

nothing to negotiate. She has merely insisted that Japan withdraw her military forces and her administrative agents and her subjects who are exploiting their own advantage the resources of Shantung.

The fact that the Peking Government has not ventured upon more decisive steps to compel Japan to keep her word and perform her solemn duty has given rise to the suspicion that the Japanese General Staff and its agents are putting the screws on officials of the Chinese Government whose function it is to move in the matter. In the meantime Japan is making the most of the advantage afforded her for jangling Shantung and laying the foundation for supreme economic control. Some of the most influential business concerns in Japan have taken over valuable properties in Tangtau, and are establishing branches of Japanese houses for securing the best part of the trade in the Shantung peninsula.

Opening Up Shantung.

During a recent visit I met on the train and steamer the emissaries of Japanese houses who admitted that they were engaged in "opening up" Shantung. Japan interests even now control and operate the railroads, mines and other rich concessions developed by Germany. One of the Japanese business men who was returning from Tangtau frankly predicted that within two years "Shantung will be more Japanese than Chinese." He added the information that it would require several years of adjudication to restore to the original owners the control of some of the most valuable properties of the peninsula which are now held by Japan.

Other impartial authorities with whom I have talked say that universal public sentiment may eventually compel Japan to return Shantung to China. But they are quite confident that if she does so China will get little more than an empty title and find that most of the things worth having in Shantung have been the devious processes of diplomacy and military power in the exercise of which Japan is credited with being adept, being wrong from the rightful owners under one pretext or another.

Inquiry at Tokio regarding the status of the Shantung province is invariably met with vague and evasive replies. These, in substance, are that it is up to China and not Japan, because Japan is ready to negotiate for the return of the Shantung peninsula and China will not agree to do so.

The one definite idea to which China has persistently clung is that there is nothing to negotiate. The record confirms the contention of China rather than that of Japan. The Japanese Government assured President Wilson that it did not desire political control over Shantung, but was merely ambitious to "assist in its economic development." There is substantial proof to justify the statement that she is proceeding with the economic development of Shantung by compelling the Chinese to sell Japanese, through financial interests, the mining and commercial properties, and in some instances these agents, favored by the military authorities, have seized properties without paying for them.

Chief Stumbling Block.

The chief stumbling block in the way of Japan's ambition to secure economic control in Shantung and other parts of China was the attitude of the U. S. Government in advising China not to assent to Group V, in the 21 points agreement, forced from China by Japan as the price of the latter government's participation in the World War.

President Wilson, at the behest of Great Britain and other countries, assented to the acceptance by China of one of the other groups in the twenty-one points agreement, with the exception of group V, which would have given Japan the right to use her military power to promote her economic ambitions, and, to a very large extent, a very great influence in shaping the political policies of China.

The objection of the Washington Government to the group V clauses in the China-Japan agreement was most disconcerting to the Mikado's Government and has undoubtedly exercised a distinct influence over the relations between the two governments. Japanese statesmen have, in fact, declared the attitude of the United States to have been an "international impertinence."

The belief strongly exists at Peking and, to some extent, at Tokio that Japan, realizing the instability of her position in Shantung, is preparing to volunteer some "window dressing" in advance of the Washington armament conference. It is expected by competent authorities at both the Chinese and Japanese capitals that Japan will comply with the Chinese demand for the surrender of Shantung, with the maximum of objectionable conditions.

Circumstances of the Loans.

The loans which Japan insists China must pay forthwith were arranged between the two Governments under circumstances that suggested little credit to either. The Chinese officials who solicited and received the Japanese money have been frequently charged with having extracted a large amount of "squeeze" for their services. Also Japan extorted her percentage of "squeeze" in the way of interests and bonuses.

In 1917 Japan loaned to China 5,500,000 yen for thirty years at 5 1/2 per cent on the properties of the Kirin-Changchun Railway. It obtained the bonds for \$1.50. On January 15, 1918, the Chinese Government borrowed from the Mitsui Bussan Kaisha two loans aggregating 3,000,000 yen at 8 per cent on a basis of 98, partly secured by shares in the Kailan mining administration. Five other loans were made in the same month, one for 10,000,000 yen made by the Yokohama Specie Bank to the Peking Government at 7 per cent secured by the salt revenues, another of 2,000,000 yen by a Japanese syndicate to Tanho-Min,

Read Seibold To-morrow.

Another article by Mr. Seibold will be printed in to-morrow's NEW YORK HERALD. It will describe the present status of the Japanese navy, its comparison with the navies of other countries, and will present hitherto unpublished facts regarding the Japanese naval programme. This programme will run until 1928, and provides for the construction of larger and more powerful vessels than are to be built by either the United States or Great Britain.

The rebel Governor of Hunan, at 7 per cent, and at 94, secured by iron mines at Tai Tingshan and the antimony mines at Shukoushan; two loans aggregating 2,000,000 yen, made to Fukien and Chi-li provinces, secured by provincial railroad bonds, 14,000,000 yen at 9 1/2, with interest at 7 per cent, and a bonus of 5 per cent, made to the central Government, security not specified; 25,000,000 yen by the Bank of Japan to the Bank of Communications at 7 1/2 per cent, secured by treasury bonds.

In February, 1918, a Japanese syndicate loaned to the Shipping Kai-Chengtau Railway 2,600,000 yen at 7 per cent, secured by revenues of the road. In April of the same year a Japanese syndicate loaned to the Chinese telegraph administration 20,000,000 yen at 9 per cent, secured by properties not already placed. In June of the same year a Japanese syndicate loaned the Kirin-Huailiang Railway 20,000,000 yen, secured by the road's property.

May Seek Mortgage on Shantung.

If China is not able to repay these loans Japan will probably insist upon having some sort of a mortgage on Shantung, for the administration of which during the last few years the Government has been unable to make the terms as oppressive as possible. However, China will probably get back Shantung, but when she does it is extremely likely that Shantung will be more Japanese than Chinese as far as trade conditions are concerned. The elements in China that have little confidence in either the Peking or Canton Governments, which they view as mere "rump" enterprises, are looking to the Washington conference to put an end to the intrigues of Japan as well as the operations of the predatory Tutchuns, who war upon any form of centralized government and also among themselves.

The recent rebellion of the Peking Government against the Canton Government was directly credited to the influence of Japan by Wu Ting Fang. He openly charged that Japan was supplying arms and ammunition to the Hsu government at Peking.

Prominent Chinese business men with whom I have talked openly asserted that the obstructive and delay in adopting the consortium plan subscribed to by Great Britain, France, the United States and Japan was directly due to Japanese diplomacy. Negotiations looking to the assistance of China by banking groups of the four countries was begun back in 1915 and very rapid progress was made toward the accomplishment of the scheme until August two years ago, when the Japanese Government disorganized the machinery set up by declaring that it should not relate to nor affect the "special rights and interests" possessed by Japan in Manchuria and in eastern Mongolia.

The United States expressed its grave disappointment that the formula proffered by the Japanese Government is in terms so exceedingly ambiguous and in character so irrevocable that it might be held to indicate the continued desire on the part of the Japanese Government to exclude the American, British and French banking groups from participation in the development for the benefit of China, of important parts of that Republic.

British Note Almost Identical.

The British note was almost identical with that of the American Government. Japan stubbornly clung to its position that the consortium should have no control in territory where her "special interests" were recognized as existing. T. W. Lamont, on behalf of the American group, spent two months in Tokyo last year reasoning with the Japanese Government. In order to secure the acceptance of the consortium plan and the cooperation of that country in promoting it, Great Britain, France and the United States were compelled to assent to the exemption of the South Manchurian Railroad, the Kirin-Huailiang, the Changchiatun-Taonanfu, the Changchun-Taonanfu, the Kailan-Kirin, the Kirin-Changchun, Suliminfu-Mukden, and the Seungtsai-Changchiatun railroads, as being "outside the scope of the joint activities of the consortium."

The Japanese consent was mainly won through the tact and patience of Mr. Lamont, who on more than one occasion was compelled to talk pretty plain to the Japanese bankers, if I am correctly informed. It is very evident to impartial observers at Tokyo that any steps to make effective the consortium project will have to be provided by the United States, England and France, and that the attitude of Japan is still censorial and suspiciously critical. Chinese authorities make no bones in charging that the Japanese Government has deliberately misrepresented the attitude of the United States in interpreting the Ishih-Lansing agreement. The Japanese Government holds that this agreement recognizes that Japan has "special interests" in China by reason of proximity. Chinese leaders who are not susceptible to the intrigues of either the Peking or Canton Government declare that the Japanese

changed the word "interests" to "advantages" in publishing the text in Chinese, so it was made to appear that the United States recognized the right of Japan to enjoy "superior advantages" over other nations in China.

The note of Secretary of State Hughes to the Chinese Minister at Washington relative to the Federal Telegraph Company's contract for wireless stations in China was very discouraging to the Mikado's Government and encouraging to the Chinese, because it proved that the United States did not recognize the right of Japan to any "superior advantages" in the Far East.

Outbreaks in Siberia.

Chinese citizens who are not susceptible to the influence of the sordid officials of either the Peking or the Canton Governments expect to place before the Washington conference positive proof that Japan has been chiefly instrumental in promoting the sporadic outbreaks of lawless bands in Manchuria and Mongolia for the purpose of discouraging the Far Eastern Republic, which is attempting to organize a solid Government in Siberia.

Tutchuns in some of the northern provinces who have assembled hordes of mercenaries in Mongolia and Manchuria are alleged to have been actually employed by the Japanese Government to assist in promoting the ambitions of the Japanese General Staff to compel the leaders of the Far Eastern Republic to submit to the dictates of the Japanese military forces.

That part of China which views the officials of its dual central Government with almost as much suspicion as they do the Japanese is resorting to several forms of reprisal against both. A general boycott of Japanese made goods has been progressing in the south Chinese provinces for nearly a year, and is said to be starting in the northern region. Chinese merchants have refused to ship their goods in Japanese bottoms.

During one of the farce, comedy battles between two warring Tutchun feroes in August the troops of both fired on a Japanese passenger and freight ship in the Yangtze-Kiang River. The bellicent armies, however, have so far respected the rights of the foreign missions and, in one or two instances have provided guards to protect them from stray shots when the warring "armies" were fighting in the vicinity.

The Japanese are credited with (or blamed for) encouraging the revival of opium smoking among the Chinese in the northern provinces despite the banning of it by the Chinese Government. The practice is said to be assuming the proportions of ancient days, and "bootlegging" has not only come to be a recognized institution but is in fact licensed and taxed by the Japanese.

Illicit Opium Traffic.

Chinese leaders who deplore the revival of opium smoking do not hesitate to charge that the Japanese are encouraging the cultivation of the poppy and the manufacture of opium in Corea, Manchuria and Mongolia. Most of the "bootlegging" is said to be done by the Koreans and women among the tribes of Russian regions contiguous to China. Some of the Tutchuns are said to be supporting their armies from the proceeds of the tax on the illicit opium traffic.

The stability of the Peking and Canton Governments has been seriously jeopardized by two factors that have cropped up unexpectedly in both the north and south regions. The Peking Government has been verbally assailed by a new combination of mandarins controlled by Chang Tso-Lin, who resigned his job as Inspector-General of Manchuria, "subjugator of Mongolia" and one of the chief dependencies of the Peking Government. Chang Tso-Lin is said to have become so rich through the application of the "squeeze" (graft) that he was ambitious to establish a central Government of his own. He is credited with having raised a large army by spending part of his "squeeze" for the ultimate purpose of setting up an independent kingdom consisting of Manchuria and Mongolia, which would constitute an equal menace to China, Russia and Japan.

Canton Government.

The real power behind the Canton Government is Gen. Chun-Ling, who is described as a man of progressive ambitions. The Canton Government is administered by a Cabinet, in which there are several men who were educated in the United States and Europe. Dr. Sun's Government counts on the support of Kwangtung, Kwangsi, Yunnan, Kweichow, Szechuan and Hunan. There is a four group of provinces in the southern region which is playing pretty much the same game as the Manchurian and Mongolian combination organized by the powerful Chang Tso-Lin. This is composed of Cheking and Fukien. Of course as far as Oriental politics is concerned, one guess is as good as another. The opinion which appears to be the most generally accepted, however, is that eventually the Sun Yat Sen Government will provide the foundation for any central Government that may be formed.

Fairly reasonable estimates place the number of men under arms in

China at 1,500,000. These are split up into so-called small armies, organized by the Tutchuns and super Tutchuns. Probably not one-fifth of the entire number of the Chinese warriors are equipped with the modern implements of warfare. Some of them, in fact, are armed with clubs and ancient fowling pieces. The Tutchuns, engaged in feathering their own nests, are continually demanding money from the so-called Peking and Canton Governments with which to purchase improved equipment.

A few of the Tutchuns are charged with having used funds raised to relieve the condition of victims of the rice famine of last year for military purposes. One Tutchun recently appealed to the Peking Government for funds to buy fishing rods and bait for his soldiers so that they might partly support themselves when not fighting. In a recent Hupeh-Hunan battle (?) some of the Hupeh soldiers carried umbrellas into the skirmish.

NATIONAL CAPITAL KEENLY INTERESTED

'New York Herald' Praised for Far East Investigation.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Sept. 26.

The first article from Tokio, written by Louis Seibold for THE NEW YORK HERALD, proposing to give a complete picture of the Far Eastern problem, attracted widespread interest in the national capital to-day.

Officials were loath to discuss Mr. Seibold's article, but students of Far Eastern conditions generally united in saying it gave a satisfactory and enlightening picture of conditions with which the approaching arms conference will have to deal.

The enterprise of THE NEW YORK HERALD in furnishing this greatly needed information on the eve of the conference was highly praised. It is appreciated that the great difficulty which the State Department will meet in dealing with the Far Eastern problem is the fact that the American people generally, hitherto the California immigration problem has been regarded as a local issue, in which the Californians were unduly interested.

Similar interest was indicated elsewhere. Copies of THE NEW YORK HERALD with Mr. Seibold's article exposed occupied prominent places on the desks of Senators and House members. "Mr. Seibold has struck a correct note in his discussion of the Japanese situation," said J. B. Powell, editor of the Far Eastern Review, a magazine published at Shanghai. Mr. Powell is thoroughly familiar with Far Eastern conditions.

"A clear and impartial presentation of conditions in the Orient cannot be otherwise than helpful in enabling the American people to appraise properly the situation in that section of the world. Asia is beginning to awake and this country cannot be unmindful of what motives are actuating hundreds of millions of people."

"In sending his representatives to the Orient to report conditions as they are THE NEW YORK HERALD is performing a great public service."

SLIGHT QUAKE IN CALIFORNIA.

Felt in San Bernardino—Made Dishes Rattle at Ontario.

SAN BERNARDINO, Cal., Sept. 26.—A slight earthquake was felt here at 2:45 this afternoon.

At Ontario, twenty miles west, it was of sufficient intensity to rattle dishes in houses.

NO PORTS IN PACIFIC, CALLED TOKIO PLAN

Ready to Propose It, but Thinks America Would Not Consent.

TO KEEP NAVY STRONG

Insistence by U. S. of Reduction Would Make General Agreement Impossible.

SCALING DOWN FAVORED

Based on Strength of Weakest Power, Japanese Military View.

By the Associated Press.

TOKIO, Sept. 26.—The Asahi Shimbun to-day says Japan is in a position to propose the abolishment of fortifications in the Pacific, but that the United States probably would not agree to this. If Japan insisted, the newspaper asserts, the United States would on her part insist on a great reduction in the Japanese naval strength, and this would be liable to make a general agreement on limitation of armament impossible.

The newspaper says it understands that the earlier views of the military authorities have been modified as a result of a meeting of army, navy and Foreign Office officials, which submitted to the Cabinet the following suggestions:

First—Prohibition of the erection of new defensive works in the Pacific or an extension of the old defenses.

Second—Reduction of naval strength proportionately based on the strength of the weakest power.

Third—Restrictions on poison gas, explosives, airplanes and submarines.

Any attempt by the Powers to discuss limitation of armament at Washington while fostering secret ambitions will prove worse than useless, it is declared in resolutions adopted by an association of politicians, publicists and business men which was formed for the purpose of studying questions relative to the Pacific. Recommendation is made that as a basis of the Japanese policy, this country should maintain adherence to the plan of the "open door" on an international basis, refrain from all interference in Chinese, Siberian and Mexican affairs and advocate disarmament as far as possible.

Premier Hara has again consulted Viscount Chinda relative to his becoming head of the Japanese delegation at Washington, if he accepts the post, it is probable the Japanese mission will include Viscount Kato, M. Shidehara, Japanese Ambassador to the United States, and Viscount Ijima.

The Women's Association for the

Sure Relief

BELL-ANS FOR INDIGESTION. 6 BELL-ANS Hot water Sure Relief FOR INDIGESTION.

SLIGHT QUAKE IN CALIFORNIA.

Felt in San Bernardino—Made Dishes Rattle at Ontario.

SAN BERNARDINO, Cal., Sept. 26.—A slight earthquake was felt here at 2:45 this afternoon.

At Ontario, twenty miles west, it was of sufficient intensity to rattle dishes in houses.

IMPORTED SHOES

CARMOR LONDON. These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

\*11 to \*14

These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles.

Cultivation of International Friendship, by arrangements made with the Government, is sending Mrs. Hideo Inouye, one of the founders of the association, to Washington as an adviser to the official delegation to the armaments and Far Eastern conference.

It is reported that the Government has abandoned its idea to send to Washington an adviser to the Foreign Office delegation. Gen. Barzal, who has been military adviser to the President of China.

The newspapers declare that the army was opposed to Gen. Barzal, believing that Lieut.-Gen. Tanaka, former Minister of War, as head of the army delegation, will suffice. They point out that the selection of Gen. Barzal caused unfavorable comment in China, because of the confidential nature of his position in that country.

GERMAN-AMERICAN GIFT REPORT ANGERS BERLIN

Alleged Sent to French General in Silesia.

BERLIN, Sept. 26.—The Lokalanzeiger asserts that 50,000,000 marks raised by German-Americans for the Germans in Silesia were sent to Gen. Lerond of the French army, head of the interallied commission in Upper Silesia, for distribution. The newspaper says that there is amazement that the fund should have been sent to Gen. Lerond. Lokalanzeiger says it expects an explanation before concluding that it really was intended that Gen. Lerond, "who shares in the guilt for the Polish uprising and the consequent misery the population has endured," to disburse the fund.

PARIS WRITERS DODGE POLICE TO FIGHT DUEL

They Are Due to Meet at Dawn To-day.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau.

Paris, Sept. 26.—Unless the police interfere Paris will have another duelling sensation at day-break to-morrow, when Marcel Couland and Rene Dixelles, prominent Paris journalists, will meet somewhere outside the fortifications and endeavor to exterminate each other with army pistols. M. Couland's newspaper, the Bon Soir, to-night gives the names of all the seconds on both sides, and declares the severest conditions have been agreed upon.

The duel will be the outcome of professional enmity of several years' duration, each of the journalists accusing the other of plagiarism.

The Ministry of Justice has given orders to the police to enforce the anti-duelling law, and has ordered the arrest of the seconds of Camille La Farge and Count de Poret, who fought here last week. Neither of the principals in this duel has returned to Paris. Friends of Count de Poret say his wound is healing satisfactorily.

BONWIT TELLER & CO. The Delicate Art of Exquisite Needlework Finds Its Finest Expression In PARIS LINGERIE BLOUSES. DESIGNED IN PARIS BY BONWIT TELLER & CO. AND JUST RECEIVED FROM OVER THERE 13.50 to 32.50 BLOUSES that transform the temporal fancies of fashion with the eternal art of needlework, and present the newest conceits in collars, jabots, colors, pleatings and decorative treatments with real laces and hand embroidered as fine as etching. Of Batiste or Voile in the New Pastel Tones of Lilac, Anemone, Toast, Ciel or Nephrite Green, also White. BONWIT TELLER & CO. The Specialty Shop of Originations FIFTH AVENUE AT 38th STREET.

J.M. Gidding & Co. 564-566-568 FIFTH AVE. AT 46th STREET NEW YORK. "THE PARIS SHOP OF AMERICA." PARIS

Because of the delayed opening of our new building at Fifth Avenue, 56th and 57th Streets, and to consistently carry out our Removal Sale policies regarding which we have already committed ourselves to the public we are offering Autumn and Winter Fashions from abroad as well as those made in our own workrooms on a Removal Sale Basis at our present location.

Quotation of prices at this time could not possibly indicate the wonderful buying opportunities; we therefore omit them and suggest your personal comparison

- Plain and Fur-trim'd Suits of rich new fabrics, suitable for street or afternoon wear. Smart Sports Clothes for the various activities of Autumn, including Suits, Coats, Skirts, Knickers, Blouses and Sweaters. Day Coats and Wraps handsome fur-trimmed effects. Beautiful Autumn Hats For street, afternoon or restaurant wear. Gowns and Dresses for all manner of daytime or evening occasions. Paris Bags and Novelties to complement the smart Winter costume.

Magnificent Furs embracing Coats, Capes, Wraps, Coatees, Sport and Day Coats and Separate Neck Scarfs in the richest and choicest of pelts.

Original Paris Models and Duplicates Our complete collection, recently received from abroad, embracing Tailors, Wraps, Gowns and Hats, is also included in the Removal Sale now at special price concessions.

STADLER & STADLER MEN'S TAILORS EXPERT BREECHE MAKERS For Fall and Winter, announce the showing of a large and varied collection of Foreign Woolens for Made-to-Measure Clothes of the finest quality. OVERCOATS READY FOR IMMEDIATE WEAR FROM OUR OWN WORKROOMS—MODERATELY PRICED. SATURDAYS, OPEN UNTIL 5 P. M. 785 FIFTH AVENUE, NEW YORK PARK PLAZA at 59th STREET

IMPORTED SHOES CARMOR LONDON. These include regulation street shoes also—golf brogues with the famous Scafe's rubber and leather soles. \*11 to \*14. Franklin Simon & Co. 4 to 16 West 38th Street 5 to 9 West 37th Street—Street Level

PRICES realized on Swift & Company's sale of excess beef in New York City for week ending Saturday, Sept. 25, as follows: The total amount of 100,000 lbs. of beef was sold at an average of 13.72 cents per pound.