

Weather Forecast for Today

Fresh to strong southerly winds;
unsettled and mild with rain.

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TEUTONS NOW SHOWING HAND

Consternation Caused at Bolshevik Headquarters by Demand of Germany That Teutons Hold Strategic Points in Russia as Guarantee.

London, Dec. 28.—The Petrograd correspondent of the Times, describes the effect upon the Bolshevik authorities of a rumored proposal of the German and Austrian delegates to the Brest-Litovsk conference that in a certain contingency various strategic points in Russian territory should be occupied by the Central Powers. According to rumors it has been proposed by representatives of Germany and Austria that pending the resumption of negotiations, Russia should mediate between the Central Powers and the Entente Allies with a view to bringing about a general peace. Should the attempt fail the occupation of several strategic points by the Central Powers was proposed so that pressure might be brought upon the Entente. The proposal, says the correspondent, caused consternation at the Smolny Institute, the Bolshevik headquarters. Dr. von Kuehlmann, the German Foreign Secretary, is reported as having replied to the Russian complaint regarding the refusal of passports to the German minority Socialists by stating that he did not see any hindrance to peace in preventing communication between Russian and German Socialists. Reports of fighting and other military activity in the interior of Russia continue numerous, but they are so contradictory that it is impossible to get at the truth of the situation.

WITNESSED THE HALIFAX DISASTER

Alfred Bradford writes to his parents, Captain and Mrs. Bradford, Nanaimo, the following letter, describing conditions in Halifax at the time of the big explosion.

Halifax, Dec. 3, 1917.
My Dear Parents—As you know a most terrible thing has happened to Halifax. I had just gone to the office in the Dockyard, and was looking out of the window when I saw the first explosion, right after that the second one came and blew the window in my face. I received quite a few scratches about the face and head, but lucky for me no worse. The scenes in the city are most pitiful. The wounded that people have received are terrible and the list of dead is swelling to appalling proportions. Whole families have been wiped out of existence. Houses have caught on fire and people who have been unhurt but pinned down by debris have been burned to death. It is almost impossible to describe the terrible things of it all, and on top of this a terrible blizzard is raging and the wind has reached the hurricane point and is a serious hardship to the brave men who are trying to help the poor homeless people. You will be able to get a better description in the papers than I can give you in the short time I have to write. Sunner and wife are safe, so I will now close with lots of love.
Your loving son
ALFRED.

MASQUERADE HELPED RED CROSS SOCIETY

A very successful Masquerade was held in McGarrigle's Hall, Northfield, on Christmas Night, in aid of the Northfield Red Cross Society. There was a large attendance and a goodly sum was raised to swell the funds of the Society and help carry on the good work.
The Society wishes to thank all those who donated the prizes to be drawn for, and also the refreshments which were served during the evening.
The following are the prize winners:
Best Dressed Lady, Miss Jean Russell.
Best National Character, Mrs. W. Wilgshire.
Best Red Cross Character, Mrs. A. Jones.
Best Original Character, Mr. C. Leonard.
Best Comic Group, Miss A. Russell.
Mrs. J. Leask, J. Reinhard and W. Meredith.
Prize Waltz, Mrs. Biggs and A. Russell.
Floor Manager, Mr. S. Bennie.
The winners of the several drawings were as follows: Shawl, Miss Dulcie Jesserson; yoke, Mrs. Carr; doll, Mrs. Leighton; and candles, Mr. A. Cottle.

GOVERNMENT OF RUSSIA BANKRUPT

Only Resource of the Bolshevik Government is the Printing of Paper Money.

London, Dec. 28.—The Morning Post's Petrograd correspondent quotes from the newspapers there the report of the Finance Commissioner on the financial conditions of Russia, in which it is stated that all sources of the States income have been cut off. It shows the railroads entirely occupied with moving troops and members of the Red Guard, who travel free, there being, therefore, no receipts from passenger traffic. The correspondent says the only resource of the State is printing of paper money and that the government is bankrupt.

A field headquarters' communiqué issued after a long interview, mentions only the western and southwestern front. It ignores the northern front, but indicates that there is still a Russian front in existence along about two-thirds the length of the Russian lines.
A semi-official Russian news agency reports a general meeting of representatives of the Petrograd garrison to examine the international situation. Leon Trotsky, the Bolshevik Foreign Minister, is quoted as declaring to the assembly that as peace had not as yet been concluded, the front ought to be maintained intact and the Petrograd garrison ought to participate in holding it. Representatives of the garrison, says the Agency dispatch, voted in favor of sending detachments to points where they were needed.

HON. J.D. MACLEAN HOLDS CONFERENCE

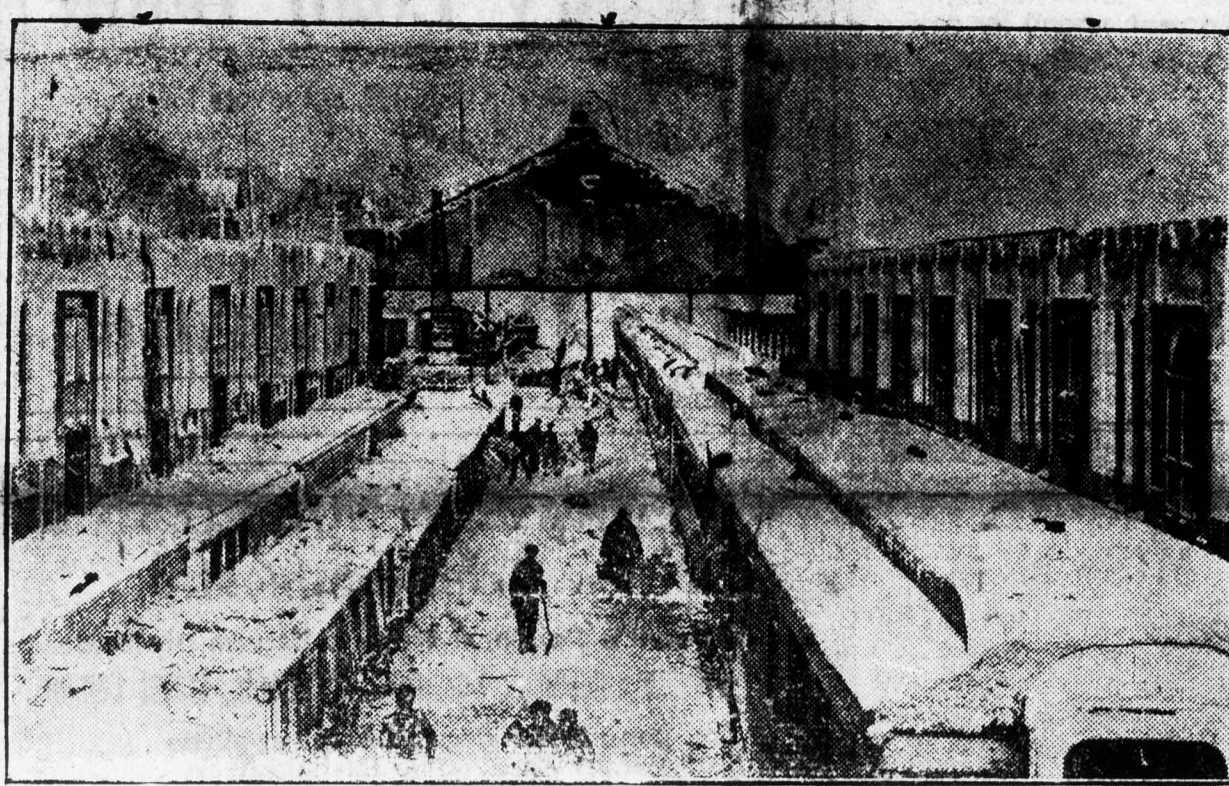
Victoria, Dec. 28.—One of the most important conferences dealing with the future educational system of the Province of British Columbia opened its sessions at the Parliament Buildings this morning under the presidency of the Hon. J.D. MacLean, Minister of Education and Provincial Secretary. Professor F. F. Westbrook, of the British Columbia University; Dr. Robinson, Superintendent of Education; and representatives from the various classes of High Schools throughout the Province, together with a number of university teachers were in attendance.
The invitations to the gathering now in session were sent out by the Minister of Education some five weeks ago and his object in so arranging the conference was to afford ample opportunity to discuss very necessary improvements, additions, and general changes in the High School curriculum and also to bring about a closer co-relation of the work of the High Schools with that of the University. The aim Hon. Dr. MacLean has had in mind from the moment he took office was that of bringing the whole educational system of the province within more practical realms, with a consequent general improvement all round.

LEGISLATURE TO MEET FEB. 7

Victoria, Dec. 28.—Hon. J. D. MacLean, Provincial Secretary and Minister of Education, announces that the 1918 session of the Legislature of British Columbia will convene at 2:30 o'clock in the afternoon of Thursday, February 7, 1918. This decision was agreed upon at a meeting of the Provincial Executive this morning. In accordance with the usual custom the official proclamation, calling the members to their duties on that date, will appear in next week's issue of The British Columbia Gazette.

FRENCH LOAN IS OVER SUBSCRIBED

Paris, Dec. 28.—The ten billion francs asked for in the third war loan, has been exceeded, according to a statement made in the Chamber of Deputies.
M. Klotz said that returns for the loan were still incomplete, but subscriptions, not including those from abroad, aggregated 10,276,000,000 francs.
The Hon. J. A. Macdonald, Administrator of the Province during the absence of His Honor the Lieutenant-Governor, will hold the usual New Year's reception at Government House on Tuesday afternoon from 3 to 6 p. m.



North Street Station Halifax after the explosion of December 6th.

RICH STRIKE IN MASTODON MINE

Eight Feet of Practically Solid Ore Carrying Silver and Lead Struck in Mine on Laforme Creek in the Kootenay.

Revelstoke, Dec. 28.—Word comes of a big strike on the property of the Mastodon mines in Laforme Creek. Eight feet of what is described as being practically solid ore carrying good values in silver and lead has been struck in a cross-cut in the 110-foot level. This is one of the biggest strikes ever made in Northern Kootenay and doubles renewed confidence in the resources of the district north of Revelstoke. Next season promises to see much mining activity in the north country in silver, lead and copper.
David Woolsey has bonded his Silver Creek property to Eastern capitalists. The deal was completed this week. Bond holders have supplied and are putting a crew of eight men to work for the winter. B. A. Grimes, manager of the Dunvegan mines has let the contract for another 100-foot development tunnel on the Dunvegan property.

FAILED IN RAID ON TREVISO

Italian Headquarters in Northern Italy, Dec. 28.—Further reports of attempts of Austrian aviators yesterday to raid Treviso which resulted so disastrously for them, emphasize the brilliant work done by both Italian and British aviators. Although 11 Austrian machines were brought down, only a few Italian airplanes were damaged. Five Italians and one British soldier were killed. Six Italians and eight British soldiers were wounded. The British airmen brought down two machines and British anti-aircraft guns accounted for three more. Six Austrians in these five machines were killed and four wounded. Among the prisoners is a young Austrian major, who is unwounded.

JAMES PATERSON PURCHASING AGENT

Victoria, Dec. 28.—By the decision of the Executive Council this morning to recommend to His Honor the appointment of James Paterson, of this city, as Purchasing Agent of the organization of the Comptroller-General's branch of the Department of Finance becomes complete.
In appointing such an official the government is adopting the policy followed by all large corporations which expend millions of dollars annually.
Nearly thirty years ago Mr. Paterson came to Victoria and was associated with the Amos-Holden Company as a buyer for several years. Later he organized and managed the Paterson Shoe Company, Limited, in this city. About ten years ago he formed with his brother, the late D. M. Paterson, the firm of Paterson Brothers, which has since conducted a markedly successful wholesale business. He is a member of the Board of Trade, in the work of which body he takes considerable interest.

NO BOLSHEVIKI PEACE FOR FRANCE

French Minister Declares no Matter What Russia Does War Against Prussianism Will Go On.

Paris, Dec. 28.—France will not accept a peace based on conditions before the war, Foreign Minister Pichon declared in replying in the Chamber of Deputies today to the peace terms of the Central Powers outlined to the Bolshevik delegates at Brest-Litovsk. He asserted that Germany was endeavoring to involve France in the negotiations with the Bolsheviks, but that the war would go on whether or not Russia made a separate peace.
The Foreign Minister said Germany was seeking to interrupt the negotiations with the Central Powers by establishing commercial relations in the meantime, believing that in this way the Bolsheviks might be checked later. Referring to the terms which the Central Powers offered to the Bolsheviks, as published yesterday, he said:
"Germany is trying to involve us in her Maximalist negotiations. After suffering as we have we can not accept a peace based on the status quo ante. In agreement with our allies we are ready to discuss direct propositions regarding peace, but this is indirect."
"Russia can treat for a separate peace with our enemies or not, as she wishes. In either case the war for us will continue. An ally has no right to ally who in preceding years carried off great victories."

WILL CONTINUE PEACE CONFERENCE

Trotsky Tries to Get Allies to Participate in Peace Negotiations After Recess.

Petrograd, Dec. 28.—The delegates of the Central Powers to the peace conference at Brest-Litovsk agreed to a ten-day recess in the peace negotiations, which will be resumed January 4 at a place not yet determined upon.
Leon Trotsky, the Bolshevik Foreign Minister, is reported to be drawing up a new note to the Entente Embassies, again asking them to participate in the peace conference.
Zurich, Dec. 28.—Count Julius Andrássy, ex-Premier of Hungary, writing on the peace question says:
"From the moment we were free in the East the whole situation fundamentally changed, and the Central Powers now also will gain supremacy in the West."
"It is no longer possible for the United States to give us the finishing stroke. She must save the Entente."
Petrograd, Dec. 28.—Soldiers acting under orders of Finance Commissioner Menshinsky today surrounded and seized all the private banks in Petrograd, including the branch of the National City Bank of New York. The manager R. R. Stevens, was arrested and detained for a short time. Many bank directors were arrested. Several surrendered the keys of their bank vaults, but Stevens refused. J. B. Wright, Counselor of the American Embassy, called upon Mr. Stevens during the afternoon.
FIRE IN BOSTON
Boston, Dec. 28.—Boston's wholesale paper district was threatened for a time yesterday afternoon by a fire which destroyed the five-story brick building of the William Bevan Company near the India Wharf.

EXPECTS GOVT. TAKE RAILWAYS

Sir Donald Mann Declares It Is Naturally to be Expected That Union Government Will Take Over the Railways of Canada.

Toronto, Dec. 28.—It is naturally to be expected that the Union Government will follow the example of the United States and place all railways under government control for the period of the war, said Sir Donald Mann, vice-president of the Canadian Northern Railway. It is a natural assumption as conditions are at present, railway companies, other than the Canadian Pacific, have no money to provide for keeping their lines to a high standard of efficiency. No money received by the Canadian Northern from the government in recent years has been for utilization of such work. The Grand Trunk lines are similarly situated, though to a less extent. The lump sum they received from the government last session was all for past expenditures, not for betterment anywhere, and without constant care of lines and effective maintenance roads cannot care for the heavy business they now should be handling. Deterioration too, is so rapid that if the government does not come to their rescue by one course or the other, the scrap heap is their inevitable destination.

FRENCH REPULSED SURPRISE ATTACK

Paris, Dec. 28.—The War Office here issued the following report this afternoon:
"In the Argonne we repulsed an enemy surprise attack.
"On the right bank of the Meuse the activity of the artillery on both sides continued very lively in the region of Caurières Wood and Bezonvaux. Northeast of Bezonvaux an enemy troop concentration was dispersed with losses."
Belgian Communication.—During the night of December 26-27 the artillery fighting was rather intense in the Dixmude sector."
London, Dec. 28.—"There is nothing of special interest to report," says a report from Field Marshal Haig, issued here today.

START WORK ON NEW PIT HEAD

Mr. L. C. Young, the well known local contractor, has been given the contract of erecting the pit-head and other necessary top buildings at the new mine of the Canadian Collieries at South Wellington. Mr. Young started work yesterday on his new contract which, it is expected, will take three months to complete.
In connection with the work of the Canadian Collieries at South Wellington, Mr. A. B. Beach, of Nanaimo, who has but recently returned from overseas, has been appointed clerk of all work.
Only three more days and then we will all be writing 1918.

SOLDIER'S KIDDIES HAD RARE TREAT

Entertainment Given by the Local Lodge of Elks in Opera House Last Night Was Big Success.

The Opera House last evening housed a large and happy throng when the local lodge of Elks, assisted by a number of ladies of the city, entertained to a Christmas Tree and concert several hundred wives and children of Nanaimo soldiers. The large auditorium was filled to capacity and was decorated appropriately to the festive season. The trees, which occupied a prominent position on the stage, was gaily decorated, while for the convenience of distribution the gifts were placed on the floor beneath the overhanging branches.

While waiting the arrival of Santa Claus a program of vocal and instrumental selections was rendered. Mr. Harry N. Freeman, Past Exalted Ruler of the B. P. O. E., officiated as chairman and in introducing the program expressed the pleasure it gave the lodge with which he was connected, to remember the wives and children of the soldiers overseas at this festive season of the year. He stated the intention of the Order to continue such entertainments but expressed the hope the war would be over and all the husbands and fathers returned home before another Christmas rolled around.

Every number on the program was exceptionally well rendered and favorably received, among those taking part being Mrs. Drysdale, Miss Martin, Dorothy Trawford, "Baby" Martin, Jean Patterson, L. Wilcox, Miss McLean, A. C. Foreman and P. McAlpine, while Miss Fisher made an accomplished accompanist.
During the course of the evening His Worship, Mayor McKenzie, delivered a short address in which he eulogized the motives of the Elks which prompted the entertainment, and expressed the thanks of the members to those in attendance, particularly the wives and children of soldiers who were at present overseas fighting against Prussian militarism. The arrival of Santa Claus, in the person of Al Davis, who made his appearance down the chimney in accordance with tradition, was received with loud acclaim by the youngsters and the distribution of gifts was the most entertaining part of the evening's program. The expression on the faces of the young recipients spoke louder than words and amply rewarded the committee for all their labors in preparing the entertainment.

Those present expressed their appreciation by giving three cheers for Mrs. Lewis and the ladies who assisted her and the Elks' committee. The drawing for the pig was won by M. Wardill with Number 297, and the drawing for the cake was postponed for a few days owing to all the stubs not being in.
A number of those entitled to presents were not in attendance last evening and arrangements are being made whereby these will be distributed within the next few days.

THINKS PRICE TO HIGH.

Montreal, Dec. 28.—Alleging that prices of oleomargarine 37c is too high, the city council of Montreal passed a resolution requesting Food Controller Hanna to fix the price on oleomargarine with the least possible delay.

DOES NOT INTEND KEEPING FAITH

Parisian Press Lays Bare the Duplicity of Germany in the Farce Peace Conference—No Intention of Honoring Its Signature.

Paris, Dec. 28.—The Austro-German peace offensive is freely commented upon by the Paris press. All newspapers, whether party or non-party, all present a strong front.
"In reality," says the L'Homme Libre, "the Germans seek, through the Russian delegates to influence the Entente by means of attractive words such as 'democratic peace,' they content themselves with opening pour parlers on particular and profitable points without the faintest intention of honoring their signatures when it ceases to be in their interest to do so."
"The Germans," says M. Thierry in L'Ouvrier, "are conducting diplomatic action with the same clearness and energy as they have done in a military sense. Meanwhile Entente diplomats have not yet succeeded clearly in stating their war aims. Will they now realize the necessity of revising and in view of the Russian defection, of revealing their general program? We have reached the hour when it is not enough to cry 'to the very end,' it is time to know what that end is and to show it."
Gustav Herve, director of the Victoire, writes:
"Let our soldiers in the trenches remember this prophecy. 'Today the Germans, urged on by the Austrians, who are at the end of their resources offer us a German peace. In six months they will beg of us a French peace.'"

IS ESSENTIAL TO WORLD'S FREEDOM

London, Dec. 28.—"Achievement of the purposes for which the Allies are fighting is essential to the future freedom and peace of mankind," said Mr. Lloyd George in a letter which he sent today to the British Labor Congress. The Prime Minister's statement is regarded as the British reply to the German peace efforts.
Mr. Lloyd George said that a statement on war aims could be made only in agreement with the governments of the nations allied with Britain. The question of issuing a fresh joint declaration, he added, was being kept constantly in view by the Entente Governments."

OLD NANAIMOITE DIED
NEAR CAMPBELL RIVER
Mr. Thomas C. Morgan, of Vancouver, formerly of Nanaimo, returned to the city yesterday from Courtenay, from attending the funeral of his mother, the late Elizabeth Knight, whose death occurred on Monday last.
The deceased was a native of Wales, and came to Nanaimo 26 years ago, residing here for five years prior to leaving for the Campbell River district. She is survived by her husband, James Knight, and one son, Thomas C. Morgan.

VICTORY LOAN

Payments due on January the 2nd may be made at any time to and including January the 11th. Scrip Certificates will be delivered in exchange for payments then due. Payments due January the 2nd must be made at the Bank branch mentioned in the application.

The extension of time to January the 11th is given for the convenience of subscribers and Banks so that subscribers will not be unduly detained waiting their turn at a Receiving Teller's wicket, as would most likely be the case if all payments had to be made on one day only. Subscribers should not wait until January the 11th, or a day or so before, and thus create the situation sought to be avoided. In every case, interest at the rate of five and one half per cent per annum from January the 2nd must be paid if payment is not made on or before the 11th.

For the convenience of subscribers, by arrangement of the Canadian Bankers' Association, Banks will remain open on the evenings of Thursday and Friday, January 3rd and 4th, and on the afternoon of Saturday, January the 5th. Evening hours 7:30 to 9:30. Saturday afternoon from 2 until 6 o'clock.

It has been brought to the attention of the Finance Department that a considerable number of subscribers, who have deposits with Banks, are under the impression that their Banks will take care of their January payments by automatically debiting their accounts with the necessary payments. This is incorrect. Each and every subscriber must personally arrange for these payments.

T. C. BOVILLE,
Deputy Minister of Finance.
DEPARTMENT OF FINANCE,
Ottawa, Dec. 24th, 1917.