

GERMANY AS A STAR MacArthur Quoted as Predicting War.

GERMANY AS THE ENEMY

Report of Hawaiian Officer
Creates a Furore.

PUBLICITY A GREAT SURPRISE

Noted American General Declares
His Conversation About the De-
fenses of the Pacific Was In-
correctly Interpreted.

Throughout all South American countries the Germans are advancing in commercial power and prestige. The conclusion seems inevitable that the interests of Germany in South America, where today large colonies numbering hundreds of thousands, present another testing and straining of the Monroe doctrine, and all probability a contest of arms between the United States and the United States in the near future, in which event no one can now forecast the attitude of England and other European powers. Therefore it is the duty of the Federal Government to make itself as strong as possible, so as to be able to care for itself in any emergency. No nation or number of nations will be in a position to make an attack on the Pacific Coast without first capturing these (Hawaiian) islands. —Words accredited to MacArthur.

HONOLULU, Dec. 10.—Considerable interest has been aroused here by a report of Colonel Jones, of the Hawaiian Militia, to Governor Carter, of the Territory of Hawaii, in which Colonel Jones, in commenting on the strategic importance of the Hawaiian Islands and the need of strong defense, quoted Major-General Arthur MacArthur, United States Army, as predicting a war in the immediate future between the United States and Germany, and that the principal scene of the fighting would be in the Pacific Ocean, with the Hawaiian Islands as an objective point.

Major-General MacArthur, who is still in Honolulu, having been here the past two weeks studying the military situation of the territory, stated to a representative of the Associated Press that the report of Colonel Jones does not correctly represent his views in any particular and utterly misrepresents them in some.

Based Upon Conversations. Colonel Jones said his report to Governor Carter was based solely upon social conversations he had had with Major-General MacArthur, and he only reported his expressions in substance with a view of impressing Governor Carter with the need of strengthening the isolated islands from a military standpoint. Colonel Jones said he took no notice of his conversation with General MacArthur and his report was made from memory. The conversation occurred during a social call which he and Colonel Soper, of the National Guard, made on General MacArthur. Colonel Jones was very much surprised that his report to Governor Carter was made public.

A few days ago, General MacArthur was quoted as saying that the main features of the defense of the territory is the protection of the naval station at Pearl Harbor and that the occupation of other islands is not an important matter from a military standpoint, while Pearl Harbor is maintained as a strong defensive position.

Due to a Misunderstanding. Governor Carter, of Hawaii, said: "The publication of Colonel Jones' report was not authorized by me, but it occurred through a misunderstanding. At my request, Colonel Jones had written out a memorandum of his conversation with General MacArthur two days after it took place for the purpose of preserving General MacArthur's views regarding the National Guard, and Colonel Soper and General MacArthur had been in the Federal Government the military barracks' site near the Capitol which was taken during the Spanish war, and was used by the territory for an armory. I had an interview with General MacArthur yesterday, in which General MacArthur referred to the strategic importance of the Hawaiian Islands in the event of war, but he did not specifically mention any nation. He gave gratifying support to our efforts to improve the Hawaiian militia. He said in substance that Hawaii was the dominant strategic feature of the Pacific.

How Jones Quotes MacArthur. Colonel Jones' report quotes General MacArthur as saying the pan-Germanic doctrine which is being spread throughout the world is a danger to the United States, and that it is being propagated by the Imperial Government in every possible way. It is strong and getting stronger wherever German people settle, even among Germans who have been citizens of the United States for years.

"In connection therewith," General MacArthur is quoted as saying, "one fact cannot be overlooked, to-wit: there were few Germans in the American Army during the war with Spain, so few, indeed, that the presence of a German was noted as being a rare occurrence."

"The theater of operations is changing gradually into the Pacific. The German people are multiplying very rapidly and migrating in large numbers, the tide of emigration being directed by the German government toward South America. The manufactured products of the German empire overbalance their consumption, so that a market must be obtained for the surplus. The known policy of the Emperor is to acquire colonies which will provide markets for such overproduction and places to which the tide of emigration shall be directed for strengthening the fatherland."

"Throughout all South American countries the Germans are advancing in commercial power and prestige. The conclusion seems inevitable that the interests of Germany in South America, where today large colonies numbering hundreds of thousands, present another testing and straining of the Monroe doctrine, and in all probability a contest of arms between that power and the United States in the near future, in which event no one can now forecast the attitude of England and other European powers."

It is the duty of the Federal Government to make itself as strong as possible, so as to be able to care for itself in any emergency. No nation or number of nations

PIANOLAS FOR THE HOLIDAYS

No Abatement in the Demand
for the Wonderful Little
Instrument.

The First Metrolite Pianolas
to Come to the Pacific Coast
Received by Eilers Piano
House Yesterday—These Will
Make Master Musicians of
Us All.

Another carload of Pianolas was unloaded at Eilers Piano House yesterday. Included in this shipment were some Metrolite Pianolas, the latest and the most important improvement yet made to this wonderful instrument. It does what no individual player can possibly do—it furnishes the different interpretations given compositions by various musical authorities.

The simple little attachment called the Metrolite is equipped with a small pointer and lever, which control piano expression, time and accent. By means of the pointer, a player is enabled to follow the line of expression indicated on the music sheet, which marks note by note and phrase after phrase, the exact interpretation given by the composer, Hofmann, Hambourg, or other musicians. At the same time, if he prefers, he is free to regard the prescribed line, and play his selection according to his own individual taste and judgment.

Another carload of Pianolas is expected soon and still another shortly before Christmas.

A Pianola with a year's subscription to the library, which includes 10,000 compositions, is the most acceptable Christmas present that any piano-owner can receive. Eilers Piano House proposes to give Santa Claus a generous list, and hopes the Pianola has not been ordered to be able to meet every holiday requirement.

The latest development of the Pianola is now on exhibition and for sale. Store open evenings. Visitors welcome.

Price of Pianola, \$500; Metrolite, \$300; year's subscription to library, \$20.

EILERS PIANO HOUSE,
Sole Northwest Agents,
No. 381 Washington St., Cor. Park.

will be in a position to make an attack on the Pacific Coast without first capturing these islands.

CONFIDENT HE CAN EXPLAIN.

Army Officers at Bay City Sure MacArthur Was Not Rash.

SAN FRANCISCO, Dec. 10.—Major-General MacArthur, who is quoted in a cable dispatch from Honolulu as predicting war between the United States and Germany, was stated at Army headquarters today as not expected back from Honolulu until about Christmas.

Referring to the statement attributed to General MacArthur, which it appears was transmitted to Governor Carter by Colonel Jones, of the Hawaiian Militia, a high military official said today:

"I cannot believe General MacArthur made the prediction attributed to him. It is quite possible that in conferring with the fortification board, which recently met in Honolulu, he may have incidentally referred to the possibility of war with some foreign power as an argument in favor of properly defending the Hawaiian Islands, which, as everybody knows, are very important strategically. By way of illustration he might have mentioned Germany as a growing power, but he is too experienced an officer and diplomat to make the rash statement with which he is credited."

Other Army officers expressed similar views and all were confident that General MacArthur would make a prompt and entirely satisfactory explanation.

Americans Occupy Guantanamo.

QUANTANAMO, Cuba, Dec. 10.—Four hundred United States marines and 300 blue-jackets were landed here today and participated in simple proceedings marking the formal occupancy of this place as a United States naval station. The Cuban and American flags were saluted with 21 guns.

REAR-ADMIRAL GHERARDI DIES

Retired Officer Who Was in Notable Engagements in Civil War.

STRAITFORD, Conn., Dec. 10.—Rear-Admiral Benjamin Gherardi, retired, died at his residence here today.

(Hancroft) Gherardi was born at Jacksonville, Fla., Nov. 18, 1837, died November 10, 1894. He entered the Navy from Massachusetts as midshipman June 30, 1854. He served on the Ohio and Pacific Squadrons until 1860. He entered the Naval Academy and passed as midshipman, 1862; he became Master and Lieutenant, 1863; Lieutenant-Commander, 1865; Commander, 1866; Captain, 1874; Commodore, 1884; Rear-Admiral, 1887. He was in several notable engagements in the Civil War.

Ex-Member of British Parliament.

NEW YORK, Dec. 10.—Adolphus Drucker, at one time a member of the British Parliament, and possessed of considerable means, having large mining interests at Roseland, B. C., died today in Bellevue Hospital. Mr. Drucker was removed to the hospital from the Grand Union Hotel, where he had been for two days.

Dean of Stockholm University.

STOCKHOLM, Sweden, Dec. 10.—A. P. Edgren, dean of the University of Stockholm, is dead here. For many years he was dean of the Graduate School of the University of Nebraska, and left the United States for Sweden 18 months ago. He was the author of several text-books.

Bishop Charles Waldegrave Sanford.

NEW YORK, Dec. 10.—Charles Waldegrave Sanford, for nearly 30 years bishop of Gibraltar and founder of the Gibraltar Mission to Seamen, is dead at Bishop Bourne, says a Herald dispatch from Cannes, France. He had been in feeble health the past two years.

Nominated Bryan for President.

GREENSBORO, Ga., Dec. 10.—H. T. Lewis, formerly Associate Justice of the Georgia Supreme Court, died today, aged 65. As a delegate to the Chicago Convention in 1896 he nominated William J. Bryan for President.

Lord Stanley.

LONDON, Dec. 10.—Lord Stanley, of Alderly, died today of pneumonia. He was born in 1817, and was educated at a Roman Catholic, but later he embraced Mohammedanism.

Well-Known Capitalist.

NEW YORK, Dec. 10.—Frederick B. Camp, a well-known capitalist and treasurer of the St. Joseph, Mo., Lead Company, is dead at his home in this city, from pneumonia.

Baron Arthur de Rothschild.

LONDON, Dec. 10.—A dispatch to a news agency from Monte Carlo announces the death today of Baron Arthur de Rothschild.

Formerly Recognized by Austria.

VIENNA, Dec. 10.—Austria-Hungary has formally recognized the independence of Panama.

THE "DIFFERENT STORE"

34th Grand Friday

THIRTY-FOUR SPLENDID SPECIALS SELECTED WITH CHRISTMAS SAVINGS IN MIND
THE CHRISTMAS WORK IS IN FULL SWING

No store in the world works so hard to simplify and amplify its service. This Xmas shop of modern planning makes the work not easier but more fruitful—and in no other store are folk so safe and comfortable. Comfort which comes from bodily freedom from annoyance, and purse protection through FAIR PRICES that have made this store famous. Come down—there are hundreds of others not mentioned in print.

TRIMMED HATS—THE \$8.50 SORT \$2.45

Millinery Salon—Second Floor.

The exclusive Olds, Wortman & King high-grade Hats, all the values up to \$8.50, are placed on one great bargain counter for today's selling at a choice for \$2.45.

\$1.50 TABLE DAMASKS FOR \$1.12

Linen Shop—First Floor.

We have selected for your Friday's choosing a lot of the famous Richardson Linen Table Damasks, 2 yards wide, the best \$1.50 value this store has ever shown, which means the best in the world. Today only, the yard, \$1.12.

LADIES' FINE SILK VESTS, \$1.19

AN INTERESTING CHRISTMAS SPECIAL. A present that will be exceedingly useful and thoroughly appreciated. Ladies' fine Silk Vests, low neck, sleeveless, colors pink, blue and cream, most of them are cream; the trimmings are neat silk lace; pretty, crocheted and gauze silk yokes; a truly handsome line; the prices are \$1.75 and \$2.00 each; Friday only, each, \$1.19.

15c DOLL HATS 9c

Doll Shop—Second Floor.

All the latest shapes and colors, today only—regular 15c values go at 9c.

DOLL HOSIERY 5c

500 pairs—for today only, in all colors, at, per pair, 5c.

\$2.79 DOLLS FOR \$1.89

Millinery Salon—Second Floor.

A grand special in the doll shop—a little French dollie, with bisque head and jointed body, limbs, arms, etc. The prettiest and best doll shown by any doll store in Portland today at \$3. Here today at \$1.89.

IN THE BOOK STORE

First Floor Annex—Dress Goods Section.

Today regular "two-bit" books go for 13c; copyright editions of popular novelists, such as Paul Leicester Ford, Gertrude Atherton, Amelia Barr, Robert Chambers, Kirk Monroe, Egerton Castle, and others, some of the most interesting, readable books published today, and sold everywhere at 25c the volume. Today only here at 13c.

ODD STAND BY COLOMBIA

HOLDS SINCE CANAL TREATY
FAILED CAN'T SELL PROPERTY.

Figures on the Franchise Expiring by
Limitation, When It Will
Make a Neat Sum.

WASHINGTON, Dec. 10.—The State Department has received from Mr. Beaupre, under date of October 16, the text of the report of the commission of the Colombia Senate on a law to confirm the approval of the canal treaty by the Senate, and to authorize the President to make a new treaty. The report takes the ground that the rejection of the treaty needs no approval, being a completed act, and in any case the treaty expired by limitation of time on September 22. It also disapproves and recommends the indefinite postponement of the proposition of the President to make a new treaty.

The motive for this action, though not positively asserted, is regarded as the purpose entertained at Bogota to prolong, under dilatory expedients, the whole question until next year, then to declare the French concessions forfeited, and to demand of the United States the \$40,000,000 provided in the Spooner act, unless in the meanwhile they should be able to obtain from the Panama Company a satisfactory sum in return for a permission granted to them to sell to the United States.

The particular report which Mr. Beaupre incloses was read in the Colombian Senate on October 14. It begins with a declaration of Colombia's desire to have a canal constructed across the isthmus and a recital of the various steps that have been taken since 1846. It is asserted that the Hay-Herran treaty was unanimously rejected, "not with a view to opposing so great and necessary a work, but from the highest and fairest of motives." Senator Morgan is quoted as sustaining the right of Colombia to reject the treaty. The report then discusses the bill on which it will be based, which, in brief, has two objects: To sustain the Senate's rejection of the treaty, and to authorize the Colombian President to draw new treaties, or have the work done by private contract. A legislative argument is added to sustain the contention that it is unnecessary to ratify the Senate's rejection. As to the second object, it is declared the proposed authorization to the President is unconstitutional, depriving the President of his right to initiate and conduct negotiations. The law is also held to be unnecessary.

A novel point is made to the effect that as the Hay-Herran treaty authorized the Panama Canal Company to transfer its rights and as the treaty had failed, the conditions are as they were before the treaty was drawn, and the canal company cannot sell its rights, but must fulfill its contract to build the canal. It is held that the company's franchise will remain in force until October, 1904, when "the republic will become the possessor and owner without any need of a previous judicial decision, and without any independence of the canal itself and of the adjuncts that belong to it according to the contracts of 1878 and 1890."

The committee argues that after that date the republic can make more advantageous terms "legally and materially," therefore it is said that it is the duty of Congress to pass on the validity of the extension of the company's franchise for six years, granted in 1900, which has been attacked.

The conclusion of the committee is that further consideration of the bill before Congress be indefinitely postponed.

COLOMBIA IS OBEYING REYES.

Cablegrams Show That No Invasion
of Panama Is on Foot.

WASHINGTON, Dec. 10.—Cablegrams received today by General Reyes, the Colombian Minister, and by Dr. Herran, the Colombian secretary of Legation, are pacific in tenor, and the officials of the Colombian Legation are inclined to believe the Colombian people are obeying the final instructions of General Reyes, the commander-in-chief, who, before leaving his country, issued an order that no hostile move was to be made against the United States or Panama pending the completion of his mission.

General Reyes has called the Bogota government sitting forth explicitly the true situation here. He has not attempted in his advice to cloak the fact that there is not hope of prevailing on the United States to retract its steps on the isthmus. The only possible result General Reyes would bring about here, as he has officially informed the Bogota government, would be the securing of satisfactory peace terms with the new republic.

Panama diplomats say that with the departure of General Reyes from Washington they expect the Colombian Legation to remain closed for an indefinite period.

FLIES FLAG OF NEW REPUBLIC

San Jose Arrives at San Francisco
From Panama.

SAN FRANCISCO, Dec. 10.—The steamer San Jose, of the Pacific Mail Steamship Company's fleet, came into the harbor today with the flag of the new Republic of Panama flying on her foremast. The vessel came from Panama, and it is the first time the new flag has been seen here.

At Manzanillo, on the way up the coast, the sailing vessel was taken on board as passenger by the expedition of the expedition of Captain Johnson, that was endeavoring to recover the treasure that was on the steamer Golden Gate when that vessel was lost by fire on the Mexican coast, not far from Manzanillo. The three sailors, Richard Powers, Patrick McCafferty and Henry Lappin, who were with the expedition, said the treasure-hunters had met with no success.

Trying to Divide Canal Company.

PARIS, Dec. 10.—Considerable apprehension is beginning to be felt in official quarters here over the results of the anti-Panama campaign, which is understood to have the personal sympathy and direction of President Marquand, of Colombia. The purpose of the movement, seemingly, is to cause a division within the Panama Company, with the view to securing a reconsideration of the company's favorable course toward the United States. The officials are hopeful of the early ratification of the canal treaty by the United States Senate in order to prevent a spread of the movement and consequent complications.

Coghlan Transfers His Flag.

COLON, Dec. 10.—Admiral Coghlan today transferred his flag from the converted cruiser Mayflower to the auxiliary cruiser Dilie. The Mayflower has left Colon harbor to cruise along the San Blas Coast and to obtain reports from the cruiser Atlanta and the gunboat Hancock.

MacVeigh Engaged by Colombia.

WASHINGTON, Dec. 10.—General Reyes is preparing a statement of the position of Colombia in connection with the de-

OLDS, WORTMAN & KING

FIFTH AND WASHINGTON STREETS

34th Grand Friday

THIRTY-FOUR SPLENDID SPECIALS SELECTED WITH CHRISTMAS SAVINGS IN MIND
THE CHRISTMAS WORK IS IN FULL SWING

No store in the world works so hard to simplify and amplify its service. This Xmas shop of modern planning makes the work not easier but more fruitful—and in no other store are folk so safe and comfortable. Comfort which comes from bodily freedom from annoyance, and purse protection through FAIR PRICES that have made this store famous. Come down—there are hundreds of others not mentioned in print.

\$18.50 Silk Shirtwaists

\$3.98

A Grand Surprise Sale of

Superb Silk Waists

We have selected for today's selling a lot of handsome taffeta, peau de soie and peau de cygne Silk Waists. All the newest and smartest of the season's creations, including values from \$7.50 up to \$18.50, and placed them all on one table in the Woman's Wear Salon, second floor, at a choice for one price, viz., \$3.98.

REGULAR \$1.75 NIGHT SHIRTS SPECIAL 87c

A line of Men's Sateen Night Shirts, with military collar, in cream, blue and pink. Our regular \$1.25 gown Friday only at 87c.

REGULAR \$1.19 PHOTO ALBUMS SPECIAL 69c

Fancy embossed celluloid Photo Albums, hold 26 large and 16 small size pictures; value \$1.19, special each, 69c.

REGULAR \$2.25 HANDKERCHIEF BOXES SPECIAL \$1.39

Fancy figured celluloid Handkerchief Boxes, large size satin lined; value \$2.25, special each, \$1.39.

REGULAR \$1.75 PETTICOATS AT \$1.17

Great special of ladies' fine black mercerized sateen Petticoats, has 11-inch umbrella flounce, nicely trimmed with five rows of 1-2-inch butterfly ruffles; regular \$1.75, special at \$1.17.

FURNITURE AND PIANO DRAPES

Fine Silk Furniture or Piano Drapes, with deep knotted silk fringe and fancy tinsel embroidered, colors pink, blue, yellow, terra cotta and white, lengths 22x54 and 22x72. Regular prices, \$3.00, \$2.50, \$2.00, at \$1.27.

OUTPOSTS PUSHED BACK

CANADIAN MOUNTED POLICE
CONFORM TO NEW BOUNDARY.

When International Survey Is Made
They May Have to Move Still
Further to the Rear.

SEATTLE, Dec. 10.—A special dispatch to the Post Intelligenceur from Dawson says:

Major Zachary Taylor Wood, who returned to Dawson yesterday, today announced the first change of Canadian outposts in conformity with the findings of the international commission which arbitrated the boundary dispute between Canada and the United States.

Major Wood, who is the commander of the Northwest mounted police, moved the police post at Wells, on the Dalton trail, to Pleasant Camp. It is possible that the latter may ultimately have to be changed also, but this will depend on the international survey which will be made next Spring.

Major Wood is the man who became famous as Collector of Customs at the summit of White Pass during the first rush to the Klondike and is the officer who at that time forced the Canadian forward 12 miles from Lake Bennett to the summit by advancing his detachment. He is a nephew of General Zachary Taylor, ex-President of the United States. Persons who have just arrived here over the ice bridge bring the first news of the result of last summer's operations in the Koyukuk country. The output of the camp was \$250,000. Incoming miners report a new strike of great promise at the headwaters of Koyukuk.

National Characters Speak.
BOSTON, Dec. 10.—The opinions of men of National reputation on important questions of the day were laid before the business men of Boston tonight at the annual banquet of the Merchants' Association. Senator John W. Daniel, of Virginia, spoke on the negro question; Senator Joseph V. Quarles, of Wisconsin, on "Chamberlain's Revolution," while the speech of Governor A. B. Cummins, of Iowa, on "Reciprocity with Canada" was read by Charles S. Hamlin. The Governor was obliged to return home this morning, owing to the sickness of his mother.

Countess Is Granted a Divorce.
LONDON, Dec. 10.—Half an hour's hearing in the divorce court today sufficed to secure for Countess Mabel Russell, who sued her husband, William Brown, an ex-coachman, for divorce, a decree nisi. The Countess testified to the cruelties and misconduct of Brown, who married her in December, 1902, under the title of Prince Aphrodite Stuart, of Modena, alleging he was a Bavarian nobleman.

Tickets to Banquet Stolen.
CHICAGO, Dec. 10.—Five hundred delegates to the Interstate Independent Telephone Association Convention were thrown into consternation today when it was announced that 100 tickets to the association's banquet tonight had been stolen.

Winner of the Nobel Peace Prize.
CHRISTIANIA, Dec. 10.—The Norwegian Parliament has awarded the annual Nobel peace prize, \$5,150, to William H. Cremer, M. P., publisher of the Arbitrator, of London, for his work in behalf of international arbitration.

"Paradise Lost" Copy to Be Sold.
LONDON, Dec. 10.—It is announced that the manuscript of Milton's "Paradise Lost" is in the market and will be sold at auction by Sotheby in March next unless previously disposed of at private sale.

To Check Work of Pest on Cotton.
NEW ORLEANS, Dec. 10.—A special session of the Legislature convened at Baton Rouge today to discuss the boll weevil situation and to pass necessary laws to check the evil.

Senator Clark Much Improved.
NEW YORK, Dec. 10.—United States Senator W. A. Clark was much improved today, after an operation on his ear, which was declared to have been a complete success.

Travelling Men Honor President.
WASHINGTON, Dec. 10.—President Roosevelt today was presented with a certificate of associate membership in the Travelers' Protective Association.

Tutt's Pills

Cure All
Liver Ills.
ARE YOU
BANKRUPT in health,
constitution undermined by extravagance in eating, by disregarding the laws of nature, or physical capital all gone, if so,
NEVER DESPAIR

Tutt's Liver Pills will cure you. For sick headache, dyspepsia, sour stomach, malaria, torpid liver, constipation, biliousness and all kindred diseases.

Tutt's Liver Pills
an absolute cure.

Your Liver

Will be roused to its natural duties and your biliousness, headache and constipation be cured if you take

Hood's Pills

Sold by all druggists. 25 cents.

may be cured by strengthening the heart nerves, enriching the blood and improving the circulation with Dr. Miles' Heart Cure. Safe and sure. Sold on guarantee. Send postal for free book on diseases of the heart and nerves today. Dr. Miles Medical Co., Elkhart, Ind.