

**ENGLAND TO BUY
U. S. SECURITIES**

ISSUE FIVE PER CENT EXCHANGE BONDS TO PAY FOR THEM.

TO BE USED AS COLLATERAL

Needed to Support Exchange Market. Would Use if Necessary to Meet Liabilities in United States.

London.—After an explanation by the chancellor of the exchequer, Reginald McKenna, and a short debate, the house of commons passed the second reading of the bill empowering the government to mobilize American and Canadian securities by purchase or by borrowing them, to be used primarily as collateral for loans, or in case of necessity, to be sold to meet Great Britain's liabilities in the United States.

The scheme is an entirely voluntary one and the chancellor made it clear that the government had no intention of swamping the American market with securities which would be unfair to holders here, as they were to be paid for at the market price.

Mr. McKenna explained that the usual trade balance in favor of Great Britain had been exhausted by the huge demands made upon America for goods for England and her Allies and the amounts paid in interest on foreign securities held here, or earned by British shipping, were not sufficient to set this right. Consequently in order to meet liabilities in the United States they were obliged to go outside the ordinary course of trade and had to borrow or sell securities.

NEEDS OF NAVY SHOWN.

Secretary Daniels in Report Gives Details of Program.

Washington.—Details of the \$500,000,000 navy building program under the five-year continuing plan recommended to congress are contained in the annual report of Secretary Daniels just made public.

The report shows that for the first time in the history of the department the secretary's recommendations increase the expenditures proposed by the general board. In this connection the secretary says:

"My recommendation of a five-year program embraces the same number as proposed by the general board in the distribution it made in the five-year program of dreadnaughts, battle cruisers, scouts and destroyers. I recommend 15 fleet submarines where the general board recommends nine, and I recommend 85 coast submarines as against 58 recommended by the general board. For additional reserve ammunition, my recommendation is \$25,000,000, whereas the general board recommends \$11,000,000. They recommend something more for other craft. My total for the five years is \$502,482,214. The general board's total is \$498,876,000, a very slight difference for the five years, though the board's recommendation for the first year is much larger than the department's estimate."

The five-year program for new ships and completion of those already authorized reaches a grand total of \$502,482,214, with large appropriations for reserve ammunition and aviation.

Important Senate Committee Changes.

Washington.—The committee changes announced by senate democrats showed the following important assignments: Broussard, military affairs, and inter-oceanic canals; Underwood, interstate commerce, appropriations and inter-oceanic canals; Fletcher, banking and currency; Hardwick, immigration.

Thierichens May Succeed Boy-Ed.

Norfolk, Va.—Captain Thierichens, commanding the German auxiliary cruiser Prince Eitel Friedrich interned at this port, is said in naval circles to be slated to succeed Captain Boy-Ed as naval attaché at the German embassy in Washington.

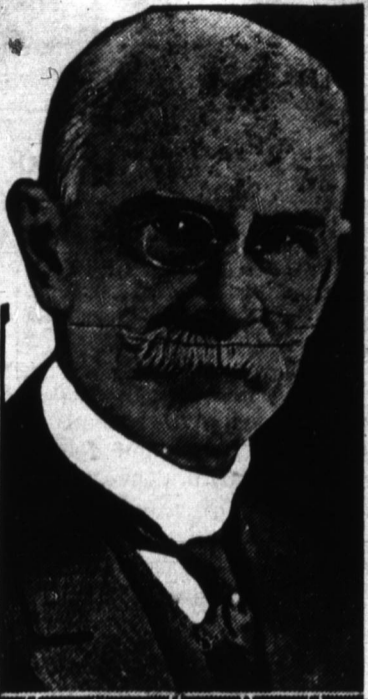
McAdoo Makes Address.

Charleston, S. C.—The Southern Commercial Congress began with addresses on the South's and the nation's commercial and industrial problems by Secretary of the Treasury McAdoo. Gov. Henry C. Stuart of Virginia, John Barrett, director general of the Pan-American Union, Dr. Nicholas Murray Butler of Columbia University, Senator Duhan U. Fletcher of Florida, president of the congress and John Temple Graves of New York.

American Note Causes Anger.

London.—An Amsterdam dispatch to the Exchange Telegraph reads: "Reports from Vienna say that the American note concerning the sinking of the Italian steamer Ancona has caused intense anger in the Austrian government and diplomatic rupture is considered probable. The question before Baron Burian, the Austro-Hungarian Foreign Minister, is only whether a rupture with the United States would not force Berlin to a like step."

SENATOR CHARLES S. THOMAS



Senator Charles S. Thomas of Colorado, chairman of the senate committee on woman suffrage, pacified the suffragists by providing for a hearing before the committee on the Susan B. Anthony amendment removing from the ballot the qualification of sex.

FIRE WRECKS HOPEWELL

FIRE SWEEPS CLEAN NEW MUSHROOM TOWN OF HOPEWELL, VA.

Militia Summoned to Take Situation in Hand and Martial Law is Proclaimed in District.

Hopewell, Va.—A mushroom town of 25,000 people, grown up since last summer with the great new gun cotton plant of the Dupont Powder Company, was completely destroyed by a fire which started in a restaurant and did property damage estimated at from one to three million dollars. The Dupont works outside of the settlement was undamaged, but was once seriously threatened. Villages A and B, near Hopewell, built to house the families of married employees of the factory, also escaped.

Scenes of wild disorder accompanied the fire and citizens lynched a negro for looting. There was no loss of life otherwise and only a few minor injuries were reported.

Martial law was proclaimed with the arrival of six militia companies, rushed from Richmond by order of Governor Stuart. The thousands of homeless men, women and children had been sent to Petersburg and Richmond, but many men remained to guard what little property they had been able to save.

The fire was said to have been caused by the overturning of an oil stove, though there were rumors that it had been incendiary. Several times sparks set fire to mule sheds of the explosive factory, but the flames which followed were quickly extinguished.

While the fire raged the police were busy on all sides, keeping back a great throng of people.

As soon as it was realized that the place was doomed, the police, assisted by experts from the powder plant, began dynamiting buildings.

WOULD ACCEPT PEACE PLAN

Germany Disavows Responsibility for Continuation of War

Berlin.—(By Wireless to Sayville, N. Y.)—"If our enemies make peace proposals compatible with Germany's dignity and safety, then we shall always be ready to discuss them," said the Imperial Chancellor, Dr. von Bethmann-Hollweg, in addressing the Reichstag.

The chancellor made it clear that in his opinion it would be folly for Germany to oppose peace "as long as in the countries of our enemies the guilt and ignorance of statesmen are entangled with confusion of public opinion."

Conscious of her military successes, the chancellor said, Germany declines responsibility for a further continuation of the war. Germany, he declared, could not be charged with the purpose of fighting on to make further conquests.

"The war can be terminated only by a peace which will give the certainty that war will not return," the chancellor declared.

"We all agree about that." He asserted Germany's food supplies were sufficient and that her immense stores of copper were adequate for many years.

Prize Court Will Settle.

Washington.—Great Britain advised the United States that in response to the state department's protest in the case of the steamship Hocking and other vessels of the American Trans-Atlantic Company, orders requisitioning the Hocking and Genesee would be cancelled and test cases would be tried promptly in a prize court to dispose of the charge that the company is partly German owned. Two of the steamers seized by the British cruisers, will be released under bond.

**FRANCE VIOLATES
AMERICAN RIGHTS**

PASSENGERS WERE REMOVED FROM OUR VESSELS BY CRUISER ON HIGH SEAS

NO LEGAL JUSTIFICATION

Note Will Be Sent to France Protest-ing Over the Removal of Enemy Subjects From Neutral Ships

Washington.—The state department announced the stopping and searching of three vessels of the New York and Porto Rico Line by the French cruiser Descartes would be made subject of diplomatic representations to France. The department received official advice from San Juan of the incidents.

The note will contend that removal of citizens of any nation from an American vessel on the high seas is without legal justification. It will assert, as was done a year ago in a protest to France in the case of August Piepenbrink, that the men removed were not embodied "in the armed forces of the enemy" in the sense of that term in established international law.

The communication, it is understood, probably will declare also that there is no justification for the removal of an enemy subject from a neutral vessel on the high seas bound to a neutral port, even if he could properly be regarded as a military person. The Trent case during the Civil War probably will be cited as a precedent.

The state department was not advised whether any of the Austrians or Germans seized had declared their intention of becoming American citizens. Should it develop that such is the case, the protest may be even more firm.

A statement by the department says: "The department has received reports from the collector of customs at San Juan, Porto Rico, indicating that three ships of the New York and Porto Rico line have been stopped on the high seas and searched by the French cruiser Descartes. The steamship Carolina, northbound, was stopped six miles off San Juan and the German chief steward named Schade was taken off by the boarding officer. The steamer was allowed to proceed north after delay of about two hours."

The steamer Coamo, southbound, was stopped about 20 miles off shore by two shots across her bow and the following persons taken off by the boarding party: J. Luscor Rutter, Anton F. Dollorch, Austrians, of the engine room, and H. Krger, a German of the steward's department. It appears that other Germans in the crew with American citizenship papers were not molested.

"The steamship San Juan, southbound, is reported to have been stopped northeast of Porto Rico and two second cabin passengers, William Guntherodt and Fritsch Lothar, German subjects, taken off ship.

The two last named are understood to be residents of New Orleans.

PERSONAL TAX INCREASES.

Nearly \$13,000,000 More Income Tax Was Collected Last Year.

Washington.—Personal income tax was paid during the last fiscal year by 357,515 individuals, who turned into the government \$41,046,162, more by nearly \$13,000,000 than the total paid by 257,598 making returns the year before, according to the annual report of the commissioner of internal revenue, just made public.

The greatest increase shown was in the amounts paid by those subject to the normal tax, a jump from about \$12,728,000 in 1914 to about \$16,559,000 in 1915. Incomes exceeding \$500,000 paid this year about \$6,459,000 compared with about \$3,437,000 last year. There were 82,754 individuals subject to the normal tax; 127,448 who reported incomes between \$4,000 and \$5,000 and 174 whose returns were made on a basis of incomes of \$500,000 or more.

Explosion in Belgium Kills 110.—One hundred and ten persons are reported to have been killed in the explosion in the Belgian munitions factory at Havre, says a dispatch from that city to The Temps. "The exact cause of the explosion has not yet been determined," says the newspaper. "The investigation conducted as developed that one of the buildings contained boxes of ammunition which came from the United States. Discovered in one of these boxes was an apparatus designed to cause deflagration."

Raise Money For Suffrage.

Washington.—More than \$41,000 was raised in 15 minutes at a mass-meeting held here by the Congressional Union for Woman Suffrage in connection with its annual convention. The money will be used to finance the work of organizing for a nationwide campaign to secure the passage of the Susan B. Anthony suffrage amendment by the present Congress. The largest individual contribution was that of Mrs. O. H. P. Belmont, who pledged \$10,000 for the New York delegation.

STEPHEN M. SPARKMAN



Congressman Stephen M. Sparkman of Florida, chairman, and the other members of the house rivers and harbors committee, will have to play again this session the part of buttresses for the usual fight on rivers and harbors expenditures.

AUSTRIA MUST ANSWER

UNITED STATES MAKES FORMAL DEMAND UPON AUSTRO-HUNGARIAN.

Must Give Assurances That Such Will Not Be Repeated and Reparation For Americans Lost.

Washington.—The United States has sent to Austria-Hungary a note asking for a disavowal of the submarine attack upon the Italian liner Ancona, assurances that such an act will not be repeated, some degree of punishment for the commander of the submarine, and reparation for the American lives lost.

The communication went by cable from the state department to Ambassador Frederick C. Penfield at Vienna who was instructed to hand it to the Austro-Hungarian Minister of Foreign Affairs, Baron Burian.

Friendly but firm terms, it is said, characterize the document which is understood to make a particular point of prompt assurances for the future safety of American lives. Austria-Hungary has never notified the United States whether the commanders of its submarines had been given instructions similar to those which the German government gave to its commanders after the Lusitania tragedy. It is understood that the note referred particularly to the charge that shells from the submarine killed or wounded some passengers on the Ancona after she had halted, and asked for an explanation on the point.

In despatching the note Secretary Lansing acted with the approval of and after consulting with President Wilson. It is stated authoritatively that the document which is described as being comparatively brief and decidedly vigorous in tone, was drafted as to attempt a settlement of the controversy at once.

High officials are said to be of the opinion that the situation is one which calls for grave consideration, the state of affairs having become more complicated since the note was dispatched by reports of attacks upon American oil-carrying vessels in the Mediterranean, presumably by Austrian submarines.

NAVY IN SPLENDID FORM.

Secretary Daniels Makes Interesting Statements of Condition.

New York.—The United States Navy has a waiting list at its recruiting offices and accepts only one in six of the men who apply for enlistment, Secretary Daniels told members of the Southern Society of New York, speaking at the society's annual banquet on "The Navy." When he took office, the secretary said there were 4,053 vacancies in the authorized enlisted personnel of 51,000, but as a result of the steps taken to make the service more attractive to young men of proper qualifications, this has been overcome and in addition the proportion of re-enlistments has risen from 54 per cent to 92 per cent, "which means the securing of men of long training for the service."

President Wilson Confident.

Washington.—President Wilson told members of the Democratic National Committee at a luncheon in the state dining-room of the White House that the Republicans had no issue for the next campaign except the tariff and that Democracy was certain to win. "Our constructive work has started an irresistible movement which cannot be stopped," he declared. "Any one who tells you otherwise is talking through his hat." Mr. Wilson said nothing to indicate whether he would again be a candidate.

**WILSON ADDRESSES
OHIO BUSINESS MEN**

COMMERCE OF AMERICA OUGHT TO MOBILIZE FOR BIG WORK.

BE NO PATCHED-UP PEACE

President in Masterful Address Says Business and Politics Will Not Mix Readily.

Columbus, O.—President Wilson expressed the opinion that there will be no patched-up peace following the European War. In a comprehensive and forceful address before the Columbus Chamber of Commerce, he urged American business men to mobilize their resources in order that the United States might be prepared to play a more important part in the world's affairs, and bring about justice after the present war.

The President spent 18 hours in Columbus during which he was active every minute. His reception was enthusiastic and pleased him greatly. In addition to the Chamber of Commerce speech he delivered an address before the commission on country and church life of the Federal Council of the Churches of Christ of America, shook hands with more than 7,000 people at a reception in the rotunda of the state capitol, spoke briefly to a large crowd from the steps of the capitol and took a long walk about the streets of Columbus. The entire city and many people from surrounding towns greeted him.

In the Chamber of Commerce address the President defended his Mexican policy and said as long as he was President nobody should "but in" to alter the Mexicans' Government for them; urged business men to pay more attention to foreign commerce and be more self-reliant; demanded the restoration of the American merchant marine; praised the new banking and currency law; and touched on the attitude of the United States toward the European war.

"When the present great conflict in Europe is over, the world is going to wear a different aspect," Mr. Wilson declared. "I don't believe there is going to be any patched-up peace. I believe that the thoughtful men of every country and of every sort will insist that when we get peace again we shall have guarantees that it will remain, and that the instrumentalities of justice shall be exalted above the instrumentalities of force."

"I believe that the spirit which has hitherto reigned in the hearts of Americans and in like people everywhere in the world will assert itself once for all in international affairs, and that if America preserves her poise, preserves her self-possession, preserves her attitude of friendliness towards all the world, she may have the privilege, in one form or another, of being the mediating influence by which these things may be induced."

ASSURE AMERICAN RIGHTS.

Vigorous Resolutions Are Presented on Subject in Congress.

Washington.—The long-expected storm in congress over the administration's conduct of the defense of American rights on the seas broke in Congress when Senator Hoke Smith, Democrat, demanded an investigation of Great Britain's interference with neutral trade and Senator Lodge, Republican, replied with a demand that an investigation include the loss of American lives.

The body of an innocent child, floating dead on the water, the victim of destruction of an unarmed vessel, is to me a more pregnant and a more tragic spectacle than an unsold bale of cotton," declared the Massachusetts senator.

Both resolutions were referred to the foreign relations committee. Their introduction has served to bring out the first debate of the session on a subject to which all minds had turned.

Ford Receives a Glad Hand.

The Hague, via London.—Neither encouragement, recognition nor support in any shape or form will be offered to the Ford peace party by The Netherlands government, according to information from official sources given to a correspondent of the Associated Press. Government officials it was indicated, naturally noted the party's departure and also received a notification thereof from the leader, but no reply was forwarded. No opposition will, however, be placed in the way of the party's landing in Holland.

Situation is Tense.

Washington.—Diplomatic relations with Austria are in grave danger of being broken off over the sinking of the Italian liner Ancona with the loss of American lives. All officials here continue to preserve silence over the negotiations with Austria, but through the veil which has been drawn about the situation is seen a crisis just as grave as that which attended the submarine negotiations with Germany. "The question of continuing diplomatic relations may be said to depend upon a satisfactory reply."

**VIENNA DEMANDED
TO ACT PROMPTLY**

NOTE IS SENT TO AUSTRIA-HUNGARY REGARDING SINKING OF ANCONA.

ILLEGAL AND INDEFENSIBLE

Declares Submarine Commander a Wanton Slaughterer and Demands That He Be Punished.

Washington.—The text of the American note to Austria-Hungary regarding the sinking of the Italian steamship Ancona, just made public, is as follows: "The secretary of State to Ambassador Penfield, Department of State, Washington."

Please deliver a note to the Minister of Foreign Affairs, textually as follows:

"Reliable information obtained from American and other survivors who were passengers on the steamship Ancona shows that on November a submarine flying the Austro-Hungarian flag fired a solid shot toward the steamship; that thereupon the Ancona attempted to escape, but being overhauled by the submarine she stopped; that after a brief period and before the crew and passengers were all able to take to the boats the submarine fired a number of shells at the vessel and finally torpedoed and sank her while there were yet many persons on board; and that by gunfire and fouding of the vessels a large number of persons lost their lives or were seriously injured, among them were citizens of the United States."

"The public statement of the Austro-Hungarian admiralty has been brought to the attention of the government of the United States and received careful consideration. This statement substantially confirms the principal declaration of the survivors as it admits that the Ancona after being shelled was torpedoed and sunk while persons were still on board."

"The Austro-Hungarian Government has been advised, through the correspondence which has passed between the United States and Germany of the attitude of the government of the United States as to the use of submarines in attacking vessels of commerce and the acquiescence of Germany in that attitude, yet with full knowledge on the part of the Austro-Hungarian government of the views of the government of the United States as expressed in no uncertain terms to the ally of Austria-Hungary, the commander of the submarine which attacked the Ancona failed to put in a place of safety the crew and passengers of the vessel which they purported to destroy, because, it is presumed, of the impossibility of taking it into port as a prize of war."

"The government of the United States considers that the commander violated the principles of international law and of humanity by shelling and torpedoing the Ancona before the persons on board had been put in a place of safety or even given sufficient time to leave the vessel. The conduct of the commander can only be characterized as wanton slaughter of defenseless non-combatants since at the time when the vessel was shelled and torpedoed, she was not it appears, resisting or attempting to escape; and no other reason is sufficient to excuse such an attack, not even the possibility of rescue."

"The government of the United States is forced, therefore, to conclude either that the commander of the submarine acted in violation of his instructions or that the Imperial and Royal Government failed to issue instructions to the commanders of its submarines in accordance with the law of nations and the principles of humanity. The government of the United States is unwilling to believe the latter alternative and to credit the Austro-Hungarian government with an intention to permit its submarines to destroy the lives of helpless men, women and children. It prefers to believe that the commander of the submarine committed this outrage without authority and contrary to the general or special instructions which he had received."

"As the good relations of the two countries must rest upon a common regard for law and humanity, the government of the United States cannot be expected to do otherwise than to demand that the Imperial and Royal Government denounce the sinking of the Ancona as an illegal and indefensible act; that the officer who perpetrated the deed be punished; and that reparation by the payment of an indemnity be made for the citizens of the United States who were killed or injured by the attack on the vessel."

"The government of the United States expects that the Austro-Hungarian government, appreciating the gravity of the case, will accede to its demand promptly; and it rests this expectation on the belief that the Austro-Hungarian government will not sanction or defend an act which is condemned by the world as inhuman and barbarous, which is abhorrent to all civilized nations, and which has caused the death of innocent American citizens."

"LANCING."