

NO PEACE WITHOUT COMPLETE RESTITUTION REPARATION AND GUARANTEES, SAYS PREMIER

Lloyd-George's First Act as British Prime Minister is to Reject Teutons' Proposals.

IN THE HOUSE OF COMMONS

Declares That Germany Must First be Prepared to Accede to the Allies' Terms.

JOINT REPLY IN FEW DAYS

Earl Curzon Announces Policy in the House of Lords.

London, Dec. 19. — The announcement in the house of commons today by David Lloyd-George, the new prime minister, that the first act of his administration was the rejection of the proposal of the Central Powers for a peace conference constituted one of the most momentous scenes which the oldest parliamentary veterans had ever witnessed.

The new premier declared that before the Allies could give favorable consideration to such an invitation, they must know that Germany was prepared to accede to the Allies' terms, giving "complete restitution, full reparation and effectual guarantees," and to enter a conference upon the invitation of Germany, proclaiming herself victorious, without any knowledge of her proposals, "would be putting our heads into a noose with the end of the rope in Germany's hands."

Refers to Belgian "Slavery."

Mr. Lloyd-George asserted that at the moment Germany was penning the note, assuring her convictions as to the rights of other nations, she was dragging Belgians into slavery. He announced that the note presented through Washington contained no proposals of terms, but was a paraphrase of Chancellor von Bethmann-Holweg's speech, and that the Allies had separately concluded to reject it, although they had informally exchanged views, and would within a few days present a joint reply.

Mr. Asquith, the former premier, seconded Mr. Lloyd-George's decision with even stronger words and almost infusing the lords that the government would enter no conference that did not guarantee for Europe the free and independent existence of nations, great and small.

The Marquis of Crewe affirmed the approval of the members of the late government.

Day Doubly Important. The day was a doubly important one for the commons because the new premier unfolded his programme for the coming year, and Mr. Asquith closed the last chapter of his nine years of leadership with an accounting of his war stewardship.

The principal feature of Mr. Lloyd-George's programme is a measure for national service, matching Germany's latest scheme whereby every citizen will be liable for enrollment, to perform work for which the authorities consider him best equipped.

The premier prefaced his view of the situation by the statement that the British did their best in time of danger; that the country could be told unpleasant, and he would give, not a dash, but a stern view of the outlook.

EARL OF CURZON ANNOUNCES POLICY IN HOUSE OF LORDS

London, Dec. 19. — "The policy of the new government is that the war must be conducted with the utmost prosecution, that there must be an ample return for all sacrifices; that full reparation must be made by the enemy for all countless crimes, and security given that those crimes will not be repeated and that the sacrifices made shall not have been in vain," said Earl Curzon, a member of the new war council, in presenting the policy of the government in the house of lords today.

PREMIER'S SPEECH IS NOT REGARDED IN WASHINGTON AS ENDING HOPE FOR PEACE

Officials, However, Are Convinced That Action by the United States Now Might Embarrass Any Move for Mediation Later—German Embassy Interprets Lloyd-George's Speech as Opening the Door for Further Discussion.

Washington, Dec. 19.—The first official impression here of Lloyd-George's reply to the German peace proposals with the announcements of Russia, Italy and France is that it does not foreclose further moves which might look to a discussion of peace such as the Central Powers have suggested. This view is held by officials of the administration and of the German embassy.

Official Washington practically is unanimous, however, in the opinion that the British premier's speech has shown that any positive action by the United States toward mediation not only would be premature, but might embarrass such action later.

It was stated authoritatively tonight that for the present the United States would act only as an intermediary transmitting communications between the belligerent powers.

The German embassy interprets the British premier's speech as opening the door to a further discussion, although the German diplomats, intimately familiar with the aims and views of the Central Powers, make no attempt to conceal their uncertainty regarding the outcome of such negotiations.

They feel, however, that if the note replying to the German communication follows the tenor of the premier's speech the Entente, from the Teutonic viewpoint, has done all expected of it, and has brought the idea of peace conference one step nearer realization.

"It appears from the British premier's speech," said Count von Bern-

storff, the German ambassador, in an authorized statement, "that the answer of Great Britain will not end the matter. To me it looks as if there will be at least one more exchange of notes, which will talk of the future and not of the past."

The Allies' responses are viewed by administration officials not as a flat refusal but as the answer most to be expected from a group of belligerents eager to throw back on their adversaries all the onus of having caused the war and of having brought about conditions under which peace was morally wrong. Nevertheless, officials foresee the opportunity, almost the invitation, for Germany to make another cautious advance, which finally may bring out the minimum basis of contention.

German embassy officials, though optimistic because the British premier did not flatly refuse to enter into a discussion, deprecated the suggestion that definite peace terms might be set forth in formal notes. The German view as reflected here is that nothing can be achieved by a public discussion of terms. In the same quarter it is thought probable that Germany, should Great Britain ask it, may be willing to make some preliminary statement of principle regarding terms, especially if failure to take such action should be the only barrier to the Entente agreeing to send representatives to a conference. No secret was made of the fact that Germany will use every means known to diplomacy in her effort to bring about a conference.

Premier Lloyd-George's Reply To Central Powers' Proposals

London, Dec. 19.—Rising in the house of commons a few minutes after 4 o'clock this afternoon David Lloyd-George, the prime minister, said: "I appear before the house of commons today with the most terrible responsibility that can fall upon the shoulders of any living man, as chief adviser of the crown in the most gigantic war in which this country was ever engaged, a war upon the events of which its destiny depends. It is the greatest war waged; the burdens are the heaviest that have been cast upon this or any other country and the issues the gravest that have been attached to any conflict in which humanity was ever involved."

"The responsibilities of the new government have been suddenly accentuated by the declaration made by the German chancellor. The statement made by him in the Reichstag has been followed by a note presented by the United States without comment. The answer given by this government will be given in full accord with all our allies."

An Interchange of Views. "Naturally there has been an interchange of views, not upon the note, because it has not recently arrived, but upon the speech which impelled it—and the note itself is practically only a reproduction of a paraphrase of the speech—the subject matter of the note itself has been discussed informally between the Allies. I am glad to be able to state that we separately and independently arrived at identical conclusions."

"I am very glad that the first answer given to the statement of the German chancellor was given by France and Russia. They have the unquestionable right to give the first answer to such an invitation. The enemy is still on their soil and their sacrifices have been the greater."

The answer they have given has already appeared in the papers and I simply stand here to give clear and definite support to the statement they have already made.

"Any man or set of men who want only without sufficient cause to prolong a terrible conflict like this would have on his soul a crime that oceans could not cleanse."

without any knowledge of what proposals she proposes to make, into a conference is to put our heads into a noose with the rope end in the hands of Germany."

Has Fought "Despotism" Before. "This country is not altogether without experience in these matters. This is not the first time we have fought a great military despotism, and shadowing Europe, and it won't be the first time we have helped to overthrow a military despotism. We have uncomfortable historical memory of these things and can recall one of the greatest of these despots whose favorite device was to appear in the garb of an angel of peace, either when he wishes to re-organize his conquests or to re-organize his forces for fresh conquests, or, secondly, when his subjects showed symptoms of fatigue and weariness and he wished always made in the name of humanity. He demanded an end to the blood shed at which he professed himself horrified, although he himself was mainly responsible."

"Our ancestors were taken in once, and bitterly they and Europe rue it, and the time was devoted to re-organizing his forces for deadlier attack than ever upon the liberties of Europe."

"The mobilization report shows that of 128,000 enlisted men of militia inspected on the border, 81,178, or 63 per cent, were either transferred from militia organizations not called out or were new recruits, leaving only 37 per cent of the force representing the National Guard or the organized militia element on the rolls of the organizations in question at the date of call."

Warm Praise for Regulars. Secretary Baker was warm in his praise for the enlisted regulars and informed the House committee that he had approved a suggestion that their pay be raised to \$25 a month. He was enthusiastic over the summer training camp.

"I believe," he said, "that if the United States were in a major emergency, 99 per cent of those who attended the Plattsburg encampment would enlist and be of very great value to the government. They would beat the rest of us to it."

BAKER IN FAVOR OF UNIVERSAL SERVICE

Offers Qualified Support to Some Form of Compulsion Before House Committee.

GIVE MILITIA FAIR TRIAL

Opponents of Present Volunteer System Hope Bill May be Framed That Will Also be Endorsed by President Wilson.

Washington, Dec. 19.—The agitation for some form of compulsory military service in the United States received qualified support from Secretary Baker today before the House Military committee, encouraging opponents of the present volunteer system to predict that legislation for a change might be framed which would be sanctioned by Mr. Baker and possibly by President Wilson. "The President has said he would not attempt to reach a decision on the subject until a definite plan was placed before him."

Replying to a direct question as to his views on compulsory military service, Secretary Baker said: "Universal obligation. 'The obligation to serve the country is a universal one. The question of how to bring about preparation for National defense is one of policy rather than theory. Whether universal military service or a selective conscription is the correct answer, I do not know. The theory of a common interest in a common country would be suffered by means of selecting soldiers that was not voluntary in character.'"

The Secretary told the committee, however, that since Congress had rejected the continental army plan in favor of the National Guard system, he would not support any plan that would be a fair trial. He did not amplify his suggestion in regard to the selective conscription, but it is understood the plan under consideration contemplates the taking of an inventory of men, as is being done with industrial resources, and devising a means whereby every citizen would be made liable in a war emergency for the character of work for which he is best fitted by his peace time training."

General Scott Again Testifies. In the near future Mr. Baker will appear before the Senate sub-committee which is hearing the opinions of army officials and others on the Chamberlain universal training bill. Major General Scott, chief of staff, was called before the sub-committee today urging universal service legislation and submitting the report on the mobilization of the National Guard for border duty compiled by Col. W. C. Brown from all information available at the War Department.

The conclusion of the general staff, General Scott said, that no adequate defense could be built up under the present voluntary system, was fully substantiated by the reports of department commanders, inspector-instructors and others, included in Colonel Brown's compilation.

Col. Brown Before Committee. Colonel Brown, who commanded the Tenth cavalry under General Pershing and led the detachment which dealt the most severe punishment to the Villa bandits, was before the committee himself and told of the hardships the troops in Mexico encountered, of the loss of life and property, and of the fact that only thoroughly trained men and animals could have stood the strain.

Mobilization Report. The mobilization report shows that of 128,000 enlisted men of militia inspected on the border, 81,178, or 63 per cent, were either transferred from militia organizations not called out or were new recruits, leaving only 37 per cent of the force representing the National Guard or the organized militia element on the rolls of the organizations in question at the date of call."

Wet Forces in Boston. Boston, Mass., Dec. 19.—Boston today voted to continue the licensed sale of liquor after the liveliest campaign on the liquor question that the city has had in years. The vote in favor of license was 1,159; with 49,927 against. Last year the vote for license was 46,115 and 1,577 against.

MAY BE FORCED TO CROSS THE DANUBE

Rumanians Seemingly Have to Make Stand or Retreat Into Bessarabia or Moldavia.

NO GREAT VICTORIES WON

Berlin Announces Capture of Over 1,000 Russo-Rumanians—Spirited Artillery Duels in the Meuse River Region.

The Russian and Rumanian troops who have been in retreat before the Teutonic Allies in Dobruja, seemingly now are at a point where they either must make a stand or cross the Danube into southwest Bessarabia or into Moldavia in the region of Galatz.

The latest official communication from Berlin says that in Dobruja the Russians have retreated past their newly fortified positions in the north and that the Teutonic Allies now are advancing toward the lower Danube.

Aside from the announcement of the capture of more than a thousand Russians and Rumanians and the taking of numerous vehicles loaded with provisions, no mention is made by Berlin of the advance on Moldavia. In the Carpathians the Russians and Teutonic allied forces continue fighting, but with no great victories falling to either side.

In all the other theatres artillery engagements preponderate, only small infantry action having taken place anywhere. Berlin records attacks, favorable to Turks and Bulgarians in the Struma region on the Macedonian front.

On the right bank of the Meuse in the Verdun sector the French and the Germans throughout Tuesday fought spirited artillery duels especially near Bezonvaux, the Caufiers wood and Chambrettes. The infantry of neither side left their trenches. Reciprocal bombardments took place along the British front in France and also along the line in Belgium.

TWO KILLED, 15 INJURED AS RESULT OF MINE EXPLOSION

First Aid Crews Do Quick Rescue Work When 150 Miners Are Entombed.

Bruceville, Ind., Dec. 19.—Two miners are dead and 15 injured as the result of a gas explosion in the Oliphant-Johnson mine near here today. One hundred and fifty men were entombed by the blast, but first aid crews from nearby mines gave early assistance and the workings were cleared in about four hours.

The Bruceville mine is equipped with every life saving device recommended by the government. It is due to this fact, according to the owners of the shaft, that the loss of life was no greater.

New York, Dec. 19.—Dr. James Monroe Taylor, president emeritus of Vassar College, died here tonight. He was 88 years old.

SHEPPARD BILL MAY BE VOTED ON TODAY

Friends of District Prohibition Measure Expect it to Pass.

Senate, by a Tie Vote of 38 to 38, Fails to Adopt the Amendment Offered by Underwood Providing a Referendum.

Washington, Dec. 19.—The way was cleared in the Senate today for a final vote on Senator Sheppard's bill for prohibition in the District of Columbia, and unless there is an unexpected filibuster it will be put on passage tomorrow. Friends of the measure expect it to pass.

ZEBULON V. WEAVER GOES TO CONGRESS

Supreme Court Affirms Ruling of Judge Adams; Election Board Issues Certificate.

CRAIG SIGNS COMMISSION

Dismissal of Injunction Petition Against Buncombe Board of Elections to Prevent Certification of Returns Affirmed.

Raleigh, N. C., Dec. 19.—A commission as representative in Congress from the Tenth district to succeed James J. Britt, Republican, was issued late today to Zebulon Weaver, Democrat, by Governor Craig.

The commission was issued by the Governor after the State Supreme Court an hour previously had dismissed Britt's appeal from the action of Judge J. J. Adams, of the Buncombe county Superior court, in refusing to grant a writ of mandamus to compel the Buncombe county board of canvassers to declare the vote of that county on the face of the returns as they appeared on November 9. The returns of these precincts in the county not officially reported at that time were included when the county canvassing board acted on November 17. Britt still was ahead in the county, but Weaver had gained enough in the three precincts in question to overcome Britt's lead and give him a plurality of nine votes in the district.

A temporary order restraining the State Board of Canvassers from taking into consideration the vote of Buncombe county, obtained by Judge W. M. Bond as soon as the Supreme Court's decision was handed down. The board of canvassers then reported Weaver's election to the Secretary of State, who in turn certified it to Governor Craig. In political circles here, it is taken for granted that Britt will take the contest to the floor of the House of Representatives.

SUPREME COURT HOLDS THE FINDING OF FACTS BINDING (Special Star Telegram)

Raleigh, N. C., Dec. 19.—The North Carolina Supreme court affirms the ruling of Judge Adams dismissing the petition of injunction against the Buncombe county board of elections to prevent the certification of returns that gave Z. V. Weaver the majority for Congress over James J. Britt in the Tenth district. The ruling was made at 4 o'clock this afternoon with the statement that a formal opinion by a member of court would be filed later.

Members of the State Board of Elections were here awaiting the action of Supreme court and at once issued the Democratic party have in Congress.

Whatever narrow margin of majority the Democrats may have in Congress, it is making the ruling the court said: "The findings of fact, when supported by evidence as they are in this case, are binding upon the Supreme court."

RALEIGH MAN AMONG THOSE WHO PERISHED

Jack Johnson, White, Aboard Ship When Sunk.

North Carolina Negro Was Also Lost. Names of Americans Killed When Stock Transport Russian Was Torpedoed.

Newport News, Va., Dec. 19.—British Vice-Consul C. E. Kenworthy, stationed here, today received a cablegram from London giving the names of the Americans killed when the British stock transport Russian was sunk in the Mediterranean on December 14 by a German submarine. Nine of the Americans were white men. Their names follow:

William Guernsey, Cornell, N. Y.; Charles Harn, Washington, D. C.; Mat Campbell, Bowling Green, Va.; James Johnson, Brooklyn, N. Y.; Ralph Gordon, Newport News, Va.; Otis Tucker, Richmond, Va.; Jack Johnson, Raleigh, N. C.; John Scott, Portsmouth, Va.; and Lloyd Water, Cambridge, Mass.

The negroes were: Joseph Wilson, Dendron, Va.; William Burchette, St. Louis, Mo.; David Scott, Baltimore, Md.; Langston Byrd, Danville, Va.; A. Cooper, Florence, S. C.; Ernest Taylor, Newport News, Va.; Joe Bullocks, Edenton, N. C.; and Vance Brown, Petersburg, Va.

The message contained no additional information concerning the sinking of the Russian, the vice-consul said.

Home Telephone Company Generous at Christmas Time Also.

BREAK IN COTTON OF \$3.50 PER BALE

Decline Results From Adverse Developments in the Peace Situation in Europe.

WHEAT RISES AND FALLS

British Premier's Speech Sends Prices Up But a Set-Back Follows on Gossip Favorable to a Peace Conference.

New Orleans, Dec. 19.—The furious waves of selling, divided by a period of pronounced strength, resulted in the cotton market today from political developments and cost the price \$3.50 a bale.

In the early trading apprehension over the import of Premier Lloyd-George's statement in parliament caused a loss of 63 to 71 points, but the first reports of the speech caused a reaction which gained great headway, apparently on the oversold condition of the market, and carried active months to within 15 to 27 points of yesterday's close. Late in the day, with prices hurled onto the ring, breaking quotations to new low levels on some months. A private bureau report on ginning to December 13, showing a total output of 10,870,000 bales also influenced the market.

At the lowest the market showed a net loss of 67 to 71 points. The close was within 30 point of the lowest.

SET-BACK FOLLOWS ADVANCE OF OVER 7 CENTS IN WHEAT (Chicago, Dec. 19.—Despite a sensational advance of 7 1/4-c in wheat today, based on running reports of the British premier's speech, the market later fell back 7 1/2-c, owing chiefly to widespread gossip that the way to a peace conference had not yet been barred.

Excited selling accompanied the late set-back in prices and there was a close with quotations ranging nearly a cent each side of yesterday's finish. At the topmost point of the rise wheat values had recovered about 13 cents a bushel since the previous low level was touched on Friday. The upturn led to extensive profit taking by holders, but the selling did not assume a runaway character until reports under London date lines appeared in print here asserting that the door was ajar for specific peace terms from Germany and that a peace conference was yet possible.

In the short time remaining before the market closed there was but scanty leeway for any certain knowledge to be gained as to whether the Lloyd-George speech did or did not afford an opportunity for a peace parley. The result was that no solid support for the market was immediately available and that the crumbling of prices continued virtually without stop till the gong cleared traders from the pit.

Fear that the peace was indefinitely postponed the effect on the American export trade is estimated by the astrologer was to some extent a factor of the late selling stampede. Final prices showed the general inclination—December 3-4c lower at \$1.53; May unchanged to 5-6c higher at \$1.64 3/4 to \$1.65 1-8; and July 1/4-c to 7-8c net higher at \$1.85 1-4 to \$1.88 7-8.

PRICES UNDERGO VIOLENT BREAKS IN STOCK MARKET

New York, Dec. 19.—Prices broke violently on the stock market today after the publication of the remarks of Lloyd-George on the German peace proposals. The downward movement did not begin, however, until an hour after the receipt, about 1 o'clock, of the first reports of the speech. During this time, as the fragmentary additions came in, Wall Street spent one of the tensest 60 minutes in its history endeavoring to interpret the significance of the British premier's disclosures.

Confusion and perplexity was reflected in hesitancy, little rallies and declines, and a bound upward before the slump began. Then suddenly the stock tickers began to reel off the message that the door was ajar, and the market fell off rapidly, and before trading was over, extreme declines of from 4 to 10 points had been registered.

Probably never in history has London been such an overwhelming factor in the New York stock market as today. Trading during the irregular with only a nominal output. Interest in what Lloyd-George would say was at high pitch in every quarter of the financial list and business waited expectantly for word from the head of Britain's new ministry. The first excerpts from the crash were preceded by publication of private cables up-reporting to outline the text of the address actually rose on these advances, illustrating the market's extremely sensitive condition.

As in other drastic downward movements the stocks which suffered chiefly today were those of concerns which have derived huge incomes from the sale of war supplies and other products for which there has been a big European demand. There was a rally just at the close, however, of from 1 to 5 points.

When the slump finally began U. S. Steel was offered down in single lots of 1,000 to 5,000 shares, from 116 1-8 to 109 5-8 in very little time. Other shares that registered extreme reactions of 4 to 10 points included Gulf States Steel, Crucible Steel, Central Leather, Baldwin and American Locomotive, Cuba Cane Sugar, American Zinc, Butte and Superior and Industrial Alcohol with 17 for Atlantic, Gulf & West Indies.

Pronounced depression also was manifested by Mercantile Marine, International Paper, and others.