

POWER INCREASED, IS GERMAN WARNING

Peace Proposed in Consciousness "of Responsibility Before God and Humanity."

EMPIRE DECLARED SAFE

Guarantee of Existence and Honor and Liberty of Evolution Are Objects of Proposition, Chancellor Tells Reichstag.

BERLIN, Dec. 12.—(By wireless to Sayville, N. Y.)—Chancellor von Bethmann-Hollweg's speech is reported by the Overseas News Agency as follows: Chancellor von Bethmann-Hollweg today announced to the Reichstag that Germany, together with her allies, "conscious of their responsibility before God, before their own nations, before humanity," had proposed this morning to the hostile powers to enter on peace negotiations.

Practically all the members of Parliament answered the unexpected summons. The crowded house and thronged galleries listened in attentive silence when the Chancellor rose for his speech.

The Chancellor first outlined the extraordinary political situation, and then, insisting on the achievements of the central powers, made an announcement which possibly may be the turning point in the war, which for more than two years has held the world under its spell. The Chancellor said: "The Reichstag had not been adjourned for a long period. But, unfortunately it was left to the discretion of the president as to the day of the next meeting. This decision was caused by the hope that soon happy events in the field would be recorded—a hope fulfilled quicker, almost, than expected. I shall be brief, for actions speak for themselves."

Situation Once Serious.

The Chancellor said Roumania had entered the war to roll up the German positions on the east and those of Germany's allies. At the same time the grand offensive was launched as an objective to pierce the German western front, and the renewed Italian attacks were intended to paralyze Austria-Hungary.

"The situation was serious," the Chancellor continued. "But, with God's help, our troops shaped conditions so as to give us security, which not only is complete, but still more so than ever before. The western front stands. Not only does it stand, but, in spite of the Roumanian campaign, it is fitted out with larger reserves of men and material than it had been formerly."

"The most effective precautions have been taken against all Italian diversions. And while on the Somme and on the Carso the drum fire resounded, while the Russians launched troops against the eastern frontier of Transylvania, Field Marshal von Mackensen captured the whole of Western Wallachia and the hostile capital of Bucharest, leading to the unparalleled genius of the troops that in competition with all the allies made possible what hitherto was considered impossible."

"And Mackensen's rest. Military operations progress, while at the same time firm foundations for our economic needs have been laid. Great stocks of grain and other goods fell into our hands in Roumania. Their transport has begun. In spite of scarcity we could have lived on our own supplies, now our safety is beyond question."

Credit Given Submarines.

"To these great events on land," the Chancellor continued, "heroic deeds of equal importance are added by our submarines. The specter of famine, which our enemies intended to appear before us, now pursues them without mercy. When, after the termination of the first year of the war, the Emperor addressed the nation in a public appeal, he said: 'Having witnessed such great events, my heart was filled with awe and determination.'"

"Neither our Emperor nor our nation changed their minds in this respect. Neither have they now. The genius and heroic acts of our leaders have fashioned these facts as firm as iron. If the enemy counted upon the weariness of his enemy, then he was deceived."

The Chancellor said the propositions which Germany was bringing forward had for their object the guarantee of existence, of honor and of liberty of evolution for the four allied (central) powers.

The Reichstag, by means of the national auxiliary war service law, helped to build a new offensive and defensive bulwark in the midst of the great struggle," the Chancellor continued.

"Behind the fighting army stands the nation at work—the gigantic force of the nation working for the common aim."

Enemies Declared Deceived.

"The empire is not a besieged fortress, as our adversaries imagined, but one gigantic and firmly disciplined camp with inexhaustible resources. That is the German empire which is firmly and faithfully united with its brothers in arms, who have been tested in battle under the Austro-Hungarian, Turkish and Bulgarian flags. Our enemies now ascribe to us a plan to conquer the world. We are not deceived by these asseverations, we progressed with firm decision, and we thus continue our progress, ready to defend ourselves and fight for our nation's existence, for its free future, and always ready for this price to stretch out our hand for peace."

"Our strength has not made our ears deaf to our responsibility before God, before our nation and before humanity. The declarations formerly made by us concerning our readiness for peace were evaded by our adversaries. Now we have advanced one step further in this direction."

"On August 1, 1914, the Emperor had personally to take the gravest decision which ever fell to the lot of a Ger-

GERMAN CHANCELLOR WHOSE PROPOSAL TO ALLIES FOR PEACE IS HOLDING ATTENTION OF THE WHOLE WORLD.



VON BETHMANN-HOLLWEG.

man—the order for mobilization, which he was compelled to give as a result of the Russian mobilization. During these long and earnest years of the war the Emperor has been moved by a single thought: how peace could be restored to safeguard Germany after this struggle in which she has fought victoriously.

"Nobody can testify better to this than I, who bear the responsibility for all actions of the government. In a deep moral and religious sense of duty toward this nation and beyond it, towards humanity, the Emperor now considers that the moment has come for official action towards peace."

"His Majesty, therefore, in complete harmony and in concert with our allies, decided to propose to the hostile powers to enter into peace negotiations. This morning I transmitted a note to this effect to all the hostile powers, through the representatives of those powers which are watching over our interests and rights in the hostile states. I asked the representatives of Spain, the United States and Switzerland to forward that note."

"The same procedure has been adopted today in Vienna, Constantinople and Sofia. Other neutral states and His Holiness, the Pope, have been similarly informed."

After reading the note the Chancellor said: "Gentlemen, in August, 1914, our enemies challenged the superiority of power in the world war. Today we raise the question of peace, which is a question of humanity. We await the answer of our enemies with that serenity of mind which is guaranteed to us by our exterior and interior strength."

Warfare Is Issued.

"If our enemies decline to end the war, if they wish to take on themselves the world's heavy burden of all these horrors which hereafter will follow, even even in the least and smallest homes every German heart will burn in sacred wrath against our enemies, who are unwilling to stop human slaughter, in order that their plans of conquest and annihilation may continue."

"In a fateful hour we took a fateful decision. It has been saturated with the blood of hundreds of thousands of our sons and brothers, who gave their lives for the safety of their homes, human wits and human understanding are unable to reach the extreme and last questions in this struggle of nations, which has unveiled all the terrors of earthly life, but also the grandeur of human courage and human will in ways never seen before. God will be the judge. We can proceed on our way."

The Chancellor's speech was listened to by thronged galleries. The royal box was crowded. All the ambassadors and ministers of foreign governments were in the diplomatic box.

Idaho Debaters Win.

MOSCOW, Idaho, Dec. 12.—(Special.)—At the annual debate held between the University of Idaho and Washington State College at Pullman, each college maintaining a team on each side of the question, the University of Idaho was victorious in both events.

GERMAN PEACE NOTE TO ENEMIES

BERLIN, Dec. 12.—Following is the text of the note addressed by Germany and her allies to the hostile governments:

"The most terrific war ever experienced in history has been raging for the last two years and a half over a large part of the world—a catastrophe which thousands of years of common civilization was unable to prevent, and which injures the most precious achievements of humanity."

"Our aims are not to shatter nor annihilate our adversaries. In spite of our consciousness of our military and economic strength and our readiness to continue the war, which was forced upon us, until bitter and if necessary, at the same time prompted by the desire to avoid further bloodshed and make an end to the atrocities of the four allied powers propose to enter forthwith into peace negotiations."

Lasting Peace Proposed.

"The propositions which they bring forward for such negotiations, and which have for their object a guarantee of the existence, of the honor and of the liberty of evolution for their nations, are, according to their firm belief, an appropriate basis for the establishment of a lasting peace."

"The four allied powers have been obliged to take up arms to defend justice and the liberty of national evolution. The glorious deeds of our armies have in no way altered their purpose."

WHEAT PIT EXCITED

Grain Market Slumps Wildly on Word of Peace Offer.

REBOUND ONLY TEMPORARY

Extreme Breaks Reach 11 3-4 Cents a Bushel and Close Is Not Far From Lowest Mark—Other Grains Also Go Down.

CHICAGO, Dec. 12.—Wheat values plunged wildly downward twice today, first on account of Germany's reported overtures for peace, and, secondly, owing to traders' assumption of a likelihood that the character of the terms reported to cost buyers' offers to discussion would bring about an acceptance. Extreme breaks in prices reached 11 3-4 cents a bushel, and were accompanied by a material lower range of values to millions of bushels.

Closing quotations of the day were nearly the bottom level touched, with the market as a whole 4 1/2 to 10 1/2 cents under yesterday's finish.

Hesitancy in the wheat market after the break in prices was the result of opinions expressed by leading traders that a refusal on the part of Great Britain and her allies to treat on the basis of the German offer would doubtless bring about a sharp rebound in wheat prices, whereas a serious peace discussion might cause a material lower range of values.

Corn and oats felt the effects of the peace news to a much less extent than wheat. Pork and ribs also were comparatively stable, despite the excitement in wheat. On the other hand, hard lumped wheat, for the first time, showed a decline being that shipments of hard wheat would be wanted in Central Europe if the movement for peace proved a success.

MARION'S VALUATION LESS

Property in County Is Assessed on Basis of \$41,418,619.

SALEM, Or., Dec. 12.—(Special.)—B. F. West, County Assessor, has completed the statement of the assessed valuation of Marion County, showing a total valuation of \$41,418,619, with a total corporation value of \$1,237,393. The latter valuation shows a decrease of \$69,648 from last year. The total valuation is also considerably less than that of preceding years.

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GERMAN FINANCE

DECLARED SOUND

Count von Roedern, Answering British Secretary, Asserts Cost of War Is Public.

CREDIT STATEMENTS MADE

Belief Is Expressed That Economy Forced on Public Because of War Shortages Will Assist Materially in Paying Debt.

BERLIN, Dec. 12.—(By wireless to Sayville, N. Y., to the Associated Press.)—Germany's war finances are set open book from which an attentive reader can learn the height of the war expenditures, the maximum limit of the floating debt and details regarding war outlays of the federal states and municipalities necessary for forming judgment as to the soundness of Germany's financial position.

This is the reply to T. McKinnon Wood, the British financial secretary of the treasury, of Count von Roedern, secretary of the imperial treasury, who in an interview with the Associated Press, the first and only interview granted since he assumed direction of this highly important section of Germany's war machine, discussed criticisms recently made by the British financial secretary that Germany was keeping secret essential factors of the financial situation and showed how the figures are contained in the accounts published by Germany.

Policy Declared Sound.

Owing to the war labor law and the extension of the field of operations in the Balkans, said Count von Roedern, Germany's war expenditures, which had averaged 2,187,000,000 marks monthly, had somewhat increased, but he was convinced that the necessary funds could be obtained in the future, as in the past, upon long-term loans, and he had no present intention of departing from the standard German policy of funding the war expenditures and providing interest charges by taxation. The projected application of the proceeds of the tax on war profits, which in unofficial circles is estimated at 2,000,000,000 marks, to the reduction of the war debt, only forms a part of a departure from this principle, the tax mentioned being a non-recurrent levy of an extraordinary character and not regular taxation.

Count von Roedern, like the business men with whom the correspondent had talked, asserted the possibility of Germany's carrying out the war on a policy of "dumping," pointing to the scant accumulation of manufactured goods for such a purpose and the expected cost to be met by the sale of the war and partly because Germany, under pressure of necessity, had learned to use home substitutes for various raw materials, or, as in the case of nitrate fertilizer, to supplement imported articles with home products manufactured at considerably lower cost.

British View Reiterated.

"The British Financial Secretary," said Count von Roedern, "naturally presents the official British standpoint, and I can understand why, in contrasting the German and British financial arrangements, he paints our situation in black colors."

The German government has been publishing statements of revenues and expenditures by the submission of the usual budget in the Reichstag. This has been done at the beginning of 1915 and 1916, and will be done again in 1917. The war expenditures for the army and fleet do not appear, it is true, in the budget, but they are included in the war credits voted by Parliament. Just as in England, Great Britain does not publish a detailed account of war expenditures any more than does Germany.

Mr. Wood has declared that we conceal the floating obligations of the empire. Whoever takes the trouble to study carefully our financial arrangements will see that the maximum, however, is naturally approached on the eve of the grant of a new credit, and is at present far from being reached, since the previous credit was authorized only last month. With each of our five war loans we have been able to convolve the greater part of our outstanding short-term obligations into the funded loan scope. This will be the case in the future.

The offer finds the Foreign Office upset in the midst of a change of administration, but as the new Foreign Secretary, A. J. Balfour, has kept most threatened with ruin. Germany and her allies, Austria-Hungary, Bulgaria and Turkey, gave proof of their unconquerable strength in this struggle. They gained gigantic advantages over their adversaries superior in number and war material. Our lines stand unshaken against ever-repeated attempts made by armies.

Balkans Victory Cited.

"The last attack in the Balkans has been rapidly and victoriously overcome. The most recent events have demonstrated that further continuance of the war will not result in breaking the resistance of our forces, and the whole situation with regard to our successes."

It, in spite of this offer of peace and reconciliation, the struggle should go on, the four allied powers are resolved to continue to a victorious end, but they disclaim responsibility for this before humanity and history. The imperial government, through the good offices of your excellency, ask the government (here is inserted the name of the neutral power addressed in each instance) to bring this communication to the knowledge of the government of these are inserted the names of the belligerents."

London Against Peace

(Continued From First Page.)

Commons, said: "This is clearly a political maneuver, designed to impress upon the British public the necessity of having little serious purpose toward securing an enduring peace. One of the chief essentials of any peace would be such a guarantee, England and France would be compelled to make a matter of self-defense, to retain vast armies and thus continue the enormous war bureau of the present, instead of being permitted to resume peace with assurance that they will not again be plunged into war."

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Portland Agents for Butterick Patterns and Publications—Latest Fall Styles Now Shown

STORE OPENS
DAILY AT
8:30 A. M.
ON SATURDAYS
9:00 A. M.
PACIFIC PHONE
MARSHALL 5080

Roberts Bros.
THIRD & MORRISON
The Most in Value—The Best in Quality

STORE CLOSING
DAILY AT
5:30 P. M.
ON SATURDAYS
6:00 P. M.
HOME PHONE
A 2112



Let This Great Under-price Sale Assist You!

Let this great underpriced sale assist you with your gift purchases. Time's passing quickly. Don't let the last moment find you with a gift list only partially "crossed off." Hasty buying means incomplete satisfaction—and the disquieting reflection that you might have chosen something that would have been more appropriate. Come to this store, full of gift things, and stay until the last present has been purchased. Choosing can be carefully and leisurely made—and money saved.

A Special Holiday Showing and Sale of

LACES for Fancy Work

An exceptionally extensive and complete stock to select from—Vals., Torchons, Cluny, Metal, Net Top, Venise, Silk, Filet, Hand-made Laces, Etc., Etc. In fact, every desirable Lace for Holiday sewing is here in the best new patterns and at the lowest price quoted in this city. We are showing extraordinary values in

Val. and Torchon Laces at 5c Yard
Edges, Insertions and Beadings in dainty Zion Laces—also Cotton and Linen Torchon Laces in a full variety of patterns—ALL AT YD. 5c

New Novelty Ribbons at 59c Yard
High-class Novelty Ribbons in light and dark Warp Print Patterns—the popular new stripes, plaids and plain colorings—they come 7 and 7 1/2 inches wide and in quantities regularly sold up to \$1 a 59c yard. THIS SALE AT.....

Narrow Xmas Ribbons, 7c to 15c Bolt
An unusually fine showing of Narrow Xmas Ribbons—holly effects and other novelty patterns in desirable colorings—the kind especially desirable for tying holiday packages—all 7c up to 15c prices from—A BOLT.....

New Fancy Ribbons at 25c Yard
Just in by express, a special lot of Beautiful War, Print Ribbons in the latest and best colorings and patterns—5 and 6-inch widths at one price 25c—yard.....

Boudoir Caps at 59c
Another underpriced sale of Boudoir Caps, the latest new styles in Silk Crepe de Chine and Satin, with beautiful trimmings—about 20 styles 59c and colors to select from, priced, this sale 59c

Boudoir Sets at \$1.19 to \$2.50
Something new and useful that will make an unusually attractive gift—a dainty Boudoir Cap with Slippers to match—they come in a neat holiday box and at all prices \$1.19 up to \$2.50 from.....

Wonderfully Attractive Showing of Christmas Slippers

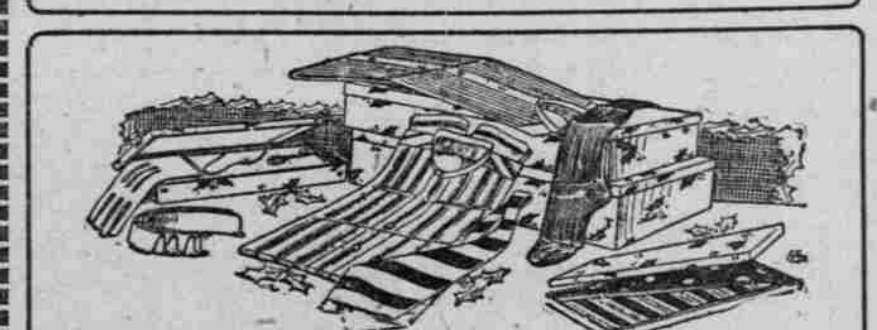
For Men, Women and Children
On the Main Floor, Morrison-street Entrance, we've arranged a special showing and sale of Women's, Misses' and Children's Felt Julietts and Slippers that it will pay you well to investigate.



All Sizes for Women
Specially Priced, pair
Sizes 8 1/2 to 2, for
Misses, Special, Pair
Sizes 5 to 8, for Children, Special, Pair
Selling Regularly at \$1.50

It is the best and most complete assortment we have ever shown. Included are the most popular styles and colors in Fur or Ribbon Trimmed Julietts, with fine belting leather, hand-turned soles, all colors. Also the Padded Sole Moccasins.

Women's Felt Slippers in regular \$1.75 lines on sale at only \$1.19
Men's \$1.50 Leather Slippers in all styles specially priced at \$1.19
Men's \$1.75 Leather Slippers in all styles specially priced at \$1.49
Men's \$2.00 Leather Slippers in all styles specially priced at \$1.75
Men's \$2.50 Leather Slippers in all styles specially priced at \$1.98



PRACTICAL GIFTS!

For the Men!
Pay a visit to our popular Men's Section, just inside our Third-street entrance. Select from these offerings:

10c Each, 3 for 25c, for Men's Initial Handkerchiefs. Neatly hemmed and of good size and quality.
10c Each, 3 for 25c, for Men's Fine Cotton Handkerchiefs, with each, 3 for 25c, for Men's Initial Handkerchiefs of splendid size and quality.
15c Each, 3 for 45c, for Men's Initial Handkerchiefs of pure linen. Neatly hemmed and put up in fancy box.
49c Each, 3 for 147c, for Men's Initial Handkerchiefs. Pure linen. Put up in fancy box.
65c Each, 3 for 195c, for Men's Pure Linen Handkerchiefs of good size and quality.
25c Each, 3 for 75c, for Men's Fancy Suspenders in Christmas box.
50c Each, 3 for 150c, for Men's Fine Elastic Suspenders in Christmas box.
75c Each, 3 for 225c, for Men's Bath-Robes in new patterns and styles at 25c up to \$2.00. and colorings, \$2.98 to \$5.98

not likely to bring immediate results, particularly if, as the Emperor's pronouncement indicated, it was made on the basis that the Central Powers are victorious.

Press Comment Is Sarcastic.
Later editions of the evening newspapers comment sarcastically on the German peace offer. The Evening News says that inasmuch as the Germans have obtained their "maximum of plunder," and as "the avenger in the shape of Lloyd George is about to inflict punishment," Germany now desires to make peace.

"The Chancellor's declaration is almost blasphemous," the News continues. "After the crushing of the Ottoman Empire, the German Empire is reported sunk. The Agder is a vessel of 304 tons gross. Her recent movements have not been reported."

Norwegian Steamer Sunk.
LONDON, Dec. 12.—Lloyd's announces that the Norwegian steamer Agder is reported sunk. The Agder is a vessel of 304 tons gross. Her recent movements have not been reported.

\$55.00 RANGE \$35.00
With Every four room outfit. This exact range. Nickel trim, gas plate attached.
"Hot oven in ten minutes."
Our living room, dining room and chamber furniture can not be surpassed for less than we sell.
"Up-to-date and right."
Easy payments on cash, and delivered anywhere.

BELL-ANS
Absolutely Removes Indigestion. One package proves it. 25c at all druggists.

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Women's Bath Robes at \$5.00 and \$6.75
The best styles, patterns and colorings in the celebrated Season Blanket Bath Robes for women. Extremely well made garments with silk-bound seams and silk collars and cuffs. All sizes at \$5.00 and \$6.75

Women's Georgette and Crepe de Chine Waists at \$4.95
A beautiful gift. Chic styles in Women's Georgette and Crepe de Chine Waists in all colors and sizes. An unsurpassed showing. The selling regularly at \$6.50, this sale at \$4.95

Exquisite Crepe de Chine Underwear at 75c Up to \$10 a Garment.
Camisoles, Chemises and Gowns in rich, lustrous crepe de Chine silks, exquisitely trimmed with dainty and beautiful laces, insertions and ribbons. The very latest new styles in a complete assortment of sizes and delicate shades of pink. Camisoles at all prices, 75c to \$1.50. Envelope Chemise, \$1.98 to \$3.50. Gowns at all prices, \$2.25 to \$10

Fancy Turkish Towels for Xmas Gifts at 59c
Regular 65c and 75c Lines
A special underpriced sale of fancy Turkish Towels in styles with colored border, in checks and stripes in blue, pink, gold and beige. A large variety to select from in qualities selling regularly at 65c and 75c. Priced for this sale at very low price of 59c

The Most Attractive New Styles Fancy Tea Aprons at 25c Up to \$1.50
An inexpensive gift—and one always appreciated. Dozens and dozens of styles in dainty Laces, Swisses and Sheer Nainsook, prettily and attractively trimmed with laces, embroideries and ribbons. Round, square and novelty styles, with or without bib. All are well made and finished with wide tie strings. Come and make immediate selections. Prices range from 25c to \$1.50.

YES!
Drink it—Gargle with it. A test will prove its remarkable value.
Always follow directions

Dermetol
THE NON-POISONOUS GERM-KILLER
used internally as directed in booklet packed in all original red cartons. Gives permanent and positive relief from indigestion, gas on the stomach, lower bowel troubles, gastritis, catarrh of the stomach, ulcerated stomach, sore throat, biliousness, stomache poisoning and similar ailments.

For sale at all druggists. Insist on Genuine in Red Cartons.

FORM FIT
The TALBOT New ARROW Form Fit CLOVERS are curve cut to fit the shoulders perfectly. 15c each. Cluett, Peabody & Co. Inc. Makers