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DEC 22 1921

WEATHER FORECAST.
Unsettled to-day, probably light rain; to-morrow fair and much colder.
Highest temperature yesterday, 42; lowest, 29.
Detailed weather reports will be found on editorial page.

THE NEW YORK HERALD

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THE BEST IN ITS HISTORY.
The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

VOL. LXXXVI.—NO. 113—DAILY. ++++ NEW YORK, WEDNESDAY, DECEMBER 21, 1921.—ENTERED AS SECOND CLASS MATTER, POST OFFICE, NEW YORK, N. Y. PRICE TWO CENTS IN NEW YORK CITY. THREE CENTS WITHIN 200 MILES. FOUR CENTS ELSEWHERE.

CITY'S JITNEY BUSES PILE UP RECORD OF 8 KILLED, 298 HURT

McAneny's Board Learns Hylan's Vehicles Have Had Many Accidents.

NEW TRANSIT PLAN OUT

Scraps 100 of 248 Miles of Track, Junks 10 Lines and Improves 25.

5TH AV. LINE CALLED SAFE

Surface Roads in Lower West Manhattan Are to Be Supplanted by Motors.

Evidence introduced in the transit examination yesterday indicated that in Brooklyn Borough alone since November, 1919, jitney buses operating under Mayor Hylan's municipal permits have been involved in accidents in which there have been eight persons killed and 298 seriously injured.

Incomplete records in Manhattan Borough from September 23, 1919, down to June 26, 1920, showed 148 accidents, 34 of which resulted in the injury or crippling of passengers or pedestrians.

Clarence J. Shearn, special counsel to the commission, explained that he had great difficulty in gathering data "because it had been the policy of the Police Department, acting under orders, to refuse access to police blotter records which set forth the troubles of these jitney buses."

Mr. Shearn read into the record names, dates and localities of such accidents as he had been able to collect lacking police cooperation. Then he said: "This incomplete record suggests the importance of having the commission go into this matter more fully. If no record is obtainable from the Department of Plant and Structures I suggest the commission have its examiners go through the blotters of the Police Department, which, of course, cannot refuse the demand of the commission."

"We will act on that," said Chairman McAneny.

Fifth Avenue Bus Fatalities.

As the Mayor had suggested publicly that the buses operated by the Fifth Avenue Coach Company were dangerous and likely to be overturned, Mr. Shearn's next step was to swear Herbert C. Moser, that corporation's superintendent of transportation. Testifying from his records, Mr. Moser swore that since November, 1919, his company's vehicles had been concerned in accidents which resulted in no fatalities and in six serious and thirteen minor injuries.

"I noticed a statement from his Honor the other day," said Mr. Shearn, "to the effect that your buses are unsafe. Has there been any effort on the part of the authorities to prevent you operating these 'unsafe' buses?"

"No; we have no unsafe buses," was the reply. The witness then testified that in the fourteen years since 1907 his company had carried 276,834,021 passengers in buses which had traversed 64,000,000 miles through New York streets. In that period there had been only two upsets.

Mr. Shearn suggested that the commission summon the owners or operators of the municipal jitney buses to ascertain their degree of responsibility, whether they have paid anything to persons injured, what they have done in the way of upkeep of their cars and similar data. Chairman McAneny said, "That is our purpose."

The other outstanding feature of yesterday's session was the presentation by Daniel L. Turner, consulting engineer to the commission, of the plan prepared at its order for the rerouting of the surface lines of Manhattan Borough. The plan, though tentative, is regarded with favor by the commission. Should it be adopted it will work radical changes in the transit map and in the utilization of many of the city's main thoroughfares.

In contravention of the Mayor's oft reiterated plaint that the surface lines "junk" is to be foisted upon the city, this plan eliminates 100 of the total 248 miles of trackage and cuts down the number of surface lines from thirty-five to twenty-five. It contemplates the abandonment of all surface car traffic west of Broadway and south of Fourteenth street, substituting bus lines in that section for crosstown traffic and as feeders to the rapid transit systems.

Details of Surface Scheme.

Mr. Turner's report in its more essential parts follows:

"The proposed rerouting plan for Manhattan recognizes:

"1. That a new system of surface lines is needed that will permit the most convenient and freest circulation about the borough for a single fare and with a minimum amount of transfer, and that will have sufficient capacity to meet all the traffic requirements.

"2. That the vehicular congestion in many of the streets of Manhattan—particularly in the important north and south thoroughfares—has nearly reached the limit.

"3. That it is of paramount importance that consideration be given to the needs of the vehicular traffic as well as to those of surface car traffic.

"4. That, therefore, the rerouting of the surface lines in Manhattan should be accomplished in such a manner as to utilize for the purpose the minimum number of north and south streets possible without detriment to the convenience and capacity of such new surface line system.

"Based upon the foregoing principles:

"(a) The new surface car system is to utilize approximately 148 miles of single track—or about 100 miles less trackage than is now in the streets. The

Continued on Page Seven.

Theatrical and Hotel and Restaurants advertising will be found on page 12.—Adv.

Bandit Robs Train in 4 Chicago Blocks

CHICAGO, Dec. 20.—An armed bandit boarded the observation car of Baltimore and Ohio train 6, bound for Washington, as it was passing Sixty-third street to-night, and after holding up the passengers in the observation car left the train at Sixty-seventh street, according to a report made to the police to-night. The train did not stop and the bandit escaped.

YANKEE CLUB GETS SCOTT, JONES, BUSH

Red Sox Come Here in Deal Said to Involve More Than $125,000.

PECKINPAUGH IS TRADED

Collins, Quinn and Piercy Accompany Veteran Shortstop to Boston.

One of the biggest deals in the history of baseball yesterday transferred Everett Scott, greatest shortstop in the American League, and Joe Bush and Sam Jones, right handed pitchers, from the Red Sox to the Yankees. In return for this stellar trio the New York club gave to Boston its captain, Roger Peckinpaugh, who will take the place of Scott, and three pitchers—Rip Collins, Jack Quinn and Bill Piercy, all right handers of varying degrees of usefulness and potentiality.

In announcing the trade Col. Jacob Ruppert, president of the New York club, made no mention of a financial consideration. But even a cursory appraisal of the material acquired by the Yankees develops the belief that Harry Frazee, head of the Red Sox, received a check which beat even the selling price of Babe Ruth—which was $125,000.

Frazee announced that he had completed that deal with Cleveland about which THE NEW YORK HERALD told some days ago. Stuffy McInnis, the great first baseman, goes to the Indians in a trade for three men—Elmer Smith, the hard hitting right fielder; George Burns, the first baseman, and Joe Harris, another first sacker, who is to be converted into an outfielder. Harris is under suspension by Judge Landis for having jumped his reserve clause to join the Oil City (Pa.) "outlaws." However, it is expected that Harris's fine war record will lead the Judge to reinstate him. If Harris fails to win his way back into the fold the Red Sox will get Doc Johnson, still another first baseman, or some other player with outfielding abilities or possibilities.

While the acquisition of the two pitchers was forecast in THE NEW YORK HERALD yesterday the transfer of Scott to the Yankees and the loss of Peckinpaugh came as a great surprise. Peckinpaugh, it had been believed, would go from the Yankees only in a trade for Sam Rice, the fleet outfielder of the Washingtons. Scott appeared to be headed for the Detroit club in a three cornered deal involving Bob Veach and Howard Ehmke—with a companion trade which would make Veach a member of the Yankees. Veach yet may come to New York.

The passing of Peckinpaugh from the Yankees is not likely to be mourned by Miller Huggins, the manager. Last season a certain coterie among the players, headed, it was reported, by Babe Ruth, organized a movement to put Peckinpaugh in Huggins's place as manager. When Huggins was taken ill Peckinpaugh took command of the club in the West—and then the Yankees proceeded to win game after game and show a complete reversal of form.

This seemed to give a strong impetus to the Peckinpaugh boom, but Col. Ruppert was stanch in his support of Huggins and the Peckinpaugh movement was throttled. It rose again even after Huggins had led the Yankees to a pennant, though they were beaten in the world series by the Giants. When Huggins recently signed to manage the team again next season there was a report that he had arranged a deal with Washington which would permit Peckinpaugh to assume the managership of the Senators. George McBride's resignation left the Washingtons without a leader, and Clark Griffith believes that Peckinpaugh has the makings of a great manager. It now behooves Griffith to make his advances to the Boston club.

All negotiations with Detroit were broken off yesterday by the Rex Sox and the Yankees will resume them today on their own account. It is evident that the owners of the Yankees did not relish the idea of Tyrus Cobb getting so great a shortstop as Scott to plug up that gap between Jones and Young or Young's successor. So they decided to make a big sacrifice and get Scottie for themselves.

Now Col. Ruppert offers Johnny Mitchell, Bob Shawkey and divers other players to the Tigers for Veach—and he indicated last night that he was hopeful of success. If the Yanks land Veach, with Carl Mays, Waite Hoyt, Bush and Jones in the box and Babe Ruth on first base after May 20, they may as well order that new pennant at once.

In making the trade with the Red Sox the Yankees gave up nobody who was essential and got a tremendous lot of power both on offense and defense. They had to give up Peckinpaugh, it is true, but they got Scott, who is a faster, younger and greater infielder, even if he is not the equal of the old Rajah in hitting.

But Collins, Piercy and Quinn—well, the Yankees will not miss any of them. Piercy is under suspension with Ruth and Meusel and will not be available until May 20. And then he will be a problem. Quinn may have another year

Continued on Page Fourteen.

Deerfoot Farm Sausages. Try them and see the difference in flavor and quality. Sold only in pound packages, parchment wrapped.—Adv.

UNTERMYER SERVES WARNING ON UNIONS TO REFORM AT ONCE

Lockwood Committee Attorney Would End Blackjacking in Building Trade.

MUST ALTER BY-LAWS

Labor Must Abdicate Powers to Add to Costs and Annoy Employers.

DEMANDS MADE IN DETAIL

Brindells to Be Deprived of Right to Hold Their Jobs After Convictions.

The Lockwood Investigating Committee, through Samuel Untermyer, its special counsel, served notice yesterday on labor unions of the building and allied trades that immediately and voluntarily they must make certain changes in their constitutions, bylaws, rules and regulations or else the changes outlined by the committee and comprising about fifty in number, would be forced upon them by legislation or other means. In substance, the committee asked that the unions "clean house," eliminating the abuses exposed by the investigation of the building trades as they affected housing conditions throughout the State.

Copies of the demands were served on the heads of the Building Trades Council and the other labor bodies in the building trades not affiliated with the council. The notice also was sent to the State Federation of Labor and to Hugh Frayne, general organizer of the American Federation of Labor. While no period was set for compliance, it was understood the unions will have to act before the coming Legislature adjourns to prevent the legislative and judicial action threatened by the committee.

Nineteen specific demands, with numerous subdivisions, were contained in the communication. These dealt with the most intimate workings of labor bodies, from the manner in which union membership is obtained down to the regulations governing the size of a brush a painter may use. Not only must the unions stop compelling employers to pay fines for failure to comply with certain union demands and working conditions, but the unions must not restrict the number of days in a week a man can work.

Would Open Union's Books.

The demands were outlined by Mr. Untermyer in part as follows:

"All restrictions on membership must be removed. The books must be at all times kept open for the admission of members who can qualify under reasonable regulations as to character and capacity.

"The initiation dues shall in no event exceed $50 and should be payable at the option of the new member, one-half in cash and the remaining half within three months after initiation.

"All limitations upon the number of apprentices in any trade must be repealed and prohibited. Where there is an age limitation for apprentices in any existing constitution or bylaw it should be increased from the prevailing ages of from 16 to 18 years to the age of 25.

"The issuance of permits or permit cards to non-union men with or without pay to the union for such permits as a condition of allowing such men to work with union men or for any other real or ostensible reason must be rigidly forbidden by amendments to their constitutions.

"In order to protect the members of the unions against the misappropriation of their funds and to secure accountability to them by their officials for the use of such funds, the constitutions should be amended, wherever necessary, so as to require accurate books of accounts to be kept, in which shall be entered and accounted for all receipts and disbursements. All payments of over $10 shall be made by check and these accounts shall be audited semi-annually by independent chartered accountants to be elected annually by the members at the annual meeting at which the officers are elected and at which there shall be presented a detailed account of all receipts and expenditures of the year.

"It must be made plain by appropriate amendments that the unions do not possess the power that some of them are now assuming to exercise to hale their employers before them and compel them to pay fines into the treasuries of the unions under penalty of being refused union labor. This is a conspiracy to extort money."

Union Abuses Disclosed.

Among such union abuses disclosed in testimony were the fining of employers for failing to appear before the union executive committee when ordered to do so; fining employers for allowing painters to fill in cracks when painting walls and ceilings, or for poor work done by the union members and compelling the employers to have the work done over at their own expense.

Continuing Mr. Untermyer demanded: "All provisions contained in existing contracts between unions or associations of unions (of which the New York Building Trades Council is an illustration) on the one hand and Employers Associations or Associations of Employers Associations (of which the New York Building Trades Employers Association is an illustration) on the other hand, giving preferential treatment in the supplying of union labor to such associations over and above employers who are not members of such associations, are to be forthwith canceled, and all future contracts of that character are to be expressly forbidden. No employer of union labor in any way connected with the building trades is to be discriminated against by reason of the fact that he is not a member of an employers association.

"The constitutions should be so amended as to preclude any union from

Continued on Page Six

Christmas Candles in White House Windows

WASHINGTON, Dec. 20.—Windows of the White House on Christmas Eve will be adorned with lighted candles. Mrs. Harding has decided to renew an old New England custom which calls for the display, and arrangements were completed this week for the candles and fixtures necessary.

President Harding, it was said, once succeeded in having the custom adopted in his home city of Marion, Ohio, by an editorial campaign in his newspaper.

A. E. F. MEN PROVE NO ILLEGAL HANGING

Direct Evidence to Support Watson Charges Lacking at Inquiry.

'HARD BOILED' RECALLED

One Witness Tells of Three, Then Four, Then Twelve Lynchings.

WASHINGTON, Dec. 20.—None of the six witnesses appearing to-day before a Senate committee was able to give first hand evidence to support charges by Senator Watson, Democrat (Ga.), that American soldiers had been hanged without trial in France.

George H Taylor of Philadelphia, thin and frail and under treatment, as he explained, for epilepsy, declared he had seen twelve soldiers hanged, or one more than the number officially listed by the War Department as put to death in accordance with courts-martial verdicts approved by Gen. Pershing.

Taylor, confused on the number of victims, testified at first that he had seen three, and then under direct questioning increased his figures to four, jumping finally to twelve. All of these, he declared, were put to death in and around Is-sur-Tille between April and June, 1919.

In no instance could the witness say he knew whether any or all of the twelve had been tried by a military court.

Because of the evident physical weakness of the witness Senator Watson suggested that army officers, including Col. Walter Bethel, Assistant Judge Advocate General, retire from the room, explaining that Taylor was subject to epileptic attacks and that the presence of officers might disturb him. But the former soldier announced that he wanted the officers to remain.

Major Disputes Testimony.

Testimony by Henry L. Scott, 23, of Kenmore, Ohio, that he had seen two soldiers shot down in cold blood by a "Major Opley," commander of the Third Battalion, 116th Infantry, brought a quick and sharp denial from Major Hiram L. Opie at his home at Staunton, Va. He was in charge of the battalion and announced he would be glad to go before the committee. Scott was positive in the assertion that he saw both men killed, at different times, that the first shooting of a courier was witnessed by several hundred men and that he alone saw the second.

Having Major Opie in mind as commander of the battalion, Col. Bethel pressed the witness closely as to the spelling of the name, and later informed Chairman Brandegee privately that Scott evidently was referring to the Virginian. But Scott stuck to "Opley."

In making sweeping denial of the charge, Major Opie, at Staunton, said Scott "writes himself down as a skulker by his own testimony," that he belonged to another outfit and never should have been in the fighting line with the Third Battalion.

Names "Hard Boiled" Smith.

Robert A. Harrison of Wilmington, N. C., told the committee he "had witnessed two lynchings," one conducted by "Hard Boiled" Smith. One soldier, he said, was put to death for refusing to sweep a stockade with a tooth brush. The killing, as he remembered it, took place on December 24, 1918, at 7:30 o'clock in the evening. Harrison said he saw the lynching from a distance of 300 yards. The other man lynched, he said, was a Mexican, who was strung from a tree, by officers and enlisted men for a crime against a woman.

In an effort to clear up what he regarded as the confusion in Taylor's testimony, Chairman Brandegee suggested that Col. Bethel question the witness concerning the twelve executions he said he had seen with his own eyes.

Early in the hearing Col. Bethel filed with the committee the official War Department list of eleven executions, with place and dates, omitting only the names out of consideration for the families of the dead.

The department list showed that two soldiers were hanged after trial at Is-sur-Tille, and it was the officer's contention that Taylor was present with other enlisted men and officers. Taylor's testimony was regarded in the nature of a confirmation of Col. Bethel's conclusion in this respect, as he did know the name of one of the two soldiers legally executed at that place.

After hearing witnesses to-morrow the committee will adjourn until after the holidays.

In telling his story of the "twelve executions" Taylor said one of the soldiers hanged was tried for assault on a French girl by a French court-martial, at which one American officer was present. Taylor gave the name of the soldier and said he was a sergeant from Detroit, Mich., but the committee later decided to omit the name from its records.

Questioned by Senator Watson, Taylor asserted that the evidence in the court-martial of the Detroit sergeant was in French, but an interpreter was in attendance.

"Was the man allowed counsel?" Senator Brandegee asked.

"One American officer was there. He asked some questions."

After the hanging, Taylor said, he

Continued on Page Four.

The Greenbrier, White Sulphur Springs. Spend the holidays here. Enjoy every comfort. All outdoor sports. Bookings Plaza.—Adv.

VALERA TO DISPUTE DAIL'S RIGHT TO FIX TREATY FOR IRELAND

Says Assembly Only Can Pass a Resolution Approving It.

HAS NEW PROPOSALS

Vote on Document Unlikely Before To-morrow at the Earliest.

COUNTRY IN SUSPENSE

Troops to Stay Under Arms Until Terms of Peace Are Accepted.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD.

DUBLIN, Dec. 20.—Eamon de Valera revealed to-day that the card he would play in case of a vote of ratification by the Dail Eireann of the treaty creating the Free State of Ireland would be to make alternative proposals since "the agreement did not reconcile Irish aspirations and the Association of Ireland with the community of nations known as the British commonwealth and could not establish a lasting peace."

He kept his actual proposals secret but asserted that ratification of the treaty by the Dail Eireann would be illegal, as that assembly could only pass a resolution approving it.

De Valera is thought to be working on a technicality based on the last article of the agreement, which says that the treaty must be submitted "to a meeting of members elected to sit in the House of Commons of south Ireland and if approved shall be ratified by necessary legislation."

The Dail does not fulfill this requirement, as it includes members of north Ireland and does not include Unionist members from the south, who were not summoned owing to the fact that they had not taken the oath of allegiance to the republic. It now seems certain that even if Arthur Griffith's resolution for ratification is carried it will be necessary to hold a further meeting, properly constituted, for formal ratification.

Early Vote Unlikely.

When the Dail adjourned at 6:30 this evening it seemed unlikely that a vote could be reached before Thursday at the earliest, and Michael Collins suggested that the Dail adjourn at noon that day until after Christmas.

There is an increasing discontent evident with the delay in acting on the treaty. To-day brought out further fiery speeches pro and con, but nothing that would vitally turn the tide of sentiment favoring ratification, and to-night the situation regarding the Dail's division remains much the same. There is growing indication that the public is losing interest in the exhaustive debates and the suspense is affecting the whole country.

Probably the most important development for the people was the announcement that the withdrawal of British troops from Ireland had been cancelled until the Dail ratifies the treaty. That war is a possible alternative to the treaty was indicated by the report that the secret meeting of the members this afternoon was for examining the position of the Irish Republican army in case the treaty was rejected. The position of the recognized leaders of the Republican army, such as Collins, Mulcahy, McKeown and Finian Lynch, who are committed to the treaty, would be seriously compromised in such eventuality.

Recants an Accusation.

De Valera lost his temper at the morning session and shouted: "Something else besides the treaty has been brought from Downing street." But after a private session this evening he apologized for the remark, and promised the question of unification would be submitted to a vote of the Irish people.

Again the cool reason of Griffith contrasted strangely with the impassioned oratory of De Valera and the vibrant brogue of Michael Collins with the silvery Oxford tones of Robert Barton. Again the assembly broke into unconstrained laughter when Sean Etchingham, in a thick brogue, quoted from "Revelations, Chapter II.," and with his inherent good nature joined in the laughter.

But this afternoon's session brought the Dail down with a heavy crash to realities. The endeavor by amateur politicians, smiling across the chamber, to carry on the debate broke down before the merciless onslaught of John Milroy and John McCartan.

Since the beginning of the sessions the person of Mr. de Valera as President of the "Irish Republic" appeared in a way to be considered sanctified, thus making his every word a sort of command, while in vain have Mr. Griffith and Mr. Collins sought to get rulings from the chair to put an end to his forcing his will on the House. To-day Milroy fairly roared:

"Not a word of logic has the President uttered, but he has let loose on us a contorted tornado of violent eloquence, proving nothing."

Ten times Mr. de Valera arose in protest; ten times Mr. Milroy thundered:

"Let me speak!"

Milroy insisted on reading what he

Continued on Page Eight.

CUBA, NASSAU, MIAMI — ATLANTIC COAST LINE "Havana Special" and "Florida Special." Thru service. Office, 1240 Broadway. Tel. Longacre 5865.—Adv.

FRANCE ACCEPTS CAPITAL SHIP RATIO HUGHES FIXED; SHANTUNG PARLEY STOPS

HARDING SAYS 4 POWER PACT PROTECTS ISLANDS OF JAPAN

WASHINGTON, Dec. 20 (Associated Press).—*The following statement was issued from the White House to-night:*

When the President was responding to press inquiries at the afternoon conference to-day he expressed the opinion that the homeland of Japan did not come within the words "insular possessions and insular dominions" under the four Power agreement except as territory proper of any other nation which is a party to the agreement.

This expression has been emphasized as a division between the President and the delegates to the conference in construing the four Power agreement.

The President announced to-night that the difference in view in no wise will be permitted to embarrass the conference or the ratification of the agreement. He had assumed all along that the spirit of the conference contemplates a confidence which pledges respect of territory in every way which tends to promote lasting peace.

He has learned from the United States delegates to the conference that they have agreed to the construction which includes the homeland of Japan in the term "insular possessions and insular dominions" and has no objection to that construction.

HARDING PLAN URGED TO ALLIES IN EUROPE

Lloyd George, Conferring With Briand, Sees Results in Washington Parley.

PREMIERS STILL APART

Receivership for Germany in Shape of Guaranties for Reparations Suggested.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD.

New York Herald Bureau, London, Dec. 20.

In addition to the reparations problem, the Prime Ministers of Great Britain and France, in their conference here to-day, discussed conditions obtaining in Germany and Russia and means of improving the European economic condition. It was stated semi-officially that the British Prime Minister put forward a suggestion that a five Power conference, with Germany, Russia and Belgium invited to attend, should be summoned, the conference to have a guiding principle similar to that of the Washington conference.

The French are not averse to the scheme, but they want the reparations question adjusted first, and considerable pressure is being exerted on M. Briand, the French Premier, to cause him to maintain a stiff, unyielding attitude. The French policy is that France, in order to pay her way, must have her full measure of reparations, while the British policy is that to pay her way Great Britain wants to establish central and western Europe as going concerns and profitable markets, even if this should involve an abandonment of the main principles of the indemnity scheme.

These attitudes conflict in many important details, an official told THE NEW YORK HERALD correspondent here, and the serious problem of reconciling the terms has become the aim of the present conference.

Experts are reported to be agreed that any moratorium for Germany must be accompanied by solid guaranties by the Germans that Germany's finances will be put in order so that payments will be made at the expiration of the moratorium.

Officials interpret this as meaning an extension of the powers of the committee on guaranties under the provisions of the treaty of Versailles and that, in fact, the Allies propose a receiver for Germany.

It was said in French circles that Premier Briand is aware that France can hope for nothing from a disintegrated Germany, but it was added that he would not agree to anything that would be calculated to disturb the French budget, which was based on receipt of the full amount of France's indemnity from Germany.

It was said in well informed circles to-day that very little regarding the proposals on reparations has been accomplished during the two days the Prime Ministers have conferred. After another meeting to-day between Louis Loucheur, French Minister for the Liberated Regions, and British Treasury experts it was stated that no decision had yet been reached on the first problem, which is whether Germany is in a position to fulfill the demands of the allies. Not until an opinion on this point is given will attention by the Prime Ministers be turned toward the question of whether it is expedient and in the interest of their economic position to enforce payment under the present terms.

The French resent the presence here of Dr. Walter Rathenau, but the English opinion that it is necessary for Russia and Germany to be represented has prevailed, and Dr. Rathenau is being consulted as a German expert not only by financial experts of the Allies, but M. Loucheur has had an interview with him.

PATRIARCH MEETS HARDING.

WASHINGTON, Dec. 20.—Archbishop Meletios Metaxakis, newly elected ecumenical patriarch of the Eastern Orthodox Church, was at the White House to-day. He said the conversation with President Harding was not on subjects connected with his religious office, nor on political matters.

"SALLY." Mat. Today. 60c to $2.50. No higher. Ziegfeld Production—Marilyn Miller. Leon Errol, at New Amsterdam Theatre.—Adv.

SHANTUNG PROPOSAL OF JAPAN REJECTED

China Declines to Use Tokio Money to Pay for Railroad.

WOULD USE OWN FUNDS

Japanese Insistence on Supervising Management Called Subterfuge.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 20.

Chinese and Japanese delegates today found it impossible to reach an agreement in the "conversations" which have been in progress looking toward the withdrawal of the Japanese from Shantung.

The representatives of both nations reached their irreducible minimum of concessions and the meeting adjourned to an indefinite date pending submission of the situation to the home Government at Tokio.

This impasse occurred at the seventeenth meeting of the delegates today and presages the second entrance into the picture of Secretary of State Hughes and Arthur J. Balfour, who will attempt to iron out the situation through the use of their "good offices."

China Declines Proposal.

The temporary abandonment of the effort to reach an agreement is the result of the definite refusal of the Chinese delegates to accept the Japanese proposal that Japanese nationals finance the transfer to China of the Tsinanfu-Tsingtao Railroad, with its corollary that the Chinese appoint Japanese experts to see that the Japanese funds are properly expended and that the road is properly operated.

The Chinese delegates proposed various plans as to payments, either by private advances from Chinese bankers or payment in Chinese treasury notes. Neither proposal is satisfactory to the Japanese, who insisted their own proposition be accepted.

The matter is kept diplomatically open for the reference of the question to the Tokio home Government. This makes it possible for the Japanese to reopen the "conversations" should they desire to do so.

In approaching their present position the Japanese say they have made several concessions. They insist their offer to permit the Chinese to have a half ownership in the road was in itself a great concession and that going further than that and proposing the Chinese buy the entire road with Japanese money is the extreme limit beyond which no reasonable person should expect them to go. The appointment of Japanese experts to supervise the operation of the road is believed by the Japanese to be a natural security of the loan which they are endeavoring to force the Chinese delegates to accept.

The Chinese explained that the domestic situation in their country would not permit acceptance of the Japanese proposal, and the Japanese countered by saying the Chinese should realize that the Japanese have a domestic situation of their own.

Offer With a String.

The break in the progress of the conversations suggests the strategy which the Japanese have used in confronting the Far Eastern situation. They have clung tenaciously to their hold on Shantung, and while seeming to give up their holdings there are proposing to do so with a string attached which will give them the same economic advantages which they already enjoy.

Their explanation of this position is that the Japanese nationals should have the same right to participate in the financing of the Shantung Railroad that the nations of other countries have in respect to the financing of other roads in China.

The Chinese advisers are of the opinion also that Japan is purposely delaying the Shantung question in the hope of trading it for greater advantages elsewhere, notably in Manchuria, and that each day's delay lessens the public interest in what may be done later when the Manchurian and Siberian questions are reached.

DELLA ROBBIA DINNER DANCES. Vanderbilt Hotel, Thursday evenings, 7:30 during December and January. Price $3.—Adv.

TENSION RELAXED

Delegates Meet To-morrow to Pass on French Claims for Auxiliary Craft.

MAY FINISH PROGRAM

Briand Warned Original Demand Meant Navies Far Outstripping France's.

4 POWER TREATY'S SCOPE

It Includes Homeland of Japan and Is Acceptable to Harding.

By LOUIS SEIBOLD.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 20.

Three developments in the international situation to-day were of a mixed character. The most important and generally satisfactory was the acceptance by France of the allotment of capital ships provided by the Hughes naval limitation plan.

The question relating to naval armaments yet to be settled is the determination of the percentage of light cruisers, torpedo boats and submarines which will fall to the lot of Italy and France.

The other two incidents which engaged attention of delegates and observers were of a collateral nature. One was an apparent difference of opinion between President Harding and the American, British, French and Japanese delegates as to the proper interpretation of the four Power Pacific treaty, signed a week ago yesterday.

Food for Hostile Elements.

In conversation with newspaper correspondents this morning the President expressed the opinion that the home land of Japan did not come within the words "insular possessions and insular dominions." His statements were seized upon by hostile elements in Congress to indicate a marked difference of opinion between the representatives of his own and other governments.

It was hailed as "a great sensation" and inspired the prediction that all conference undertakings finally would fail. This prophecy turned out to be a tempest in a teapot. When the President to-night was advised of the use being made of his casual observation he announced that he had been informed that the American delegates had agreed to the construction which includes the home land of Japan in the quoted phrases. He declared that he had no objection to this construction and predicted that the difference of view (due to a misunderstanding) will in no wise be permitted to embarrass the conference or the ratification of the agreement.

Another collateral development that provoked disappointment among delegates was the temporary breaking of the direct negotiations between the Chinese and Japanese delegates over restoration of Shantung to China. The Oriental rivals found it impossible to reach an agreement because of the arbitrary terms dictated by the delegates of Japan.

Japanese Demands.

Acting under instructions from Tokio, the Japanese representatives demanded the right to advance money secured by a mortgage to China to finance the transfer of the Shantung Railway and the supervision of its expenditure and the operation of the railway by Japanese experts. These propositions were rejected by the Chinese delegates, who had agreed to most of the other changes imposed by Japan.

The Japanese delegates refused to withdraw their demands. The Chinese delegates therefore declared they would not proceed further with the negotiations, but would attempt to have the matter settled by the international conference. The Japanese delegates were not inclined to-night to regard the negotiations at an end. They said they had communicated the Chinese position to the Tokio Government and asked for instructions.

The delegates from this and other countries are exerting their good offices to obtain from Japan concessions that the Chinese Government may accept. They would like to have the Shantung controversy settled outside of the conference. The reason is that seven of the countries represented approved of the award made in the Versailles treaty of Shantung to Japan, and their representatives do not feel that they can renounce their obligations in this respect. For the time, however, the Shantung negotiations are at an end. It is now up to the