

GOVERNMENT MAY ABANDON NEGOTIATIONS WITH MEXICO

Washington Hears That Failure of Efforts of Peace Commissions to Secure Settlement of Dispute Practically Admitted

BAKER DENIES DEPARTMENT PLANS WITHDRAWING TROOPS

No Decision Has Been Reached By the Administration Regarding the Action Taken With Soldiers South of the Border

WASHINGTON, January 3.—The efforts of the international peace commission, having failed to settle the questions pending between this country and Mexico, it is likely that all further attempts to reach a settlement by that means will be abandoned by this government immediately. Such at least is the current belief here.

This belief led yesterday to the report that the war department has received instruction from the President to order the withdrawal of the forces under the command of General Pershing, but this was denied in a statement issued last night by Secretary Baker, in which he asserted that there are no plans as yet for the withdrawal of the Americans from their posts south of the border line.

While he has not flatly refused to sign the protocol which the United States sent to him for his approval, the attitude of General Carranza has been such that the administration has now lost all hope that the de facto government will reach an agreement that would prove satisfactory to this country, and the plan has been abandoned, it is understood.

The text of the protocol, refused by the first chief of the Constitutionalists in Mexico was made public here last night, it containing nothing new in the way of demands, and providing chiefly for the safe guarding of the border from bandit raids.

Situation Grave

The situation was admittedly grave last night. Indeed there were not a few officials who asserted that the situation has not been more serious since the Villa raid on Columbus last year.

The mystery surrounding the sudden announcement that Doctor Arredondo, de facto agent in this city intends leaving Washington at once added to the menace of the whole.

Reason Not Clear

Ramon 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action is not at all clear, particularly in view of the fact that Arredondo recently denied a report that he had been withdrawn.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.

To Confer With Chief

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 United States agent to Mexico City.

OROUF.

Every young child is susceptible to Orouf. Don't wait until this dreadful disease attacks your little one before you prepare for it. It comes in the night when chemists' shops are usually closed, and this alone should be a warning. Get and keep Chamberlain's Cough Remedy on hand. It never fails, acts quickly and is absolutely harmless. For sale by all dealers, Benson, Smith & Co., agents for Hawaii.

TEUTONS GAIN ON EASTERN FRONT

REPORT MANY PRISONERS CAPTURED

(Associated Press by Federal Wireles.)
NEW YORK, January 3.—The reports from the different war fronts received here last night indicated that the Teuton troops are continuing their advances in the eastern front with hardly a pause. The Rumanians and the Russians are falling back before the steadily increasing weight of the blows struck by von Mackensen and von Falkenhayn, and are now becoming bottled up in the northern and northeastern sections of the country. Berlin officially reports additional gains in the Moldavian and Dobruja fighting, and the capture of many prisoners on all the eastern fronts, as well as the taking of large quantities of material of all sorts. The German troops are pushing their way into the valleys that lead into the heart of Moldavia, and the country is overrun by German, Bulgarian and Austrian troops.

PEACE PLANNED LAST OCTOBER

Official Says Allies Misjudged Proffer

(Associated Press by Federal Wireles.)
BERLIN, January 3.—Doctor Hamann, until recently director of the intelligence department of the German foreign office, has denied that the plan to propose a peace conference was of recent origin, and adds that it was decided upon as far back as last October. This statement was made yesterday in the course of an interview in which the former official commented upon the unfavorable reply sent by the Entente Allies to the chancellor's peace offer.

"The Entente did not give the German peace offer a fair hearing," said Doctor Hamann. "As a matter of fact, the Allies' decision was reached in the judges' chair instead of at the peace conference table. In their note of reply the members of the Entente apparently forgot nothing that could possibly influence the minds of neutrals against the Central Powers. They talked of the martyrdom of Belgium, ignoring the compact by which that country was leagueed against us, and had agreed to throw open the door to England when that latter country should care to attack us."

Doctor Hamann then quoted from history to show that the members of the Entente group had plotted from the first to encircle Germany from the north.

When asked what reply the Central Powers would make to the Entente note, Doctor Hamann declared: "I am no longer an official, and consequently I do not know what the official peace plans may be."

LAWSON CHARGES MAY BE DROPPED

Nothing Definite Alleged By Broker Says Congressman Henry After Long Conference

(Associated Press by Federal Wireles.)
WASHINGTON, January 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 subcommittee, 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."

BELGIAN REFUGEES REACH NEW YORK

(Associated Press by Federal Wireles.)
NEW YORK, January 3.—Fresh hundreds of refugees from the war zone reached here yesterday. They are 945 Belgians and Russian Poles, fleeing from their devastated countries to friends in this. They came on the Dutch liner Nieuw Amsterdam, and will make their homes with relatives in the Middle West.

WHITE STAR LINER GEORGIC IS MISSING

(Associated Press by Federal Wireles.)
NEW YORK, January 3.—The White Star liner Georgic, due in Liverpool December 19 is missing and the gravest concern regarding her safety is felt in local shipping circles. She sailed from Philadelphia December 3 with a cargo that was insured for more than a million dollars and has not been heard from since. The rates on her cargo have been increased.

BRITAIN REQUISITIONS ALL COPPER SUPPLIES

(Associated Press by Federal Wireles.)
LONDON, January 3.—The government has issued an order requisitioning all supplies of unwrought copper in the country for war purposes. Copper has, since the war began, become one of the most valuable and necessary of commodities, as it is used in the manufacture of arms and ammunition and for many other purposes connected with the war.

SPURIOUS COIN PLANT IS RAIDED, NINE LOCKED UP

Authorities Discover Den In City and Take Alleged Operators Into Custody

CRUDELY MADE TEN-DOLLAR "GOLD" PIECES BY HUNDREDS

Alleged Counterfeiters Claim To Be Members of National Guard of Hawaii

Headed by Capt. Harry T. Lake of the city attorney's office who had made a quiet investigation on his own hook, the city police and detective forces yesterday morning pounced suddenly on a bunch of alleged counterfeiters. The place raided was a little room in the rear of the Yee Wo Theater, in Aala Street.

As a result of the raid four Filipinos, Joaquin C. Reyes, said to be the chief of the counterfeiters; Sanchez Quino, Bonifacio Serrano and Fernando Ferrer were taken into custody, with quite a complete, but simple kit of counterfeiters' tools, and many crudely finished coins.

The police turned the case over to the federal officials and later in the day Marshal Smiddy called to the collection of supposed counterfeiters five more Filipinos—Faustino Estrella, Cipriano Serrano, Jose Regidor, Andres de la Cruz and Crispolo Bagdion.

The city attorney's office learned of the counterfeiters' plant when one of the Filipinos, said to have been Bonifacio Serrano, turned against his friends, believing that they were cheating him, and carried his tale to City Attorney Brown's office. Captain Lake was placed in charge of the case and quietly worked it up until yesterday, when taking the police and detective departments into his confidence, the place was raided.

WATCHMAN Slept On Job

When the counterfeiters' den was surrounded a Filipino was found on watch. He was captured by the police, but too late for him to warn his confederates.

The "plant" was found to be a very crude one. It consisted of a rather ingenious contraption, somewhat like a pair of tongs in which the several dies were secured, a number of hot iron counterfeiting chemical and gold pans, and also several tools for working steel.

There are in the collection several hundred counterfeit ten-dollar coins, "American style," as one Filipino explained yesterday. The coins are light, much lighter than the real gold coin.

"I have been told," said Marshal Smiddy yesterday, "that these coins are not quite finished. One of the Filipinos told me that before they were to be passed around they would be washed in a chemical solution which would finish them in better shape."

COUNTERFEIT COINS CRUDE

The counterfeit coins are so crude in finish that when they are passed from hand to hand particles of the gold point stick to the hands.

The nine men already under arrest, and five more are believed to have been in the gang and may be apprehended today, are members of the Filipino "company" of the local National Guard of Hawaii. Several of them claimed so and exhibited their "drat papers," proof that it had been their bona fide intention to eventually become American citizens through the naturalization route, provided Judge Vaughan's recent decision on the subject should somehow be reversed.

In the bottom of the valise containing chemicals and tools Marshal Smiddy found, he said yesterday, a contract signed by L. E. Pinkham, where by the Filipino whose name it bears was to come to Hawaii to labor and be educated.

"Of course, the gang was not so stupid as to try to pass these coins in their present state," Marshal Smiddy said. "but with some polish they would probably be able to pass the bogus coin among their fellows, Koreans and possibly Japanese in the plantation camps. Only, I am afraid they would be able to do so only in the night, especially when the night was particularly dark."

Biggest Haul Ever Made

The haul made yesterday is believed to be the largest of its nature ever made in the Territory. In other raids coins that would readily pass muster were discovered. In the whole outfit found yesterday there is not a coin any one who ever saw an American ten-dollar gold piece would be hoodwinked to the extent of believing it good.

The federal grand jury which meets at ten o'clock this morning will probably begin its labors by taking up the Filipino counterfeiting case for investigation.

STEAMER AGROUND

(Associated Press by Federal Wireles.)
LONDON, January 3.—The British steamship Nestorian is aground and will probably be a total loss, according to a report received by Lloyd's shipping agency. No details as to the disaster have been received, but, according to Lloyd's, all the crew are safe.

PRESIDENT WILSON STILL HAS HOPES UNDECIDED UPON HIS NEXT STEP

(Associated Press by Federal Wireles.)
WASHINGTON, January 2.—It is learned here this evening that President Wilson has not decided upon 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 endorse 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."

LORD CURZON WEDS

(Associated Press by Federal Wireles.)
LONDON, January 2.—Lord Curzon, whose first wife was a Leiter of Chicago, was married today privately to Grace Duggan.

ALLIED REPLY READY

LONDON, January 2.—In the reply which the Entente Allies are preparing to make, they will declare themselves

BRITISH AIDING TEUTON PRISONERS

Religious Societies Raise Thousands

(By The Associated Press.)
LONDON, January 2.—So far as known here, England is the only one of the countries at war which supports a charitable committee for the help of enemies in its midst. Yet such is the "Emergency Committee for the Assistance of Germans, Austrians and Hungarians in Distress."

This society was formed by members of the Religious Society of Friends to aid "innocent alien enemies in Great Britain rendered destitute by the war," and its report for the last fiscal year shows that nearly one hundred thousand dollars was contributed and disbursed. Membership is not confined to the Quakers, for the Archbishop of Canterbury, the head of the Church of England, and the bishops of Lichfield and Lincoln, as well as Viscount Bryce, Lord Haldane, formerly Minister for War, and several members of parliament and ministers of protestant Churches are among its supporters.

The committee maintains a regular staff of visitors, who pay regular calls and enter sympathetically into the many difficulties that continually arise.

The report shows how the strain of the war is telling on many people: "Many of the women visited are suffering from depression and other nervous troubles, owing to the great strain put upon them by the isolation of their position and the struggle for existence. A small special fund has been opened to enable our visitors to cheer these poor souls during the times of acute crisis."

Still the committee finds many cases where deportation to Germany or Austria is sought. "As the weary months of the war drag on for those who are unable to take any part in the active work going on in all directions, and as savings diminish, many families who reached for and obtained their exemption to stay in England now make up their minds to return to their own countries. The questions we are asked and the advice sought become more and more varied. We continue to make up parties of those leaving England, and we are frequently asked to send children back to their relations. So far we are glad to say that all such children have reached their destination safely, although sometimes obliged to travel alone. A chain of workers in England and Holland hand them on from one to another."

A considerable part of the committee's activity is devoted to work in the internment camps. During the past year the number of interned civilians in England has increased considerably and the military prisoners are also growing in number. With regard to the condition of those interned, the report says, "We find that in many cases the men are continually oppressed with anxiety about their families, whether in England or Germany, and about their business and future prospects. There is often a deep sense of injustice and of uselessness. It is only natural that long months of confinement should lead to depression, and threaten nervous mental or moral break down in a good many cases."

"We share the feeling of dread and horror with which prisoners—especially the civilians, who suffer most—on both sides, look forward to the possibility of another winter in camp, as we are longing for the success of the present negotiations between the governments for ending the whole internment system."

READY TO START ON CHINESE RAILROAD

Work Upon Line Financed By American Money In Hunan and Kwangsi Provinces

(By The Associated Press.)
PEKING, December 20.—Work will begin at once upon the railway which the American International Corporation is to finance in Hunan and Kwangsi provinces. Through an agreement between the Chinese government and the American contractors a route originally agreed upon for this line is to be somewhat modified. The railway will start from Chueh in Hunan province, Chueh is the southern terminus of a railway which now extends south from Changsha, the capital of Hunan province. The line to be built by Americans will extend south, through Hengchow, and from that point will run southwest to Kweilin, then southwest to Nanning on the West River. A spur of the railroad will extend to Yanchow, where it will eventually be extended to Nanking. The British line taps a very rich mineral section, and the line which the Americans are to build also runs through territory in Hunan province which is heavily mineralized. In Kwangsi province the new line will traverse a very rich agricultural country giving railway connection to many important districts which are now served chiefly by water transportation on small streams incapable of accommodating steam craft.

The proposed line will form a link in an all rail route from Peking directly south to the sea by way of Hankow.

AN IMPROVED QUININE DOES NOT AFFECT THE HEAD

Because of its tonic and laxative effect LAXATIVE BROMO QUININE will be found better than ordinary Quinine. Does not cause nervousness, nor ringing in the head. Remember, there is only one "Bromo Quinine" The signature of H. W. Grove is on each bottle.

SOLONS PLAN TO INCREASE SUGAR DUTY TO MEET DEFICIT

Treasury Department Experts Now Going Over Free List To Find Commodities That Can Be Taxed By Uncle Sam

SHORTAGE SPECTER ALARMS ADMINISTRATION OFFICERS

Wool, Rubber and Coffee Also To Be Placed Under Tariff Tag If Financiers of Government Have Their Way About the Matter

(Associated Press by Federal Wireles.)
WASHINGTON, January 3.—Higher duties upon sugar, wool, rubber, coffee and other commodities than were imposed by the Payne Tariff duties are becoming more and more likely with each day's investigation by the financiers of the government into the deficit in the national checking account. One-quarter to one-half a cent per pound may be added to the sugar tariff, if present plans are carried out by the solons.

The threat of the deficit, now variously estimated at from \$100,000,000 to \$279,000,000 by June 30, 1918, has aroused the money raisers of the administration to a degree of activity they have hardly ever reached before, and the administration is frankly turning back to the duties of former congresses, in an effort to devise some method of meeting the threatened shortage.

It is admitted that sugar, one of the easiest of all commodities upon which to raise a revenue, wool, rubber, coffee, which has not heretofore been taxed, and a core of other commodities, will go on the list of articles which the experts of the treasury department are preparing for additional taxation.

These experts are now going over the entire free list, in an effort to find some other articles for taxing, and it is the belief here that when they have finished there will be but few articles imported into this country that will not carry its own tariff tag.

RUBBER SHOES AND AUTO TIRES GO HIGHER IN PRICE

(Associated Press by Federal Wireles.)
NEW YORK, January 3.—An advance in the price of rubber articles is the latest addition to the high cost of living. It will hit both those who travel afoot and those who ride in automobiles. The United States Rubber Company announced yesterday an advance of fourteen per cent in the price of rubber footwear. Automobile tires were boosted in price an average of fifteen per cent for casings and ten per cent for inner tubes.

FOUNDER OF G. O. P. DIES IN WISCONSIN

(Associated Press by Federal Wireles.)
FOND DU LAC, Wisconsin, January 3.—Alonzo A. Loper, one of the founders of the Republican party, is dead here at the age of eighty-seven. He was one of the last of the notable men who were present at Ripon, Wisconsin, when the Republican party was born.

BANDITS DEFEATED

EL PASO, January 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.

TORREON RETAKEN

MEXICO CITY, January 3.—It was officially announced last night that the de facto troops have successfully attacked the Villistas holding the City of Torreon, and have driven them out of that place. The battle which ended in the de facto victory started four days ago, and ended yesterday afternoon.

RAPID TRANSIT MEN BEGIN THEIR VACATION

Under the decision reached some months ago by the directors to give the men of the service two weeks' vacation every year, the vacation period of the Honolulu Rapid Transit & Land Company began on New Year's Day, when three car crews were detailed to enjoy themselves away from work for the next two weeks. The men already on vacation are conductors Thomas H. Young, Stanley A. Cutter and William B. Bolster, and motormen John C. Bell, Rindell and Henry D. E. Meyer. Every two weeks after this three car crews will go on vacation, until all the men in the service have done so, which will carry the car service period well on toward the end of the year.