

ENTENTE ALLIES REJECT PROFFER

Proposal Called Empty and Insincere.

FULL REPARATION DEMANDED

Note From Central Powers Is Declared to Be Merely "War Maneuver."

BLAME PUT ON GERMANY

Foe Accused of Attempting to Impose German Peace and to Influence Neutrals.

PARIS, Dec. 30.—In reply to the proffer of Germany and her allies for a peace conference, the entente allies, in a collective note, declare that they "refuse to consider a proposal which is empty and insincere." The note was handed to the American Ambassador, William Graves Sharp, today by Premier Briand, and was made public simultaneously in London and Paris.

The entente allied governments insist that no peace is possible so long as they have not secured reparation for violated rights and liberties and the free existence of small states and have not brought about a settlement for the future security of the world.

Proposal Called "War Maneuver."

The note declares that the proposal of the central powers is not an offer of peace, but a "war maneuver." It is declared to be founded on "calculated misinterpretation of the character of the struggle in the past, the present and the future."

The note does not specifically outline the definite war aims of any of the entente governments except Belgium. Before the war, it is pointed out, Belgium asked for nothing but to live in harmony with her neighbors. Assailed in spite of the treaties guaranteeing her inviolability, Belgium, the note says, has taken up arms to defend her independence and "her neutrality violated by Germany."

Reparation Held Necessary.

Belgium's aim, which is declared to be the only aim of her King and government, is described as "the re-establishment of peace and justice. But they only desire peace which would assure to their country legitimate reparation, guarantees and safeguards for the future."

The note, which is the joint act of Belgium, France, Great Britain, Italy, Japan, Montenegro, Portugal, Rumania, Russia and Serbia, declares that the present strife was desired, provoked and declared by Germany and Austria-Hungary, and that Germany made no effort to bring about a pacific solution of the trouble between Serbia and Austria-Hungary.

(Continued on Page 3, Column 1.)

FRENCH CRUISER IS SUNK BY TORPEDO

GAULOIS, LISTED AS BATTLESHIP, IS LOST.

Only Four of Crew Killed, Two by Explosion—Vessel in Mediter- ranean When Struck.

PARIS, Dec. 31.—The French armored cruiser Gaulois was torpedoed in the Mediterranean Sea on December 27 and sank in a half hour, according to official announcement. Owing to the coolness of the crew and the arrival of patrol boats there were only four victims, two of whom were killed by the explosion.

The naval registers list the Gaulois as a battleship of 11,260 tons displacement and a complement of 431 men. She carried 42 guns. The battleship Gaulois served in the Dardanelles operations but was sent back to Toulon in March, 1915, for repairs. It is possible that an armored cruiser has replaced it.

TWIN SISTERS WED AT 25

Miss Alma M. and Anna E. Erickson, of Clatskanie, Married.

VANCOUVER, Wash., Dec. 30.—(Special.)—Twin sisters, Miss Alma M. Erickson and Miss Anna E. Erickson, 25 years of age, of Clatskanie, Or., were married here today in a double wedding ceremony by Judge R. H. Back, of the Superior Court. Their husbands respectively were Daniel Westlund, age 25, and John E. Olson, 28, both also of Clatskanie.

Ten couples came to Vancouver today, walking over the uncompleted Interstate Bridge in the cold wind to be married.

BUSINESS RUSH STAYS LAW

Jitney Driver to Serve Sentence After New Year.

SAN FRANCISCO, Dec. 30.—(Special.)—Jacob Seltzer, a jitney driver, arrested eight times in six months for violating the traffic laws, was sentenced by Police Judge Sullivan today to jail for 48 hours.

"Please, judge, your honor," said Seltzer, "don't send me to jail today. I lose my business if you do. If you make it Tuesday I'll come back and begin serving my time then."

HUNDREDS LOSE POSITION

City of Chicago Hands Out Blue Envelopes for New Year's Gifts.

CHICAGO, Dec. 30.—Hundreds of employees of the city of Chicago today received New Year's greetings in the form of blue envelopes, expressing readiness to recommend them highly for other jobs, but informing them their present jobs will be vacant after January 1.

A recent order of the City Council directed department heads to cut expenses 25 per cent during January and 14 per cent during the remainder of the year.

FILIPINO CAN'T BE CITIZEN

Applicant Neither White, of African Descent, Nor Native, Says Court.

HONOLULU, Dec. 30.—United States District Judge Vaughan in a decision handed down here today holds that Filipinos are ineligible for naturalization, inasmuch as they are neither white, of African descent nor native-born.

The case before the court was that of a Filipino policeman who petitioned the court for naturalization papers.

SALT LAKE FACES FUEL FAMINE

SALT LAKE CITY, Dec. 30.—With one car of coal arriving in Salt Lake during the last 24 hours, the city is facing a fuel famine. Retail dealers have been forced to refuse further orders and the situation is regarded as acute.

REBELS MENACING TO CARRANZA RULE

First Chief's Attitude on Protocol Firm.

CONCERN DAILY INCREASES

Army Men Say Pershing Expe- dition Should Retire.

POSITION HELD DANGEROUS

Policy of Washington Administration Not Changed and American Army Will Likely Remain Exposed to Attacks.

LAREDO, Tex., Dec. 30.—Six machine guns, mounted on motor cars, were sent hurriedly down the Rio Grande from Laredo about 10 o'clock tonight, quickly followed by a motorcycle squad. Military authorities declined to give out any information.

It is believed, however, that new attempts are being made to enter Mexico by a filibustering expedition.

WASHINGTON, Dec. 30.—Increasing evidence that General Carranza's government is being menaced by bands of insurgents, coupled with the prospect that the first chief will not accept the Atlantic City protocol, has brought the Mexican situation to a stage that is causing growing concern.

Officials admit that the conditions are embarrassing. Some high officers are urging that Pershing's men be withdrawn as a military step and regardless of conditions, but it is insisted that so far there has been no change in the Administration policy. The American members of the joint commission which drew the Atlantic City protocol will meet here Tuesday to discuss Carranza's request for modification and to consider whether any basis is offered for further conferences with the Mexican commissioners.

Troop Withdrawal Again Asked.

Charles A. Douglas, an attorney for the Carranza government, saw Counselor Polk, of the State Department, today and is understood to have made a further plea for withdrawal of the troops.

Several Army officers of high rank are no longer attempting to conceal their impatience of the joint commission's failure to secure ratification of an agreement, and openly are urging that the altered conditions in Mexico make it imperative to bring the 12,000 men now in Mexico to positions on the border where they could be handled to better advantage if it becomes necessary.

Reports to the State and War departments today supported unofficial advice indicating that Villa is rapidly gaining strength in Northern Mexico that makes his suppression by the Carranza army appear doubtful.

Diaz Followers Make Trouble.

At the same time followers of Felix Diaz are said to be making trouble in the south, while Manuel Palafox and other rebel leaders are gaining ground in the central portions of the republic.

The official advice indicated that the Carranza forces in Saltillo two days ago were anticipating an attack by Villa forces. The Governor of the state had directed that the government archives be prepared for removal, and many prominent civilians and officers had sent their families to the border.

Villa's operations in the past few weeks have convinced Army men here that he and other leaders of the rebels

(Continued on Page 2, Column 2.)

BIG PICTORIAL EDITION TO APPEAR TOMORROW.

The Oregonian Annual, which will be issued tomorrow, New Year's day, will be the most complete pictorial number ever published by any newspaper in Oregon. In addition to the regular news section, it will contain four special sections devoted to the progress of Portland and Oregon. One section will present entirely in pictures the chief activities of the state, including industrial, farming, shipping and scenic views. Another section will contain exclusive Portland scenes. Two other sections will review, by picture and story, the chief activities of both city and state. The shipbuilding industry especially will be featured. Tomorrow's Oregonian will be a complete pictorial Oregon number.

INDEX OF TODAY'S NEWS

The Weather.
YESTERDAY'S—Maximum temperature, 29 degrees; minimum, 24 degrees.
TODAY'S—Unsettled, probably snow flurries, easterly winds.

War.
Washington surprised by entente attitude on peace suggestions. Section 1, page 4.
Germans continue successes in Roumania. Section 1, page 4.
Entente allies flatly reject German peace proffer. Section 1, page 1.
French cruiser is sunk by torpedo. Section 1, page 1.

Mexico.
Washington regards rebels as serious menace to Carranza rule. Section 1, page 1.

National.
Government may put small duty on wool, sugar and coffee. Section 1, page 2.
President calls on Senator to urge supplementary railroads. Section 1, page 3.

Domestic.
University of California has 105 Oregonians enrolled. Section 1, page 8.
Two in Arizona take oath as Governor. Section 1, page 8.
Steamer Maiti with two Portlanders aboard goes aground in South Sea. Section 2, page 6.

Pacific Northwest.
Secretary of State Cleot has plan to eliminate great election expense. Section 1, page 10.
Oregon ready for farmers' week. Section 1, page 8.
University budget for biennium is \$796,938. Section 1, page 8.
J. A. Drake, agent for the Oregonian at Pendleton 25 years. Section 1, page 9.
Interstate bridge is crossed by 1000 persons while on blocks ferry. Section 1, page 8.
Multnomah Senators select new seats at Salem. Section 1, page 1.
Clackamas industries expanding. Section 1, page 7.
Carver line to issue \$250,000 bonds for extension. Section 2, page 7.
Oregon prospering under first year of prohibition, records show. Section 1, page 14.
One-time saloons are now busy stores. Section 1, page 14.
Year's income total 109,994 shipments. Section 1, page 12.
Mayor Albee says prohibition has improved Salem's moral tone. Section 1, page 14.

Portland and Vicinity.
E. J. Richards is killed by train. Section 1, page 10.
Richard H. Thornton says living costs less in London than in Portland. Section 1, page 12.
Oregon Teachers' Association will meet here each year. Section 1, page 12.
"Fort-tiver" to limit club organization Thursday. Section 1, page 12.
Milwaukee educator praises scenery and says Portland can draw teachers. Section 1, page 12.
Retiring County Judge Cleot submit final report. Section 1, page 13.
Northwest Steel Company shuts down, men strike. Section 1, page 7.
1917 to be first New Year to greet sober Portland. Section 3, page 12.
Onus is put on state in Hyde land fraud case. Section 1, page 12.
\$6,000,000 spent in Oregon in 1916 by railroads. Section 1, page 15.
Savings deposits in state gain \$7,000,000 in year. Section 1, page 15.
Portland in grip of Siberian cold. Section 1, page 1.
Helling concert is artistic success. Section 1, page 6.
L. W. W. to ask separate jury trials. Section 1, page 10.
Jitney Drivers' Union wants Linton franchise. Section 1, page 16.
All lines of trade gain by millions. Section 3, page 1.
Weather report, data and forecast. Section 2, page 6.
Ryman will set aside by Judge Cleot. Section 2, page 7.
Title to Monarch Mills restored to original company. Section 2, page 14.
High tribute paid Judge McGinn, who retires from bench. Section 2, page 14.
\$600,000 fee awarded attorneys of depositors. Section 2, page 14.
New York Post Japanese supplement to be distributed here. Section 2, page 14.

PORTLAND IN GRIP OF SIBERIAN COLD

Frigid Blasts Blow From Far North.

STORMS MAY LINGER AWHILE

Salvation Army and Other Re- lief Workers Are Busy.

CHILDREN ENJOY SNOW

Skaters Venture on Lakes, but Quit When Some Fall Through—Ice Ties Up Vancouver Ferry and People Cross on Bridge.

Right out of Siberia came the storm that has brought real winter to Portland. In from frigid Behring Sea swept the center of the low-pressure area, which was central over Kodiak Island Friday, and yesterday it had moved east until it was over Valdez, Alaska.

From Dutch Harbor, on the chain of Aleutian Islands pointing westward from Alaska directly to the origin of the trouble, and from St. Paul Island, farther north, messages came to the Weather Bureau telling of the oncoming disturbance in things atmospheric. The low area covers Northwest Canada, while it is high over most of the United States.

Cold and Storms in Prospect.

This low area may swing down from the North, through the Middle West and cut the high-pressure area in two, say the weather-wise. This may mean cold winds and general winter storm conditions for the Pacific Northwest for some days to come.

Snow flurries are forecast today, without much change in temperature. Generally cold weather is anticipated, and it seems likely that tomorrow will be a genuine winter holiday. No heavy snowfall, however, is in the cards for today, says E. A. Beale, forecaster for this district.

Vancouver Ferry Stops.

Yesterday the thermometer registered the day's coldest from 5 to 8 o'clock, when the mercury stood at 24 degrees, just one degree warmer than the previous day.

The cold snap has tied up river traffic between Portland and The Dalles. The Vancouver ferry is out of commission because of the ice in the river, and pedestrians walked across the Interstate Bridge yesterday to effect a crossing of the Columbia. Ice is running in the Lower Columbia River and interfering with steamboat traffic there.

Relief Workers in Action.

The city's poor are feeling the harsh nip of winter, and the Salvation Army was busy yesterday with relief work. Many families lacking fuel and clothing were compelled to make their wants known for supplies. All these calls are being attended to as fast as possible.

The other side of the picture is the joy brought to the youngsters by the blanket of snow. Coasting parties are in high favor in and about the city, and the merry ring of sleighbells is heard every now and again.

Skaters Break Through Ice.

Skaters ventured out to Guild's Lake yesterday, where that sport was rumored to be available. However, it was found that some had broken through the ice and the lake was abandoned generally. Today and tomorrow, when the weather holds, will be the best time to try.

(Continued on Page 10, Column 5.)

SENATORS SELECT SEATS AT SALEM

MULTNOMAH DELEGATION SITS ON WEST SIDE OF CHAMBER.

House Arrangement Provided For at Last Session—Legislative Acts Are Being Made Ready.

SALEM, Or., Dec. 30.—(Special.)—Multnomah County Senators have selected a new location in the Senate chamber at the Capitol for the coming session. For many years they have been seated in the east side of the chamber, but this year they have chosen seats on the west side, in the two back rows. The Senators from Multnomah, Marion and the Eastern Oregon counties will practically monopolize the 15 desks on that side of the chamber, while Senators from the other counties will be sent to the east.

In the House the seating arrangement was provided for this session in a resolution passed at the last Legislature by the House. Under that arrangement the Multnomah members also have the two back rows on the west side of the house. Directly in front of them will be the Marion delegation and a number of Eastern Oregon members.

Work of getting ready for the legislative session is now well under way. Desks have been polished, tables taken from the basement and the committee rooms are being cleaned out and furnished.

The old carpet in the House, which has been on the floor for 25 years, though ragged, torn and worn, probably will be compelled to do service for another session at least. An effort was made to secure funds for a new carpet the last night of the last session, but in the confusion of the closing hours it was overlooked.

FISHER IS ADRIFT AT SEA

Searchers Seek Bay Center Man, Missing Since Friday.

SOUTH BEND, Wash., Dec. 30.—(Special.)—Alarm is felt for the safety of William Calhoun, well-known Bay Center crab fisherman. He is thought to be in distress in an open crab boat between the Willapa and Columbia bars, or has probably drifted north.

Searching parties from Bay Center and Tokeland, as well as the North Cove and Grays Harbor lifesaving crews, have been searching for him. His friends hope that other lifesavers at Neah Bay and elsewhere will make efforts to save him. Calhoun has been missing since Friday afternoon.

WET WEEK IS PREDICTED

Weather Bureau Says Temperatures Will Be Near Normal.

WASHINGTON, Dec. 30.—Weather predictions for the week beginning Sunday issued by the Weather Bureau today are:
"Pacific states—Probably frequent rains in Washington, Oregon and Northern California; temperatures near normal."

WEDDINGS SCORE RECORD

More Than 67,000 Licenses Issued in New York City in 1916.

NEW YORK, Dec. 30.—In spite of the high cost of living, more marriage licenses were issued at the marriage license bureau in this city in 1916 than ever before, it was announced tonight. The total for the year was 67,133 as compared with 59,646 in 1915.

PRESIDENT HURTS ANKLE

Mr. Wilson Slips While Playing Golf, Wrenching Joint.

WASHINGTON, Dec. 30.—President Wilson fell on a slippery hillside while playing golf today and wrenched his ankle. He was able to continue the game, but walked with a decided limp the rest of the day.

TRADE IN ALL LINES GAINS BY MILLIONS

High Prices and Ships Bring Prosperity.

BIG AND LITTLE MEN BENEFIT

Bank Clearances Increased \$95,329,385 Over 1915.

POSTOFFICE YEAR IS BIG

Building Permits, for First Time in Five Years, Show Increase, and Important Projects Considered for New Year.

CHIEF INDUSTRIAL, COMMERCIAL AND SHIPPING ITEMS IN 1916.	
Portland bank clearings	\$649,775,141
Portland postal receipts	1,216,571
Portland building permits	6,919,145
Oregon's lumber cut (feet)	1,700,000,000
Oregon's crop valuation	155,000,000
Contracts for ships	25,000,000
Wheat exports (bu.)	1,698,463
Flour exports (bbls.)	85,903
Lumber exports (feet)	22,341,713
Domestic wheat shipments (bushels)	1,563,376
Domestic flour shipments (bbls.)	690,746
Domestic lumber shipments (feet)	108,695,000

BY CHARLES W. MYERS.

Portland again is on the upgrade. There is a substantial revival in all lines of business, and there are evidences of an awakened confidence everywhere.

Today closes a year crowded with unusual situations, and yet business and industry weathered the effects of a Presidential campaign and restricted shipping conditions and made material gains over the records of the previous year. The new year will begin auspiciously for Portland and Oregon.

High Prices and Ships Responsible.

A relatively normal crop production, but unusually high prices for products and the unprecedented activity in shipbuilding, were the chief factors that contributed to business improvement. The value of soil production in Oregon totaled \$155,000,000, a gain of \$25,000,000 over 1915.

Contracts for ships placed with Oregon yards aggregated approximately \$25,000,000—virtually all foreign money. The stimulus from these factors already has been felt, but it will not reach its apex for some time to come.

Wholesalers Also Prosper.

A marked improvement in the wholesale trade over a year ago and gains in some of the industries, notably woolen and furniture manufactures, also were important features of the year's showing. Many of the small manufacturing plants report a much larger volume of business than a year ago. Improvement in the retail trade also has been a source of satisfaction.

Proof that Portland is steadily forging ahead and is on the verge of a really prosperous era is found in the volume of its bank clearings. Clearances have been making consistent gains from month to month throughout the year. They have established

(Continued on Page 15, Column 7.)

COMMENTS IN PICTURES BY CARTOONIST REYNOLDS ON SOME EVENTS IN THE WEEK'S NEWS.

