

CHINESE TAKE NEW AGGRESSIVE STEP

Ask Far Eastern Committee to Consider Japan's '21 Demands.'

OTHER MOVES PLANNED

Pekin Delegates Believe They Have Weapon to Fight 'Special Interests.'

SHANTUNG RAIL ISSUE

Conferees Believed to Have Reached Practical Agreement in Principle.

Special Despatch to THE NEW YORK HERALD

The Chinese delegates threw the second armament conference bombshell to-day. They cast it in the midst of the Far Eastern committee of the conference.

They presented to the committee a request that it consider the treaties and agreements included in the Sino-Japanese agreement, the outgrowth of Japan's "twenty-one demands" upon China made while the allied Powers were preoccupied with war, giving to Japan a preeminent position in China.

Further sessions of the Far Eastern committee were suspended while this important move is under consideration.

Secretary Hughes and Arthur Balfour are said to be opposed to consideration of these agreements by the conference. Mr. Hughes's opposition is understood to be based upon the theory that the Far Eastern question can be settled without consideration of this embarrassing problem, while the British objection is the result of disinclination to have other secret agreements with and concerning China precipitated into the conference.

The Japanese and Chinese conferees are understood to have come to a practical agreement in principle relative to the ownership of the Shantung railroad, but the entire settlement is suspended pending reference by the Japanese delegates to the Government at Tokio.

Diplomatic Move Suspected. The reference to Tokio is believed to be a diplomatic move aimed to exert pressure upon the Chinese to prevent insistence upon their position that the Sino-Japanese agreement be made a subject of conference deliberation.

The Shantung settlement is based upon the Chinese willingness to pay for the half ownership claimed by the Japanese, although the price and the date of the transfer of the road to the Chinese has not been determined.

The Chinese have made a definite offer as to price based upon the valuation fixed by the reparations commission, which amounted to \$2,000,000 gold marks. This valuation applied to the mines along the line of the railroad.

Action by the Chinese delegation in showing the twenty-one demands into the conference deliberations represents the most serious fighting gesture which the Chinese have made up to this time. Back of it is their determination to insist upon their portion in Manchuria and to oppose the Japanese contention that Japan has special interests in that section.

The Japanese are extremely unwilling that this question should be made a subject of conference consideration. If it becomes one, the Japanese will insist that all the secret agreements and treaties entered into with China shall go

Conference Doings

AFTER another meeting of the Big Three it was reported that a naval ratio decision practically had been reached with a few modifications, to be announced later. American officials would not discuss the reported agreement.

France and Italy continued their discussions on capital ships and auxiliary craft, and it was believed an agreement soon would be reached on a basis satisfactory to both nations.

In the Far Eastern discussions China precipitated a new feature by requesting that the conference take up the question of the treaties and agreements growing out of the famous twenty-one demands of Japan.

More talk was heard regarding the possibility of a call for a financial conference. The British issued a statement to the effect that they had no desire to widen the scope of the present conference.

into the hopper and the Powers are equally unwilling that this should happen.

Chinese to Press Issue. The Chinese believe they will use it for every ounce of its worth. They realize the seriousness of their proposal and it is the first definite move they have made which appears to be at variance with the American viewpoint.

There is an angle of local Chinese politics in the proposal. In China there is universal execration of the Sino-Japanese agreement, which, it is declared, was forced from the helpless Chinese Government. Calling attention to it suggests also the fact that Japan might not have been unwilling to take advantage of the situation of the allied Powers in pressing her own interests in the Far East to the disadvantage of others.

The Chinese have additional shots in their locker and intend to force consideration of the interpretation which the Japanese are alleged to have placed upon the Lansing-Ishii agreement. In fact they regard this move as an opportunity to air innumerable occurrences in the Orient which they believe will not encourage popular approval of the Japanese position.

All this is preliminary to the fight for the control of Manchuria, which both Japanese and Chinese realize will be the crucial event in the consideration of Far Eastern affairs by the conference.

Concerning the Shantung negotiations, it was asserted by Japanese spokesmen to-day that the Japanese delegation is now considering the counter-proposal of the Chinese, involving the compensating of Japan for the withdrawal of the rights Japan claims in the railway, the legal title vesting in Japan as a result of the settlement made by the Paris Peace Conference.

Atmosphere is Friendly. The discussions between the two parties are continuing. It was asserted, in the most friendly atmosphere. One or two points in the Chinese proposal were said not to have been completely cleared up when the conferees adjourned last night until to-morrow.

The conferees have advanced so far as to consider, though not to decide upon, the appointment of a special commission to appraise the value of the Shantung railway.

It was declared that the Japanese conferees had not yet referred the Chinese counter proposal to Tokio for consideration by the Japanese Government. The delegation, it was said, would make recommendations to the Tokio Government when and if the conferees reach an agreement, but the recommendations could not be made until the delegation had arguments to support them and until they wholly understood the Chinese proposal. It was indicated that five or six days would be required for the consultation with the Japanese Government after the anticipated agreement is reached.

\$100,000,000 LOAN TO DUTCH.

Holland Said to Be Negotiating to Float Issue Here.

LONDON, Dec. 15 (Thursday).—A despatch to the London Times from Rotterdam asserts that the Dutch Minister of the Colonies is negotiating a loan in the United States of about \$100,000,000.

The loan, it is said, is for the Dutch East Indies.

LOOKING IN on the conference

Sastri, British Delegate From India, Predicts That Country Will Have Dominion Status Within Ten Years—Calls Ghandi Great Man.

By EDWIN C. HILL, Special Despatch to THE NEW YORK HERALD

New York Herald Bureau, Washington, D. C., Dec. 14. Balfour, philosophical, a little detached, says the conference succeeds because the moral feeling of the world has at last taken command of intellect. Moral feeling, strengthened by revulsion to war, proved to be stronger here than accumulated selfishness, fear and suspicion. With the growth of moral feeling, as Herbert Spencer wrote, "tends perpetually to disappear."

To this statesman, linking old diplomacy with the new, credit is given for inducing the Japanese to drop their British alliance and to accept the four Power agreement. The story is told that the Japanese hung back, and that Balfour won their acquiescence by pointing out how greatly their racial prestige would be increased. It is said that Balfour told Kato that the invitation to Japan to join the United States, Great Britain and France, was the greatest compliment ever paid to Japanese power.

With the departure of this truly great statesman, of whom John Morley, Lord Morley now, might have written as he wrote of another: "Simplicity of character is no hindrance to subtlety of intellect," Washington and the conference will have lost perhaps its most attractive figure. The sympathy between Mr. Balfour and Mr. Hughes continued from first to last and overcame every obstacle to international agreement. Without this cooperation it is hardly possible that the great aims of the conference would have been accomplished.

The British are gravely concerned about unrest in India. They say Lloyd George has a problem to meet there that is more difficult than satisfying Irish aspirations. Srinivasa Sastri, British delegate from India, representing moderate opinion, says India will be a dominion within the empire, like Canada and Australia, within ten years. Ghandi, the native leader, who is stirring the fires against British rule, is described by Sastri as a great man, a character of the purest idealism and saintly life, but leading a movement which is unwise and futile. Sastri, new type of statesman in Washington, is very popular and is by no means a tool in the hands of India's British rulers. He is frank, outspoken and very intelligent. He speaks English almost as pure as Mr. Balfour and in a voice that is peculiarly pleasing.

Moral feeling and sentiment are great things, but the hard headed business men of the world have looked to the conference to stave off international bankruptcy. And that, says W. P. G. Harding of the Federal Reserve Board, is exactly what it is doing. Its success, he says, will have a profound effect on the finances of the world. He points to the

British pound sterling. The dollars and cents value of the conference will be felt in pocketbooks and pay envelopes.

Kotaro Mochizuki, representing unofficially at the conference the Japanese opposition party, has told the President that one of the best ways for the United States and Japan to get rid of mutual suspicion and misunderstanding would be to exchange visitors. He suggested that Congress send twenty members or so to Japan every year in a body and that a similar number of members of the Japanese Diet be sent to this country. No less important, he told the President, would be the interchange of journalists, twenty representatives of leading American newspapers to visit Japan annually and the same number of Japanese newspaper men to visit the United States.

The Marquis Giovanni Visconti Venosta, a faculty which ruled Milan early in the Renaissance, is one of the most distinguished delegates to the world parliament. He fought in the Italian army for years among the precipices of the Carso plateau. Venosta is a grandnephew of Cavour, one of Italy's greatest statesmen. He is 34 and unmarried.

The French are sprightly in their jesting. Jusserand, Ambassador of France, was playing golf with an American Senator the other day when another player inadvertently stepped across the teeing ground as the Senator was preparing to drive. "Damn!" said the Senator. "My dear fellow," said Jusserand, "since he crossed your tee why don't you dot his eyes?"

Propagandists are losing their spirit. The conference approaches a successful end in spite of them. Steering straight ahead, they have declined to let them intrude. Only the post office knows what a mass of typed and printed matter they mail daily to the delegates and the newspapers. Books, pamphlets, prepared stories, personal letters, circulars choose the mails. Hindus, Koreans, Filipinos, Chinese, Irish, peace organizations, anonymous authors hinting at scandal bombard the peace-makers fruitlessly. There are many undercurrents and cross currents, but they little affect the steady tide of accomplishment.

Reports that Krelmer declines the post of Austrian Minister to the United States probably ends any project to bring about a real harmony of nations. Krelmer might have been one of a company of musical diplomats, including John McCormack or George M. Cohan, as Minister to Ireland, Paderewski Polish Minister to America, Chalapin Russian Ambassador to this country, Irving Berlin Minister to Palestine and Bert Williams Minister to Liberia.

The peace-makers are to be preserved in bronze. Irene McCarthy, American sculptor, has been at work for weeks modelling the faces of Hughes, Balfour, Briand, Kato, Viviani and a few more.

Although the search for the fugitives has been extended to practically all parts of the country no definite traces had been found, the police admitted.

O'Connor was to have been hanged at 7 o'clock to-morrow morning. Everything except the gallows is in readiness for the execution, jail officials said tonight.

"We will hang O'Connor within ten minutes after his arrival, if he is captured to-morrow," Jailer Peter Lawrence declared. "It will not be necessary to build a scaffold. A plank will serve as well as a platform."

NO TRACE OF SLAYER DUE TO HANG TO-DAY

O'Connor, Who Escaped Chicago Jail, Still at Large.

CHICAGO, Dec. 14.—On the eve of the day which had been set for his hanging the whereabouts of "Tommy" O'Connor, convicted slayer, was as much of a mystery to-night as it was Sunday following his daring flight from the county jail with several other prisoners.

CONTRACT TO REPAY WAR DEBTS URGED

Editor Suggests British Treasury to Clear Itself of Charity Suspicion.

ANALYZES U. S. VIEWS

Farming Losses Explain Western Opposition to Talk of Cancellation.

WARNS AGAINST BLUNDER

American Economic Perceptions Apt to Be Weak and Halting, He Says.

By WICKHAM STEED, Editor of London Times.

WASHINGTON, Dec. 14.—Senator La Follette has now joined the little group of irreconcilables who announce their intention of opposing ratification of the quadruple treaty. Notwithstanding this reinforcement of their debating power, it is not believed that the opposition of this group is likely to be successful. It should, however, serve as a reminder to European governments that the United States Administration has difficulties of its own to contend with when they seek to associate America with other nations, even for the purpose of maintaining peace and furthering disarmament.

Moral Enthusiasm Strong.

The body of American opinion that supports the limitation of armaments and, by implication, all the decisions of the Washington conference upon which an effective limitation of armaments is dependent should not be regarded as identical with or equivalent to the far weaker current of opinion that favors American economic or financial cooperation with European countries. The moral enthusiasms of the American people are strong and prompt. Their economic perceptions, on the contrary, are apt to be weak and halting. No greater mistake could be made by European statesmen or economists than to imagine that the success of the Washington conference will necessarily create a favorable opportunity for the international treatment of the question of war debts, reparations, rates of exchange and of the international economic problem generally.

The American bankers and public men who are convinced that the interests of the United States demand speedy and effective cooperation with other Powers to save the world from utter economic chaos will have a hard task before them if they seek to convert the bulk of their fellow citizens to their own views. On the Atlantic seaboard, where European conditions are more or less understood and where the economic interdependence of Europe and America is realized, public opinion may be enlightened in a comparatively short time. Efforts to this end are indeed being made by men who have no personal axe to grind. But in the middle West and the West, where Europe can neither be

seen nor felt and where local financial conditions are not favorable, the process of enlightenment will be slow. I believe that nine out of every ten letters received at the United States Treasury or at the White House on the subject of European indebtedness urge the Administration to go ahead and collect the European debts forthwith. However little heed the Administration may pay to such advice, its significance cannot be ignored in any sane estimate of the outlook.

An Agricultural Crisis.

Moreover, the Senate is handling the loan refunding bill—which left the House of Representatives in a form satisfactory to the Administration—in such a manner as to render it practically a dead letter, if not entirely inacceptable. In these circumstances it is easy to understand the view, attributed to President Harding, that the Washington conference should be allowed to complete its labors and an interval be given for reflection before any proposal for a new treaty should be introduced. American participation is put forward.

The attitude of the West and Middle West is not merely due to incomprehension or cussedness. The farming community, which is the backbone of the United States, is passing through a serious crisis. Losses during the past twelve months have been heavy. Several banks that finance agrarian operations are entirely "frozen." Some of them have been obliged to suspend operations for the time being. Others are heavily indebted to the Federal Reserve Board. When it is remembered that American loans to European countries were not made merely out of bankers' reserves, but consisted largely of money lent by the people, it will be understood that no suggestion for the cancellation of European indebtedness can be made without raising a serious financial problem for the United States Treasury.

Urges Repayment Contract.

With the best will in the world, the thing cannot be done offhand, even should American interests be admitted to demand it. This, as I have said, is not, or is not yet, the case. Consequently there should be no talk in Europe of the cancellation of European debts by America. Nor should there be talk in England of the cancellation of European debts to her until her intention to pay off her own debt to the United States has been made clear, if possible in the form of a definite con-

'THEY SHALL NOT PASS' ON MEDAL FOR VERDUN

Harding Approves Design by Newark Artist. WASHINGTON, Dec. 14.—President Harding to-day approved the design of the medal which under the army bill of June 5, 1920, he was authorized to present to the city of Verdun in the name of the Congress and people of the United States. John Flanagan of Newark was the artist selected by the Commission of Fine Arts to execute the work. The medal was cut at the Philadelphia Mint. The obverse represents two struggling giants and the reverse Henri Chausse, with the ruins of Verdun forming the background. The motto "Ils ne passeront pas" ("They shall not pass") is inscribed across one side and "From the People of the United States to the City of Verdun" across the other.

Advertisement for Chelton-Benkert shoes, featuring an image of a shoe and text describing the product and the Whitehouse & Hardy store.

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Advertisement for Ovington's gift shop, featuring an image of a gift and text describing the variety of gifts available.