

ULTIMATUM READY IF CHINA HEDS OUT

Formal Notice Given by Japanese Legation, and Peking Adds to Its Concessions.

INDEMNITY INSISTED ON

Chinese Government Resolved, It Is Said, to Appeal to United States and Triple Entente Powers as Last Resort.

PEKIN, May 7.—The Japanese legation has informed the Chinese Foreign Office that Japan would be unable to accept the further concessions offered Thursday by China and would present an ultimatum before 3 o'clock today (Friday), unless the 24 demands were accepted by China without qualification.

The Japanese legation continued its effort yesterday to persuade the Chinese government to concede Japanese demands without the necessity of serving on China the ultimatum of the Japanese government, which was received early yesterday morning.

Further Concessions Offered.
The secretary of the legation visited the foreign office and informed Vice-Minister Teao Yulin that the legation had received the ultimatum and that it would be presented unless China agreed to Japan's 24 demands before 3 o'clock in the evening. Teao Yulin immediately visited the Winter palace, the residence of Yuan Shi Kai, and after a conference with the executive and other members of the government conveyed to the Japanese legation the following further concessions:

China reiterated, regarding Shantung province, that she would grant Japan everything that already had been granted to Germany there by treaty.

Right to Work Mines Given.
China agreed to grant Japan the right to work mines in South Manchuria and Eastern Mongolia; that all disputes between the Japanese in Manchuria, of whatever nature, shall be under Japanese jurisdiction; that schools and hospitals may lease land from the Chinese, thereby reserving land ownership to the Chinese; that Japan to build the Nan Chang-Chow-Fu Railway if Japan consents to release China from the negotiations concerning this railroad to year 1920. The Japanese request the concession for this railroad in 1907.

China to Issue Appeal.
The three stipulations China made to the demands in the nature of counter proposals last Sunday were not withdrawn by China.

These were that China asked the right to participate in an international conference for a re-arrangement of the altered status of Shantung; indemnity for the losses incurred in consequence of the Teing-Tau campaign and the restoration of the status of Shantung as before the war.

It is said that the Chinese government has resolved to communicate with the United States, Great Britain, France and Japan receipt of the ultimatum and that the nature of this communication will depend on the nature of the ultimatum.

JAPAN'S COURSE IN DOUBT

Professor Mathews Says Only Time Will Reveal True Policy.

CHICAGO, May 6.—Professor Shalter Mathews, of the University of Chicago, who spent the month of February in Japan as an emissary of the Federal Council of the United States in America in the interest of a better understanding between the two countries, issued a statement here today, in which he said:

"Just how far Japan is planning to build up an Asiatic Monroe doctrine in the future alone will reveal us to see. Even if we knew the entire plan of Japan we should still need to form conclusions with great hesitancy. Our first attitude should be to understand, then, if necessary, criticize.

"To be in any sense a duplication of our Monroe Doctrine, Japan's policy in China should consist of itself with protecting China from being exploited and dismembered by European powers.

"That China is exposed to such danger is evident from her recent history. Further, in this danger to China, Japan undoubtedly sees danger for her own development. Just as the United States sees danger in further European colonization in political control of the American continent.

"In this protecting China, Japan undoubtedly would gain great commercial advantages, to which she may be fairly entitled in view of her geographical position. If Japan plans to control China politically and if, while maintaining a technical integrity of the republic, she makes use of commercial concessions as excuses for interference with Chinese policies, she will be far off from duplicating in Asia the Monroe Doctrine of America.

"Time alone can show whether Japan is to be moved by truly great statesmanship or whether she is to follow the short-sighted policy of taking advantage of the present European situation to profit at the expense of China's weakness."

ULTIMATUM REPORTED SENT TO MAIN FORCE.

LONDON, May 6.—A Tokyo dispatch to Reuters' Telegram Company says that the Japanese government has sent an ultimatum to China, allowing the Chinese government 48 hours in which to accede to Japan's demands.

A dispatch to Reuters' Telegram Company from Tokyo says Emperor Yoshihito gave his sanction to the ultimatum to China.

Reuters' Pekin correspondent says the Japanese legation has received instructions regarding the ultimatum. The correspondent adds that the Chinese Cabinet, in the event of the presentation of the ultimatum, will yield to main force.

BRYAN ADHERES TO POLICY

(Continued From First Page.)
Informed this government of the matters which were under discussion and accompanied the information by the assurance that Japan had no intention of interfering with either the political independence or territorial integrity of China, and that nothing that she proposed would discriminate against other powers having treaties with China, or interfere with the 'open door' policy to which all the leading nations are committed.

Treaty Rights Not Surrendered.
"This Government not only has had no thought of surrendering any of its treaty rights with China, but it has never been asked by either Japan or

VALUATION RATE BASIS PRESENTED

Commission's Expert Figures Roads Should Profit Most by High-Priced Goods.

ACTUAL COSTS ESTIMATED

Method Gives Return of Seven Per Cent on Carload Business, but Witness Refuses to Express Opinion on Fairness.

CHICAGO, May 6.—A cost accounting analysis based in part on the value of the commodity shipped was presented today before W. M. Daniels, Interstate Commerce Commissioner, in the Western freight rate hearing, as a method of determining equitable freight rates.

The figures were introduced by F. P. Millard, formerly with the Wisconsin Railroad Commission, and specially employed in the present case by the Interstate Commerce Commission.

Mr. Millard's method provided a carrier's profit related to the value of the commodity hauled, added to the haul cost of the service, and his exhibit was introduced as an independent analysis at the request of the commissioner after various cost accountants had presented conflicting methods for determining cost of shipment.

Percentage of Profit Varies.
By his method, which was substantially that used by the Wisconsin Railroad Commission, Mr. Millard computed the actual cost of the gross ton haul of various commodities for given distances, taking the Chicago, Rock Island & Pacific and the Chicago & North-western Railroads for examples.

To the actual cost as ascertained by him, Mr. Millard added a return on the road's investment, the percentage added varying with the value of the commodity; the theory being that low-priced commodities should yield a smaller proportion of the profit above cost than should the higher-priced commodities.

Mr. Millard estimated that for articles with a value of \$2 and under a ton, in addition to the actual cost there should be a return equal to 4 per cent on the railroad property devoted to the handling of that commodity. From \$2 to \$5 a ton value the return was placed at 5 per cent. The percentage increased 1 per cent with every \$10 additional value per ton until a maximum of 25 per cent was reached with commodities valued at \$25 or more a ton.

The analysis presented by Mr. Millard was subjected to close questioning by counsel for the railroads and agents for the shippers, who are objecting to the freight rate advances asked for by the 41 Western railroad systems hiked in the present hearing.

On cross-examination, it was brought out that the application of the method employed by Mr. Millard to carloads carried by the Rock Island would give a return of 7 per cent on a book valuation of the road. Counsel for the shippers placed the return at 3.3 per cent.

System Affects Meat Products.

Asked if he thought 7 per cent return for the freight business of the Rock Island was a reasonable figure, Mr. Millard said that he would express no opinion.

Mr. Millard said that he believed that even if values of different commodities should change, it would not be necessary to readjust the freight prices, except at long intervals.

Counsel for the packers, who are protesting against the proposed advances in freight rates, pointed out that high-priced packing house products would be charged greatly increased rates under the method suggested.

Columbia Schools Entertain.

DAYTON, Or., May 6.—(Special.)—This week in the schools of Columbia County will be devoted to community work, which will take the form of entertainments at the community centers of Huntsville, Marengo and Turner.

Professor J. E. Klemme, of the Ellensburg Normal School, will give addresses at the various schools on "The Unfinished House," "The Value of Fragments" and "The First American." Contests in educational work and athletics will be held.

DELIGHTFUL WEEK-END

may be spent at Gearhart "By-the-Sea." Select site now for your beach home. Take a run down tomorrow on 2 P. M. Special train from North Bank depot. Hotel reservations 1005 4th St.—Adv.

ABERDEEN HAS NEW MAYOR

Police Chief and Health Officer Displaced by Judge Phillips.

ABERDEEN, Wash., May 6.—(Special.)—Judge J. M. Phillips succeeded Eugene France as Mayor last night. He appointed L. D. Keyes, engineer; William Tamblin, chief of the fire department; displaced Dr. L. L. Goodnow as Health Officer and named Dr. J. B. Klane, and displaced William Seaman as Chief of Police, and named Robert Smith, patrolman, to the position.

Medical Men to Meet at Ashland.

ASHLAND, Or., May 6.—(Special.)—The Southern Oregon Medical Association will meet here May 11. Its membership is embraced in territory extending from Roseburg to the California line. Local committees are formulating plans for entertainment and programs.

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TAFT GIVES PRAISE

Wilson is Conscientiously Neutral, Says Ex-President.

TRADE WARNING SOUNDED

End of Industry Created by War Will Come With Peace, Is View. Arbitral Court of Big Nations Is Advocated.

MADISON, Wis., May 6.—William H. Taft addressing the Wisconsin Legislature today, commended President Wilson for the policy of neutrality "which he has so conscientiously followed."

He also declared against a change in the present international rule which would prohibit neutrals furnishing foodstuffs and ammunition to belligerents and in favor of an arbitral court of the greater nations which "will make war in the future impossible."

Referring to the war, the ex-President said:

"For a time we are enjoying a feverish activity in many branches of industry. We must take care that we are not overjoyful and misled. When peace comes, some of this activity will be suddenly cut off with the sharpness of a cable dispatch. In our business affairs, we must prepare for that change.

"We have been criticized for the sale of arms and ammunition permitted under international rules. The rule has always been that neutrals could furnish arms and foodstuffs. As a Nation, we should not place ourselves at a disadvantage and take an opposite view of this question. We are always unprepared for war. We must always expect aid from neutrals in case of war. It would be an unwise policy in

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my judgment for us to change this rule."

Mr. Taft then spoke in favor of some arrangement after peace comes where the larger nations of the world might formulate an arbitral court which would make war—the destruction of capital, the stilling of industry and the loss of lives of untold thousands—less probable.

Murder Laid to Roseburg Man.
ROSEBURG, Or., May 6.—(Special.)—Albert Clinger, for many years driver of a stage operating out of Reuben, in Southern Douglas County, is under arrest at Vancouver, B. C., on a charge of murder, according to word received by Sheriff Quintana today. Information of Clinger's arrest was received from the American Consul stationed at Vancouver. Mr. Clinger is well known to many of the residents of Douglas County. He left here about two years ago.

The search always approaches its end by a devious path, the idea being to conceal the location from observation.

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| \$65.00 Instrument, Now | \$24.00—12 Records |
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| \$57.05 New Outfit, Now | \$50.95—21 Selections |

"Mignonette" Grafonola with 20 selections \$106.50—\$6.50 cash, \$1.50 weekly.

Corvallis, Or., May 6.—(Special.)—Forty students from the Monmouth High School, mostly members of the senior class, spent yesterday on the Oregon Agricultural College campus on a tour of inspection. The visitors were entertained at luncheon by the dormitories and fraternity and clubhouse.

Monmouth Seniors Visit College.
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