

GERMANY AND ALLIES PROPOSE PEACE

PROPOSALS TO END WAR SUBMITTED

Four Central Powers Offer to Enter Peace Negotiations With Hostile Powers to Secure Lasting Peace Which Will Guarantee Existence, Honor and Liberty of Evolution as an Appropriate Basis—Terms Offered Not Made Known.

BERLIN, Dec. 12.—Germany and her allies today proposed to enter forthwith into peace negotiations. The Austrian, Turkish and Bulgarian governments are making similar proposals. These proposals also have been transmitted to the Vatican. The following announcement was given out today by the semi-official Overseas News agency:

Chancellor Breaks News

"The chancellor this morning received one after another the representatives of the United States of America and Spain and Switzerland, that is, of the states protecting German interests in hostile foreign countries. The chancellor transmitted to them a note and asked them to bring it to the knowledge of the hostile governments. The note will be read today in the reichstag by the chancellor.

"In the note the four allied (central) powers propose to enter forthwith on peace negotiations. The propositions which they bring for such negotiations are, according to their firm belief appropriate for the establishment of a lasting peace.

"The governments at Vienna, Constantinople and Sofia transmitted identical notes and also communicated with the Holy See and all neutral powers."

The propositions which they will bring forward are, according to Chancellor Von Bethmann-Hollweg, appropriate for the establishment of a lasting peace.

Germany's Proposal

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

"In the midst of the most terrific war ever experienced in history, raging for the last two years and a half over a large part of the world—a catastrophe which thousands of years of 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 we had forced upon us to the bitter end if necessary; at the same time, prompted by the desire to avoid further bloodshed and make an end to the atrocities

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PAY MEXICAN EMPLOYEES IN GOLD

QUERETARO, Dec. 12.—A decree made public today provides that the salaries of all employes shall be on the basis of Mexican gold at the rate paid, according to the employment in 1912. This modifies the October decree, a modification considered necessary on account of the economic situation and for the protection of the working classes. Another decree fixes the assessments on all cattle over one year of age at seventy pesos Mexican gold and on rubber producing plants at 10 cents Mexican gold, a kilo. This decree takes effect December 15.

It is understood that the cabinet has decided to leave to each minister the task of framing decrees in his department for the purpose of relieving the economic situation.

LONDON MOST PESSIMISTIC OVER PEACE OFFERS

German Note Regarded as a Dramatic Coup Creating Interesting Developments but Skepticism Concerning Proposed Terms as Offering Even Basis for Negotiations.

LONDON, Dec. 12.—The foreign office today informed the Associated Press that it is unable to discuss the German peace proposal until the terms have been received. Meanwhile, the attitude of the British toward the proposition remains as frequently enunciated by the government.

A general note of pessimism prevails in London. One prominent official expresses himself to the Associated Press today as being very sceptical that the proposed terms would offer even a basis for negotiation.

"This official said, however, that the note was a dramatic coup which would create interesting developments in the diplomatic situation and provide the first of the peace overtures of the war.

Foreign Offices Upset

The offer fits the foreign office in the midst of a change of cabinet. Although it is still a matter of mere speculation, diplomats believe the modus operandi would follow the precedent set by the negotiations, which ended the Spanish-American war, when France presented the Spanish offer through Jules Cambon, the French ambassador at Washington.

No action could be taken, of course, without all consultation with Great Britain's allies. Much speculation in official circles as to the possible action of the reichstag today had hardly prepared them for an actual offer of peace and the utmost cordiality was displayed as to the details of the proposed terms.

Offer Expected

It has been generally acknowledged in entente circles that efforts would be made by Germany to conclude peace separately with her enemies, but so far all the entente nations have reiterated their intention to adhere to their agreement made early in the war not to make a separate peace. The recent death of the Austrian emperor, Francis Joseph, and the succession of King Charles to the throne of the dual monarchy also was discussed as one of the considerations which might have been a factor in bringing out peace proposals at this time.

STOCK MARKET UNSETTLED, WAR BABIES SLUMP

NEW YORK, Dec. 12.—The stock market became immediately unsettled today on the receipt of the news of the Teutonic peace proposals. Mutations and shares of other companies which had profited by the war were most affected, Bethlehem steel dropping 26 points.

United States steel fell three points and other prominent industrials yielded as much.

Trading became feverishly active on the decline and urgent liquidation was evident. Selling embraced practically every issue in that class of specialties which have been strongest and most active recently.

With the market demoralized in the last hour the activity was so great that it brought the total transactions of the day up to more than 2,500,000 shares, which is a record for many years.

Prices in the last hour sold from 2 to 5 points under those of the early afternoon. The pressure was so great that the ticker was 15 to 20 minutes behind sales.

NEW YORK, Dec. 12.—The announcement of German peace proposals served to stop the decline of the cotton market here this morning.

RESTORATION OF STATUS QUO ON WEST OFFERED

Unofficially Reported That Germany Will Yield Belgium and France for Return of Colonies, Poland to be Independent, Balkans Fate Up to Conference.

WASHINGTON, Dec. 12.—Advices from Berlin to the German embassy indicate that Germany's peace terms, in general propose the restoration of the status quo before the war with the exception of the establishment of independent kingdoms of Poland and Lithuania.

WASHINGTON, Dec. 12.—News

that Germany and her allies were about to enter on peace negotiations was immediately sent to President Wilson. Speaking for the president, Secretary Tamm said he was deeply interested but could make no comment, at least until it was learned what reception the proposal received from the entente allies.

The state department received its first information of Germany's proposal through the Associated Press dispatches from which officials assumed that the officers of the neutrals addressed are asked only to transmit the proposals. This will be done so far as the United States is concerned, promptly on receipt of the official dispatches in Washington. They will be forwarded to all the entente countries where the United States represents the central powers diplomatically.

Proposed Terms

Whether the United States would accompany the transmission with any comment or suggestion, it was indicated, depends entirely upon the nature of the proposal and whether it is considered likely of consideration. If the offer is deemed one on which all sides might negotiate, the United States would urge that it be taken up.

They are understood to propose the complete restoration of the occupied portions of Belgium and France in return for Germany's captured colonies and to dispose of the Balkan situation because of its extremely complicated nature, in the peace conference.

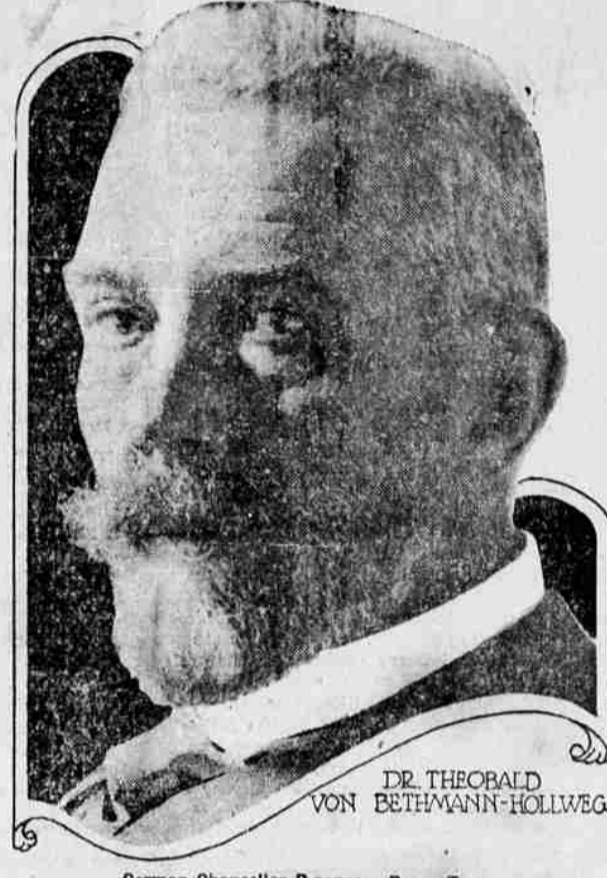
Came as Surprise

The foreign embassies and legations received their first information of the event through Associated Press dispatches. On every hand the discussion turned to what had moved Germany and her allies to make the proposals at this time. Although for many weeks there have been persistent and officially denied reports that some peace proposal was about to be made by President Wilson there was no open indication that the central powers themselves were about to make one. Generally the announcement came as a distinct surprise throughout official diplomatic circles.

Prevailing opinion was that the German allies had brought out their peace offer at this time with the expectation of making terms which might be acceptable to the allies of England and in effect might possibly cause the British government to yield to the pressure of the nations fighting with her. In this connection, the recent crisis in Russia, in which the duma interfered to prevent the negotiations of a separate peace with Germany, was recalled as an indication of what the German foreign office might be looking forward to in peace negotiations.

JOHN M'VICKER, VETERAN DETROIT EDITOR, DEAD

CHICAGO, Dec. 12.—John M'Vicker, 73 years old, once president of the International Typographical union and formerly editor of the Detroit News, died here yesterday. He came here from Detroit a few weeks ago for an operation, from which he never rallied.



German Chancellor Proposes Peace Terms

BEAN ENDORSED FOR SPEAKER BY SOUTHERN OREGON

The sentiment of the representatives of Southern Oregon, as expressed Monday at the meeting held at Grants Pass when representatives of Jackson, Josephine and Douglas counties met in public and private conference, is unanimous for the support of L. E. Bean of Eugene for speaker of the house of representatives. Mr. Bean, the representatives believe, will better serve the interests of Southern Oregon than the other candidate, R. N. Stanfield of Pendleton, inasmuch as Bean resides closer to this section and is more conversant with the desires and needs of Southern Oregon.

Dr. J. C. Smith, senator from Josephine county, expressed the opinion at the meeting that the election of Gus Mosier as president of the senate is assured. No statement was made as to who would be supported but it was considered at the meeting that Smith's remarks indicated his support of Mosier.

Unite Southern Oregon

The meeting was held for the purpose of welding the Southern Oregon delegation into a solid voting unit. In the past the votes from this section have been more or less split, but it is the opinion of C. M. Thomas, representative from Jackson county, that the meeting, by bringing about better acquaintance and an understanding of what the different men are working for, will have the desired effect of bringing about unity.

Those attending the meeting were, representatives, C. M. Thomas, Ben

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KAISER BASHFULLY ACCEPTS IRON CROSS GIVEN BY HIMSELF

BERLIN, Dec. 12.—An official announcement issued here today says that Field Marshal Von Hindenburg, as the oldest active general of the Prussian army, has made a request of the emperor that he himself wear the Grand Cross of the Iron Cross. The emperor has accepted.

REPORT GERMANS TRANSFER TROOPS FROM RUMANIA

LONDON, Dec. 12.—A Rome dispatch to the Wireless Press says that Petrograd reports the Germans have begun the retirement of some of their divisions from Rumania, transferring them to other fronts, and that the situation in Rumania is becoming more favorable for the entente.

BERLIN, Dec. 12.—Heavy attacks by the Russians in the wooded Carpathians and along the Moldavian frontier of Rumania were renewed yesterday, says today's war office bulletin. The town of Nizil, on the railway between Plotchki and Buzen, has been captured by the Austro-German forces. Urzinteni also has been occupied.

In the field of war, the Teutonic advance in eastern Wallachia is continuing with the Rumanians apparently seeking to take up a defensive line along the Ruzen river near the southern boundary of their northern province of Moldavia. Petrograd reports the failure of Teutonic attacks along the Moldavian frontier and in certain Wallachian sectors, notably northeast of Plotchki, where the Austro-German forces are pressing towards the Ruzen.

New activity has been developed by the Germans on the Franco-Belgian front. They attacked last evening on the edge of Des Loges wood, south of the Somme sector, but according to Paris, were checked and driven out of portions of advanced positions which they had occupied.

FRENCH PROPOSE DEFENSE COMMITTEE

PARIS, Dec. 12.—Demy Georges Bonafus has introduced a bill for the creation of a parliamentary committee for national defense which will continue for the duration of the war. This committee would consist of thirty delegates elected by the deputies and forty elected by the senate. The committee would meet weekly to consider information relative to the military, diplomatic and economic conduct of the war as commanded by the government. The chamber and the senate would hold a brief session not more than once a month in which to transact necessary business and ratify the decisions of the committee.

GERMAN REPLY DEFENDS ORDER OF DEPORTATION

Situation in Belgium Demanded Some Kind of Work for Belgians Because Idleness Was Causing Demoralization — Deported Workers Well Cared For in Germany.

BERLIN, Dec. 12.—Germany's answer to the American note regarding the deportation of Belgians is confined almost exclusively to a presentation of the situation in Belgium before the deportation order became effective. The note declares that there was urgent need of some kind of work for the Belgians because their idleness was causing demoralization and says that the deported workers are assured of well being in new situations in Germany.

The reply volunteers to permit American diplomatic representatives to visit the workmen's camps and assure themselves that the Belgians are well off. It concludes with an expression of regret that the United States has never seen fit to protest against what it describes as the dragging off of Germans from East Prussia, Alsace and other places to Siberia and elsewhere. These actions, of which it accuses the allies, are characterized in the reply as a severe violation of the laws of humanity.

Claims U. S. Misinformed

The note declares that the German government is convinced that the United States has been misinformed in regard to the measures which have been taken and says that the lack of work has increased until 1,250,000 are suffering and an unbearable situation is created. Nothing remained, therefore, the note continues, but to offer the workless situations in Germany, since work for all was not at hand in Belgium. It is contended that the majority of those who have come to Germany are happy and contented, with high wages and increased personal liberties and that only those who prefer to loaf have been compelled to work.

The answer declares that the measure is entirely in accord with international law and cites article 43 of The Hague convention which requires an invading government to maintain order. This, it is maintained, is possible only in Belgium by providing that people who are able to work shall have opportunity to do so and not fall a burden on charity. The note says the measure has been carried out with all possible consideration. Mistakes, it asserts, have been due in part to the fact that Belgians themselves erred in making up the lists of those to be transported to Germany by including persons unaffected by Governor General Bissinger's order of May 15, 1916.

WHEAT TUMBLES ELEVEN CENTS ON PEACE PROPOSAL

CHICAGO, Dec. 12.—Wheat on the Chicago Board of trade on receipt of the news of the proposals for peace of Germany and her allies, broke over eight cents. May wheat sold last night at \$1.75 1/2. Within fifteen minutes after the opening today, the price touched \$1.64 1/2.

The extreme drop was to \$1.66 1/2 for the May delivery, a loss of 8 1/2 c as compared with yesterday's finish. At this point buyers took hold with vigor and a rally to \$1.68 1/2 for May ensued. Trading was on a huge scale. During the last fifteen minutes of the session, wheat for May delivery broke to \$1.64, a drop of 11 1/2 c a bushel in 24 hours. December touched \$1.52 1/2, a fall of 1 1/2 c. The close was wild, 4 1/2 to 10 1/2 c under yesterday's finish, with May at \$1.65 1/2 to \$1.67 1/2 and July at \$1.42 1/2 to \$1.44.

PEACE OFFER OUTLINED BY CHANCELLOR

Von Bethmann-Hollweg Informs Reichstag That Germany and Her Allies Had Proposed to Hostile Powers That They Enter Upon Peace Negotiations—Germany Victorious and Sure to Win—Western Line Invincible and Opposition Fails

BERLIN, Dec. 12.—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," has 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.

Chancellor's Speech

The chancellor first outlined the extraordinary political situation and then insisting upon the achievements of the central powers made an announcement which possibly may be the turning point of the war, which for more than two years has held the world under its spell. The chancellor said:

"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. Not confused by assurances, we progressed with firm decision and we thus continue our progress, always ready to defend ourselves and fight for our nation's existence, for its free future and always ready to stretch out our hands to peace.

Our God Responsibilities

"Our strength has not made our ears deaf to our responsibility before God, before our own 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.

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KAISER NOTIFIES GENERALSTO FIGHT ON UNTIL PEACE

LONDON, Dec. 12.—A Central News dispatch from Amsterdam says it is announced officially in Berlin that Emperor William has notified his commanding generals of Germany's peace offer and has informed them it is still uncertain whether the offer will be accepted. Until that uncertainty is ended, the message adds, they are to fight on.

The message is quoted as follows: "Soldiers: In agreement with the sovereigns of my allies and with the consciousness of victory, I have made an offer of peace to the enemy. Whether it will be accepted is still uncertain.

"Until that moment arrives you will fight on." Emperor William's order to his commanding generals was addressed also to "my navy, which in the common fight has loyally staked all its strength."