

## HERTLING HINTS AT YIELDING OF ALLIES

Tone Changed, He Repeats, of  
Wilson, Lloyd George  
Utterances.

### NEW TERMS REQUESTED

German Chancellor Devotes Much  
Time to Analysis of Recent  
Utterances of Ameri-  
can President.

AMSTERDAM, Jan. 25.—In his address before the Reichstag main committee yesterday Chancellor von Hertling referred to the negotiations with the Russians at Brest-Litovsk, saying he held fast to the hope that a good conclusion would be arrived at. He continued:

"Our negotiations with the Ukrainian representatives are in a more favorable position. Here, too, difficulties have yet to be overcome, but the prospects are favorable. We hope shortly to reach conclusions in the negotiations which will be in the interests of both parties and also be economically advantageous."

"One result, gentlemen, might be recorded, as you all know. The Russians last month proposed to issue an invitation to all the belligerents to participate in the negotiations. Russia submitted certain proposals of a very general character."

"At that time we accepted the proposal to invite the belligerents to take part in the negotiations, on the condition, however, that the invitation should have a definite period for its acceptance."

All Obligations Ended.  
"At 10 o'clock on the evening of January 4 the period expired. No answers had come, and as a result we were no longer under obligations and had a free hand for separate peace negotiations with Russia. Neither were we longer bound, of course, by the general peace proposals submitted to us by the Russian delegation."

"Instead of the reply which was expected but which was not forthcoming," Chancellor von Hertling continued, "two declarations were made by enemy statesmen—Premier Lloyd George's speech and President Wilson's speech."

"I willingly admit that Mr. Lloyd George altered his tone. He no longer indulges in abuse and appears desirous of again demonstrating his ability as a negotiator, which I had formerly doubted."

"I cannot go so far, however, as many opinions which have been expressed in neutral countries which would read in this speech of Mr. Lloyd George for a serious desire for peace and even a friendly disposition."

Entente Seen as Judges.  
"It is true he declares he does not desire to destroy Germany and never desired to destroy her. He has even words of respect for our political, economic and cultural position. But other utterances are not lacking, and the entente continually comes to the surface that he has to pronounce judgment on Germany. We are to be the guilty ones over whom the entente is now sitting in judgment."

The Chancellor then entered upon a review of political history in Europe, going back as far as 1870. He exploited all German aims, defended all German policies and endeavored to cast all blame upon the focus of the fatherland.

Coming down to more recent events, he said:

"I now come to President Wilson. Here, too, I recognize that the tone appears to have changed. The unanimous rejection of Mr. Wilson's attempt, in reply to the Pope's note, to sow discord between the German government and the German people has had its effect."

"This unanimous rejection might of itself lead Mr. Wilson on the right path. A beginning to that end has perhaps been made, for now there is at any rate no longer talk about oppression of the German people by an autocratic government, and the former attacks on the house of Hohenzollern have not been repeated."

Open Diplomacy Agreed To.  
"I shall not enlarge upon the distorted representation of German policy which is contained in Mr. Wilson's message, but will deal in detail with the points which Mr. Wilson lays down there, not less than 14 points, in which he formulates his peace programme; and I pray your indulgence in dealing with these as briefly as possible."

"I respect the demand that there shall be no more secret international agreements. I am inclined to agree above all others, would be able to agree to the publicity of diplomatic documents."

"I recall that our defensive alliance with Austria-Hungary was known to the whole world from 1882, when the offensive agreement of the enemy states saw the light of publicity during the war through the revelations of the secret Russian archives."

"The negotiations at Brest-Litovsk are being conducted with full publicity. This proves that we are quite ready to accept this proposal and declare publicly of negotiations to be a general political principle."

"In his second point Mr. Wilson demands freedom of shipping on the seas in war and peace. This also is demanded by Germany as the first and one of the most important requirements for the future. Therefore there is here no difference of opinion."

Limiting Clause Rejected.  
"The limitation introduced by Mr. Wilson at this point, which I need not quote textually is not intelligible, appears superfluous and would therefore best be left out. (The limiting clause reads: 'Except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.')"

"It would, however, be highly important for the freedom of shipping in future if strongly fortified naval bases on important international routes, such as England and Gibraltar, Malta, Aden, Hongkong, the Falkland Islands and many other places, were removed."

"Point three—We, too, are in thorough accord with the removal of economic barriers, which interfere with trade in superfluous manner. We, too, condemn economic war, which would inevitably bear with it causes of future warlike complications."

"Point four, limitation of armament—already declared by us, the idea of limitation of armaments is entirely discussable. The financial position of all European states after the war might most effectively promote a satisfactory solution. (Cries of hear, hear.)"

"It is therefore clear that an understanding might be reached without difficulty on the first four points of Mr. Wilson's programme."

Colonial Difficulties Loom.  
"I now come to the fifth point: Settlement of all colonial claims and disputes—Practical realization of Mr. Wilson's principles in the realm of reality will encounter some difficulties in any case."

"I have to state for the present it may be left for England, which has the greatest colonial empire, to make what she will of this proposal of her ally. This point of the programme will also have to be discussed in due time, on the reconstruction of the world's colonial possessions, which we also demand absolutely."

"Point six, evacuation of Russian territory—Now that the entente has refused within the period agreed upon by Russia and the quadruple alliance to join in the negotiations, I must, in the name of the latter, decline to allow any subsequent interference."

Before Mr. Knapp took the stand, Philip D. Sloan concluded the statement he began yesterday, going over much of the same ground. He was under the impression that his yard to the Clinchfield Company an option on 12 Ferris ships before Mr. Ferris joined the staff of the Shipping Board.

## ALL WOODEN SHIPS CAN BE BUILT HERE

Pacific Northwest Yards Are  
Held Back Only by Lack  
of Definite Policy.

### KNAPP TELLS SITUATION

Wealth of Lumber Available and  
Plants Can Meet All Demands,  
Senate Commerce Committee  
Is Informed.

OREGONIAN NEWS BUREAU, Washington, Jan. 25.—"The Pacific Northwest can build all the wooden ships the government will require," said F. C. Knapp, president of the Peninsula Shipbuilding Company, to the Senate commerce committee today, but before this can be done, the government must determine upon a definite shipbuilding programme," he added.

Mr. Knapp went before the committee to answer questions of a fixed Shipping Board officials, who said they had called a halt on the wood ship programme, because they feared a lumber shortage.

As far as lumber is concerned, Mr. Knapp gave the committee some idea of the amount of fir in Oregon and Washington, and showed its accessibility to the shipyards.

Fixed Policy Required.  
As for the yards themselves, he said, their expansion only awaited the adoption by the Shipping Board of a fixed policy. In order they might know what to expect in the future.

The same is true of lumber mills. If the yards and the mills can work to the same end, there will be no trouble about getting the lumber or the ships; no trouble about enlarging plants or establishing new ones.

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The Ferris plans were completed a month or more after Ferris became architect for the Shipping Board.

Mr. Sloan highly explained that the change of plan was made after his agreement was made with the Clinchfield. He again protested against what he termed the "inefficient management" of his yards by the Shipping Board, saying it threatened to wipe out his profits.

"Hooked Up Wrong," Says Nelson.  
Mr. Sloan made further attempt to explain the financial transactions in which his company had been involved. As he concluded, Senator Nelson remarked:

"Your misfortune is that you are hooked up with the Clinchfield people, Ferris and that outfit."

From Shipping Board sources it was learned today that Mr. Ferris, in addition to getting a contract for a fee of 1 per cent on the 12 ships which Sloan was to build under the option sold by Clinchfield to the government, was to get a commission of 2 per cent on each of the four ships which Clinchfield sold directly to the government. This would bring his total fees on the Sloan contracts up to \$98,000.

Mr. Ferris, although his connection with the Shipping Board has been severed, is still in Washington, and his friends today promised a "bigger sensation" than developed when his connection with the Sloan contracts was explained.

### DOOR OF PEACE STILL SHUT

(Continued From First Page.)  
calculated precisely to meet the varying conditions in the two empires.

It is noted, however, that the speeches are interdependent—that Austria will not negotiate without Germany's consent and approval, and that Germany gives her sanction to what has been done in Austria.

Both spokesmen express confidence in the success of the peace negotiations with Russia, in contrast to the bitter denunciation of the conduct of the Teutons by Leon Trotsky, the Bolshevik Minister for Foreign Affairs.

Peace Failure Rejected.  
This attitude of officials and diplomats believe to be the result of apprehension that the confession at this moment of the failure of the Brest-Litovsk negotiations would expose German and Austrian public beyond the safety point.

In some quarters there was a disposition to find a grain of hope in the concession by both speakers that there were points in the utterances of Lloyd George and President Wilson that might be accepted by the German and Austrian powers and afford the basis of further discussions. But other officials insisted that this was only another demonstration of the truth of President Wilson's statement in his address to Congress, that it was the practice of German diplomacy to mislead by declaring adherence to large principles and then neutralize them by insistence upon details of quite another character.

New Proposals Unlikely.  
The present belief of the officials is that there is not the slightest possibility of a compliance by the United States and the allies with the final demand of the German Chancellor for the submission by them of new proposals for peace.

LONDON, Jan. 25.—Chancellor von Hertling's speech was characterized today by Lord Robert Cecil, Minister of Blockade, in a statement to the Associated Press as "very frank, certainly not a peace speech."

He added that the speech had been dictated by Hindenburg and Ludendorff and contained no declaration of policy regarding Belgium, which he always looked to as a test of the reality of any proposals from the other side.

The first impression created in London by the summaries of the replies of Count von Hertling and Count Czernin to President Wilson and Premier Lloyd George is that the Austrian viewpoint shows signs of independence and does not follow the German policy in several respects.

Belgian Policy Evasive.  
On the vital question of Belgium the German Chancellor's statement is considered as indefinite that it might be construed to cover any course Germany might think opportune at the time of the peace negotiations.

Count Czernin's proposal that peace negotiations shall be begun by Austria-Hungary and the United States on behalf of the two groups of powers is one which is received with marked interest.

The general result of these speeches, in the view of observers here, is that the war problems are now fairly launched into the field of international debate and that the next utterance is some of the newspapers consider the speeches mere bluff or "brain stuffing," while others see in the statements a genuine advance toward peace.

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PARIS, Jan. 25.—Comments in the French press today on the speeches of Count Czernin, the Austrian Foreign Minister, and Count von Hertling, the German Chancellor, vary.

Some of the newspapers consider the speeches mere bluff or "brain stuffing," while others see in the statements a genuine advance toward peace.

CZERNIN SPEAKS CAUTIOUSLY  
Premier Qualifies Statement Relative to Post-War Arrangements.

LONDON, Jan. 25.—Commenting on the 14 points in President Wilson's war aims speech, Count Czernin said, according to an Exchange Telegraph dispatch from Copenhagen late tonight, that Austria-Hungary and America were virtually in agreement regarding the great principles for new arrangements after the war.

Count Czernin qualified his statement respecting agreement with some of President Wilson's proposals by saying that Austria-Hungary would support Germany.

"It is obvious to me," said Count Czernin, "that an exchange of views between America and Austria-Hungary might form the starting point for a conciliatory discussion among all powers which have not yet entered into peace negotiations."

Austria-Hungary and America, Count Czernin said, were two belligerents whose interests were less incompatible than they seemed.

He characterized the speech of President Wilson regarding war aims as an important advance toward the Austro-Hungarian viewpoint, which contained some proposals in which Austria-Hungary would gladly join.

The Foreign Minister said the population of Poland would decide its own fate. The Polish question must not delay peace one day. If Poland, after the war, wished to advance toward Austria-Hungary, such an advance would be welcomed.

Interpretation of the right of free action of peoples had caused a difference between Russia and Germany, said Count Czernin, but a compromise must be reached. The difference of view were not great enough to justify abandonment of the peace negotiations.

SEVEN DIRECTORS CHOSEN  
Oregon State Motor Association  
Holds Annual Election.

Seven directors were elected for two years at the annual meeting and election of the Oregon State Motor Association, formerly the Portland Automobile Club, held in the Chamber of Commerce yesterday. Those elected were: James D. Abbott, Dr. C. W. Corns, John E. Cronan and John H. Bursard, re-elected, and E. V. Hauser.

Walter B. Honeyman and F. C. Stettler. The directors will elect officers for the coming year at a meeting next Tuesday night in the Chamber of Commerce. Frank E. Watkins is now president and James D. Abbott secretary.

While the New York World calls Fuel Commissioner Garfield's conservation order the "greatest disaster that has befallen the United States in this war," and other journals are equally emphatic in condemning it, many other American newspapers view the action with tolerance, as being a necessary war measure, the Boston Herald declaring that "we should not criticize military orders no matter how needlessly sweeping they seem, and in the same spirit we approach these provisions for the conservation of our resources."

"The port of New York is part of the battle-line," says Public Service Commissioner Whitney, of New York, in the Times, "and the people should realize this as clearly as if the battle-line lay in the Connecticut Valley. The coal situation is exceedingly critical and it is no time for public officials to rock the boat."

In THE LITERARY DIGEST for January 26th, public opinion, as reflected in the newspaper press from all sections of the country, is presented in the leading article dealing with Commissioner Garfield's drastic coal conservation order.

All phases of the subject are dwelt upon in this article, and a careful reading of it will make clear to the American people just why this order was necessary, how it will be carried out, and what its probable effects will be.

Other topics of pressing interest in this number of "The Digest" are:

British Labor's Appeal to the German People  
"Peoples of Central Europe," British Labor Entreats, "Do Not Let Your Governments Drive the British People, as They Are Driving the Russian People, Into the Terrible Choice Between Continuing the War and Abandoning the Only Principles That Can Save the World."

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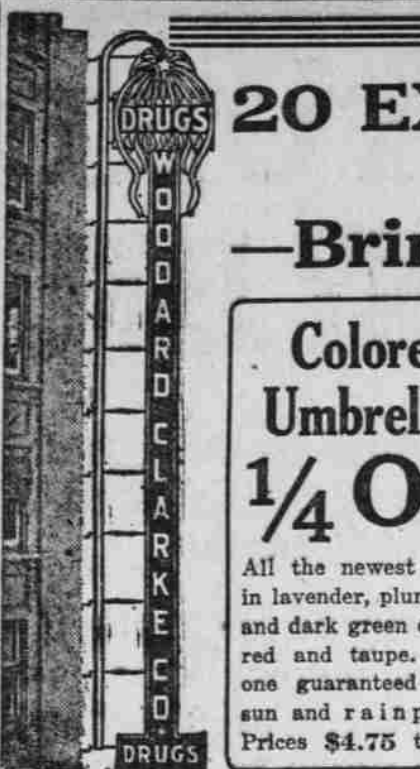
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# America's Heatless "Holidays"

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from the Annai savanna on the Ru-  
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