PEACE PRELIMINARIES.

NEARING THE END.

WHAT GERMANY MUST PAY.

PARIS, March 26.

It is stated that the treaty of peace with Germany will be signed at the same time as the treaties with Austria, Bulgaria and Turkey. Havas.

PARIS, April 4.

The Allied and German financial delegates met and deliberated at Pont-Saint Mayence. Havas.

PARIS, April 4.

The Council of Four this morning went into the question of the Adriatic. In the afternoon Messrs. Wilson, Lloyd George and Clemenceau hoped to receive Italy, the Minister for Foreign Affairs for the Kingdom of the Serbs, Croats and Slovaks, Italy was not represented. The deliberation will last over several sittings.

Meanwhile the commissions will draw up formulae with regard to the attribution to France of the economic exploitation of the Saar basin, the military neutralisation of the Rhenish districts and with regard to reparations. Havas.

PARIS, April 5.

The Allied and German Financial delegates deliberated at Pont Saint Mayence on the technical carrying out of the clauses of the Brussels Conference. Havas.

PARIS, April 5.

The opinion is strengthening in Conference Councils that the Council of Four will soon reach positive agreements. In support of this the departure of Mr. Wilson for the United States and the declaration by M. Pichon that the peace preliminaries will be ready before Easter is mentioned. It may be added that the mission which is drawing up the future of the Saar basin shows that an agreement has been reached with regard to the Germano-French frontier. Other frontier problems have now been decided with the exception of the possession of the Adriatic coast about which no decision has yet been reached though this settlement will be soon forthcoming.

The question which remains to be solved therefore is "that of indemnities apropos of which there has been some disagreement but France, strong in consequence of knowing that she was demanding but her rights, intends to obtain from Germany, in the fullest measure possible reparation for the losses she has sustained. The strength of the French arguments outweight all others, and the divergences of opinion are dying down. There is every reason to believe that the expert financiers will find a common and acceptable formula. Havas.

PARIS, April 5.

Messrs. Orlando, Lloyd George, Clemenceau and Colonel House met this afternoon at the War Office. Havas.

PARIS, April 2.

The "Echo de Paris" asserts that the Council of Four has decided that Germany must immediately pay six billion francs in cash and also hand over various securities and raw materials and merchandise which, it is optimistically estimated, will aggregate thirty billion. The preliminary peace terms will not specify the total indemnity but will include lists of creditors whom Germany must satisfy. The treaty will also provide for an Allied Commission annually to fix the amount payable. Reuter.

The principle of reparation by Germany has never been and could never for an instant be challenged. Nevertheless, the Commission is faced with two very real difficulties: (1) What should be reckoned as damage due to the war, and (2) to what extent can Germany pay. A French estimate puts Germany's total debt to the Allies at £50,000,000,000, and her debt to France at £13,000,000,000. The latter sum, alone represents, at 5 per cent, £798,000,000 yearly in interest, without including anything for sinking fund. The French Budget, as M. Klotz pointed out, which before the war amounted to £208,000,000 yearly, is now more than £750,000,000. It is claimed that at least a part of this increase should be met by the Power which is responsible for the increase.

It is suggested that all interest on the loans issued by Germany for the purpose of crushing the Allies should be suspended, and that a financial section of the League of Nations should be created, to collect the revenues of the German people and State and reapportion them, in an order of priority to be determined by this mean Germany would, perhaps, in twenty years' time, have paid off the interest which she owes to the world, although there would still remain the debt of £50,000,000,000. To pay off this huge sum would undoubtedly take two or three generations.

It is contended that it is for the Allies to see that the sufferings which Germany has occasioned throughout the war should not continue in time of peace.

The next question is how can the indemnity be exacted without depriving her of her power of industrial revival, for if that happened she would of course be unable to pay what is due. American statistics recently published show that the percentage of taxation on the national incomes of the Allies varies very much. The percentage in Great Britain is roughly 28; in France 40; in Italy 20.7 while in the United States it is only 5. The percentage in Germany is 30. A recent French estimate puts Germany's total debt to the Allies at forty-eight thousand millions and her debt to France at thirteen thousand six hundred millions. The sums are so enormous that it is hardly to be wondered at that many persons say: "Of course Germany ought to pay, but we shall never get to the indemnity. It will take generations merely to restore the material damage done." Another line of criticism is that an indemnity could be paid only by exports, and that exports coming in enormous masses from Germany to Great Britain and to Neutral markets would paralyse our trade. The most interesting answer to these criticisms which we have read is that made by Mr. Herbert Gibbs at the annual meeting of the City of London Conservative and Unionist Association. As Mr. Gibbs was one of the experts appointed in December by the Prime Minister to report to the Government on the question of an indemnity, his remarks are of particular interest. Mr. Gibbs estimates that Germany's yearly savings, when her economic conditions are restored, will amount to about nine hundred millions. But immediately we talk of exacting an enormous annual indemnity we are face to face with the difficulty of the exchange. The exchanges must not be broken down or German money will lose its value. Mr. Gibbs proposes to get over this difficulty by the appointment of an Allied Commission, which would sit not in Paris or London but in Berlin and receive the indemnity in marks at the gold exchange of the day. They would remit as much as they could to the Allies without breaking down the exchanges and would invest the balance in Germany. Mr. Gibbs concludes by saying: "So far from exports being increased by a large indemnity, the tendency would be for them to be reduced."

THE RHINE.

NEUTRALISATION MOOTED.

PARIS, April 3.

It is believed in French diplomatic circles that the left bank of the Rhine will be neutralized and occupied by Franco-Belgian troops until the payment of an indemnity. Reuter.

The Commission on International Waterways recently agreed on proposals for internationalizing the Rhine. A Commission of Control is to be established, with representatives from Germany, France, Great Britain, Italy, Belgium, Holland, and Switzerland. An interesting development is seen in the above recommendation of the International Waterways Commission, which has reached an agreement as to draft articles for the Peace Treaty relating to the Rhine. The proposals will internationalise this great highway of trade, and a new International Rhine Commission will be formed, upon which the German riverain States will be represented by four members, France by five, and Great Britain, Italy, Holland, Belgium, and Switzerland by two each. One of the five French delegates will preside over the Commission. It is suggested that as a temporary measure the Rhine should be governed by the Mannheim Convention of 1868, modified, however, so as to bring control of the river into harmony with present conditions and limit the rights formerly exercised by the German riverain States. An interesting proposal was made that in the Peace Treaty there should be embodied clauses safeguarding the right of Belgium to construct within a period of 25 years, a deep-draught canal from the Meuse to the Rhine.

DISARMING GERMANY.

QUESTIONS IN FRENCH CHAMBER.

PARIS April 3.

In the Chamber M. Raynaud demanded the immediate discussion of the following proposal:

"The Chamber, resolved to obtain the complete disarmament of Germany, formally calls upon the Government to insist at the Peace Conference upon the essential idea that Germany must not be allowed to preserve either an army or any military organisation or any armament of any kind and that Germany must not be allowed to have in any German States forces greater than those necessary to maintain order in the Interior.

M. Pichon, dwelt upon the antipacifist character of the proposal to which he rendered full justice, the Government being decided to see to the sufficient disarmament of Germany so that the latter be not able to recommence the enterprise for which she was completely responsible and which cost humanity so dear. The Government can ask the Chamber for but one thing, full confidence in it will do everything possible to see the proposal through in principle (loud applause). M. Raynaud expressed his pleasure at the decision of the Government which was unanimously approved by the Chamber. Havas.

FOCH AND ERZBERGER.

PARIS, April 4.

A message from Spa announces that Marshal Foch held his first conference with Erzberger and acquainted the latter with the Entente's decisions. Reuter.

SPA April 4.

Marshal Foch arrived this morning. He conferred with Herr Erzberger, for forty minutes and laid the views of the Entente before him. Erzberger took the train back appearing to be in a great state of emotion. Havas.

FUNERAL OF AN AIRMAN.

PARIS April 6.

The funeral of Signor Palli, the Italian airman was attended by a big demonstration of Italo-French solidarity. The coffin was taken into Cambrey and the funeral cortege was followed by representatives of Great Britain, France, Belgium and America. Gabriele d'Annunzio represented the Italian air force. The coffin was covered by the French and Italian flags as well as a wreath of oak leaves. Allied troops lined the route. Havas.

INDIAN CIVIL SERVICE.

("Gazette's" Special Service.)

LONDON, March 26.

In the House of Commons, replying to Sir D. Rees, Mr. Fisher stated that the Selection Board had not yet been constituted which would deal with British candidates for the Indian Civil Service who have served in His Majesty's forces during the war.

Roberts, Hughes and Co. of Cairo, Alexandria and Khartoum are offering only a special line of real pigskin Attaché Cases at P.T. 250, usual price P.T. 300.

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BOLSHEVIKS DEFEATED.

A SMASHING VICTORY.

ODESSA SAFE.

LONDON, April 2.

Reuter learns that Admiral Koltchak's troops have now advanced over fifty miles west of Ufa. In the course of the latest offensive the Siberian army had captured six thousand prisoners, much war material and also fourteen large steamers were captured at Ufa. Prisoners declare that the Red Army is greatly disorganised. Over 18,000 deserted at Samara alone. Reuter.

LONDON, April 3.

Reuter learns that about four hundred of Admiral Koltchak's troops recently travelled in snow shoes from Siberia and joined the Allied North Russia force. It is authoritatively stated that the garrison in Odessa is now greatly strengthened. The French commander is confident that he will be able to hold the town. The Bolshevists have now reached the outer defences of Odessa which are very strong. Reuter.

LONDON, April 3.

The War Office reports that General Shkur has captured Vladikvokaz, finally defeating the Bolshevist army of a hundred thousand. He took prisoner 50,000 and captured thirteen armoured trains and two hundred guns. The Bolshevists have been expelled from the whole of the Northern Caucasus. General Shkur is successfully forming new divisions, comprising the Terek Cossaks and others. Reuter.

LONDON, April 4.

A British North Russia official communiqué says that four times on March 31 the Bolsheviks strongly attacked us eastward of Bolsheozerki and again next morning. All attacks were repulsed and prisoners included a regimental commissary, who stated that these attacks were intended to be decisive. Reuter.

BOLSHEVIK ATROCITIES.

LONDON, April 4.

The Foreign Office White Book on Bolshevism contains a collection of British official and other reports covering the Bolshevik régime from the summer of 1918 to the present date. It is issued in accordance with the decision of the War Cabinet last January and is an appalling story of atrocities and misery. A memorandum by a British subject who left Moscow in December says that thousands of the inhabitants have been shot but lately victims are being hanged. Reuter.

AFTER THE WAR.

EDUCATION FOR SERVICE MEN.

HELP FOR TRADERS.

LONDON, April 4.

(Press Bureau). Officers and men of British nationality ordinarily domiciled overseas, now serving in the United Kingdom forces are eligible for the home Government's facilities in higher education, Universities or Agriculture offices and works. A limited number of these ordinarily domiciled in the United Kingdom will be assisted in courses in the Dominions. The Oversea Board of Education's extension of the scheme enables qualified oversea ex-service officers and men to pursue a course of university standard in the United Kingdom, while others ordinarily domiciled in the Kingdom can be assisted in their studies in oversea universities or, exceptionally, in foreign universities. Reuter.

LONDON, April 4.

(Press Bureau). The Pensions Ministry announces that Government has now recognised the obligation to assist from State funds demobilised and discharged officers and men who joined before the war, after the outbreak of war, in order that they be enabled to start business again. Assistance will be either given in periodical payments to meet current obligations like rent, insurance premiums, school fees, mortgage obligations, or in a lump sum for the purchase of stock in trade, shop fittings, etc. Reuter.

SPALATO'S CLAIMS.

ROME March 26.

Mr. Wilson has sent General Sharman Smith to Spalato to inquire into the claims of the inhabitants of Spalato from the ethnic point of view. I.O.T.B.

FUTURE OF LABOUR.

PARIS March 27.

Signor Gabrini, the Italian delegate at the Labour Commission at the Peace Conference, declares that it has already drawn up the international Labour Charter. Ten Italian proposals have been accepted, amongst which are an eight hour day, the institution of a permanent organisation for settling wages, obligatory social insurance, equality of rights for workmen whether working in their own country or abroad. I.O.T.B.

ROME AGRICULTURAL INSTITUTE.

ROME March 27.

The Rome Agricultural Institute will be absorbed into the League of Nations. I.O.T.B.

FOR QUALITY

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THE REPUBLIC OF HUNGARY

GEN. SMUTS'S MISSION.

ENGLISH ONLY.

BERNE, March 26.

The Proletariat Government in Hungary has ordered the arrest of all foreigners in the country including Austrians. I.O.T.B.

BERNE, March 27.

Czecho-Slovak troops occupied Raab on the Danube this morning a hundred and thirty kilometres from Budapest, Raab possesses the largest steel and armament works in Hungary. I.O.T.B.

PARIS, April 3.

(Official). General Smuts has gone to Budapest on behalf of the Allied Governments to investigate the conflict which has arisen between the Roumanians and Hungarians owing to a misunderstanding as to the nature of the new line of demarcation fixed by the Conference. Reuter.

LONDON, April 4.

Correspondents in Paris state that General Smuts has gone to Hungary with a party of twelve, all British, charged with investigating the conditions of Hungary generally in addition to the Roumanian-Hungarian conflict. It is considered that action will be more rapid and more effective if only the representatives of one nation are engaged in investigation. General Smuts apparently is going East instead of Mangin, who is still in France. Reuter.

The Hungarian Revolution was effected on October 30 and November 1, when large bodies of soldiers in Budapest proclaimed a Republic, and took oath of allegiance to the Hungarian National Council, with Karolyi as President. The King speedily reformed his Cabinet, and made Karolyi Prime Minister. Karolyi duly effected the release of the Ministers from this oath of allegiance to the King, and announced the calling of a Constitutional Assembly. (Subsequently a meeting of the National Council and of the Soldiers and Workmens Council decided on the transition to a Republic, and Karolyi was declared President.) The new Government issued a manifesto declaring that Hungary had cast off the yoke of centuries and become a democratic state, repudiated the responsibility for the crimes of its oppressors, and entered the League of Nations declaring the equality and fraternity of its peoples, but looking for the preservation of its territorial integrity. On November 7, Karolyi met General Franchet d'Esperey in Belgrade, and negotiated with him for a separate armistice treaty. Karolyi read a memorandum which said: "We are novices in foreign politics. In future we will bear nothing of the old Hungarian Imperialism. We are enthusiastic supporters of the League of Nations. As to the Czech and South Slav questions, we accept as by final solution the setting up of independent Czech and South Slav States. Difficulties of principle as regards the frontiers. . . . We are prepared to leave to the general Peace Conference. . . . When you come into our Fatherland you will realise that our people have full confidence . . . in France." To avert the menace of economic paralysis and its consequences, he requested intervention to stop the Czech and Polish holding up of coal supplies from Germany.

HUNGARY'S PLEA FOR TERRITORIAL INTEGRITY.

The convention laid down a line of demarcation, the districts beyond which had to be evacuated, but were to remain under civil administration (police, etc.), of the Hungarian Government." A clause giving the Entente the right to take over civil administration in the event of disorder was withdrawn on the representation that Czech Commissaries and South Slavs would seek pretexts to stir up unrest in order to bring Hungarian territory under foreign administration. Karolyi obtained a copy of the Convention pending the reply of the Entente to a telegram which he had dispatched to the effect that the Entente should "until the peace negotiations, guarantee the present frontiers (not including Croatia) and personal against foreign encroachment." Clemenceau replied to General Franchet d'Esperey that he should notify Count Karolyi on military to the acceptance of all other questions." ("N.F.P.", Nov. 11.) The armistice with Hungary was given and authorised the signing of the Convention, which took place on November 13.

LAWN TENNIS.

("Gazette's" Special Service.)

LONDON, April 1.

Norman Brookes is arriving in England and may be playing in the championships at Queens' Wimbledon, in June. He has invited R. E. Patterson his partner him in these tournaments. Paterson, who is a most promising young Australian is at present in England and has accepted. He is aged twenty three and is one of the all round hardest hitters ever seen in this country. Deust expects him to win the Covered Court Championship next week.

TRANSPORT FATALITY.

PARIS April 5.

The transport Umbria with 2,000 officers and men on board from Venice to Tripoli struck a mine. Several persons were killed and a hundred were wounded. Havas.

TROUBLES IN PETROGRAD.

STOCKHOLM, April 2.

It is reported from Petrograd that industrial disturbances have occurred in large factories and by the workers of the "Stella" works, where the People's Commissary was hostilely received and thrown out. Reuter.

THE UP-TO-DATE NOVELS

are "The Reluctant Lover" and "Sheila Intervenes" by the Author of "Sylia." M. Avatis, the bookseller, Cairo and Alexandria. (See advert page 8).

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THE UNREST IN EGYPT.

ARRESTS AND SEIZURE OF ARMS IN THE PROVINCES.

CAIRO-ASSOUAN COMMUNICATIONS RESTORED.

REPORT ON IRRIGATION.

PATROL ATTACKED IN CAIRO.

(Official Communiqué).

CAIRO, April 6.

Since the issue of yesterday's communique it has been reported that a patrol was attacked by a hostile crowd in the Saida Zenab quarter yesterday morning and was obliged to open fire. A boy aged ten or twelve among the crowd was wounded and died later. No other casualties are reported.

The Upper Egypt Railway has now been repaired from Cairo to Minia and communication with Assuan has thus been restored.

Otherwise there is nothing to report.

(Official Communiqué)

CAIRO, April 5.

No fresh disorders are reported from the Provinces.

In the Abu Hommos district a number of arms have been seized and 120 prominent rioters arrested during the past week. In the Ayat Markaz 55 arrests have been made.

In Cairo all is quiet to-day.

The person accused of firing on the mob in Abdin Square during Thursday's disorders has been arrested, 55 other arrests have been made for rioting and looting.

Lest an unduly favourable impression as to the state of the railways be gathered from the fact that a regular train service is now circulating between Cairo, Alexandria and the Canal towns, while through communication to Assouan is almost established, it may be stated that owing to the destruction of stations and signalling apparatus both in Upper and Lower Egypt, it must be long before the railways can cope with normal passenger and goods traffic. The destruction of lamps, at present irreducable, must also greatly reduce the possibilities of night working. Furthermore, the repair of the Delta Light Railways and of certain branch lines must await the return of really settled conditions.

THE WATER SUPPLY.

The Ministry of Public Works has issued the following note on the state of irrigation.

CAIRO April 5.

Since the outbreak of the disturbances the distribution of water for irrigation has, broadly speaking, been carried on without grave inequality or shortage, except in a certain number of cases in which regulation has been tampered with by villagers. An instance of this is at Mit Ghamr, where a considerable portion of the supply to Dakahlia has been diverted from the main canal serving that province, and its crops are now suffering serious damage in consequence.

Unless order is rapidly restored so that irrigation officials can forthwith freely inspect their charges and keep in close touch with the levels of water in canals it will be impossible to assure fair distribution of supply and provide irrigation by free flow.

The substitution of lift for free flow irrigation will be very damaging to the cotton and other crops, seeing how inadequate are the fuel supplies of the country, and how impossible it is to send coal, magnit, paraffin, etc., to pump owners.

Cotton sowing is proceeding in the north of the Delta, but in many instances seed cannot be procured until transport and communications have been restored and then it may be too late.

On all hands the resumption of tranquality and restoration of communication and transportation facilities is urgently advocated; if not, the outlook is very serious for the land owners of Egypt.

CAIRO HORSE-FLESH SALES.

Three horses are now killed daily in Cairo in the two shops opened for the sale of horse flesh, and it has been suggested that a third shop be opened at Haret el-Nassara.

CAIRO GAS WORKERS' DEMANDS.

The Cairo Gas-workers have asked their manager to examine the following demands: Reduction of the working hours to eight instead of twelve daily; on an employee's dismissal a grant of one month's salary for each year employed in the Company's service; the addition of the war-time allowance to be added to salaries; a fortnight's holiday annually; and a money cessation of salaries if any mischief occurred during the employees work; salaries to be paid out monthly.

It is said that the manager has refused these requests.

DEFENCE OF ACCUSED RIOTERS.

Some of the Cairo lawyers who are defending the rioters arrested by the military authorities, in connection with the disturbances which occurred at Wasta, have asked permission to go to the districts concerned in order to obtain necessary data for the defence. Hassan Bey el-Mofti, Mamour of El-Wasta Markaz, who is at present in Cairo has been told that he can now return and regime his duties.

The officials of the Customs Administration in Alexandria have announced that they will stop work for two days—to-morrow and the day after. On Saturday they signed an agreement to that effect, and informed the Director General of their intention. The Ports and Lights officials may follow their example. "Wady el-Nil" and the "Ahaly" will also suspend publication to-morrow which is also the day fixed by native merchants for a general holiday. The Police have been given instructions for guarding public order in these two days. Students have decided not to return to their schools for the time being.

THE NATIVE BAR.

The Native Bar Association held a meeting on Saturday afternoon in Cairo, and discussed its present situation.

COPTS AND MOSLEMS AT ALEXANDRIA.

Moslems and Copts continue to manifest their political and social rapprochement. On Friday last a number of Copts said a visit to the Abul Abbas Mosque in the Gumrock Kism and yesterday their Moslem brethren—to use the new local expression—returned the visit at the Coptic Church. As already reported in our columns, the Mosque meeting was attended by many people of both sects, and the Church meeting likewise. It was held in front of the Church where several speeches were made and poems recited and read on the occasion.

BURNING OF MAAMOURA STATION

In reference to the burning of the railway station at Maamoura by some unknown persons, it has now transpired that the crime was committed by a man of that village as a result of a dispute arising between an employee of the station and himself. The incident has nothing to do with the present riots. The accused has been arrested.

The Mudir of the Dakahlieh has sent to Mamours of Markazes who are on leave in Cairo ordering them to return to their posts and resume duty.

PETROLEUM PRICES AT ALEXANDRIA.

The restrictions imposed on the petroleum companies at Alexandria will, as already announced, be removed to-day when it will begin to be sold as freely as before the war. The price however will remain fixed according to the tariff, P.T. 2.5 per tin or 17 millimes per litre. The Governorate yesterday gave instructions to the Police stations in the town to the above effect.

THE "TIMES" ON THE EVENTS IN EGYPT.

"The first duty of Great Britain at this juncture is to preserve in Egypt the strength of our guiding hand. We must do so in the interests of the masses of the people, and we are bound to make it clear that we have no intention of permitting the destruction of that order and prosperity which we have established both in Egypt and the Sudan. That changes must be made with the object of giving Egyptians a still larger share in the control of their own affairs is not a matter of dispute. When the Protectorate was proclaimed in 1914, it was understood that constitutional developments would be framed after the war. The position of Great Britain is that we cannot do so in a moment, that we were confronted with the most sweeping claims before the ink was dry on the draft of the first armistice, and that changes made now require the most careful consideration.

"In Egypt, as elsewhere, violent pressure will retard reforms, not hasten them, and there never was a time when such a warning was more required."

ITALIAN OPINION

The "Messagero," commenting upon the situation in Egypt, says: "Great Britain has always been the apostle of Liberalism and has shown it all over the world, especially in her colonies and has recently powerfully aided in the triumph of democracy, as enunciated by Mr. Lloyd George. She will not fail to apply these same ideals in Egypt, naturally according to the special policy of Great Britain, which has in thirty five years transformed Egypt into one of the most flourishing countries

(Continued on page 6).

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