

DEFENCE GAINS HURT WILSON'S HOLD ON PARTY

Converts to Plan Lose Confidence in His Leadership.

DEMOCRATS TALK OF OPEN REVOLT

Leaders Restive at 'Appeal to People'—Want Pressure on Insurgents.

By STANLEY FROST. Washington, Feb. 4.—President Wilson returned to Washington to-day from his week's trip West, stronger but not yet a victor on any of the issues which forced his journey.

It is true that there is now little doubt that the preparedness programme will go through—but it will be by Republican votes, a barren victory for Wilson personally, however valuable it may be for the nation.

At the same time the President faces on his return as grave a series of problems as have ever confronted him.

The fact is that the President has not yet downed the revolt against him in Congress. Every speech in the West was answered by a Democrat on the floor amid Democratic cheers.

It is true that some pressure is being felt by the legislators from the country where the President spoke, but that has not yet affected the situation here.

President to Continue Appeal. The President, however, is planning to continue his present policy of appealing to the people.

At the defence front progress it is becoming more and more a party issue, one which will work to the disadvantage of Mr. Wilson in the campaign.

9 More German Raiders to Prey on Stray Ships



Emile Louise Riley, for whom the Appam's German commander set aside no-milk rule, and her mother.

The German raider whose prize crew brought the Appam into Norfolk is but one of a fleet of eleven fast cruisers equipped to prey on Allied shipping, according to passengers on the captured ship, who arrived last night on the Old Dominion liner Jefferson.

These ships were fitted out at Kiel to slip through the British blockade disguised as fruit boats. Two of these boats are already at large on the seas and have been looking for victims since New Year's Day.

Mrs. F. C. Fuller, wife of the Governor of the Leeward Islands, who was accompanying her husband on a trip to England, confirmed these stories with information she said she had received directly from one of the German sailors.

Robbed Dealer Hunts a Barrel of Pedigree Fish. Ever hear of a herring taster?

Neither did Lieutenant Brindle until the Clinton Street police station door swung open last night and admitted Joseph Richeck, who had run a mile from his herring store, at 52 Hester Street.

"My prize barrel of herrings," declared the fish dealer. "They are stolen!"

"How can we help you?" asked the policeman. "You can't recover them, for they can't be identified."

HE TASTES HIS WAY ON TRAIL OF HERRINGS

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SHONTS TOOK \$150,000 PLUM

Interborough Head Got Bonus on Dual System Contract.

FREEDMAN, DEAD, PROPOSED IT

The Thompson Committee Seeks Slush Fund Trail in Firms' Books.

Theodore P. Shonts, the \$100,000 a year president of the Interborough, received \$150,000 from his company for "special and extraordinary services" performed in connection with the dual system contracts with the city.

It was in negotiating these contracts that Shonts is alleged to have told one of the Interborough directors that he incurred "certain commitments and obligations" which would require \$2,000,000 to pay off.

While testimony regarding this bonus was being brought out Miles Dawson, actuary and expert accountant, who acted as the right hand man of Justice Charles E. Hughes, of the United States Supreme Court, in the insurance investigation, was examining the books of certain firms in this city in the search for a "slush" fund estimated at from \$1,500,000 to \$3,000,000.

Criminal Charges May Be Made. If the hopes of members of the committee are realized, many prominent public officials and ex-public officials, some of them master minds in the affairs of Tammany Hall, will be facing criminal charges.

The two other employees of the Interborough besides Mr. Shonts who received bonuses for their work in connection with making these dual system contracts with the city were Richard R. Rogers, counsel, who received \$50,000, and E. F. J. Gaynor, who got \$10,000.

One phase of the Shonts \$150,000 bonus that interested the committee considerably was that the first payment of this bonus was in the form of a check for \$125,000, which Mr. Shonts cashed the day he received it at the Guaranty Trust Company.

Fisher Tells of Bonus. The testimony concerning the bonus to Mr. Shonts was given by H. M. Fisher, secretary of the Interborough.

Questioned about the meeting at which \$25,000 more was awarded Shonts, the witness said there was some discussion that Mr. Shonts had not been sufficiently recompensed.

"As I recollect, some one—I think Mr. Freedman (he is dead)—brought up the subject, and said he thought Mr. Shonts should have been voted \$200,000 or \$250,000. I think the board then voted \$25,000 additional."

Mr. Shonts has been subpoenaed to appear Monday. It is said he will be asked to sign a waiver of immunity before testifying.

A subpoena server of the Thompson committee reported to the committee yesterday that he was unable to find T. A. Gillespie, the contractor who received half the contract for third-tracking on the "L" roads that Shonts tried to obtain for Stevens.

An effort to get the books of the Gillespie company met with opposition from Mr. Gillespie's representatives. They objected especially to the production of the cash and check books.

OTTAWA HUNTS FIRE PLOTTERS

Five Who Spoke German and Carried Satchels Sought.

BELGIAN HELD AS SUSPECT

Bomb Theory Officially Denied, but Elaborate Quest Goes On.

Ottawa, Ont., Feb. 4.—Ottawa, with the ruins of the seat of Canadian government still smouldering on Parliament Hill, bears the appearance of a war zone city to-night.

Around the hill is stretched a cordon of khaki-clad volunteers, with rifles loaded and bayonets fixed. Behind the cordon a mixed civilian army is at work. Part of this inner army, firemen mostly, is charged with the duty of stamping out the lingering sparks and combing the debris for the body of B. B. Law, member of Parliament from Yarmouth, Nova Scotia, and those of four others of the seven known victims.

One arrest already has been made. Charles Strong, 28, who describes himself as a Belgian musician, is locked up at Windsor on suspicion of having been implicated in starting the blaze.

Officially, the theory that the destruction of the Parliament building was the fruit of a German plot is scouted. Colonel Percy Sherwood, C. M. G., head of the secret service, not only insists the fire was accidental, but explains to all questioners how implausible is the plot theory.

But, just the same, the troops are guarding the secret agents of a police system that works as mysteriously and implacably as that of Russia are delving, and survivors are telling of a series of explosions which punctuated the early sweep of the flames.

The police, too, are known to be on the trail of five men who were seen in the city Wednesday night. The five, each of whom carried what appeared to be a small, ornate satchel of metal, drew the attention of an Ottawa man as they traversed a little frequented street. He got near enough to them to distinguish fragments of a low pitched conversation in a Teutonic tongue.

The authorities are trying to trace a connection between this quintet and a party of four which foregathered earlier the same day in the Canadian Pacific Railroad station at Montreal.

Seven Are Dead. The death list now contains the names of seven persons. Only two bodies have been recovered—those of Mme. Henri Bray and Mme. Morin, of Quebec, guests of the wife of Speaker Speeg, who were trapped in the Speaker's apartments in the House of Commons.

All hope for the five persons on the list of missing has been abandoned. Mr. Law, the member from Nova Scotia, was shutting himself into a telephone booth when last seen. It is believed he was killed.

BRITAIN SENDS CURZON AND HAIG TO KING ALBERT.

London, Feb. 4.—An official communication, made public to-night, says that Earl Curzon, Lord Privy Seal, and General Sir Douglas Haig, commander of the British forces on the Continent, are to proceed on a special mission to the King of the Belgians, and that Earl Curzon already has left England for that purpose.

Reports were current toward the end of last month that Germany had approached Belgium with the offer of a separate peace.

Earl Curzon, who is one of the most influential members of the British Cabinet, may have been deputed by his colleagues to present the official British viewpoint on this proposal.

Berlin Talks of Crisis; 'Last' Word Sent Wilson

Will Refuse to Admit Lusitania Sinking Was Illegal—'Do Not Try to Humble Germany,' Zimmermann Warns U. S.

Berlin, Feb. 4.—Unquestionably there is deep solicitude in Germany concerning the status of the Lusitania negotiations. The question asked of the American people by the best informed Germans is:

"Are you sure you quite understand our position? To our offer of material reparation you wish us to add the declaration that our submarine warfare is illegal. But declaring this would simply mean that we surrender to the Allies' policy of arming merchantmen and using neutral flags. This is no fanciful peril for Germany, because only a few days ago a merchantman flying a neutral flag fired on a submarine, which only escaped by a swift dive."

That is why official circles hold that one of the most serious crises of the war has arisen in connection with the case, and that it is impossible to foresee the outcome from any indications here. The result of the negotiations appears to hinge solely on the one word "illegal."

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BRYCE DENOUNCES REPRISAL POLICY. Declares Britain Must Not Depart from Humane Ideals.

London, Feb. 4.—Viscount Bryce, former Ambassador to the United States, speaking at Bedford College to-night, condemned the policy of reprisals against Germany, which since the last Zeppelin raid has gained many advocates.

"We stand in this war for justice and right," Viscount Bryce said. "We stand for humanity, and from that position we must not depart. I don't myself believe for a moment that we shall gain anything by departing from it."

"If it came to cruelty against cruelty the enemy would again win. I see no reason to think that any recourse to inhuman practices that are shocking to philosophy and morals, which the enemy has adopted, would have the slightest effect on him or promote in any way our military success."

"We would not gain and we should certainly lose, because there is nothing that has won us more approval and sympathy of all that is best in the neutral nations than that we have championed the cause of justice and humanity. That is what has nerved our arm and has created a unity never paralleled in any previous crisis of our history."

KAISER AND TIRPITZ PLANNED AIR RAID

Prince Henry, Too, Gave Views on Attack on England. London, Feb. 5.—A Copenhagen report from Berlin states that Emperor William has been on the western front for some time, and was in the neighborhood of the Belgian frontier when the attacks on Loos took place.

GERMAN CRISIS TALK DOUBTED IN WASHINGTON

Situation Not Grave, Is General Belief in Capital.

SAY BERNSTORFF CAN OFFER MORE

German Officials Hint Envoy Holds Back Trump Card.

Washington, Feb. 4.—With new instructions from Berlin, Count von Bernstorff called on Secretary Lansing late to-day, and again failed to meet the demands of the United States for the settlement of the Lusitania case.

The statement in well informed German quarters that the ambassador's instructions were "exactly in line with what he had recommended to Berlin, and fulfilled his expectations completely," is believed here to mean that Count von Bernstorff did not go to the limit of his authority to-day. It is understood that his government has authorized him practically to use his own discretion, but that he is withholding his trump card until he learns what means this government intends to employ to coerce him. In other words, the ambassador now holds the key to the situation.

Administration officials declared recently that to Germany had been given her last chance to offer complete satisfaction, and it was strongly hinted that some new and sterner method would be employed by the State Department if Berlin attempted to temporize further. It is assumed that Count von Bernstorff is curious to know just what steps the United States is prepared to take to make good its declaration that Berlin must back down.

Crisis Is Fleeting. Reports from Berlin that "Germany would never acknowledge the sinking of the Lusitania to be illegal" are regarded here as intended purely for home consumption.

It is understood that Count von Bernstorff's communication to-day went further toward satisfying the United States than any previous offer, and this is regarded in German quarters as sufficient to postpone any possible crisis for a week or two at least. The ambassador is continuing the tactics he has employed throughout the submarine controversy, yielding slight concessions when the situation appeared critical and encouraging the Administration to believe that Germany was preparing to grant complete satisfaction.

The question now is whether President Wilson and Secretary Lansing will see, unmindful of Berlin's threats of rupture, call on Count von Bernstorff to lay all his cards on the table. Unless this is done, it seems obvious that another stage of the controversy has been entered on and that the negotiations will again be extended, with a more immediate prospect of reaching a conclusion than before.

In any case, opinion here is almost unanimous that there is nothing very "grave" about the situation. Even Administration officials, who have been most insistent on the gravity of the situation, say that it is "not dangerous." The danger of a break with Germany or of any overt act that would take the relations between the two countries out of the realm of verbal controversy is believed remote.

SUBMARINE PERIL ENDS YONKERS STRIKE

Stevedores Admit Deckhands at Sea Should Get Higher Wages. German submarine warfare was partly responsible for a short-lived strike of 250 employes of the Federal Sugar Refining Company, in Yonkers, yesterday.