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GERMAN REPLY TO ALLIES FAR FROM A PEACE OFFER

The Allies Must Have 25,000 More Guns to Break German Line

Impossible for French to Make
Them and U. S.
Must.

U. S. MAY HAVE
MUNITIONS HEAD

Some of Secret Testimony Re-
garding Conduct of War
Revealed.

REP. McCORMICK OF
ILLINOIS TALKS

Some Apprehension Develop-
ed Overseas Regarding
American Aid.

Washington, Jan. 25.—Some of the secret testimony given in the senate military committee's war inquiry was made public today, when the committee released the printed record. Representative McCormick of Illinois, who recently visited the allied countries, is shown to have told the senators that allied opinion developed "some apprehension" over American aid and that officials of both the British and French governments in October called to the House "arguing him to come over for the purpose of securing better co-ordination."

Premier Lloyd George, according to Representative McCormick's statement, wanted Major General Leonard Wood as America's chief military representative, and officers of the American expedition in France urged supplementing General Crozier, chief of ordnance and Quartermaster General Sharpe.

Some Apprehension.
"Between the time when I first went to England," Representative McCormick's confidential statement said, "and when I returned from Italy, there was a perceptible change. When I landed they hurried for America, the wonder worker of the world, but when I got back there was some apprehension. They would say 'we wonder if there is lack of co-ordination in Washington' 'we wonder if you have all the big men that might be brought to gether in your government' They were very polite but you sensed a difference in their attitude."

Premier Lloyd George, Representative McCormick said, "expressed great anxiety" lest America should too greatly multiply the calibre of ordnance in use.

"Lloyd George," said Mr. McCormick, "was very anxious to know what had happened to Leonard Wood, where he had been buried, and why he was not in Washington or Paris. He wanted him on the allied war council as our representative. He was very insistent on that."

Disappointing News.
"The most disappointing news I have heard was not on the Italian front or in France, but since I have come back I could not say specifically, except here and there, what is wrong, but members of the senate and house on both sides, give me the impression that we lack the co-ordination and energy, which is especially marked in London—the tremendous administrative machine which they have over there. They said 'why do you not summon so and so and so and so to Washington to sit in council?'"

In reference to General Crozier and Sharpe, Mr. McCormick said: "I would rather not mention any names, but the most important American officers said 'if Sharpe and Crozier do not go, we do not know what may happen.'"

Need 25,000 More Guns.
"Discussing air fighting, Mr. McCormick said the French were short of officers for aviation. "The French general headquarters estimate that you should add 5,000 planes to the total," Mr. McCormick said, "and should never let the total fall below that."

Mr. McCormick said that for the Americans and allied armies to break through on the western front they must have 25,000 more big guns and that it is impossible for the Allies to make them.

SAYS AUSTRIA WANTS NONE OF RUSSIAN SOIL

Count Czernin, Austro-Hun-
garian Foreign Minister,
Talks.

NO ANNEXATIONS
OR INDEMNITIES

Will Resign Office, He Says,
Before He Changes
Views.

Basel, Switzerland, Jan. 25.—The reply of Count Czernin, the Austro-Hungarian foreign minister, to the recent speeches of Premier Lloyd George and President Wilson is summarized rather fully in a Vienna despatch received here today.

Count Czernin, who is quoted as speaking before the foreign affairs committee of the Austrian delegation, said that he considered it his first duty to present a faithful report of the peace negotiations with the Russians at Brest-Litovsk, to correlate the different phases of the events which had occurred previous to them and to draw from them conclusions which were logical and justified. As a reply to those who found the course of the negotiations too slow, Count Czernin explained the difficulties attending them, difficulties of which one could not even give an approximate idea. He dwelt upon the "wide difference" between the Brest-Litovsk negotiations and any previously known to history, one of the chief differences being the publicity given to the various phases of the negotiations, the details of which were daily telegraphed throughout the entire world.

Yielded to Publicity.
"It is quite natural in view of the nervousness which prevails all over the globe," Count Czernin declared, "that they should produce the effect of electric shocks which agitate public opinion. We are in doubt as to the convenience of this system, but nevertheless we yielded to the Russian government's desire for publicity because he has nothing to hide. If he had wished to keep to the former secret system, that might have created a false impression."

Count Czernin emphasized the fact that to counter-balance this publicity it was necessary for the public, as well as its leaders, to remain calm. The business would be conducted to the end with coolness, he declared, and would achieve good results if the people of the dual monarchy supported their responsible delegates at the conference.

No Annexations.
Count Czernin went on to declare that the basis of the negotiations between Austria-Hungary and what he alluded to as the various recently created Russian states was peace without annexations or indemnities.

"I shall not abandon this program," he announced, "and those who thought I should allow myself to be led away from the path which I determined upon are bad psychologists. I have never left public opinion in the least doubt as to the path which I am following and I have never allowed myself to be diverted an inch from this path, either to the right or to the left. While the pan-Germans and all those in the minority who take them to task have always tended to underestimate the number of guns necessary."

Representative McCormick, in reply to a question, said that he did not think that this great production could be attained under the present system and suggested creation of a minister of munitions.

LITTLE HOPE OF PEACE NOW BETWEEN TEUTONS AND ENTENTE ALLIES

Replies of Germany and Austria-Hungary to the Peace Terms of Allies and United States as Recently Announced by Premier Lloyd-George and President Wilson State that the Concrete Bases Essential to Peace Are Unacceptable.

Little Activity on Fighting Fronts—Russian Chief of Staff Reports Demoralization of Russian Army Which Must Fall Back for Reorganization—Arab Activity Against Turks in Palestine Worries the Teutons.

Germany, through her imperial chancellor, Count Von Hertling, and Austria-Hungary, through its foreign minister, Count Czernin, have made reply to the peace terms of the Allies and the United States, as recently enunciated by David Lloyd George, the British prime minister, and President Wilson.

Although, on some points, both Count Von Hertling and Count Czernin affect to see the possibility of coming into agreement with their enemies on minor points, the concrete bases essential to peace are declared to be unacceptable.

The spokesman for Germany was uncompromisingly hostile to a majority of the peace aims as put forward by President Wilson, treating seriately in his address those upon which Germany could not come into accord. Count Czernin was more deliberate in his treatment of President Wilson's ideas, declaring the president's viewpoint, expressed in his latest address to Congress, showed that there was less incompatibility between Austria-Hungary and the United States than had seemed to be the case.

No Restoration.
From the German standpoint, according to Von Hertling, the restoration to France of Alsace-Lorraine is beyond the realm of discussion. Regarding Belgium he declared that its restoration could be settled only in peace negotiations, but that Germany never had demanded the incorporation of Belgium territory "by violence." Likewise methods of procedure in the evacuation of northern France must take account of Germany's vital interests and be agreed upon between Germany and France.

The chancellor said the fate of Poland and the Balkans, and the readjustment of the Italian frontier, lies with Austria, while the evacuation of Russian territory concerns only Russia and the Central Powers. Germany, he added, considered that the integrity of Turkey and the safety of its capital were closely connected with the question of the Dardanelles, which was of vital interest to Germany.

With regard to Russia, Count Czernin said Austria-Hungary desired no annexations or indemnities. Both Count Von Hertling and Count Czernin thought it obvious that the change of peace views with the United States might form the starting point for a conciliatory discussion among all the states which had not yet entered the peace negotiations.

Fighting Dies Down.
On the battlefronts the fighting again died down to small proportions, only bombardments and small infantry operations having been recorded. The Russian chief of staff reports demoralization among the Russian soldiers on the eastern front. The chief of staff recommends that the army fall back to natural defenses for re-organization.

British Threat in East.
London, Jan. 25.—Arab activity against the Turks in the Palestine theatre of war is expected here to show considerable results during the next few months.

The German peace offer at Brest-Litovsk is taken by students of eastern affairs to indicate Germany's recognition of the importance of the British threat in the east. In fact it has been frequently stated that the military importance of the eastern frontier is far more generally recognized in the machinery, shaft, cage, etc.

Paris, Jan. 25.—A new contingent of Portuguese troops has just landed in France.

NUMBER OF STELLARTON DEAD IS 87

Twenty-One Bodies Recovered from Allan Shaft up to Last Night.

SIXTY-SIX BODIES
STILL IN MINE

Splendid Work Done by Draeger Men from Cape Breton.

NO FIRE AND
NO GAS NOW

Thought That Mining Can Be Resumed in Two Weeks.

Special to The Standard.
New Glasgow, N. S., Jan. 25.—Up to tonight twenty-one bodies have been recovered from the Allan shafts. Two of the bodies were so badly disfigured that they could not be identified. There are sixty-six bodies still in the mine.

The work of removing the bodies has been held up temporarily owing to the fact that the pumping gear was put out of business by the explosion and the water gained so fast that a temporary pump had to be installed forthwith. This is now being done. The exploratory work was largely to ascertain whether there was any fire in the mine or not. No fire was found except in one instance and there is no fire smell, which is a good indication. The ventilation is good and men without apparatus follow the draeger men closely. They have penetrated the workings to a distance of about 1,500 feet from the shaft bottom without the apparatus.

Doing Splendid Service.
The procedure is for the draeger men to lead the way for clearing the falls and assure themselves that it is safe for the helpers without apparatus to follow them.

The draeger men are doing splendid service and are not sparing themselves in any way. The local men appreciate the valuable assistance rendered by the Cape Breton draeger men.

There is a corps of 17 men from the Dominion Coal Co. Ltd., under charge of Malcolm McGregor and another corps of 18 men from the Nova Scotia Steel and Coal Co. Ltd., under charge of Mr. Greenwell.

It is hoped that when this preliminary work has been got well in hand that ventilation will be restored which implies that the draeger apparatus can be disposed with and that the work of clearing obstructions, removing bodies, etc., can then be prosecuted with much greater speed than is now the case.

Will Soon Mine Coal.
It is believed that work can be resumed in the colliery within a fortnight unless something untoward arises which is not now in sight. If the mine is clear of fire work can be resumed without delay except to clear up the falls and get the roads into order and also to effect necessary repairs to the machinery, shaft, cage, etc.

Gigantic Steel Merger May Shortly Occur Involving Millions

CHANCELLOR'S STATEMENT IS WARLIKE

Lord Robert Cecil Declares Von Hertling's Address Not Peace Speech.

WAS DICTATED
BY MARSHALS

Austrian Foreign Minister Shows Some Signs of Independence.

HERTLING SILENT
AS TO BELGIUM

Britain and United States Are Likely to Reply to Huns.

Special to The Standard.
Montreal, Jan. 25.—It was stated here today in stock exchange circles that an attempt is being made to amalgamate the immense properties in Nova Scotia controlled by the Dominion Steel Corporation and the Nova Scotia Steel and Coal Co. and worth many millions. The Nova Scotia Co. is controlled largely now by New York capitalists and it is presumed that it is some of these who are promoting a merger. There is considerable doubt, however, whether Canadian holders will permit control to pass to the United States interests.

Tonight it was reported that the Nova Scotia Steel and Coal Co. has arranged to take over the Eastern Steel Co. of New Glasgow.

Dominion Steel, which has not been very active for many weeks, led a brisk revival on the Canadian stock exchanges today, business expanding to a marked extent to the accompaniment of greater breadth in trading and a forward movement in prices which embraced a number of leaders of potential influence on the market. The volume of business, while not large by ordinary standards, was the largest with two exceptions for any day since minimum prices were re-established in the latter part of October. Transactions in listed stocks footed up in excess of 4,500 shares, to which Dominion Steel contributed upwards of 3,000.

The greater activity and pronounced strength in Dominion, which rose 2 1/2 points to 53 1/4 and held all but 1-8 of gain, revived a number of bullish factors dormant but not forgotten.

A Logical Step.
Chief of these was the conviction that the union of Dominion and Scotia companies will be a logical step in the plans to reinforce the British Empire's control of raw materials after the war. New York's ownership of the majority interest in Scotia led to the inference that New York was a factor in the demand for Dominion shares today, in furtherance of the converse theory that union between the two properties may come from that direction. But while New York orders were known to have been a factor in activity today there were orders on selling as well as the buying side, and on the balance was not apparent that New York's holdings were materially changed by the day's trading.

Another Merger?
Special to The Standard.
New Glasgow, N. S., Jan. 25.—According to reports from reliable sources the Nova Scotia Steel and Coal Company is about to purchase the property of the Eastern Steel Company, Ltd., which adjoins the Scotia Company's plant. It is said that a large plate mill will be erected on the site about to be acquired. The coming months will, no doubt, see the Steel works at bigger and bigger plants than it has been.

Reverting to the explosion four bodies have been taken from the 500 landing and there are no more bodies there. There are still eight bodies in the 216 workings and the rest are in the 1200 workings.

Montreal Hears Dominion Steel Corp., and Scotia May Unite.

HEAVY BUYING OF DOMINION

U. S. Interests Holding Scotia Stock Supposed to be Back of Plan.

DOMINION STOCK ADVANCES 2 1-2

Scotia Company Will Take Over Eastern Steel Company.

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C. P. R. MAN NAMED
Ottawa, Jan. 25.—Mr. W. F. Tye, of Montreal, former chief engineer of the C. P. R., has been named a member of the commission of conservancy to succeed the late Sir Stanford Fleming.