

CONGRESSMEN HAD ACCOUNTS WITH BROKERS

According to Testimony Before 'Leak' Probe Committee.

BOOKS TO BE EXAMINED

Investigators Will Take a Look at All Accounts Held by Members of Congress.

Washington, Feb. 9.—Stock exchange accounts held by members of Congress will be examined by the "leak" inquiry committee as a result of the testimony of a Washington broker today that certain Representatives have been trading through him.

George B. Chipman, Washington manager for Harriman & Co., New York brokers, testified that members of the House had been trading with him. He declared, however, that most of the accounts were investments. He did not think any Representatives traded through him the week of December 20. He expressly stated that no Senators had any accounts with him.

Eugene E. Thompson, manager of the Crane Parris & Co. brokerage office, denied that any members of Congress had accounts with his firm.

Future activities of the committee depend largely on the results of investigation into congressional accounts. Present plans are to hold no more hearings here.

Aside from interrogation of brokers today, the hearing was given over to the examination of newspaper men and employees of the Government printing office. None of them gave information tending to help locate the "leak."

Eight newspaper men who were advised confidentially by Secretary Lansing on December 20 of the coming of what developed to be President Wilson's peace note, told of the circumstances surrounding the conference, and declared they did not violate the Secretary's confidence. They were Stephen L. Early and Arthur Sweetser, of the Associated Press; G. E. Garvin and Richard Hoeckel, of the International News Service; Carl D. Croft, of the United Press; J. B. Rosenthal, of the Milwaukee Journal; A. J. Clark, of the Washington Star, and Charles D. Warner, of The Christian Science Monitor.

Mr. Clark was questioned closely regarding his statement that the Secretary had said he did not want news of the statement to become public prematurely because of the effect it would have on the stock market. This was in contradiction of testimony previously given by the Secretary, but in corroboration of the testimony of another reporter, A. L. Jamieson.

Anxious to Co-Operate. Leroy T. Vernon, Washington correspondent of The Chicago Daily News, and a member of the standing committee of the congressional press gallery, volunteered the statement that the committee was anxious to cooperate with Congress in making conditions in the galleries more "wholesome." Mr. Vernon was not at Secretary Lansing's conference.

Jackson S. Elliott, head of the Washington bureau of the Associated Press, testified that his office had not violated Secretary Lansing's confidence, and that none of the standing committee members was apprised of the coming of the note until its text was transmitted to them in accordance with the Department's instructions.

Replying to questions by Representative Harrison of Mississippi, Mr. Elliott said no one connected with the Associated Press is permitted to have any other employment under any circumstances.

TO RELIEVE JEWISH SUFFERERS FROM WAR Distribution of Nearly Million Dollars Is Authorized by Committee.

New York, Feb. 9.—Distribution of \$965,000 for the relief of Jewish war sufferers in the various war zones was authorized by the committee at a meeting here late today. This amount for every dollar in the treasury, and leaves a deficit besides. The remittances made today were as follows:

Austria-Hungary and Galicia, \$225,000; for Russia, \$100,000; for Turkey and Galicia, \$75,000; for Palestine, \$70,000; for the "occupied parts of Rumania, \$25,000; for Bulgaria, \$5,000; for Serbia and Greece, \$5,000.

HEADS UNCLE SAM'S SUBMARINE SERVICE



Rear Admiral A. W. Grant is the first officer of high rank to be put in charge of the entire submarine flotilla of the United States.

SHARP SHRINKAGE SHOWN IN RESOURCES OF BANKS IN THE LARGER CITIES

While Gains Never Before Attained Are Reported by Institutions in Smaller Cities and Towns.

Washington, Feb. 9.—Sharp shrinkage in the resources of National banks in the chief cities of the country, and gains showing strength never attained before on the part of banks in smaller cities and towns, are disclosed in the Comptroller of the Currency's statement of bank conditions on December 27, the date of the last bank call, made public today.

There was a net shrinkage of \$188,000,000. New York City banks reduced their resources \$200,000,000; in Chicago, the reduction was \$15,000,000; in Philadelphia, \$2,000,000, and in Boston, \$18,000,000.

"Among the country banks," reads the statement, "Pennsylvania led with an increase of \$20,000,000, followed by Iowa with \$12,000,000, and Illinois with \$10,000,000. Country banks in Virginia increased about \$4,000,000."

States in which the banks showed a decline between last two calls—November 17 and December 27—include New York, \$10,000,000; Texas, \$8,000,000; Georgia, \$7,000,000, and Oklahoma and North Dakota about \$3,000,000 each.

Decentralization of the financial strength and its diffusion throughout the entire country are indicated, the comptroller asserts.

"Since May 1, 1916," says the statement, "country banks have increased their resources \$759,000,000, or 12 per cent. In the same period, resources of National banks decreased \$1,824,971,000 more than on December 31, 1915, two per cent, and resources of National banks in other reserve cities increased \$455,000,000 or 11 per cent.

"These figures indicate that the tendency, noted for some time past, toward a wider diffusion of central reserve resources of the country continues."

Total resources of National banks December 27, last, were \$15,333,000,000, an increase since January 13, 1914, of \$4,027,000,000, and an increase of \$1,865,000,000 since December 31, 1915.

Deposits decreased sharply during the 40 days between the last two bank calls. In large measure, it is believed, because of Christmas trade demands. The decrease totalled \$223,227,000, but the amount on deposit, December 27, \$12,240,000,000, was \$1,824,971,000 more than on December 31, 1915. Other totals, as compared with the call of November 17, were as follows:

Cash on hand and due from Federal reserve banks \$1,493,443,000, an increase of \$65,323,000; loans and discounts \$8,340,000,000, a decrease of \$5,000,000; surplus and profits \$1,106,000,000, an increase of \$16,000,000; acceptances based on imports and exports \$100,000,000, an increase of \$2,000,000.

Resources of country banks amounted approximately to \$7,000,000,000.

RIVERS AND HARBORS BILL IS REPORTED Carries Appropriation of \$38,500,000, an Increase Over the House Bill.

Washington, Feb. 9.—The rivers and harbors bill carrying a total of \$38,500,000, about \$137,000 more than when it passed the House, was reported today to the Senate from the commerce committee. Senator Kenyon, Republican, of Iowa, gave notice he would fight the bill and propose a substitute to appropriate a lump sum of \$22,000,000 for improvements where the War Department sees fit.

SUBMARINES SENT DOWN SIX VESSELS DURING YESTERDAY

Five of Them Neutral, of Which Four Were of Norwegian Registry—Little Activity on Battle Fronts.

Five neutral vessels and one British steamer have been added to the list of victims of the German submarine campaign, according to the latest dispatches from London. Four of the neutrals were of Norwegian registry and the other was the Spanish steamer Nueva Montana. The total tonnage lost, according to Friday's report, was 10,424.

The Norwegian vessels lost was the Hankook, Storogok, Ida and Odin, all on both the Ida and Odin were killed by shell fire. All but two seamen on the Storogok were lost when the submarine to which they had been taken proached a steamer and left them to seek safety in the water. The one British steamer sunk was the Hanna Larsen, of 1,310 tons. Her captain and chief engineer were taken prisoner on board the submarine.

Except for raids and artillery bombardments on the northern end of the front in France, especially in the Somme and Ypres sectors, there has been little activity in the battlefields of Europe. Berlin reports lively activity on the Somme front, but the latest British official mentions only small actions in the vicinity of Ypres.

French troops have carried out a successful surprise attack east of Rheims, returning with some prisoners. In the eastern and Macedonian theaters all has been quiet except around Salonika, Gallia which Petrograd reports, has been under bombardment of Austro-German guns. A British torpedo boat destroyer of an old type has been lost in the English Channel through striking a mine.

The British Admiralty says that all the officers were lost as were all the members of the crew except of the five who were saved.

GERARD AND PARTY LEAVE BERLIN TODAY

Will Go to Spain Via Switzerland, and There Board Liner for Home.

Berlin, Feb. 9.—Via London, Feb. 9.—Former Ambassador Gerard and his party will return to the United States via the route of Spain and probably will leave Berlin Saturday evening. In Spain, they will board a liner for the United States.

Arrangements for the departure of Mr. Gerard and his suite were practically completed today. The delay was caused by the number of passports to be made out and because of the lack of news of the movements of Count von Bernstorff.

A special train will leave Berlin Saturday evening at 8:10 o'clock for Switzerland via Basel and Belfort. Representatives of the Foreign Office will accompany the party to the border, which is expected to be reached early Sunday afternoon. The Embassy representatives will enjoy the diplomatic privilege at the frontier, and baggage inspection formalities for the others of the party will be executed before the train so as to avoid delay at the border.

The former Ambassador and Mrs. Gerard will be accompanied by nearly all the Embassy secretaries and attaches and members of the consular service in Germany, except few adhered to Scandinavian, Holland and by most of the newspaper correspondents. The train will carry in all about 300 persons when it leaves the Capital, and will be made up of sleepers and day coaches.

STEAMER BALTIC HAS REACHED LIVERPOOL

Removing from Danger Zone Another Liner With American Citizens Aboard.

New York, Feb. 9.—The steamship Baltic, of the White Star Line, has arrived safely at Liverpool, according to a cable message received here tonight by officers of the company. The message, besides announcing that the Baltic had reached her pier, said: "All well."

The arrival of the Baltic removes from the danger zone another British vessel carrying United States citizens. There were two Americans among her 44 passengers. The steamship look to England a tall cargo of munitions.

No report had been received tonight from the Adriatic, also of the White Star Line, which sailed from New York last Saturday and which is believed to be inside the war zone. Officers of the line professed to feel no anxiety for her safety. There is one American passenger on the Adriatic.

The American Line announced tonight that no decision had been reached as to the sailing of the steamships St. Louis and St. Paul, which have been indefinitely postponed. The crew of the St. Louis is still on board awaiting orders. The company flatly denied that it had been decided to mount guns on the St. Louis before she sailed.

APPROVAL FOR BILL FOR FOREIGN AGENCIES

Washington, Feb. 9.—A bill to permit establishment by American concerns of joint foreign selling agencies, similar to the Webb bill passed by the House and one of the measures on the Administration's legislative program, was approved today by the Senate Interstate Commerce Committee.

An effort will be made to pass the measure at this session. The principal object of the Senate changes is to make certain that foreign selling agencies, removed by the bill from the operation of the anti-trust laws, are not given a loophole by which they might violate those laws in their domestic trade.

SUBSTITUTE FOR ADAMSON BILL AGREED UPON

Committee Gives Approval and Reports It to Senate.

NO PROHIBITION OF STRIKES

But There Is Provision Against Obstructing Mails—'Military Necessity' Clause Remains.

Washington, Feb. 9.—After many weeks consideration, the Senate Interstate Commerce Committee today approved and reported to the Senate a bill to supplement the Adamson railroad law, providing for investigation of controversies on common carriers and giving the President authority to take over railroad, telegraph and telephone lines in times of military necessity. There is no prohibition in the measure against the right to strike or lock out to which the railroad brotherhoods have vigorously objected, but there is a provision to prevent obstruction of the mails or of interstate commerce.

Chairman Newlands expects to call the bill up as soon as possible. It is much like that introduced in the House earlier in the week, and may be passed at the present session. It is expected to meet the views of the Administration, since it has become apparent that a more stringent bill virtually would have no chance of getting through before adjournment.

Under the terms of the bill, when the present Federal mediation and conciliation board fails to settle a railroad labor controversy, the President shall enlarge the board by the addition of one representative of the carriers and one of the men. The enlarged board's report shall be made within three months, and contain recommendations "according to the merits and substantial justice of the case," which shall be published.

The prohibition section makes it a misdemeanor punishable with six months' imprisonment for any person who "knowingly and willfully by physical force, or threats, or intimidation, obstruct or retard the passage of the United States mail or the orderly movement of interstate or foreign commerce, or the make up or disposition of any train."

The military necessity section provides that in case of "actual, or threatened war, insurrection or invasion or any emergency requiring the transportation of troops, military equipment and supplies of the United States," the President, when he is satisfied that it is necessary for the public safety, may take possession of necessary parts of telegraph and telephone lines and railroads, and draft their officers and employees into the Federal service. Any damage sustained in the connection with the use of such lines and railroads, or the equipment and supplies, shall be subject to five years' imprisonment.

Any person refusing to be drafted or who injures or destroys such property or interferes with its use when in Federal hands, would be subject to five years' imprisonment.

INCREASED RATE ON SECOND-CLASS MAIL

Provided in Postal Appropriation Bill Reported by Senate Committee.

Washington, Feb. 9.—An immediate increase from one to one and a half cents a pound in the postage rate on newspapers and periodicals for this year, is provided in the postoffice appropriation bill ordered reported to the Senate today by the postoffice committee.

The Senate committee also recommended an amendment rescinding after July 1, 1917, the rate on drop letters to one cent an ounce in cities where there is carrier service and also on rural routes.

Senator Bankhead's amendment to prohibit liquor advertisements from the mails in prohibition States also was incorporated in the bill.

BUILDING OF NATIONAL HIGHWAYS IS URGED

Boston, Feb. 9.—The construction by Congress of National Highways between strategic points was recommended in resolutions adopted at the closing session of the annual convention of the American Road Builders' Association today. Recent military operations, the association says, have shown the need of better roads for use in time of war.

IO-IO SAYS COLDER

and continued cold; Sunday fair and warmer.

Many are cold, but few are frozen.



WOMEN READY FOR THEIR COUNTRY'S CALL



Mrs. Story is President General of the Daughters of the Revolution, and has issued a call to the organization's 95,000 women to prepare for service to the country in case of war. She will lead them in Red Cross work.

AMERICAN RED CROSS IS PREPARED TO CARE FOR AN ARMY OF ONE MILLION MEN

According to Reports to Washington Headquarters—Chapters Are Ready for Field Service.

Washington, Feb. 9.—An expert hospital force sufficient to care for an army of a million men, could be mobilized by the Red Cross within a few days after an outbreak of hostilities, in the belief of officials' at headquarters of the society here.

Since the call was issued Saturday instructing Red Cross chapters throughout the country to place themselves on a footing for field work, many encouraging reports have been returned to headquarters together with a great flood of personal offers of service. Eliot Wadsworth, acting chairman, estimated that the force which could be mobilized immediately in case of war would include:

Twenty-six completely equipped army and navy base hospital units, with a total personnel of 1,250 nurses' aids.

A hospital base reserve of 415 nurses and 525 nurses' aids. Thirty-one partially complete navy detachments of 20 nurses each. One hundred and fifteen local emergency detachments.

A corps of expert instructors in surgical dressings, totalling about 120. Mr. Wadsworth said that all told the organization could put in the field 2,970 trained Red Cross nurses, and estimated that if 30 per cent of those whom the Red Cross had given elementary training responded to the call as nurses' aids, the total nursing personnel would be about 5,900.

"With the customary assignment of 10 patients to each nurse," he added, "we could thus take care of 59,000 sick and wounded at once. In the earlier stages of war, the proportion of sick and wounded is about five per cent. In other words, we are prepared today to give expert nursing service to an army of 1,000,000 men."

"No National emergency has ever found the Red Cross better prepared than it is today."

TERRIFIC TOLL OF SUBMARINES GROWS

Spanish and Norwegian Steamers Among Those Reported Torpedoed Yesterday.

London, Feb. 9.—Lloyd's announces that the Spanish steamer Nueva Montana, 2,939 tons has been torpedoed. Her crew was saved.

Reuter's Christiania correspondent reports that the Norwegian steamer Odin, of Bergen, a vessel of 1,945 tons, was sunk February 2, without warning and that two persons on board her were killed.

Other vessels reported today as having been torpedoed were: British steamer Hanna Larsen, 1,310 tons. Captain and engineer made prisoners by submarine commander Norwegian steamer Hanskinck, 2,667 tons.

Norwegian steamer Ida, 1,172 tons. Mate and steward reported killed.

Norwegian steamer Storogok, 2,191 tons.

MILITARY CENSUS OF EVERY MALE CITIZEN

Hartford, Conn., Feb. 9.—At a conference here today attended by Gov. Marcus H. Holcomb and the mayors of 19 Connecticut cities, a campaign was begun to take an immediate military census of every male in the State above the age of 16 years. The entire work will be undertaken by volunteers, who will serve without pay. Blank forms have been prepared by the War Department.

Within three weeks, it is hoped to have the name of every male listed. The Connecticut Woman Suffrage Association has offered to prepare a list of women available for Red Cross work.

Special to The Observer. Mocksville, Feb. 9.—Mr. R. C. Tatum, of the State Board of Health, is spending a few days in Davie County giving a series of moving pictures on health, at several of the public schools. He will give moving pictures and lectures at the Community Building in Mocksville Monday and Tuesday afternoon and night.

PRESIDENT DETERMINES COURSE TO BE PURSUED TOWARD GERMANY

Will Follow Literally Words of Address He Delivered When He Announced Break in Diplomatic Relations to Congress—Will Request Authority to Employ Means Necessary to Protect American Rights.

It is Learned That If He Goes Before Congress Again, It Will Not Be to Ask for a Declaration of War—President is as Anxious as Ever to Avoid War, but is as Determined as Ever That American Citizens and Ships Shall Be Free to Travel the High Seas—If Another Step Is Taken by Him, It Will Be to Enforce This Right, and Issue of War or Peace Will Be Left With Germany.

Washington, Feb. 9.—The course to be taken by the United States if Germany compels us to use force to safeguard American rights, has been determined. It was learned authoritatively after today's Cabinet meeting that in the event President Wilson goes before Congress again today, it will not be to follow literally the words of the address in which he announced the break of diplomatic relations, and request authority to use means deemed necessary to protect American seamen and people.

The President, it was said, is as anxious as ever to avoid war with Germany, but also is as determined as ever that American citizens and ships shall be free to travel the high seas unmolested. His next step, if taken, will be to enforce that right, and even then the issue of war or peace will be with Germany. Any hostile action will have to come in the form of an interference with an American right.

Details of the Government's plans are not disclosed. It is known, however, that conveying and arming of merchant ships are being considered. No new development came today to indicate that the overt act by Germany regarded as an invasion was fewer at hand. Fewer reports of ships sunk came in, and none told officially of the loss of an American life. Further information received about George Washington, the negro fireman lost on the Turino, indicated that he probably was a British subject.

Cabinet Meeting. The Cabinet met today with all members present except Secretary McAdoo. Just before the meeting, most of the members attended a session of the Council for National Defense, called to discuss mobilization of the Nation's resources as a result of many offers from manufacturing and other companies to place themselves at the disposal of the Government in the event of trouble.

Practically every member took to the Cabinet information about the activities of his department in connection with the general precautions being taken. Questions discussed included proposed emergency legislation, steps for protecting property, the manner of handling the course proposed by the Government since the break in relations with Germany.

The effect of the tying up of ships in American harbors because of fear that they will be sunk if they pass through the war zone, is one of the questions being given careful consideration. The enforced idleness of the merchant fleet is a subject of growing exasperation.

Resentment Expressed. Some resentment was expressed in Administration quarters today over the statement in Germany's reply contained in Ambassador Gerard that old treaties between Prussia and the United States be reaffirmed; that such action was necessary to make certain that the rights of Germans in this country be maintained under those treaties be made secure. It was reiterated that the American Government fully intends acting according to the spirit of the treaties. While the treaty actually was abrogated by passage of the war zone law with a conflicting section, the Government here looks upon the pact as at least furnishing the guiding principles under which it will act.

The Administration is understood to be highly gratified by the action taken by many of the neutrals in protesting with varying degrees of firmness against Germany's new submarine policy. While none has so far followed the lead and suggestion of the United States by bringing diplomatic relations, nevertheless the expression of sentiment was said to be the chief object desired by President Wilson in suggesting action to them.

There were no sensations to disturb the capital today. Preparations went on with quiet thoroughness for all eventualities. Within a short time, perhaps a few days, officials fear that Germany will take the step which will make these preparations essential on a sense, officials feel that every submarine commander virtually has been entrusted with a declaration of war against this country.

Treatment of Gerard. The open issue as to Germany's treatment of Ambassador Gerard, which has caused much ill-feeling here, appears to be cleared up. While officials have had no word from Mr. Gerard since February 5, when he reported through Copenhagen that his departure was being delayed, they accepted press dispatches today as arrangements for his leaving tomorrow and said that confirmation was expected through the slower official channels.

Officials maintained absolute silence on Mr. Gerard's detention until today, when Secretary Lansing authorized the following statement: "I am very loath to believe that the German Government intentionally is detaining Ambassador Gerard in Berlin on any excuse whatsoever. I should be very much surprised if such a course had been taken."

The incident will be considered closed so far as this country is concerned, if press dispatches are borne out and the Ambassador is allowed to leave Germany. Nevertheless, a disagreeable impression has been created here.

Final arrangements for the departure of former German officials on the Scandinavian liner Frederick VIII, next Tuesday from New York via Halifax for Christiania were completed today by agents of the company and the State Department. The trip will be made via Halifax in order to avoid the German war zone en route via Falmouth or Kirkwall.

Serious Eventuality. As one explanation for the earnest desire to avoid the apparently inevitable break with Austria-Hungary, it was pointed out today that if that event should occur, all communication between this country and Bulgaria and Turkey would be cut off. This would be serious for the American relief work in Syria and Armenia and the 1,000 of more Americans for whose departure from Asia-Minor the State Department has succeeded in arranging.

There has been no development in the situation with Austria since Ambassador Penfield last Saturday forwarded from Vienna an Austrian note similar, but not identical with Germany's. No statement has been made as to whether the fuller details requested by the department from Ambassador Penfield have been received. Only about half as much tonnage as during each of the past three days was reported sunk in Lloyd's dispatch received at the department today. Whether the sudden drop was due to better British patrolling, armament or destruction of submarines, is not known. The figures for the next few days, however, will be watched with the deepest interest as indicative of whether the German attempt to start a cut England can be successful.

British Claim. British officials here claim that their figures show that four boats out of every five that are armed, even with a stern gun, complete their voyages in safety. Whether the statement is as well as art would be more efficacious is disputed, but it is expected there will be large developments both along this line and along the line of sending ships out through safeguarded lanes under fast convoy.

This was one of the subjects discussed today by the Cabinet. Tables taken up showed the number of vessels that enter and leave ports of the British Isles annually. The statistics will be watched with the keenest interest as indicative of whether the German attempt to start a cut England can be successful.

So far, nothing has come through to indicate how many vessels are getting through the blockade, but it is believed the number is relatively very large.

SUBMARINE BASE AT CANAL ENTRANCE

Urged in Recommendation Made to Congress by the Secretary of War.

Washington, Feb. 9.—Immediate creation of a submarine base at Coco Solo Point, at the Atlantic entrance to the Panama Canal, was recommended to Congress today by Secretary Baker, who asked for \$1,575,000 for the purpose.

The project has been urged by a joint army and navy board which reported that a "submarine base is an essential element of defense of the Canal Zone." Secretary Baker's communication was referred to the appropriations committee, which already is considering various emergency measures proposed by the Administration.

WELL KNOWN SOLDIER AND AUTHOR DEAD

Birmingham, Ala., Feb. 9.—Col. John B. Beall, of Nashville, 84, lawyer, soldier and author, died here today. He was a member of the staff of a daughter, following a brief illness. Colonel Beall was a native of Georgia, and was a member of the First United States Cavalry prior to the Civil War. When the War Between the States broke out, he became a captain in the Nineteenth Georgia Infantry, and was promoted later to lieutenant colonel. He was severely wounded at Seven-Days battle.

He was the author of "In Barracks and Field" and served as editor of two Georgia newspapers.

NAVAL APPROPRIATION

Washington, Feb. 9.—Consideration of the naval appropriation bill continued in the House today, debate extending to a variety of subjects, preventing a final vote. The measure virtually has been ready for passage for several days.