

## RUPTURE WITH U.S. EXPECTED BY AUSTRIANS

Unconfirmed Advices Say Vienna Government Circles Look for Break in Diplomatic Relations.

## LONG CONFERENCES ON REPLY TO U. S. NOTE

Definite Decision As to Character of Answer Not Reached However—Dr. Dumba Is Consulted.

Washington, Dec. 28.—Austria, according to unofficial information received in authoritative quarters today, will not meet the demands of the United States in the reply to the second Ancona note of the United States; and Teuton diplomatic circles are represented as being prepared for the severance of diplomatic relations.

## "PEACE-TIME" LABORS IN HISTORIC VILLAGE IN NORTHERN FRANCE

Bazelles, France, Dec. 28.—In this village which, in 1871, furnished inspiration for the famous painting, "The Last Cartridge,"—the Germans have taken up "peace-time" labors. They found, greatly to their surprise, that the bones of the dear German and French soldiers of 45 years ago still lay, unburied, in a vault in the local cemetery, which was in consequence a veritable catacomb. The first the French had done was to remove the French from the German soldiers.

## NO CHANGE FOR BUDGET SYSTEM

Attempt Not to Be Made at Present Session to Improve Method of Making Congress Appropriations.

## TOO MUCH WORK TO BE DONE IN OTHER LINES

Present System Is Admittedly Bad, But Committee Decides Against Making Change at This Time.

(By Parker R. Anderson).  
Gazette-News Bureau  
The Riggs Building  
Washington, Dec. 28.  
There will be no attempt at this session of congress to establish a "budget system" of appropriations, although the leaders of both parties regard the present method of handling the annual supply bills as unsystematic and haphazard. Plans for the creation of a budget system, however, have been practically abandoned and the special committee named by the democratic caucus to devise a system regards it as impossible to make the change at this time.

The special committee named to report on a budget system comprises Speaker Clark, Majority Leader Kitchen and Congressmen Hay, Fitzgerald, Garner, Stout and Sherry. The committee, after an investigation, has decided that there is so much work ahead of the present congress that the appropriation bills must be handled in the old way.

## INTERESTING FACTS ABOUT UNIVERSITY OF WARSAW ARE TOLD

Berlin, Dec. 28.—The revival of the University of Warsaw as a Polish institution gives a contributor to the Frankfurter Zeitung the occasion to tell some facts about the institution under the Russian regime and about general educational developments in Russian Poland. He says that when the Russians took full possession of the country a century ago only 25 per cent of the population were unable to read and write, but through systematic neglect of the schools by the government this percentage has now risen to 70.

## NEW YORK COTTON

New York, Dec. 28.—Cotton futures opened steady; January 12.14; March 12.27; May 12.64; July 12.84; October 12.42.

## PAROLE SCHEME WORKED WELL

But Few Convicts Allowed Christmas Freedom by Governor's Plan Let It Run to Their Heads.

## TWO EXCEPTIONS IN BUNCOMBE REPORTS

People of Sampson Sent Christmas Box to Collier's Men Who Are to "Write Up" the Old North State.

(By W. T. Host).  
Raleigh, Dec. 28.—Meagre reports from the county convict camps show that the first sips of liberty granted to them in Governor Craig's Christmas parole and holiday did not run to their heads.

Capt. Tom Sale at the state prison said that he has not heard from the farm. Only one man in the penitentiary building at Raleigh was eligible for the larger freedom which went to trustees. This prisoner did not have the means to go home and remained with the more luckless crowd to enjoy the big Christmas dinner and the box of confections which the progressive warden annually bestows.

Governor Craig's office has many letters commanding him for his kindness to the ill-favored. Many northern newspapers took it up and passed the suggestion along as worthy of future contemplation. Hardly any discord has come from any source. The governor has had few reports yet—he does not expect anything final until the New Year. But nearly all that he has heard has justified him in his breach of tradition discipline.

Asheville reported two incidents not entirely to his liking. Two of the paroled celebrated in truly freeman's style, the Christmas drunk. They were almost as ugly as those who have done nothing worthy of death or of bonds. These fellows got with the wrong crowd and drank to drunkenness. They were indiscreet in the home town of the philanthropist governor who was trying to do something to help them.

## ULTIMATE FROM BRITISH SEIZE MR. LOYD-GEORGE MORE U.S. MAIL

Will Resign Unless Conscription Pledges to Married Men Are Kept.

London, Dec. 28.—That the proceedings of the British cabinet have not been going smoothly is seen in the fact that after a two hours' sitting yesterday (Monday) the council was obliged to adjourn until today; no decision having been reached as to the voluntary recruiting or compulsion and the discussion having revealed grave differences of opinion.

The Times parliamentary correspondent asserts that the position is undeniably delicate and may become critical today unless handled with firmness and decision.

The Morning Post equally with The Times and The Daily Mail—all conscriptionist papers—sees the possibility of several cabinet resignations or the other alternative, a general election.

## NATIONALITY OF LEIGH TO DECIDE U. S. COURSE

Not Yet Determined That Yasaka Maru Survivor Is An American Citizen.

Washington, Dec. 28.—The sinking of the Japanese steamship Yasaka Maru will be made the subject of diplomatic negotiations by the United States only if it is established that an American citizen was on board when the vessel was torpedoed.

Should it develop that Leigh actually is an American citizen the state department will feel justified in addressing inquiries to Germany, Austria-Hungary, and Turkey in an effort to establish the nationality of the submarine. It is considered practically certain, however, that the craft was Austrian, as it is said in Teutonic quarters here that there were no German or Turkish submarines operating in the Mediterranean near where the Yasaka Maru was attacked.

## JIM KELLEY MANAGER OF GREENSBORO TEAM

Greensboro, N. C., Dec. 28.—It became known today that James Kelly, known as "Old Carolina" during the past several seasons for the Durham club of the North Carolina league, had been signed by the Greensboro club of this league as manager during the 1916 season.

## COMMERCIAL INTERESTS FACING FUTURE WITH GREATER CONFIDENCE THAN AT ANY TIME DURING LAST DECADE.

Commercial Interests Facing Future With Greater Confidence Than at Any Time During Last Decade.

## DEMAND FOR AMERICAN PRODUCTS INCREASING

Heavy Domestic Production and Consumption—Especially Activity in Building Materials Production.

Gazette-News Bureau,  
The Riggs Building,  
Washington, Dec. 28.  
Having passed through a pre-holiday season of trade which, if it has not exceeded all previous records, at least has outstripped the high marks of the last six years, American business generally is facing the new year with a greater degree of confidence than has prevailed for nearly a decade.

Large figures of domestic production, consumption, and export, coupled with an increasing demand for building materials, and a rise in the price of such commodities, form the basis for this feeling.

While the securities markets are not reflecting this most satisfactory conditions, their failure is attributable to technical reasons which are of a temporary nature. In Wall street, the greatest American market for securities, there is an almost unparalleled feeling of confidence.

In a brief review of business at the close of the year, and a forecast for the future, the New York Times of Saturday says:

## MOTION TO DISMISS N. H. DIRECTORS' CASE DENIED

Judge Hunt Also Denies Motion to Exclude Testimony About S. S. Co. Deals

New York, Dec. 28.—Judge Hunt today denied the motion of the defense to dismiss the case against William Rockefeller and ten other former directors of the New York, New Haven and Hartford railroad, on trial charged with conspiracy to monopolize transportation facilities in New England. Judge Hunt also denied the motion to strike out the testimony given at the trial relative to the Metropolitan Steamship company's deals which involved Edward D. Robbins.

## CHICAGO LIVESTOCK

Chicago, Dec. 28.—Hogs, strong; receipts 20,000; bulk of sale 6.20-6.85; pigs 4.75-6.6.

## U. S. BUSINESS IS OPTIMISTIC

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## WHOLE VOSGES FRONT ACTIVE

Great Artillery Engagements Prevail in the Mountain District According to Paris Report.

## THE KING OF ITALY WOUNDED BY GRENADE

German Papers Characterize Last French War Loan, as Failure Compared with German Loan.

Paris, Dec. 28.—Artillery engagements of great activity over the whole front in the Vosges are reported in the communication given out this afternoon by the French war office.

Berlin, Dec. 28.—The report that King Victor Emmanuel was wounded by an Austrian grenade and is now in a hospital is given out by the Overseas News Agency, which describes the report as sensational rumor.

Berlin, Dec. 28.—Characterizing the French war loan as a failure Berlin newspapers say its probable result will be that the French republic in the future will not subscribe to treasury bonds and that therefore to issue a new war loan, notwithstanding unfavorable conditions, or to borrow from the Bank of France.

The Nord Deutsch Allgemeine Zeitung says the amount actually subscribed to the loan considering the issue price was equivalent to 10,600,000,000 marks, as compared with 25,500,000,000 marks subscribed to the German war loan; that the amount paid in cash to less than one sixth of the cash paid on the German war loan.

The British Indian army corps has been withdrawn from the front in France "for another field of action."

Little fighting of consequence is going on elsewhere except by means of artillery and sapping operations. Both Paris and London report the infliction of damage to German trenches at several points on the western line. On the Austro-Italian front the Italian bombardment of the Tyrolean sector has grown in intensity and on the Isonzo front the big guns of both sides are exchanging shells.

## MRS. SHOPE DIES AT SWANNANOA

Funeral services over the body of Mrs. Cora Shope, aged 27, who died Monday at her home at Swannanoa will be held today. The deceased is survived by the husband and several children.

## PUBLISHER'S WIFE DIES AT NASHVILLE

Nashville, Dec. 27.—Mrs. E. B. Stahlman, wife of the owner and publisher of the Banner died Sunday afternoon. Death came after a period of two years of acute suffering.

Mrs. Stahlman was the daughter of John Tamm, of Alabama, in his day a prominent Virginia educator. She was married to Major Stahlman on October 4, 1888.

The husband had a son survive. The husband had a son survive.