ASKS SUPERVISORS TO START BUILDING

A request was made today to the board of supervisors by H. W. Kinney, superintendent of public instruction, that they immediately start the erection of a school building on the Garvis lot adjacent to the Kaahumanu school as he had been informed by B. G. Rivenburgh, commissioner of public lands, that the lot would be acquired by the territory. The new building will cost $30,000 and be similar to the one recently built at the Central grammar school. Kinney says he would like to have it finished by next September.

CLAIM DRAIN PIPE IS SMALL AND INADEQUATE

Declaring that the 24-inch pipe constituting part of the storm sewer output of the Manoa improvement district is not only too small but inadequate to perform the service required and that during the storm December 26 it flooded the grounds of the Mid-Pacific Institute and flowed over the College of Hawaii property, a letter received this morning from Alexander & Baldwin legal department acting for the regents of the institution, addressed to the board of supervisors, requests that the board take immediate action to settle a right of way across the institute's land, through which the storm pipe may run, and thus avoid all further damage.

ATTORNEY ACHI CLAIMS DISCRIMINATION

W. C. Achi, attorney for the Kalihi Taro and Land Company, filed complaint with the public utilities commission this afternoon for what he claims is discrimination by the Mutual Telephone Company. Achi's letter states that the telephone men cut the land company's wires because this organization had failed to pay its November and December bills. Clerk Henry O'Sullivan reported that Achi later called at the commission rooms to state that the bill having been paid, the wires had been restored, but that he still maintains discrimination has been exercised because one of his employes who had owed a bill still longer had suffered no such inconvenience.

BOARD TO MEET THIS EVENING

This evening the board of supervisors will meet, but because of the expected absence of Charles N. Arnold, chairman of the road committee, it is not likely that any road matter will be taken up. A public hearing on the widening of Hotel street at Fort and the settlement of the controversy over Circle Drive or Hawaii street extension as a mauka outlet for the Puunui improvement district were scheduled to be considered, but will probably be postponed until later in the week.

The finance committee has announced that it has completed the appropriation bill and expects to have it ready to be introduced this evening. The bill is only for three months as the board is waiting to see whether the legislature will increase the taxes, thus giving the city and county more money.

CRISTY REPORTS COMPANY LIABLE

That the Bitulithic Paving & Concrete Company should resurface Queen street under the contract which it signed and if it is not done the city has cause for action, is the opinion of A. M. Cristy, deputy city attorney, to whom the matter was referred by the board of supervisors.

The paving of Queen street was put in by the Bitulithic people approximately 10 years ago and under their contract it should have been kept in repair during that time. The street is now in a very bad condition, according to the road committee, and although the paving company agreed to repair it some time ago, nothing to date has been done.

J. A. Gilman, president of the company, offered to iron out the pavement, but the board believes that a new surface should be laid, and Cristy has advised, in his opinion, to give the company 30 days to do the work or the city will take action. The opinion will be presented to the board at its meeting this evening.

Mexico Break With U.S. May Be Now Begun

Mystery Surrounds Departure De Facto Minister From Capital

Dr. Eliseo Arredondo, Carranza's minister to Washington, who suddenly prepared to leave, though without any notification to the state department that he is withdrawn.

(Associated Press by Federal Wireless)

WASHINGTON, D. C., Jan. 2.—Mystery surrounds the sudden plans of departure by Dr. Eliseo Arredondo, the minister here of the de facto Mexican government.

Arredondo, who has been serving without formal recognition of his status but with all of the activities of his post, said goodbye today to Secretary of State Lansing and made it known that he departs tonight for Mexico City.

Remon Denegri, Mexican consul at San Francisco, has been put in charge of the embassy. The reason for the action is not at all clear, particularly in view of the fact that Arredondo recently denied a report that he had been withdrawn.

In this connection it is remembered here that when Carranza sent his appeal to the United States government, through the American-Mexican joint commission, for modification of the proposed protocol, it was rumored that Carranza would withdraw Arredondo as a mark of displeasure at the action of the American commissioners in demanding a final decision on the protocol.

Arredondo has said that if he departed from Washington it would be to confer with Carranza.

Some possible light was shed on Arredondo's trip later in the day when he announced that Carranza had requested a conference with him on the relations with the United States and that he expects to return in three weeks.

Henry P. Fletcher is being sent as ambassador to Mexico City.

The withdrawal of Pershing's forces is expected.

VILLA AND CARRANZA FORCES IN STRUGGLE

(Associated Press by Federal Wireless)

EL PASO, Texas, Jan. 2.—A message from Carranza sources says that the Villistas have been defeated near Guerrero, the Carranza force capturing 140, and killing 25, as well as taking much loot. A large part of this was that which Villa had taken at Chihuahua City.

LAREDO, Texas, Jan. 2.—The Villistas have captured and looted the town of Sabinas. There were no casualties.

BIG JUMP IN CROPS OF U. S.

(Associated Press by Federal Wireless)

WASHINGTON, D. C., Jan. 2.—Announcement was made by the department of agriculture today that the value of U. S. crops in 1916 was $8,934,587,000. This figure is an increase of $2,165,989,000 over that for 1915.

Hearing on the application of Mrs. James Smith for judgment on an award made by the industrial accident board will be had in Circuit Judge Whitney's court at 9 o'clock tomorrow morning.

ENTENTE REPLY TO PRESIDENT WILL PROBABLY BE HANDED TO AMBASSADOR SHARP SHORTLY

HITCHCOCK'S RESOLUTION INDORSING WILSON'S MOVE DISCUSSED IN SENATE BUT PUT OVER UNTIL TOMORROW —TEUTONS CONTINUE TO OVER RUN RUMANIA, PENETRATING MOLDAVIA

(Associated Press Service by Federal Wireless)

WASHINGTON, D. C., Jan. 2.—It is learned here this evening that President Wilson has not decided up on the next step the United States will take in the talk of peace negotiations, but that the president has not given up hope that beneficial results will come from the discussion, centering around his note to the belligerent powers.

Republican senators wanted the resolution to go to the foreign relations committee, but Hitchcock desired immediate action.

The main development regarding this note was the discussion in the upper house of Senator Hitchcock's resolution to have the senate indorse Mr. Wilson's move. Action was postponed until tomorrow.

Senator Gallinger declared: "Many letters reaching me say that the resolution is not good form. It has been suggested that it might result in endangering the Monroe doctrine."

LONDON, Eng., Jan. 2.—In the reply which the Entente Allies are preparing to make, they will declare themselves ready to work for a permanent peace, to be secured at the end of the present war, and will declare their belief that the ideal is practicable, according to information received here in advance of the publication of the note.

It is expected that the final draft of the Allies' reply will be placed in the hands of U. S. Ambassador Sharp in Paris perhaps tomorrow. The note has been completed and has been forwarded to Italy and Russia for their full indorsement. France and Great Britain have already fully agreed upon it.

The most important point, as the contents of the note are learned, is differentiation between a peace among the present belligerents, and future arrangements as may be made for permanent peace. The purpose of this clearly-expressed differentiation is to show neutral upholders of the policy of a future permanent peace, that this ideal is attainable.

MAIN BATTLING ON RUMANIAN FRONTS

(German Official)

BERLIN, Germany, Jan. 2.—Early official report today says that the only large fighting activity is on the Rumanian and Russian fronts.

German Army Headquarters, Jan. 1.—Western arena: Nothing of importance on this front today.

Eastern arena: On Prince Leopold's front, south of Riga and near Smorgan, strong Russian raiding detachments were repulsed. On the north bank of the Pripyet river and near Pinsk, German cavalry in an engagement on foot stormed two Russian points of support with the bayonet and brought in one officer and 35 soldiers.

Archduke Joseph's front: The German rifles succeeded today in exploding a blockhouse in the Carpathian forest. Between Uz and Outna valleys Teuton battalions stormed and captured several height positions and repulsed violent Russian and Rumanian counter-thrusts. Herestrau and Ungureni, in Zabala valley, have been taken.

On von Mackensen's front, in the northern part of Great Wallachia, the Russians have been once more defeated. The Ninth army has pushed back the enemy into positions between Rimnicul Sarat and Focsani, leading across the river to the fortified town of Braila. In the Dobrudja the success of the German and Bulgarian troops has been considerably increased, the Russians being penned up at the bridge-head position east of Macin and 1000 prisoners, four cannon and eight machine guns captured there yesterday.

In the Danube district a Bulgarian guard detachment annihilated about 50 Russians who had crossed St. George's branch in canoes.

On the Macedonian front there is nothing important to report.

WIFE OF KENTUCKY SENATOR GOES HOME

Mrs. Ollie James, wife of Senator James of Kentucky, passed through Honolulu Monday evening on her way to the mainland from a visit to the Orient. During her brief stay in the city she was the guest of Circuit Judge and Mrs. James L. Coke and Mrs. Lincoln L. McCandless.

Watson Vacancy Discussed With Attorney-General

The recommendations of the Bar Association of Hawaii on behalf of Attorney General Stainback to fill the supreme bench vacancy caused by the resignation of Associate Justice Watson have been presented to U. S. Attorney General Gregory, according to news received from Washington this morning. Delegate Kuhio and R. W. Breckons, Republican national committeeman, who accompanied the delegate to Washington in private business, had an appointment with Gregory on December 19. Judge Ashford's candidacy for the position and his qualifications were to be given to the attorney general by Delegate Kuhio.

Teutons Continue To Sweep Rumania

BERLIN, Germany, Jan. 2.—Continuing their successful offensive in Rumania and Moldavia, against the Russian and Rumanian troops which have vainly tried to check the progress of the enemy, the Teutons today pushed back the defenders along the valleys leading to the interior of Moldavia. All the country west of this is overrun by the German and Austrian forces.

Successful bayonet attacks were made by the Germans today on both sides of the Oituz valley.

The Teutons in Northern Wallachia have compelled the Russians to make a further retreat. The latter are now approaching the bridge-head near the fortified town of Focsani, and it is expected that they will make a stand here.

More than 1300 additional prisoners were captured by the Teutons today.

DEMOCRATIC LEADERS CONFER WITH WILSON ON PEACE PROPOSALS

WASHINGTON, D. C., Jan. 2.—Senator Stone, chairman of the foreign affairs committee of the senate, after a lengthy conference with the president yesterday, held a conference with Senator Hitchcock. At both meetings the subject of the peace negotiations and the various features of the situation created by the note of Mr. Wilson to the warring powers were discussed.

Following the talk with the president, Mr. Stone declared that there would be no note to neutral nations urging cooperation in efforts to bring about peace, for a time, and that the president had intimated that there will be no further action by this country until the time is ripe, further than the forwarding of the reply of the Entente Allies to the Central Powers.

After his conversation with Senator Hitchcock, Senator Stone declared it was the sense of himself and his associates in the upper house that the president's action was right and had but expressed the overwhelming sentiment, not only of both houses of Congress, but of the whole country as well.

"The purpose of that note was to clear the atmosphere, which had become clouded by the mist of a multitude of warring elements," said the senator. "We were and are prepared to act alone in this matter should such action seem likely to conserve the rights of American citizens and of this country, but we are worried over some of the developments that have come to light. The president, I understand, is concerned over an attempt that is being made in certain quarters to make it appear that his note to the belligerents was a move in behalf of Germany. That is not so. It was a move in behalf of humanity and of the United States.

"It is possible," Senator Stone added, "that the president will send another note, following the receipt of the reply to his first, calling upon all nations to join the United States when the war is over in an effort to secure peace in the future, by some means which will insure that war can never again devastate the world."