

CZAR IS FOR PEACE; PRELIMINARIES ARE NOW ON; END OF WAR WITHIN SIX WEEKS BELIEVED CERTAIN

'PULLED THE WOOL' OVER EXAMINERS

Clement's Scheme to Conceal Faribault Bank's Condition from Officials Exposed.

ACCOMMODATION NOTES GIVEN BY FRIENDS

Receiver Baird Will Collect Them—Oldham Investigates for Washington.

Special to The Journal.
Faribault, Minn., March 25.—While much has been done to settle up the affairs of the defunct First National bank, the work necessary to make slow progress, and has been delayed by the failure of depositors and other creditors to file claims. There is reason to believe, however, that the report of assets made to the controller was too conservative and that more will be secured than was at first thought.
Receiver Baird found several notes for which the makers claim no consideration was given, but which they say were made as a personal accommodation to Mr. Clement. Some were for as much as \$5,000 and they are now believed to have been used by Mr. Clement to conceal the bank's real condition from the national bank examiners.
Although some were made years ago they were kept "alive" by Mr. Clement's simple method of inducing interest upon them, it thus being made to appear, without the knowledge, as is claimed, of their makers that they represented current loans.

"Wheat Deal Shortage."

Mr. Clement secured these notes on various pretexts.
To one man he said he wanted a \$5,000 note for a few days to cover up a shortage on a wheat deal. Such a note signed by the late Senator Stockton, was held by the bank at the time of his death, and Mr. Clement was about to put it in as a claim against his estate, when Stockton's partner, John Huthinson, threatened to expose the whole transaction. The claim was not paid and as the Stockton estate was settled long ago, this note is probably now listed among the bank's worthless securities.
Mr. Baird contends that these notes are due the bank and has made a demand upon the makers for payment. Some of the notes are in the hands of persons in process of liquidation; in other cases, payment is resisted.
"In all such cases," said Mr. Baird, "if the party making the note is solvent, action will be brought to enforce payment. They represent to us a part of the bank's assets and will be collected wherever possible."
Baird was told about a report that Donald D. W. Grant had favored Mr. Clement with such notes estimated as high as \$10,000.
"There is no such statement," said he, "in such a statement. Neither Donald nor D. W. Grant owed the bank anything directly, nor had they given the bank any note or security. That some notes given by their friends had their endorsement, but every cent due on such notes has either been paid or arranged for."

Man from Washington.

The question of the liability of directors for neglect was investigated here this week on behalf of the department at Washington by Judge F. P. Oldham, its attorney. He went fully into the subject, both at a meeting with the committee of depositors and at one held subsequently with the directors themselves. It was stated that meeting Judge Oldham was called from Waseca, where he was holding court.

At the meeting with the depositors' committee, Judge Oldham was as some pains to inquire just what they had learned at various interviews with the directors. What conclusions he arrived at are not known, except as they can be gathered from remarks he made. For instance, when he was told how one of the directors had said that he had never critically examined the bank's securities and had trusted the making of loans entirely to Mr. Clement, he remarked that evidently the gentleman had spoken without consulting his attorney. It is also regarded as significant that he inquired particularly as to the financial responsibility of the directors.

Responsibility of Directors.

At the subsequent meeting with the directors, Judge Oldham's attitude left no doubt in the minds of those present that the department would not be satisfied unless they did something further than merely assume the obligations of ordinary stockholders.

Judge Oldham and Mr. Baird both held, it is understood, that the directors should be held responsible for any losses that they could have prevented by due diligence.
"There is no thought," said Mr. Baird, "of holding the directors responsible for every loss the bank has sustained in the thirty or more years it has been in operation. That, of course, would be absurdly unfair, for naturally there have been many losses which the officers could not have foreseen. The responsibility of the directors must depend upon the circumstances of each particular case. If it is shown that investments made by the bank which resulted disastrously could have been prevented if the directors had fully discharged the duties contemplated by our banking laws, it seems to me—and Judge Oldham shares that view—that they should at least share the loss with the depositors."
Judge Oldham has returned to Washington. Whatever is done will be done by the receiver under instructions from Washington. Litigation, however, is not looked for. Once fully convinced of their responsibility, the directors, it is believed, will not hesitate to discharge all their obligations.

SIFTON SCENTS A POLITICAL CRISIS

Changes Front on School Bill to Save the Cause of the Government.

HIS SPEECH MAKES A PROFOUND IMPRESSION

Cabinet Reconstruction Is Bruited and Many Uneasy Rumors Are Afloat.

Special to The Journal.
Ottawa, Ont., March 25.—The contribution of the late minister of the interior to the debate on the second reading of the autonomy bills for Alberta and Saskatchewan last night proved not only a profound surprise but has given rise to many rumors as to new cleavages in the government ranks and as to actual cabinet reconstruction.
Mr. Sifton acknowledges himself opposed to the educational clause in the bill forever fastening separate schools on the nascent provinces, but ended by declaring he would support them to prevent a political crisis.
This cynical declaration of opportunism awoke mingled feelings in the house, some being willing to ascribe it to his devotion to Laurier and former associates, while others declare it was calculated to embarrass the government majority. However, all agree that Sifton is perfectly loyal to his friends, and he cannot go back on his convictions.

Some of the salient features of this remarkable speech, which took over two hours to deliver, were: "I am somewhat peculiarly astir," Mr. Sifton, finding that I agree much more largely with the statements of the leader of the opposition than with the statements and arguments of the leader of the government. The conclusion at which I arrived seems probably to be the same as that of the leader of the opposition.
"It was said that Manitoba had been harsh in abolishing that system. I am here to say that you cannot deal with a business of that kind by handling it with kid gloves. I am here to say that if there is any act in my public life I am proud of, it is the fact that I was one of those who helped to bring about the abolition of education in Manitoba. Also I am for my party, I am convinced, after the history of the question in Manitoba and the knowledge of what is held by public men in the territories on the whole question, that it would be better for the Roman Catholic people of the territories if the legislators were left absolutely free, but I shall never convince the gentlemen who do not think so. I shall never get them to think as I do on this question. If I talked for a hundred years their views would be the same."
The question is, how far a man is justified in compromising his opinion for the purpose of preventing a political crisis. Therefore I have to say, having seen the subject my best consideration, not only from the standpoint of affairs in this parliament, but from the standpoint of affairs in the Northwest Territories in times to come, that I can, though not with much enthusiasm, but with reluctance, give my support to the bill."

COERCION MAKES SHIPPERS SIGN

How the Railroads Are Getting Signatures Against the Reciprocal Demurrage Bill.

Manufacturing and jobbing interests of Minneapolis are much stirred by the circulation of a petition against the passage of the reciprocal demurrage bill. The petition has been handed to the heads of the railroad companies, who have not only carried it about, but have used their utmost persuasive powers to get the signatures of local business men to hand in to the state senate. The railroad representatives have told the business men that if the bill passes there will be such a car shortage in this state as they never dreamed of before. Car shortage has been the bane of many shippers in the last two or three years. They have often had the greatest difficulty in filling orders within specified time, and have lost business because of it. This argument hits them in a tender place. They cannot understand how the demurrage charge will tie up cars, and the inference is that if the bill passes the railroad companies will deliberately create such an emergency as will cause the state railroad commission to suspend the demurrage charge. They will keep cars back, and especially from the shippers who have been independent enough to refuse to sign the petition.
To put it plainly, the petition has been handled in such a way that some of the men approached consider it coercion, and they have indignantly refused to sign. Others have signed, for cause they did not feel that they could afford to refuse.

ITALIAN MINISTRY DECIDES TO RETIRE

Rome, March 25.—Signor Tittoni, acting premier and minister of foreign affairs, today announced to parliament that the whole cabinet had resigned, leaving the king free to form a new ministry, and that his majesty had reserved his decision. In the meanwhile, Signor Tittoni and his colleagues will remain in office. Parliament has adjourned until the formation of a new cabinet.

The War for the Week

Peace preliminaries are now in progress. The peace party in Russia and the unanswerable facts of the situation have convinced the czar that to continue the war is madness and can result only in plunging Russia into new disasters. It is positively stated, therefore, that peace preliminaries are under way, and that definite peace proposals will soon be forthcoming.
Supporting this statement is the announcement that Franco-Russian negotiations respecting a loan to Russia have been resumed. Negotiations were broken off because of the czar's determination to continue the war. Their resumption, therefore, is strong evidence that the czar has intimated that he has changed his mind.
Further signs of peace are seen in the talk of means by which Russia hopes to compensate herself for the loss of Port Arthur and the Manchurian railroad. One plan involves a railroad, entering the back door of China, cutting thru the empire's heart to Peking and thence to a port on the Yellow Sea. On the other hand the Japanese have already begun a sweeping movement to remodel the whole civilization of China on Japanese models, thru schools, newspapers and monasteries under Japanese control.
While the prospects of peace are brightening, Linovitch is continuing his retreat northward, pressed on rear and flanks by the Japanese. But a heavy engagement is not expected. St. Petersburg looks for the Russian army to retreat to a point west of Harbin, unless Linovitch can check the Japanese at the Sungari river. He will probably make a stand at that river, in order, if possible, to save Harbin and prevent the isolation of Vladivostok. Otherwise there may be a long period of comparatively bloodless war.
Reports also say that General Kuroki's army is headed for Vladivostok to invest the garrison there. The Russians expect the garrison to be reduced to a state of siege before long.
Russia's fleet under Rojestvensky is expected soon to make an effort to regain for Russia control of the eastern seas. The admiral is on his way eastward with two divisions of his fleet. The third is on its way thru the Suez canal today, and will probably join the other two at the Chagos islands and thence proceed eastward to meet Admiral Togo, who, with a large fleet, is believed to be waiting in the vicinity of Singapore the coming of the Russians. Reports that Japanese submarines have damaged some of Rojestvensky's ships have not been confirmed.
Japan has secured another loan, \$75,000,000 in America and \$75,000,000 in England. The American end was subscribed for twice over almost upon the announcement of the bond issue.

\$1,000,000 HOTEL FOR MINNEAPOLIS

Ten-Story Structure to Be Put Up Here—Agents at Work.

Negotiations are under way to give Minneapolis one of the finest hotels west of Chicago. The enterprise is backed by eastern capitalists, who have thought for some time that a strictly first-class modern hotel in this city should be an excellent investment. A representative now in the city is looking over the ground and has already secured options on one or two desirable properties.
The man who is conducting the negotiations thru the Wyvill-Clarison company, a leading Minneapolis real estate firm, has not given out anything definite, but it is known that the plan is to secure the best downtown location possible and erect a hotel at a cost to exceed \$1,000,000.
The proposed building is to be a fire-proof, ten-story structure, after the plans of the most up-to-date eastern hotels, with main dining room, office and cafe on the first floor, a banquet hall, with seating capacity of 1,000 on the ninth floor and 400 guestrooms, providing every possible comfort and convenience.

REDUCTION IN OIL PRICES.

Pittsburg, March 25.—The Standard Oil company today made a reduction of 3 cents in the higher grades of crude oil and 2 cents in the lower grades. The price of North Lima oil was advanced 1 cent and the Somerset oil was unchanged.

MAURICE BARRYMORE, THE ACTOR, IS DEAD

New York, March 25.—Maurice Barrymore, the actor, died today at a sanatorium at Amityville, L. I.
Maurice Barrymore was born in India in 1847. He was a graduate of Cambridge, and was admitted to the bar. His first engagement in the United States was at the Fifth Avenue theater, New York. He was leading man for Modjeska, Mrs. Langtry and others. He was the husband of Georgia Drew Barrymore, and their sons, John and Lionel, and their daughter, Ethel, are among the best-known people of the American stage today.
For some years Maurice Barrymore had been an inmate of a sanatorium.

TREPHINING AS CURE FOR SPOTTED FEVER

New York Sun Special Service.
New York, March 25.—To save the life of a 9-year-old boy who was taken to Flower hospital a week ago in the latest stages of cerebro-spinal meningitis, Dr. William Tod Helmhuth trephined the skull of the lad and he is now apparently almost well.
When Dr. Helmhuth performed the operation the boy was almost dead, but his recovery has been rapid. When the boy was taken to the hospital Dr. Helmhuth decided to try trephining, until then an untried procedure, the case being so extreme. His experiment is being watched with absorbing interest by his colleagues.

JAP IDEAS SOWN THRUOUT CHINA

Mikado's Agents Begin Gigantic Task of Remodeling Civilization of Mongolians.

Berlin, March 25.—A letter from Peking, published by the National Zeitung this morning, gives the results of an inquiry into Japanese political activity in China. The writer says Japanese agents in various lines of business are penetrating into China and settling in every important place in the empire, devoting themselves to their callings in life, whether priests, editors, teachers or traders, and to winning peacefully the good will of the Chinese for the Japanese.
The method most often used is the founding of newspapers printed in the Chinese language and friendly to Japanese aims. These try to influence the provincial governors and the Peking government to employ Japanese teachers in the schools and especially to place Japanese military instructors in charge of the Chinese troops.
In addition Japanese Buddhist monks have begun to arrive in China on semi-political and semireligious errands. They seek closer relations with the Chinese Buddhist organizations and have acquired control of several monasteries over which the Japanese flag is floated. The monks also establish Buddhist chapels and organize congregations. Their declared aim is to unite the various Buddhist sects in China.



The peaceful invasion of China is quietly going on while the war is being pressed against Russia.

BASIS ALREADY UNDER DEBATE

Personages Representing Both Sides Informally and Secretly Discuss Terms at One of Europe's Smaller Capitals.

650,000 IN LOSSES OF THE RUSS AND JAP ARMIES

London, March 25.—The losses, in killed, wounded and prisoners, of the Russian forces now reach a total of 397,141, made up as follows:
Date and Battle. Losses. Date and Battle. Losses.
May 1, Yalu. 2,941. July, 1904, to Jan. 19, Port Arthur. 35,000
May 2, Nan-shan. 4,000. Jan. 15-25, Hei-kou-tai. 21,000
June 1, Wa-fang-kan. 10,000. To Date—Skirmishes and smaller battles. 13,000
June 27, Motien and other passes. 3,900. Feb. 25-March 12, Mukden. 200,000
July 25, To-chu-cho. 1,200. To Date—Naval engagements (excluding fall of Port Arthur). 86,000
July 30-31, To-mu-cheng. 4,000. Total. 397,141
Aug. 25, An-shan. 8,000. The Japanese losses probably aggregate 250,000, making the grand total losses nearly 650,000. This war is the most deadly on record.

St. Petersburg, March 25.—The information contained in these dispatches for over a week regarding the change in Emperor Nicholas' attitude concerning the advisability of making a pacific proposal to Japan is fully confirmed. In very high quarters, peace within six weeks is regarded as certain.

The positiveness with which this is affirmed would indicate that the government is already in possession of information as to the Japanese terms which indicate a basis to which Russia can agree.
The exact situation is shrouded in mystery. The secret of what has been done and what is being done is zealously guarded. The Associated Press hears, however, from a source close to the throne, that purporters are actually in progress in Paris, but possibly these are only of a preliminary character, and Copenhagen may be the scene of the first exchange between representatives of the two powers.

In this connection importance is attached to the visit of M. d'Isowsky, Russian minister at Copenhagen, and Baron Rosen, former Russian minister to Japan, to M. Bompard, the French ambassador to Russia on Tuesday.
The parties to this conference refuse to admit that significance is attached to it. In the meantime the foreign office is silent.

TERMS ARE INFORMALLY DISCUSSED.

Paris, March 25.—It is said in quarters having excellent means of information that Russia's steps toward peace have already taken a tentative form at a private conference, held within recent days, at one of the small capitals of Europe.
The purpose appears to have been to bring together personages representing both sides, neither having credentials to discuss formally terms of peace, but to examine informally what each side expected and what tentative basis seemed possible.

The nature of this exchange does not warrant its being considered a definite peace movement, but it is understood to have given each side an opportunity to judge the view of the other and it has clearly shown Russia's disposition toward peace.

French newspapers are booming peace prospects. The Petit Parisien quotes a St. Petersburg diplomat as saying that a complete change of opinion has taken place at Tzarskoe Selo, and if France should now offer her good services they would be accepted, nor would those of the United States be rejected.

FRANCE HAS BEEN URGING PEACE.

Washington, March 25.—When the dispatch from St. Petersburg regarding peace was shown the diplomat today on whose authority the Associated Press on March 13 announced from Washington that the Russian emperor knew the general terms on which Japan would conclude peace, he said:
"The source of my original information was a high one, but it is gratifying to receive this confirmation. The European powers, notably France, have for some time been endeavoring to find out on what terms Japan would accept peace. These have been ascertained in a general way and have been communicated to St. Petersburg. When he called his war council on March 14 the emperor knew these terms and doubtless communicated them to his ministers."

"Japan's apparent reticence is not due to a desire to continue the war, but is because the Tokyo government wishes to be certain that Russia is proceeding to peace negotiations in good faith and is not playing for time as she did in the negotiations prior to the war."

FIRST STEPS ALREADY TAKEN

Peace Preliminaries Under Way—"Intimations" from Both Sides.

New York Sun Special Service.

Washington, March 25.—While peace overtures between Russia and Japan have not as yet been directly initiated, preliminary are in progress, and each belligerent is halting at the edge of direct advice, fearful of the effect in China of an announcement that it was compelled to seek peace. Nevertheless, from both sides have come indirect intimations to the United States that, if negotiations could be instituted in some way, perhaps an equitable adjustment could be reached.

Kaiser Anxious to End War.

These intimations are receiving the energetic support of Germany. For some reason not quite clear, Emperor William has become terribly anxious that the war should end. He has even directly suggested to President Roosevelt that he take measures looking to negotiations.

President Roosevelt has just responded. In a circular dispatch to American diplomats accredited to all the powers, including, it is believed, Russia and Japan, it is stated that while America is most desirous that peace should be restored, the president does not see his way clear to take action unless he should receive a direct representation from either or both of the belligerents.

At the same time the president is leaving no stone unturned to bring the war to an end. He has let both powers understand that he would welcome peace and would even gladly facilitate it.

LOAN POINTS TO PEACE

Resumption of Franco-Russian Negotiations Strengthens Peace Rumors.

Paris, March 25.—The prospects of peace between Russia and Japan assumed a more definite and almost a tangible aspect yesterday as the result of the announcement of the resumption of negotiations for a Russian loan. The postponement of the loan occurred thru the stand taken by the financial element against proceeding while the uncertainties of war continued, whilst a willingness to resume negotiations is construed as meaning that

strong influence finally has prevailed with the authorities at St. Petersburg. The announcement of the resumption of negotiations took definite form in a communication to the syndicate of agents de change, who form an influential element in the bourse, holding government credentials.

The effect of the first announcement was to stimulate the market and particularly Russian securities.
A reaction occurred on fears as to the effect that heavy demands of the loan would have on the market and doubts concerning the use to which the loan would be put. However, it seems to be the accepted view of financiers that the proceeds of the loan will not be applied to the further continuance of the war.

It is understood that one of the inducements to a resumption of the negotiations was that a considerable portion of the proceeds should remain in France for the purpose of meeting the interest coupons of other loans, and that the placing of contracts for government supplies will be required even after the conclusion of hostilities.

Coupled with the announcement of resumption of the loan negotiation, came a strong intimation from official and diplomatic quarters that steps looking toward peace had been definitely taken by Russia.

RUSSIA TO BORROW MORE

Imperial Decree Directs Internal Loan of \$100,000,000.
St. Petersburg, March 25.—An imperial decree directs the minister of finance to issue a 5 per cent internal war loan of \$100,000,000. Of this \$50,000,000 will be offered for public subscription.

RUSSIANS STILL RETIRING

Linevitch Continues Retreat—Oyama Not Expected to Attack.

St. Petersburg, March 25.—General Linevitch continues the retirement of the bulk of his army northward. The general staff now declares it is certain that Field Marshal Oyama has been compelled to relinquish the idea of

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