

WEATHER.

Local rains Friday, colder west and central portions with a cold wave at night. Saturday fair, colder east portion.

WILMINGTON THE MORNING STAR

10 PAGES TODAY ONE SECTION

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NOTE TO THE WARRING NATIONS BEARS NO THREAT THAT UNITED STATES MAY BE DRAWN INTO WAR

Lansing, in Official Interpretation, Says the Present Neutral Policy Stands.

NO CHANGE CONTEMPLATED

Secretary Declares His Statement, Made Earlier Yesterday, Was Widely Misconstrued.

IT CAUSED CONSTERNATION

Second Statement Made After a Conference with President.

Washington, Dec. 21.—President Wilson's note to the belligerents urging discussion of peace was officially interpreted today as not bearing any threat that the United States might be forced to enter the war because of the continued invasion of its rights by the warring powers on both sides.

This interpretation was made late today by Secretary Lansing, in a formal statement issued to overtake what were characterized as widespread misconstructions placed on one made earlier in the day, saying that because of the increasingly critical position of the United States as a neutral, it was entitled to know exactly what each belligerent seeks in order that it might regulate its conduct for the future.

Lansing Called to White House. Secretary Lansing's final statement, formally prepared and issued after he had been called to the White House for a conference with President Wilson, declared that he had not intended to intimate that the United States was considering any change in its policy of neutrality and that the whole tone and language of the note were sufficient to indicate its purpose without further comment on his part.

Mr. Lansing's first statement, made orally and of which no official copy was distributed, led to exaggeration of its language and purpose throughout the city. The most striking phrases on which the widest speculation was based were that the United States was "drawing nearer the verge of war" and that the sending of the note "will indicate the possibility of our being forced into the war," and that neither he nor President Wilson regarded the note "as a peace note."

The First Statement. The reasons for the sending of the note were as follows: "It isn't our material interest we had in mind when the note was sent, but more and more our own rights are becoming involved by the belligerents on both sides so that the situation is becoming increasingly critical. I mean by that, that we are drawing nearer the verge of war ourselves and therefore we are entitled to know exactly what each belligerent seeks in order that we may regulate our conduct in the future."

"No nation has been sounded. No consideration of the German overtures or of the speech of Lloyd-George was taken into account in the formulation of the document. The only thing the overtures did was to delay it a few days. It was not decided to send it until Monday. Of course, the difficulties that faced the President were that it might be construed as a movement toward peace and in aid of the German overtures. He specifically denies that that was the fact in the document itself."

Secretary Lansing further said: "The sending of this note will indicate the possibility of our being forced into the war. That possibility ought to serve as a restraining and sobering force safeguarding American rights. It may also serve to force an earlier conclusion of the war. Neither the President nor myself regard this note as a peace note; it is merely an effort to get belligerents to define the end for which they are fighting."

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Wilson's Note Received With Startling Surprise In London

Officials, Newspapers and Others Wholly Unprepared for Any Such Movement Coming From the United States; Majority of the Press Commented Upon the Course with Satisfaction.

London, Dec. 21.—Absolutely and startlingly surprised was the first feeling in Great Britain aroused by President Wilson's note. The government was surprised and frankly admitted so. The members of parliament were equally surprised, when the news spread through both houses during the afternoon session.

The newspaper offices were surprised, and undoubtedly the public will be equally surprised when they read Ambassador Page's statement to the foreign office in the morning papers. All information from America in the last few days, both in dispatches from the usually best informed Washington correspondents, and in advices to the banking and business firms, has said that the President had no intention of taking any steps toward peace or making any move in European affairs.

Most of the newspapers commented upon this course with satisfaction. The tenor of their comments tomorrow will be that Premier Lloyd-George's speech and the speeches of the Russian, French and Italian statesmen have affirmed the Entente Allies' position and that unless the government give notice of the nature of the proposals which it would bring to a conference the Allies cannot accept the invitation to sit around a European council table for a discussion of its terms.

LONDON POST COMMENTS ON THE NOTE TO BELLIGERENTS. The Post, referring to President Wilson's note suggesting that the belligerents make known their desires concerning peace, says: "President Wilson must not be surprised if, as far as the Allies are concerned, his intentions produce a state of mind contrary to that at which he aims. The Allies will readily give the President credit for the best of intentions, but they will be justified in wondering whether, from their point of view, the note is not particularly ill-timed, and ill-judged."

"The President's assurances that the recent German overtures had no prompting influence on his proposals must be accepted. At the same time, it is to be hoped, some of the maladroitness that we should be so appealed to by the United States at a moment when the Allies are at the height of their power and Germany knows her own apparently favorable position cannot possibly be maintained."

"On the other hand, there is the possibility that Mr. Wilson's efforts are directed toward eliciting from Germany concrete terms of peace, which she withheld in her extraordinary apathy." (Continued on Page Ten.)

STOCKS BREAK ON FRENZIED SELLING

Yesterday Was Most Exciting Day in History of the Market, With One Exception.

SALES TOTALLED 3,176,000

Prices Slaughtered to Extent of Five, Ten and Fifteen Points—In One Instance There Was a Loss of 33 Points.

New York, Dec. 21.—The stock market today went through the most exciting day of its history with one exception. President Wilson's note to the belligerent powers, followed by Secretary Lansing's first explanatory statement of its intent, were the occasion of frenzied selling, which in scope and volume fairly dwarfed all the operations which followed on the peace proposals from Germany.

Prices were slaughtered to the extent of five, ten and fifteen points and in one case 33, and the day's sales amounted to 3,176,000 shares, a total without precedent since the famous Northern Pacific corner of 1901. The decline was virtually unchecked, only a few nominal rallies occurring in the final hour.

"War Brides" Hit Heavy. The liquidation of the Ironopol, amounting to more than 1,300,000 shares alone, was confined, as has been the case in the recent operations, to the so-called "war brides" but soon after the publication of Secretary Lansing's statement suggesting that the United States was "drawing nearer the verge of war," rallies also began to participate in the decline, selling off sharply, with losses of from 4 to 8 points in the final hour.

Brokers' offices long before the opening were loaded with selling orders and when the gong on the floor of the exchange sounded there was a scene of excitement such as even veteran traders had not witnessed in many years. Brokers surged around the posts of the popular speculative stocks and opening offers were so wide apart that scaled of one or two points difference occurred simultaneously.

Panicky Trading Begins. The first transactions recorded by the ticker showed losses ranging from 2 to 7 points. United States Steel, which was at the forefront throughout the day, first appeared on the tape with a transaction of 50,000 shares, representing a lumping of 104 1/2 to 105 1/2; but creating a tremendous sensation. The trading from then on was furious and the excitement through the street intense. Brokers' offices were thronged with nervous customers, many of whom had to see their accounts sold out for lack of margins or to watch rapidly falling prices reach their "stop loss" orders. The private wires of commission houses were choked with selling orders from all parts of the country, particularly during the afternoon. The tickers soon fell far behind in recording the sales and no one knew at any given moment what the market was doing.

Mr. Bonar-Law's Reply. "If the spirit of the speech to which we have just listened were to permeate the country, I believe that all the blood and treasure which have been spent in the war would have been spent in vain."

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DRAFTING BILL FOR MILITARY TRAINING

Measure Formulated by General Staff of the Army to be Introduced Next Month.

SCOTT IS CROSS-EXAMINED

Sharp Discussion Takes Place Before House Committee Over National Guard System and Question of Universal Service.

Washington, Dec. 21.—A definite plan for universal military training will be laid before Congress next month in the shape of a bill formulated by the general staff of the Army, accompanied by complete estimates of cost as compared to the present volunteer system. Major-General Scott, chief of staff, told the House Military committee today that the work was in progress, and would require about a month to complete.

In response to a laughing question as to who would introduce it in the House, Representative Kahn, of California, said: "I would be glad to have the honor to introduce it."

General Scott was subject to sharp cross examination today on his reiterated recommendation for a universal service measure, based in part on results of the volunteer system as shown by the mobilization of the National Guard for border service. Five of the 22 members of the committee took occasion to assert their belief in the theory of universal service, while two emphatically declared against such a system.

Representative Tilson, himself a colonel in the National Guard, following General Scott's repeated assertion that the Federalization of the National Guard would not meet the country's needs said: "I agree with you that voluntary military service is not an adequate system and probably would break down in time of war as it has done before. The National Guard system in particular is economically unwise because of the dual control over the forces by the Federal government and the state."

Taking up the report on the mobilization of the National Guard Representative Tilson then asked: "Do you see the view of the enormously greater task of the regular service as the agent which conducts the mobilization, the regular arms fell down harder in proportion than the National Guard?"

"We make many criticisms of ourselves," General Scott said, adding that a report on the Army's share in the mobilization already has been asked for and will be presented.

"I had I want to appear in this record," said Representative Tilson, "because I want to show that a set of officers, no matter how well trained, could make this National Guard system work."

The probable nature of the bill now being drafted by a committee of the general staff was not disclosed by General Scott, who also refused to estimate the cost of such a system, except to say that proportionately it would be much less than the expense of the volunteer method of raising troops. It is known, however, that the possibility of welding into the new project the various sections of the defense act dealing with industrial organization for war purposes, the right to take over and operate manufacturing plants, railways and other peace time agencies, is under consideration.

When General Scott said that many members of the National Guard belonged in universal service, Representative McKellar, of Tennessee, interrupted: "That may be because you are keeping them on the border at police duty. I get letters every day indicating that many of them believe they are not fairly treated. The great body of the Guard wants to take over and operate."

"I think that is so," said General Scott. "Then why not give this new system a fair trial before you condemn it?" "We are giving it a fair trial and working in good faith to get the best results from it."

"Do you think we will ever get the kind of an army we should have as long as high officers of the regular Army refuse to allow the mandate of Congress?" in state Representative McKellar. "Do you think it is a good thing for generals of the Army to be coming out with reports and newspaper and magazine articles knocking the system?"

"I was sent here by the President and the Secretary of War to present my views," replied General Scott. "How close will this system you have proposed bring us to militarism?" asked Representative Griffith. "I answered 'Absolutely' today," answered the officer. "I do not see that there is anything like militarism in it. It is a democratic system."

Representative Shallenberger asked if it was not true that every attempt in history to send large invading forces overseas has failed. He instanced the position of the Entente armies at Saloniki, saying, "They have not been able to gain a foot of ground against a small nation like Bulgaria."

LONDON OBSERVES OFFICIAL SILENCE

Sudden and Unexpected Receipt of President Wilson's Note Has Puzzling Effect.

WILL BE PUBLISHED TODAY

It is Not Believed the American Communication Will Affect Reply to the Proposal of the Central Powers.

GERMAN EMPEROR MAY CALL GERARD INTO CONFERENCE

London, Dec. 21.—In Berlin diplomatic circles, says an Exchange Telegraph dispatch from Amsterdam, it is understood that the German Emperor will at an early date summon to headquarters the American ambassador, James W. Gerard, with the view to discussing with him possible American mediation and action.

London, Dec. 21.—In government circles official silence is observed regarding President Wilson's note suggesting an exchange of views among the belligerents, which will be given out for publication in Friday morning's newspapers. It is explained that this delay in publication is due in part to the absolute surprise caused by the receipt of the note, which was altogether unexpected, and in part to a desire to admit of its simultaneous publication in all the Entente allied countries.

While it cannot be said that the note was received with anything resembling a feeling of resentment, the Associated Press is enabled to say that its sudden and unexpected receipt puzzled officialdom which was unprepared for it so close upon the heels of the German peace proposals. It is therefore believed the note will not interfere with the Allies for sending a joint reply to the German proposals which probably will be done before Christmas.

It is understood that opinion in official circles is that the speeches delivered within the last fortnight by the spokesmen of all the allied governments, the latest by Premier Lloyd-George, the most effective reply to the proposals of Chancellor von Bethmann-Hollweg and really state the position of all the Allies regarding any peace movement from any quarter.

JOINT REPLY TO GERMANIC PEACE PROPOSALS UNLIKELY. London, Dec. 21.—While the replies of the various Allied governments to Germany will be made simultaneously and probably before Christmas, as indicated last night, yet these replies will not be textually identical and will not take the form of a joint reply. The reason for this is that while all the Entente Allies agreed on the general principles of the reply, each came into the war under different conditions, calling for a somewhat different statement.

For example, the defense of small (Continued on Page Two.)

SALE OF THE DANISH ISLES IS APPROVED

Both Houses of Parliament in Denmark Vote Favorably.

Way Now Opened For Prompt Exchange of Ratifications of Treaty Under Which United States Will Gain Control.

Copenhagen, Dec. 21. (via London).—Both houses of the Danish parliament have approved the sale of the Danish West Indies to the United States. The landings, or upper house, voted favorably upon the proposition today 40 to 19. The bill for ratification of the treaty providing for the sale was adopted by the folketing yesterday.

WAY IS NOW OPENED FOR RATIFICATION OF TREATY. Washington, Dec. 21.—Approval by Denmark's parliament of the treaty by which the United States will acquire the Danish West Indies, opens the way for a prompt exchange of ratifications between the two governments, and consummation of negotiations that have been in progress intermittently since the Civil War. The United States Senate already has given its approval and as soon as the formal exchanges have taken place, the administration will press measures in Congress appropriating the purchase price, \$25,000,000, and providing for the institution of an American territorial government on the islands.

American naval strategists for years have regarded possession of this little archipelago, lying fifty miles east of Porto Rico, is absolutely necessary to prevent any European power from acquiring it and moreover to establish there a great naval base and coaling station for the United States fleet. Commercially the islands are regarded as comparatively little value. There are three of them, St. Thomas, St. John and St. Croix, and on their 142 square miles live some 33,900 people, nine-tenths of whom are negroes.

WASHINGTON, Dec. 21.—In ten rapid-fire round tonight, Ted Lewis, of England, and Johnny Griffith, of Akron, welterweights, fought to a draw despite the fact that Lewis in the sixth, scored the knockout and had him weak and groggy in the seventh. Griffith was the aggressor in the early rounds and gained a lead on points up to the sixth.

RUSSO-RUMANIANS IN DOBRUDJA HAVE MET WITH SOME SUCCESS

COTTON TUMBLES ON SELLING WAVE

Future Months on the New Orleans Market Suffer Net Loss of \$5.00 Per Bale.

80 TO 100 POINTS DECLINE

Trading in New York on Verge of Demoralization, Caused by Lansing's Explanation of Note to Belligerents.

New Orleans, Dec. 21.—The price of cotton tumbled in this market for a net loss of \$5.00 a bale on the future months today on a tremendous selling wave which followed receipt of Secretary Lansing's statement explaining the reasons for President Wilson's note to the belligerents. From the highest to the lowest of the day there was a fall of 115 to 147 points, almost \$7.50 a bale on the most active months. It was one of the widest declines for a single session in the history of the cotton trade.

The market closed week, although officially unchanged, at a net loss of 80 to 100 points, which was about the lowest of the day. Only the closing gong checked the great selling wave and the accompanying decline. Brokers were unable to handle the immense volume of business thrust upon them and had their hands full of orders when the close sounded. Many brokerage houses prepared to work their clerks all of the note to keep abreast of their books with the business done.

The latter part of the session was mockery for the bulls, for the market opened strong after three weeks of liquidation of long contracts and heavy short selling. The President's note, construed as a peace measure, appeared to give the bulls control of the market at the opening, which was at the advance, and before noon the rise was widened to 40 to 48 points above yesterday's close, about \$2.50 a bale on the strong-cotton months. Just when the market was quoting from the advance and recent buyers were taking profits moderately the report of Mr. Lansing's statement was received. When it was confirmed a panicky condition set in, the advance quickly was wiped out and there were breaks of 5 to 10 points between transactions and throughout the afternoon session practically no support was offered. The decline continued unchecked to the market's close.

SELDOM, IF EVER, HAS MARKET EXPERIENCED SUCH A CHANGE. New York, Dec. 21.—Seldom, if ever, has the cotton trade experienced such (Continued on Page Two.)

TEUTONIC ALLIES DRIVEN FROM THE HEIGHTS IN REGION OF BALABANICA AND DACHKOI.

GAIN IN RUMANIA PROPER. Artillery Duels Have Been Sprung at Various Points Along the French Front.

SUCCESS FOR BOTH SIDES. Snow and Rain Have Checked Operations in Macedonia.

In the Dobrudja region of Rumania, where the Russo-Rumanian forces have turned upon the invaders, the Teutonic allies have been driven from heights in the region of Balabanica and Dachkoi, and the Russians and Rumanians now are disputing with them in a violent battle the possession of other positions along this line.

In Rumania proper the Teutons are advancing along both sides of the Insu-Racovitzer road, but are meeting with steady resistance from the Russians and Rumanians. Along the Pirlita-Stankuca front the Teutonic allies have pushed back the advance guard of the defenders.

Russians Capture Heights. Except for the battles in Rumania, in the Carpathians southeast of the Kimpulung-Jacobeni railway, where the Russians have captured several heights, and at various points on the Russian front where attacks by the Russians have been repulsed by the Germans, little infantry activity is being displayed.

The artillery duels have been spirited at various points along the French front. Berlin reports a raid by Germans on British trenches and the capture of four officers and 28 men. In German trenches near Arras, but later were ejected.

On the Verdun front, where the French made a notable advance last week, the Germans have violently bombarded the Louvemont-Vaux front. Snow and rain are falling in Macedonia and aside from an engagement in the Cerna river bend region, no infantry fighting has taken place. In this sector Berlin reports that the Teutonic allies have held heights east of Paralova against strong Russian attacks.

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In Mesopotamia the British report successful bombardments of Turkish river craft and land positions in the region of Kut El-Amara.

TREATMENT OF PRISONERS IN GERMANY AND RUSSIA MODIFIED. Berlin, Dec. 21. (via Sayville).—The following official statement was made public today by the Overseas News Agency: "The Russian government for some time used thousands of German war prisoners in the construction of the Murman railroad. It is universally known to what hardships these prisoners were exposed and that many of them perished as a consequence."

"As all the German protests were of no avail, 1,000 Russian officers were transported from officer camps to common war prisoner camps. The Russian government announced this measure November 15 by transporting 1,000 German officers to common prisoner camps. However, an agreement was reached between both governments through the intervention of the presidents of the Swedish and Danish Red Cross, Prince Carl of Sweden, and Prince Waldemar of Denmark. According to a communication from Emperor Nicholas no war prisoners will be in the district of the Murman railroad after January 1, 1917. The emperor has ordered that all reprisals against German officers be stopped. The German emperor, therefore, ordered the 1,000 Russian officers immediately transported back to officer prisoner camps and that they be treated again as officers."

"BUCHAREST WAS ONE GOAL, BUT NOT THE FINAL ONE." Berlin, Dec. 21. (via London).—Field Marshal von Mackensen, responding to a telegram of Emperor William offering congratulations on the capture of Bucharest, says: "Bucharest was one goal, but not the final one."

GERMAN COMMITTEE ON WAR SUPPLIES IN FIRST MEETING. Berlin, Dec. 21. (via Sayville).—The Overseas News Agency today made public the following item: "The German re-constituted committee for the examination of contracts for war supplies has held its first meeting. The vice-chancellor, Dr. Karl Helfferich, in an address, said the committee would have to determine upon contracts running into thousands of millions of marks which was a task unheard of in magnitude."

"Advices received from Vienna report (Continued on Page Ten.)