

GREATEST ARMADA IN HISTORY BE BUILT BY GOVERNMENT TO COMBAT THE SUBMARINE

GREAT MERCHANT FLEET WILL BE BUILT TO AID IN DEFEATING GERMANY

Plans Announced by Gen. Goethals Provides for the Immediate Construction of Two Government-Owned Shipbuilding Plants for Building 400 Fabricated Steel Ships of 2,500,000 Tonnage; Commandeering of 1,500,000 Tons of Shipping Now Building for Private Account in America; Request for Another Great Appropriation for Shipbuilding; Contracts for 318 Wood Ships Have Been Let or Agreed Upon With a Tonnage of 1,218,000; Other Plans Announced

Washington, July 13.—Major General Goethals, manager of the shipping board's emergency fleet corporation, took full charge of the Government's shipbuilding program today and announced sweeping plans for constructing the great merchant fleet with which the United States hopes to defeat the German submarine campaign.

The most important steps contemplated are: Immediate construction of two Government-owned shipbuilding plants for building four hundred fabricated steel ships of 2,500,000 tonnage. The commandeering of 1,500,000 tons of shipping now building for private account in American yards. A request for another great appropriation for building ships. General Goethals' announcement was made in a letter to Chairman Denman, of the shipping board, which said the fleet corporation, under powers just granted by President Wilson, would start on its building program Monday by offering contracts for construction of the two Government ship plants and by outlining to shipbuilders the plans for commandeering vessels under construction.

Chairman Denman, of the shipping board, who also is president and director of the fleet corporation and whose friends had sought for him the powers conferred on the fleet corporation by the President, made this statement after receiving General Goethals' letter:

"The board of directors of the fleet corporation will be called together probably Monday to discuss the general program. I have no doubt the directors and the general will have no disagreement over policy on the program but have outlined for us when the matter has had full discussion."

General Goethals' announcement and Mr. Denman's comment were regarded by the general's friends as indicating a final settlement in his favor of the long drawn out controversy between the two men as to the policy to be followed in building ships. Through the fleet corporation's board of directors composed of members and employees of the situation would be so arranged that the highest authority that the situation would be so arranged that General Goethals can proceed without hindrance.

The fleet corporation, it is made clear in General Goethals' announcement, will build all the wooden ships possible, but only after a design approved by the corporation's naval architect. This is taken to mean that the corporation will construct no ships of the Hough design, to which the shipping board is said to be committed. The Hough design, it was declared, has not been accepted for construction by Lloyd's because of the character of its construction.

General Goethals' letter to Mr. Denman discloses that the fleet corporation has let contracts for 425 ships, 345 of them wood and 77 steel, with a total tonnage of 1,860,000 tons. The cost of the wooden ships will be \$145 a ton and the steel ships \$158.

Contracts for building the Government yards will be let Monday, on a basis of cost plus six per cent. Options will be given to contractors to purchase the plants on completion of the work.

Professors that have come to the fleet corporation for building completed ships, it was said today, show that steel ships can be built faster than wood. Steel ships complete, it is said, can be turned out within five months from the time work is begun, while wooden construction will require eight months.

One statement in General Goethals' letter would indicate that he does not agree with Chairman Denman as to the wisdom of taking over for Government the ship under construction, for American and All-odd citizens. General Goethals would turn back to their owners vessels commandeered for the purpose of speeding them up and thus save the Government money to be expended in more construction.

Announcement was made tonight by Major General George W. Goethals, manager of the shipping board's emergency fleet corporation, that on Monday he will offer contracts for construction of two Government-owned shipbuilding plants to produce four hundred steel merchant ships.

The announcement was made in a letter to Chairman Denman, of the shipping board, which outlined the general's entire shipbuilding program under authority given the fleet corporation yesterday by President Wilson. Within eighteen months, the general said, he expects to turn out 3,000,000 tons of shipping.

On Monday General Goethals also will outline to the country's shipbuilders his plans for commandeering 1,500,000 tons of shipping under construction for private account. This will be taken over completely and its construction expedited by giving Government help. As soon as the yards are cleared each will be directed to start building a standardized ship.

The fleet corporation, General Goethals announced, will continue to let all contracts for wood ships of a design approved by the corporation's architect, for which bids can be obtained by responsible bidders. Additional contracts for both fabricated steel and wooden vessels, General Goethals says, will require more money than Congress has authorized.

General Goethals' letter to Chairman Denman follows:

"Now that the President has authorized the emergency fleet corporation to exercise the powers granted by Congress to build and commandeer ships, I intend, on Monday, to start ship construction which will complete my shipbuilding program. My full program is as follows:

"1. Ships now building: Contracts for 348 wood ships have been let, or agreed upon, with a tonnage capacity of 1,218,000 tons, at a cost, completed, of approximately \$174,000,000.

"In addition, I have under negotiation contracts for about 100 wood ships.

"Contracts for 77 steel ships have been let, or agreed upon, with a tonnage of 642,000 tons, at a cost of approximately \$101,680,356.

"There are thus provided 425 ships of all sorts, with an aggregate tonnage of 1,860,800, at a cost of approximately \$275,000,000, besides 100 more ships under negotiation. I shall continue to let all contracts for wood ships (of design approved by the naval architect of the corporation) which I can secure from responsible bidders.

"2. Construction of standardized ships: My main reliance for getting the greatest amount of the most serviceable tonnage in the shortest time will be on the construction of fabricated steel ships of standard patterns. For that purpose I shall use, to some extent, the existing yards.

"On Monday I shall offer contracts for the building of two plants (to be owned by the Government) for the construction of fabricated steel ships, to produce four hundred ships of an aggregate tonnage capacity of 2,500,000 tons within the next 18 to 24 months. For the building of these two yards and the construction of ships in them, I shall offer, as compensation to the agents who undertake the work, a fee of approximately six per cent of the total cost of the work, with rewards for saving in cost and for speed in delivery. Provision will be made for decreasing the fee to prevent unnecessary cost. The contracts will give the Government the benefit of Government fixed commodity prices, and will provide for cessation of work at any time so that the appropriation may not be exceeded. Options will be given to the contractors to purchase the plants at arbitrated values on the completion of the work.

"The design of the ship is ready, the plans of the yards are ready, the distribution of the work of furnishing the material and of fabrication is arranged.

"This part of the program will take all the \$550,000,000 available, not absorbed by contracts made or making as stated at the beginning of this letter. This program will more than redeem my estimates to the Congressional committee at the time this appropriation was asked for of 3,000,000 tons of ships within 18 months.

"The contracts for wood ships which I expect to place, together with the full number of fabricated ships, which it is planned to build, will require more money than Congress has authorized. When I know how much will be needed, it will be necessary to ask Congress for further sums.

"3. Commandeering of ships in yards: On Monday I shall deliver to shipbuilders a general statement of the program which I have long been maturing for commandeering ships now under construction for private account (such ships having an aggregate tonnage considerably in excess of 1,500,000 tons).

"The essence of this program is to commandeer all such ships and expedite their construction by adding labor and cutting out refinements. By thus Federalizing each yard, giving it Government help and putting it on a speed basis, we shall produce its greatest efficiency. As fast as the berths are cleared each yard will be devoted to the production of a single type of tonnage for which it is best suited. I count upon the complete co-operation of the yards."

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QUIET RESTORED AFTER DEFEAT OF THE MONARCHIAL MOVEMENT ENDED

Gen. Chang Hsun's Men Forced to Surrender and Monarchist, Himself, is Now a Refugee in the Dutch Legation

THE MONARCHIAL MOVEMENT ENDED

Chang's Flight to the Dutch Legation Caused Some Surprise as His Pronouncements Has Been Very Bellicose

Washington, July 13.—(Chinese legation despatches from Peking dated at noon today said that quiet had been restored in the capital after a battle in which the monarchist troops of General Chang Hsun were overwhelmed by republican forces.

The Republican victory was complete, the report said, the last contingents of General Chang Hsun's men having been forced to surrender. The monarchist, himself, was reported a refugee in the Dutch legation.

The monarchial movement is thus thought to have ended after a brief three weeks which threatened the whole far eastern situation. Premier Tuan Chi Fu, the legation advisers said, will move his headquarters back into the capital tomorrow, bringing the scattered republican elements together and firmly re-establishing the republican regime.

Chang's flight to the Dutch legation caused some surprise here, as his pronouncements have been very bellicose. He has been reported to be in the fear that he might attempt some desperate coup at the last minute.

The republicans, however, on the four railroad out of the capital and Chang had no choice but to slip quietly across to the Dutch legation, the nearest to his headquarters and next door to the American legation.

His asylum there, as with so many other Chinese leaders who have sought refuge in the foreign section, assures him safe conduct out of the country. The Dutch legation, which he built up as an independent chiefdom, undoubtedly will be destroyed by the victorious republicans and orderly development in China safeguarded from what has been for years one of its worst dangers.

The republicans face a difficult task in reorganizing their Government but there is every confidence here that it will be accomplished successfully.

PRESIDENT COMES TO AID OF BILL

Writes That Government Control is Necessary Only on Foods, Feeds, and Fuels Only

Washington, July 13.—President Wilson today came to the support of the administration food control bill as originally submitted to Congress.

In response to a request from Senators for his assistance in solving the difficulties standing in the way of action there, the President sent a letter recommending the general purposes of the original bill for Government control of foods, feeds and fuels only. He wrote that he believed unnecessary the extension of Government control as proposed in amendments attached in Congress to steel, iron, copper, cotton, wool, leather and other products.

The substitute bill drawn by Senator Gore was opposed by the President as an emanation of the administration legislation. He wrote that he deplored the delay on the Gore substitute, and that he favored prompt final disposition of the legislation imperative.

The President's which was not made public, it is understood to have discussed prohibition in any form. Upon reliable authority, however, it is said that in his conference yesterday with Senate leaders, the President expressed disagreement with the Smoot amendment, adopted by the Senate last week, directing purchase by the Government of all stocks of distilled beverages in bond at cost plus ten per cent.

Upon receipt of the President's letter administration leaders prepared to secure adjournment. Senators Fitzgerald, Lodge, Smoot, and other Republican leaders were called into conference and a meeting of Democratic steering committee for next week was arranged. Food Administrator Hoover conferred with Senator Chamberlain and added his opposition to the Gore substitute as nullifying the Government's food control plans.

Further attempts were made by Senators Gore and Reed to secure preliminary movements on the Gore substitute. Vice President Marshall ruled that until the pending administration bill is entirely perfected by amendment, the Gore substitute will not be in order.

The Senate spent the whole day debating an amendment designed to prevent members of the Defense Council's advisory commission from selling their own products to the Government. Just before adjournment, Senator Fitzgerald offered a substitute which Senator Chamberlain agreed to accept, merely prohibiting the commissioners from working for contracts in which they have personal interests.

GERMAN NATION MUST NEGOTIATE FOR PEACE NOW

Leader of Hungarian Independent Party Declares Everyone in Germany Desires Peace, but that Nation Must Negotiate

DEMOCRATIZATION OF ALL COUNTRIES

Speaker Declared that Austro-Hungarian Foreign Minister Had Declared in Favor of a Peace Without Annexations

Amsterdam, July 13.—Count Michael Karolyi, leader of the Hungarian Independent party, speaking in the house of deputies, says a telegram from a Budapest correspondent, declared:

"The central point of the present German crisis is the question of peace. Every one in Germany wants peace but it is not enough to desire it, the Nation must negotiate for it. Count Czernin (Austro-Hungarian foreign minister) has not confined himself to mere words, but has openly declared that we are ready for peace without annexations. One of the prerequisites of peace is the democratization of every country."

In the debate Baron Julius Beck said:

"There is no war policy today, but only a peace policy. The peace must be honorable, guaranteeing Hungary's frontiers and her political independence."

Count Moritz Esterhazy, the premier, replying, said the new Hungarian Government stands for the continuance of the alliance between the dual monarchy and Germany, as did the Government which it succeeded.

"We are waging this war as a defensive war. Our peace aim is not conquest. We do not leave our enemies in doubt about this. On the contrary, we testified clearly before the whole world our readiness for peace."

This statement was greeted with loud applause.

"Our enemies know this well," continued the premier. "We made our peace offer in full agreement with our allies. We emphasized that it was a question of an acceptable and honorable peace for all the belligerents, thereby showing clearly the readiness for peace of our entire group of powers. The responsibility for the continuance of the war is on the enemy."

Regarding Hungary's relations with Austria, Esterhazy considered it detrimental to interfere in Austria's internal affairs. He favored this dual equality and was convinced the Austrian premier took the same standpoint.

Amsterdam, July 13.—At the meeting of the Catholic Center party to

TARHEEL TROOPS TO TRAIN FOR ARMY AT GREENVILLE

Washington, July 13.—Assignment of National Guard troops to training camps already selected were announced by the War Department today as follows:

Sixth division, comprising troops from Maine, New Hampshire, Massachusetts, Connecticut, Rhode Island and Vermont, to Charlotte, N. C.

Seventh division, troops from New York state, Spartanburg, S. C.

Eighth division, Pennsylvania troops to Augusta, Ga.

Ninth division, New Jersey, Delaware, Maryland, District of Columbia and Virginia troops to Annapolis, Md.

Tenth division, North and South Carolina and Tennessee troops to Greenville, S. C.

Eleventh division, Alabama, Georgia and Florida troops to Waco, Texas.

Twelfth division, Michigan, Wisconsin troops to Macon, Ga.

Thirteenth division, Illinois troops to Houston, Texas.

Fourteenth division, Minnesota, North and South Dakota, Iowa and Nebraska troops to Deming, N. M.

Fifteenth division, Kansas and Missouri troops to Fort Sill, Okla.

Sixteenth division, Texas and Oklahoma troops to Fort Worth, Texas.

Seventeenth division, Minnesota, North and South Dakota, Iowa and Nebraska troops to Alexandria, La.

Eighteenth division, Washington, Utah, Arizona, Colorado, New Mexico and Nevada troops to Lordsburg, N. M.

Nineteenth division, Washington, Oregon, Montana, Idaho, and Wyoming troops to Palo Alto, Cal.

BATTLESHIP VANGUARD BLEW UP AND SANK ON JULY 9

London, July 13.—The British battleship Vanguard blew up and sank on July 9, says an official statement issued tonight by the British admiralty.

An internal explosion while the ship was at anchor caused the disaster to the Vanguard. Only three men of those on board survived and one of them has since died. Twenty-four officers and seventy-one men, however, were not on board at the time of the explosion. The official statement reads:

"H. M. S. Vanguard, Captain James D. Dick, blew up while at anchor on the night of July 9 as the result of an internal explosion.

"The ship sank immediately and there were only three survivors among those aboard ship at the time of the disaster—one officer and two men. The officer has since died. There were, however, 24 officers and 71 men not on board at the time, thus bringing to the total number of survivors to 97.

"A full inquiry has been ordered."

The British battleship Vanguard displaced 19,250 tons and her complement before the war was 870 men. The Vanguard belonged to the St. Vincent class of dreadnaughts and was launched in March, 1909. The Vanguard was 336 feet long with a beam of 84 feet and a draft of 27 feet. Her armament consisted of ten 12 inch guns, 18 four inch and four 3 pounders in addition to three torpedo tubes.

GERMAN CRISIS DEALS CHIEFLY WITH REFORMS

Committee on Public Information Issues Statement Declaring that Internal Problems are Involved in the Crisis

NO DIMINUTION IN THE WARFARE

Peace and Internal Reform in Germany is the Subject of Controversy; No Possibility of a Revolution is Expected

Washington, July 13.—The German political crisis centers principally on the questions of peace and internal reform, according to a review of State Department advices tonight issued by the committee on public information and "there is not the slightest reason to believe that it will result in anything remotely approaching revolution, or any diminution of Germany's military power."

The review says it is apparent that Germany's supply will hold out till the present crop is harvested, although the sufferings of the poor have been intensified greatly during the last five months.

Military domination has reached such a stage in Germany, the review says, that the imperial chancellor is utterly without authority over the military leaders who do as they please and leave the civil authorities to come along behind and apologize.

"Information reaching the Department of State," says the committee's review, "indicates that the German political crisis now centers primarily on the questions of internal reform and peace. The question of changes in the personnel of the government is subordinate in importance. The dispute is over measures rather than men. Whether or not the chancellor and several secretaries of state lose their positions is of secondary importance. The main question is whether or not the political action has been taken in regard to internal reforms and peace."

In spite of the bitterness of the present contest in Berlin, there is not the slightest reason to believe that it will result in anything remotely approaching revolution, or any diminution of Germany's military power. The crisis probably will lead to internal reforms which from the point of view of Germany will seem colossal but will be, in truth, only the first steps toward making the German people masters of their own destiny.

"The most that can be expected to result from the crisis in the near future is first, abolition of the Prussian three-class voting system and the establishment of equal manhood suffrage; second, the equalization of the Reichstag; and third, the government should declare its adherence to the so-called 'war program of August 4, 1914, which stated that Germany was not driven to war by the desire of conquest but that the German people took up arms only in defense of freedom, independence and to guard their territorial possessions."

"Should elections to the Prussian Diet be based on equal manhood suffrage, control of the Diet would pass from the Junker parties."

"At the present time only the Reichstag would be in a position to demand that the government should declare its adherence to the so-called 'war program of August 4, 1914, which stated that Germany was not driven to war by the desire of conquest but that the German people took up arms only in defense of freedom, independence and to guard their territorial possessions."

"The department has completed with some builders and expects to begin work on an expedition to almost degree the completion of all torpedo boat destroyers now under contract," said the secretary. "Furthermore, it is probable that the development of the present military situation will require laying down additional destroyers and other small craft especially designed to cope with the submarine, as rapidly as the present yards can be vacated and new building facilities can be provided."

DANIELS ASKS FOR ONE HUNDRED MILLION DOLLARS

Washington, July 13.—Secretary Daniels today asked Congress for a deficiency appropriation of \$100,000,000, mainly for additional destroyers and submarine chasers, and to spend up work on the general building program.

In a letter to Chairman Fitzgerald of the House appropriations committee, the secretary pointed out that the \$115,000,000 appropriated for these purposes March 4 has already been expended or tied up by contracts.

"The department has completed with some builders and expects to begin work on an expedition to almost degree the completion of all torpedo boat destroyers now under contract," said the secretary. "Furthermore, it is probable that the development of the present military situation will require laying down additional destroyers and other small craft especially designed to cope with the submarine, as rapidly as the present yards can be vacated and new building facilities can be provided."

GOVERNMENT WATCHING AFFAIRS IN ARIZONA

Washington, July 13.—The Federal Government is watching closely the disorders caused by Industrial Workers of the World in Arizona and other Western States but no official here expects any far-reaching consequences.

Department commanders of the army have directed to take all steps necessary and there is entire confidence here that they will speedily do so.

Secretary service agents are known to have gathered much information regarding I. W. W. activities but apparently little credence has been given reports that a concerted uprising by the organization was to be attempted. The general inclination here is to regard the present outbreak as sporadic and without national significance.

NORTH CAROLINA WILL FURNISH 15,974 MEN UNDER THE DRAFT PLAN

North Carolina's Gross Number in the Draft is 23,486, But Credit is Allowed for the Men Who Have Voluntarily Volunteered in the Regular Army and National Guard; Formal Order of President Wilson Calls for Drafting of 687,000 Men Into Military Service Under Selective Draft Law.

Washington, July 13.—A formal order by President Wilson, drafting 687,000 men into the military service under the selective conscription law was promulgated by the War Department today, together with an official allotment showing what part of the total must be furnished by each State and territory.

The only State now remaining are distribution by the Governors of State quotas among the local exemption districts, and the great lottery, which probably will be held next week and which will establish the order in which registrants are to present themselves for service or exemption.

The men summoned for service will be used to fill the regular army and National Guard to war strength and to organize the first 500,000 of the new national army. The total of these three forces will be 1,262,955 men. The number of National Guardsmen available for Federal service and the number of men given by the State to the regular army since April 1, the apportionment was made on the basis of an estimated grand total for the United States and its possessions of 1,653,656 inhabitants. This is a paper estimate, computed from registration returns, which comes within the law requiring distribution of quotas by population, but which equalizes in a great measure the burden that is to fall upon the various States and Territories. Each will furnish under this apportionment the men under its total registration would indicate as a fair proportion rather than the number the actual population of the district would indicate. The total of these gross quotas is 1,523,745 men.

Quotas for a total of 465,985 voluntary enlistments in the National Guard and regulars, making the total net quota for all States 687,000 men.

Following are the net and gross quotas for the Southern States:

State	Net	Gross
Alabama	6,325	10,112
Georgia	18,337	27,209
Kentucky	14,236	22,182
Louisiana	13,582	18,481
Mississippi	10,801	16,429
North Carolina	15,974	23,486
South Carolina	10,081	15,147
Tennessee	14,528	22,188
Texas	20,545	48,116
Virginia	13,795	21,284

Comparison between the gross and net quotas shows what any State has done in furnishing troops by the voluntary system. Oregon's gross quota is 7,737 men, but the State has 4,682 National Guardsmen and has given 1,974 war recruits to the regular army. In all Oregon had credit for 6,657 volunteers to apply against her gross quota which reduced her net quota to 1,177 men.

Arizona, on the other hand, with a quota of 4,478 men, has only 727 in the National Guard and has recruited only 171 men since April 1 for the regulars, makes the State's net quota after adjustment, 3,472.

New York with the maximum population and a gross quota of 122,424 men found a total of 52,971 volunteers during the three months, including her existing force of 23,497 guardsmen. Her net quota, therefore, is reduced to 69,241.

Preparations for the great drawing were made today. Of the 4,559 exemption districts, the papers of 3,500 have now reached Washington and hundreds more may be in the mails. The date of the drawing cannot be fixed until the last draft has reported its work finished.

Spectacular Drive Is Continued By Russians

Gaining momentum as it moves westward, the great Russian drive along the Dnieper in Galicia continues successfully. The fighting is progressing on a fifty-mile front from Haliex to the foothills of the Carpathians and all along the line the Russians are advancing.

Northwest of Haliex on Thursday the Russians captured the heights north of the Dulosester, captured important heights between the towns of Busznowitz and captured two villages. This advance is in the direction of Lemberg.

In the center and on the southern end of the line the Russians have been victorious in heavy battles for the possession of the crossings of the river Lomnica. They have made progress on the road to Dolina and have captured the crossings of the Lomnica at Pochinko, about 15 miles south of Kalusz and four miles west of Hodorowany.

The fate of the Zlotia Lipa line defending Lemberg on the east still in the balance.

Having forced the river Lomnica at Kalusz in the face of desperate resistance from German reserves thrown in to ward off defeat, the Russians now are on the path to Dolina, 20 miles southwestward and to Strzy, 25 miles north of Dolina on the Kalusz-Lemberg railway line.

The capture of these towns probably will make certain an Austro-German retreat from the Zlotia Lipa line, which has been held intact in the face of Russian efforts for more than a year.

The capture of Kalusz General Korniloff's soldiers took nearly 1,000 prisoners, mostly Germans. In addition, five heavy guns and ten machine guns fell into their hands.

The Russian advance west of Stanislaw besides endangering the Austro-German line immediately north in Galicia, also is a threat against the line in Roumania. The Russian and Roumanian artillery has been hammering the Tonton positions here in the last few days and already advance parties have been thrown forward to test the enemy's strength. No attack in force has been reported.

While the reconnoitering engagements have occupied the British and Germans on the northern end of the front in France, South of St. Quentin, along the Aisne front and on both sides of the Meuse, in the Verdun region, the artillery only have been active. In aerial fighting French planes have brought down ten German airplanes and driven 8 enemy machines down behind their own lines in Champagne.

The British dreadnaught Vanguard has been blown up by internal explosion with the loss of approximately more than 700 lives. The disaster occurred while the warship was at anchor in the harbor of Harwich, England, and her complement before the war was 870 men.

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