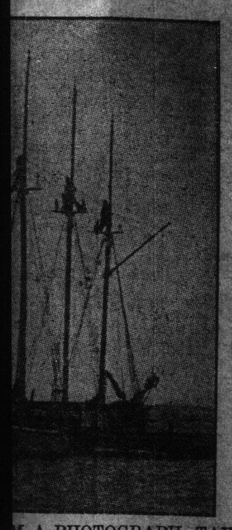
RECKED; R DROWNED

Sumner Pounded to mendous Waves

Breakwater at Waterside, otal Loss—Three of the ptain Patterson, His Two Lost Their Lives—Schoon- hulee, N. S., to Boston With



M A PHOTOGRAPH TAKEN AT WHARF.

the reef just below the Waterside breakwater and rapidly pounded to pieces. Capt. Paterson should have been off shore at least a mile or two in order to clear the rocks at Cape Enrage. Shipping men here have expressed the opinion that he may have mistaken the Cape Enrage fog alarm for that at Apple River (N. S.), and thought he was keeping off shore when in reality he was heading straight for the barren coast above Alma. Of course this is only an opinion.

After the vessel struck the seas washed over her and the captain and three companions were drowned. One of the survivors clung to a plank and floated ashore. The others, it is said, scarcely know how they reached land. The bodies of the captain, the first mate and seaman Hopkins have been recovered. That of the second mate is still missing.

Captain Patterson leaves a wife and two sons. Dr. Murray, coroner of Albert, visited the scene of the wreck yesterday and decided that no inquest was necessary.

A small steamer was expected from Shulee last night to take the bodies home.

The Ethyl B. Sumner was a strong schooner of 353 tons and had on board 410,000 feet of lumber which had been shipped by the Robinson-Wright Co., of Shulee. She was built at Harvey Bank eleven years ago for F. W. Sumner, of Moncton, who some time ago sold her to Hon. C. W. Robinson, Mayor Robinson, of Moncton, his brother; R. C. Elkin, of St. John, and Captain Paterson.

Captain Paterson is well known at this port and the expression of sympathy for his family and the relatives of the other victims was very general among the shipping people last night.

Heber Vroom, of Vroom & Arnold, is leaving for the scene of the wreck this morning. Hon. Mr. Robinson is already there. The Sumner was partly insured, but the amount carried is not known here.

CESS—NOT FAILURE"

ot become self-supporting and not burdensome citizens. If these 1,630 children, and others who are constantly knocking at the doors of the Barnardo Homes, were allowed to drift into the lower scales, what a calamity it would be to the little ones themselves, to the nation, and to the future welfare of the empire!

In all 77,000 children have passed through the Barnardo Open Doors, and nearly 9,000 are always in residence. Thousands more now, and in the unopened years, are clamoring for admission. "Our charter is before our eyes," runs the booklet—"No Destitute Child Ever Refused; but, as we hear the ceaseless patter of their approaching feet, and see the long vista of their little appealing faces, we realize that their answer lies with you."

The Homes have this year been passing through very deep waters, and the council have had to consider most carefully whether it would be possible to maintain the charter. They make an earnest appeal for help to assist them to keep the doors from closing on the tiniest child that knocks.

Gifts of all kinds—money, clothing, blankets, toys, etc—will be specially welcomed at this Christmas season by the honorary director, Mr. William Baker, M. A., LL.B., at headquarters, 18 to 26 Stepney Causeway, London, E.

BIG CATCHES OF SMELT AT CHATHAM

Chatham, N. B., Dec. 9—The thermometer dropped to two above zero last night, and the river froze over, but this morning the ferryboat and the steamer to Newcastle are both running and the ice is not expected to hold. An ore steamer passed up river yesterday and will take out its load of ore today. This will further break up the ice.

Smelt fishing began last night, and some catches went up to two tons. Owing to the ice not forming only those who have gear for open water fishing can share in the harvest as yet.

The Semi-Weekly Telegraph and The News

VOL. LII. ST. JOHN, N. B., WEDNESDAY, DECEMBER 11, 1912 NO 21

BRITAIN LODGES STRONG PROTEST

Will Resist Panama Canal Tolls

Ambassador Bryce Lays Objections to the Discrimination

Sir Edward Grey Reminds Washington in Clear Terms That They Are Violating the Treaty That Made It Possible for Americans to Construct the Big Waterway.

Canadian Press

Washington, Dec. 9—Great Britain's formal note of protest against the section of the Panama canal act which exempts American coastwise shipping from paying of tolls for passing through the Panama canal, was presented to the secretary of state, Philander C. Knox, tonight by the British ambassador, James Bryce, who read the note word for word to the secretary at the latter's home.

It is an elaboration of points of objection in the note presented to the state department last July. In brief these objections are:

That while it was clearly in violation of the Hay-Pauncefote treaty either to remit or refund tolls on all American shipping using the canal, the same objection probably would apply to the coastwise trade shipping, in view of the probable impossibility of framing regulations that would not result in a preference to American shipping.

To Resist American Claims.

In addition to supporting these points by long arguments, Earl Grey indicates very clearly that strong resistance will be offered to any attempt to exclude from the canal British ships owned by Canadian railroads or whose owners may be guilty of violating the Sherman anti-trust act. He holds that this section of the act cannot apply to British shipping but only to United States vessels.

He also indicates in his note that underlying the objection to the exemption from tolls of American coastwise ships is an apprehension that in the future the principle might be extended to cover American ships in the foreign trade.

Secretary Knox listened attentively to the reading of the note and promised to take the matter under careful consideration, which he felt would require some time. It has been strongly intimated in official circles, however, that it was the president's intention to settle this important question before closing his administration either by recommending that the senate agree to submit it to arbitration or preferably by the more direct means of an agreement between the two nations referred to in today's British note.

British Contention.

Earl Grey, who is the author of the note, begins with the statement that the president does not fully appreciate the British point of view, and has misunderstood even the note of July 8. He says it is not the case that the British government seeks to prevent the United States from granting subsidies to its own shipping passing through the canal nor does it seek to deprive the United States of any liberty which is open to either themselves or to any other nation to encourage its own shipping or own commerce by subsidies.

The purpose of the United States in negotiating the Hay-Pauncefote treaty was to recover their freedom of action and obtain the right which they had surrendered in the Clayton-Bulwer treaty to construct the canal themselves.

The word "neutralization" in the preamble of the Hay-Pauncefote treaty is not confined to belligerent operations but refers to the system of equal rights for which article 8 provides. Joint protection and equal treatment are the only matters alluded to which that neutralization must refer. "It certainly was not the intention of the United States government," says Sir Edward Grey, "that any responsibility for the protection of the canal should attach to them in the future. Neutralization, therefore, must refer to the system of equal rights."

Free as Boundary Waters Are.

The note then declares that the situation created by the substitution of the Hay-Pauncefote treaty for the Clayton-Bulwer treaty was identical with that resulting from the boundary waters treaty of 1909 between Great Britain and the United States which, in brief, provided that the boundary waters should be free and open to commerce, "applying equally and without discrimination to the inhabitants, ships, vessels and boats of both countries, but all such rules and regulations and all tolls charged shall apply alike to the subjects or citizens of the high contracting parties, and they shall be placed on terms of equality in the use therefore."

It is also asserted that a similar, though more restricted provision, appeared in the treaty of Washington and it is recalled "how strenuously the United States protested, as a violation of equal rights, against the system which Canada had introduced of a rebate of a large portion of the tolls on certain freights on the Welland canal, and how in the face of that protest the system was abandoned."

Referring to the third article of the Hay-Pauncefote treaty, the note points out that the first of the Suez canal rules,

(Continued on page 7, first column.)

STATE'S EVIDENCE ENDED IN HOULTON MURDER CASE

Expert Declares the Suicide Note of Jacobson Was Spurious

Will Not Swear the Accused Son-in-Law Wrote It, But Believes He Did—Illness of a Juror May Delay Case—Defence Opens.

Special to The Telegraph.

Houlton, Me., Dec. 9—The State of Maine closed its case against Charles N. Emelius, Edgar Jacobson and Mrs. Annie Jacobson, on trial charged with the murder of August Jacobson, this afternoon, and the case of the defence was opened by R. W. Shaw.

During the day Perry E. Day, of Westfield, a juror, was ill. It is possible that he may become too ill to continue with the case. He was stricken with indigestion during the night and this afternoon had another attack. Tonight he is confined to his bed and attended by Dr. P. M. Ward. The physician after an examination of the patient issued the following statement to The Telegraph representative:

"I found Mr. Day suffering from no serious ailment other than could result from unaccustomed confinement, which aggravated a stomach disorder. A good night's rest may enable him to recover sufficiently to continue his duties."

August Jacobsen died sitting by the stone wall and not in the position in which he was found by Eric Olsson, according to Dr. V. E. Lagerson, who was recalled today. The doctor stated that Jacobson lay on his knees and his face, held in that posture by rigor mortis. From this the witness deducted he was dead for several hours before he fell or was placed where he was found.

That there was a quarrel at the Jacobson home on Saturday evening was established by the testimony of Mrs. Helda Anderson, a neighbor, who heard loud talking and saw Edgar Jacobson start away, only to be recalled and then go away again.

Suicide Note Bogus.

W. E. Hingston, of Boston, the handwriting expert, told the jury today that the signature on the suicide note was not the signature of August Jacobson. He had compared it with handwriting of Emelius, Mrs. Jacobson and Mrs. Emelius. He was certain that the signature was not written by either of the two women. As to Emelius, he said that he had a well defined "conclusion" but he was not permitted to state what that impression was. He would not say that he had found data enough to enable him to form an opinion. The general impression had been that Hingston would testify that Emelius signed the suicide note.

In cross-examination, counsel for the defence asked the witness if he would change his opinion that one hand wrote the body of the note and another wrote the signature if he could see a book of the same kind of paper from which a leaf had been torn and on which there still remained the tracery of the original note and signature. He admitted that he might.

This suggestion that the original book from which the note was taken would be produced and that it would contain evidence that Jacobson wrote and signed the note, was a surprise to the public. The defence produced a small note book a moment later and handled it as if to give it to the witness, but did not do so. Hingston declared the signature on the note to be a good copy.

The defence shifted its plans at the last minute and R. W. Shaw opened the case instead of Herschel Shaw, his son.

The opening address was practically completed when an adjournment was taken until tomorrow.

C. P. R. CONDUCTOR MADE TRAINMASTER

Bernard Craig Promoted at Woodstock—Premier Flemming Buys a Residence.

Special to The Telegraph.

Woodstock, N. B., Dec. 9—Bernard Craig, a well known and popular conductor on the C. P. R., has been appointed trainmaster in place of Charles Henderson, who has gone west, where he has large financial interests. Mr. Craig is a thorough railway man and his promotion is well deserved.

Hon. J. K. Flemming has bought the handsome brick residence of Norman Loane in Chapel street. He will occupy it in the spring. He is at present boarding at the Turner House.

Thomas Gabel is dangerously ill at his home in Victoria street.

Digby House Damaged by Fire.

Digby, N. S., Dec. 9—(Special)—Fire was discovered in the inside of Mrs. F. A. Braman's residence, Sydney street, at 7 o'clock tonight. The promptness of the fire company saved the building. The inside and contents were badly damaged both by fire and water.

MORINE HUNTED FOR SCANDAL IN VAIN

Nothing Against Dr. Pugsley

Report of Tory Commission a Complete Endorsation of Late Minister of Public Works Administration and Other Departments of Laurier Government—Some Pertinent Queries for Hon. Mr. Hazen About Liberal Naval Policy.

Special to The Telegraph.

Ottawa, Dec. 9—Hon. Wm. Pugsley's administration of the department of public works was thoroughly justified today, when the report of the Morine scandal-hunting commission was laid before parliament.

It will be recalled that when the Conservative government came in, they expressed confidence in Hon. Mr. Pugsley's administrative capacity and integrity by renewing his dredging contracts.

Then Morine was appointed to search for scandal. He made a thorough serch before he was blown out of office by the exposure of his record made by F. B. Carvell, M. P., of New Brunswick. It had been expected that Morine, in his report, would show vindictiveness and attack the record of the New Brunswick minister, upon whom he had been especially set.

The report of the Morine commission, as presented to parliament, weighs pounds and contains thousands of pages of evidence. From this Morine, with all his capacity for deduction has not been able to present a serious allegation against any department of administration by the late government, and the public works is almost neglected, though it is the largest of the spending departments.

There is a colorless comment on the Temiskaming dam, which was washed out by a flood, and another comment upon a combination among dredging contractors. As to corrupt bargaining or anything of a reprehensive character, the report is silent.

It is taken here as an absolute endorsation of Hon. Dr. Pugsley's capable administration.

Dr. Pugsley Asks Pertinent Questions.

In Parliament today, Hon. Dr. Pugsley gave an indication of his intention to criticize the Borden government for having refused the offer of Cammel Laird & Company to establish shipbuilding yards in Canada and build naval and commercial craft at St. John.

Dr. Pugsley asked Hon. Mr. Hazen to produce the call for tenders for naval vessels sent out by the late government, and the tenders of the eight British shipbuilders who offered to establish yards in Canada.

He also asked for the production of the offer of Cammel Laird & Company to establish a yard at St. John and build the ships of the Laurier navy there; the recommendation of the Laurier government that this offer be accepted and the yard established, and the decision of the Borden government not to establish the yard, and the refusal of the tender by Hon. Mr. Hazen, who sent back the forfeit of $500,000 which the British firm had put up as an evidence of good faith.

Hon. Mr. Lemieux was told by Secretary of State Coderre, that A. B. Morine had ceased to act as public service commissioner on June 9, 1912, after being paid $4,920 salary and $104 traveling allowance. G. N. Ducharme ceased to act as commissioner on Nov. 9, 1912, after being paid $6,690 salary and $430 traveling allowance. Messrs. Lake, Ducharme and Morine have all ceased to act. In the autumn they asked to be relieved of their duties and their request was granted. They furnished the government with a report.

Mr. Sinclair, of Guysboro, who asked as to the age limit for appointment to public service and especially on the government railway and as lighthouse keepers, was told by the secretary of state that "for appointment to the outside service the general rule for age limit is 30 years; for inside service a person to be appointed must be over 18 years and under 35 years.

"The age limit in railway work for inexperienced men is 35 years, and for experienced men 45 years. In the lighthouse service ther is no specific age limit."

A. K. MacLean, of Halifax, who asked as to the service required to entitle persons to the Fenian raid grant, was told by Hon. Sam Hughes that to get the grant the "volunteer must have been enrolled in a corps called out for active service and have actually served in that corps during the period of a raid in pursuance of the order or proclamation which called it out. If a corps was called out for active service and the drill or exercise was performed, the volunteer is entitled to the bounty though his company was not ordered from the drill ground. An order for mere annual drill does not count."

Clarence Ward, secretary of the New Brunswick Historical Society, has received from the president and directors of the Panama Pacific Universal Exposition an invitation, beautifully engraved on parchment, requesting the society to hold their 1915 meeting in San Francisco at the time of the exposition.

APPOINTED MAN IN PRISON TO OFFICE

Nova Scotia Liberal Displaced for Man Convicted of Forgery—Pardoned so He Could Assume Office—Case of a Dead Man Dismissed and Other Iniquities in Marine Department Bared in Parliament—Hon. Mr. Hazen's Lame Defense.

Special to The Telegraph.

Ottawa, Dec. 9—If Premier Borden's naval policy is not better considered and worked out than was his bill submitted to the house with his speech last Thursday, Canada is likely to experience many embarrassing "emergencies."

It was discovered today that notwithstanding the fact that Sir Wilfrid Laurier courteously consented to the premier introducing his naval measure, prior to bringing down the resolution based upon it, in accordance with the rules of the house, the bill, as introduced by Mr. Borden, transgresses the rules in itself. As a result, unless Sir Wilfrid again comes to his rescue, Mr. Borden will have to introduce the bill again in regular form, though it is not anticipated that the house would call upon the premier to read his speech over once more.

It is a somewhat awkward predicament in which the head of the government finds himself. However, it is understood that the Liberal chief will assist him out of the predicament, since it is known that Sir Wilfrid will take no advantage of technical blunders caused by inexperience.

The rules of the house require that when, for any reason, a money bill is permitted to precede the customary introduction resolution, the measure must carry, in parenthesis, the amount of the money vote involved. This rule was neglected or overlooked by Mr. Borden in the preparation of his naval bill introduced last Thursday, and in consequence the speaker is under the necessity of ruling the measure, as submitted, out of order.

This puts matters as they were, and, unless Sir Wilfrid enables the premier to find a new way out, he will have the somewhat humiliating experience of having to introduce his famous bill all over again. The premier came over to confer with the Liberal leader during the proceedings in the commons this afternoon, and it is believed that Sir Wilfrid came to his rescue. When government notices of motion were under consideration, Mr. Borden asked the house for permission to introduce the resolution which should have preceded the introduction of the naval bill, at tomorrow's sitting.

"I have no objection," courteously responded Sir Wilfrid, and the regular notice was accordingly given.

It is anticipated that the resolution will come up by consent and without discussion at tomorrow's sitting, thus preparing the way for regular procedure with the bill on Thursday.

Sir Wilfrid's courtesy releases the premier from an amusing and embarrassing predicament and enables the progress of the bill to go forward according to schedule instead of being held up till the government had rectified its blunder. It is a significant commentary on the sincerity of the government press in its silly charges that the Liberals are "blocking" or retarding the progress of the measure in the house.

Appointed Man in Prison to Office.

In the matter of making appointments and dismissals the Borden government is constantly establishing new records. Some time ago they formally dismissed a dead man. Afterward they appointed a dead man and instructed the Liberal office holder to turn the keys of the office over to him. This he obediently did, by laying the keys on his grave. It was thought this was the limit.

However, the record of the government for unique performance is greater than has been, and Mr. Kyte, M. P. for Richmond (N. S.), today proved this to a demonstration by showing that the government recently appointed to public office a man who could not perform the duties because he was serving a year's term in jail for forgery.

Mr. Kyte made his statement from the public records obtained from the department of marine. These showed that J. A. Gillies, who was the unsuccessful Conservative candidate in Richmond in the last general election, on Dec. 8, 1911, asked for the dismissal of Dr. Boyle, the fishery officer at West Arichat, on the ground of offensive partizanship, and recommended the appointment in his place of Capt. Andrew Landry, of Descousse.

On Dec. 18 the parish priest addressed a letter to the minister of marine protesting against the appointment of Captain Landry because he was awaiting trial on the charge of forgery.

On Dec. 28 the department of marine dismissed Leon Porrier, wharfinger at Descousse (N. S.), and appointed Capt. Landry in his place.

On Feb. 1, 1912, Capt. Landry was committed for trial for forgery, and on June 4 was found guilty and sentenced to a year in jail by Justice Graham, of the Nova Scotia Supreme Court.

On June 11, 1912, Captain Frederick Porrier, buoy contractor at Descousse, was notified that his services were no longer required and directed by the department to hand over the buoys and moorings to Captain Andrew Landry.

Appointee in Jail.

Captain Porrier replied that he could not conveniently do so, as Captain Landry at the time was in jail serving a year's term for forgery. The minister of justice was appealed to and on August 3 Captain Landry was released, and there was a jail delivery such as never seen before.

Landry, after serving two months of his term, walked out of the jail a free man to take up his duties as a public official. That he was not going to give up any of the emoluments of office because of slight stain on his character was shown by Captain Landry three days after his release, when he sent a bill for $30 wharfage to a man and accompanied it with the statement that if the bill were paid at once $10 would settle it, but if there was delay the full amount would be exacted.

It was remarkable to find that in order that Captain Landry might retain his office, the government had been compassionate enough to release him after two months. As he was a man in the best of health and is now discharging the duties of wharfinger it would be interesting to know why the government granted his release.

Hazen's Lame Defence.

Hon. Mr. Hazen said that Mr. Kyte evidently desired to make an attack on his political opponent, Mr. Gillies. Mr. Hazen said this was the first he had heard of the appointment or of the sentence of Captain Landry. Mr. Gillies had recommended him and the minister believed Mr. Gillies thought the captain a "highly suitable man to fill the post." On the complaint of the parish priest the appointment of fishery officer, a responsible post, had been withheld from Captain Landry. The department had no idea that it was appointing this same man to the unimportant post of wharfinger. Had he known that this was the man the priest had protested against the appointment would not have been made.

Mr. Carvell said it was important to learn if it was the policy of the government to release from jail persons who happened to be their political friends.

Hon. Mr. Hazen said that the record of the late government was not the best in this respect as they had pardoned one Bruce McDougall, under sentence for slanderous libel.

Mr. Carvell said the case was different. McDougall was released on ticket-of-leave because he was a dying man and he had died a few weeks after being released.

Mr. Hazen said that McDougall had been well enough after release to resume the publication of his paper and had died as the consequence of injuries received in an accident.

Premier Borden said that the matter was one which deserved looking into and as the minister of justice was not present to give the reasons for the releasing of Captain Landry he would move the adjournment of the debate.

This was done. The matter will come up again when the minister of justice is in the house.

URGES ADOPTION OF A CHILD'S PROTECTIVE ACT

Every Day Club Endorses Action Taken by the Associated Charities.

The following resolutions were adopted by the Every Day Club last evening:

Whereas, for several years efforts have been made without success to secure the passage of a child's protective act for the province of New Brunswick; and

Whereas, the experience gained by members of this club during nearly six years past has convinced them of the great need for such an act in this city; therefore

Resolved, that this club strongly endorses the action taken by the Associated Charities to urge the municipal council to ask for such an act, and to appeal to the legislature for its passage at the next session thereof; further

Resolved, that this club appeal to all organizations interested in the social welfare of this city to unite in an earnest appeal for the passage of the act.

REAL ESTATE

W. E. A. Lawton has completed the purchase of the property on both sides of the eastern end of Sheffield street. The property, which was purchased from J. King Kelley, includes six lots on the northern side, and three on the southern side of the street. The lots are forty feet wide and 100 feet deep. The block included in the sale extends from the railway tracks of the I. C. R. up almost to Pitt street. No announcement is made regarding the use to which the property is to be put.

Mr. Lawton is completing his plans to commence operating the Atkins Brothers plant in Fairville early in the spring. Some time ago he purchased their property and plant which includes a lot with frontage of 348 feet on the C. P. R. near Fairville station with modern wood-working factory buildings.

Fourteen-inch Gun Burst.

Sandy Hook, N. J., Dec 9—A new 14-inch gun burst this morning while being tested at the Sandy Hook proving grounds. The muzzle of the gun was blown a distance of 100 yards. The temporary carriage of the gun also burst. No one was injured, although there were more than a dozen men near the great gun when it blew up.

NEW MENACE IN BALKAN SITUATION

INJUSTICE DONE THE MARITIME PROVINCES

Dr. W. S. Carter Tells the Montreal Canadian Club That Quebec Basis of Representation Should Be Remedied.

Montreal, Dec. 9—That the injustice done to the people of the maritime provinces by making since confederation Quebec's representation in the dominon house the standard by which the number of representatives of other provinces should be determined, ought to be remedied by making an irreducible minimum of representatives for each province, was the suggestion made by Dr. W. S. Carter, chief superintendent of education for New Brunswick, in an address on the maritime provinces before the Canadian Club this afternoon.

NO ONE WANTS THE STEAMER IN QUEBEC GRAVING DOCK

The Bellona Abandoned by Owners to Underwriters, Who Will Not Accept Her—Likely to Be Frozen In.

Quebec, Dec. 9—From present appearances it is likely the steamer Bellona, now in the graving dock will winter here. The vessel has been abandoned by the owners to the underwriters, but the latter have not yet accepted her. In the meantime the temporary repairs to the steamer have been stopped. The crew have been paid off and leave for home via Portland this evening.

There are some vessels to be docked but cannot do so until the Bellona comes out. She cannot do so until some repairs are made to allow her to float, a job which no one appears to be willing to undertake.

The dockmaster has no authority to order the repairs to be made. He can open the gates and allow the water into the dock but if he did so the Bellona would be swamped. If she is not taken out soon the dock gates will be frozen up and the steamer will remain there for the winter.

PACIFIC COAST WAVES WASHED OVER LIGHTHOUSE

Put Out Light 132 Feet Above High Water and Filled Fog Alarm With Rocks.

Portland, Ore., Dec. 9—Some unusual damage done by waves during a storm were reported today by William Dalhren, keeper of Tillamock Rock lighthouse, south of the Columbia River.

A storm that swept the coast Oct. 18 and 19 carried away a large portion of the west end of the rock foundation, and waves invaded the top of the tall lighthouse, putting out the lights and filling the trumpet of the fog signal with rocks. The focal plane of the light 132 feet above high water was broken. The siren which was filled with rocks is 114 feet above the high water mark. Nne of the lighthouse employes was injured.

NOBEL PEACE PRIZE NOT TO BE AWARDED

Norwegian Committee Finds No Work Deserving of the $40,000 Award.

Christiania, Dec. 9—The Nobel peace prize will not be awarded this year. This is the first time since the establishment of the Nobel foundation, the first award of which was made in 1901, that the committee of the Norwegian parliament has found no person worthy of the award. The committee in explanation of its action merely states that it has "decided that there has been "no work deserving of the prize."

It has been recommended that the prize, approximating $40,000, shall be retained for the benefit of the foundation fund.

Austria Assumes a Hostile Mood

Places a $50,000,000 Loan and Makes Warlike Preparations

Will Fight Rather Than Grant Servia's Demand for an Adriatic Port—Turkey Appoints Plenipotentiaries for Peace Conference in London December 13.

Canadian Press.

London, Dec. 9—No explanation is yet forthcoming of the sudden resignation of the Austro-Hungarian minister of war, General Uaffenberg, and the chief of the general staff, General Schemua. They have said that their action was due to personal reasons but coming at such a time as the present it cannot be doubted that it will have a wide political significance.

It had been expected that in the event of war General Von Hoetzendorf would be appointed chief of staff and his appointment now to succeed General Schemua, coupled with the news of the renewal of the Driebund, and that Austria-Hungary have negotiated temporary loans of $50,000,000 cannot but have a disquieting effect on the international situation.

It is supposed that Austria wishes possibly to exert a strong influence over the coming conference proceedings at London and especially to prevent the entry of Turkey into the Balkan federation. The Austrian war party is known to be inflamed against Russia in the belief that the defiant Russian attitude is due to the Franco-Russian alliance and that some of the Austrian newspapers, representing the war party, are urging that unless Russia ceases mobolizing the powers comprising the Tritple Alliance should fall upon France and crush her before Russia is able to intervene.

However the crisis may end, the war fever is having a disastrous effect on Austro-Hungarian trade. A complete financial panic prevails throughout Galicia, where the various banks have recently paid out more than $40,000,000 to nervous depositors without stemming the run.

It was reported at Paris today that the entire Austrian fleet had concentrated at Pola, the chief naval station of Austro-Hungary.

Turkey's Peace Delegate Chosen.

Constantinople, Dec. 9—Official announcement was made tonight that Selih Bey, minister of marine; Rechad Pasha, minister of agriculture; and Osman Nizami Pasha, ambassador to Germany, had been appointed plenipotentiaries to the peace conference which will begin at London on Dec. 13. The delegates will start for London tomorrow.

Russia Not Alarmed.

St. Petersburg, Dec. 9—Russia's attitude with respect to the Balkan situation has not been changed by the apparently serious military preparations of Austria, the imperial German chancellor's pointed speech in the Reichstag, and the renewal of the Triple Alliance.

In diplomatic circles here these various incidents are interpreted as tactical developments of Austria's natural desire to safeguard her interests and prestige from the growing influences of Slav domination, her immediate object being to compel Russia to disavow Servia in the matter of an Adriatic port.

It is pointed out while making all due allowance for legitimate measures of self-defence on the part of the cabinet at Vienna, Russia is bound also to safeguard her own interests and prestige. It is further urged that Russia cannot disavow what she never claimed and that she had already done her utmost to restrain the Servians.

In St. Petersburg the opinon is held that no irreconcilable differences remain between the minimum that the Servians demand and the maximum which Austria is prepared to concede, and that a great power like Russia cannot give such pledges as Austrian diplomacy expects. Nor is it for a moment believed in official quarters her that Austria will resort to war to enforce such pretensions.

Austria-Hungary Places Big Loans

Vienna, Dec. 9—The Austrian government has negotiated with a syndicate headed by the Austrian Postal Savings Bank, and including Kuhn, Loeb & Company, and the National City Bank of New York, for an issue of four and a half per cent. treasury bonds to the amount of $25,000,000, which will be taken at 97, redeemable at par at eighteen months and two years.

The Hungarian finance minister has issued through the Hungarian Credit Bank treasury bonds to the same amount and under the same conditions. Both are gold loans.

It is announced that the Driebund renewal is for six years and that it would have been automatically renewed for the same period if no notice of expiry had been given. This fact gives significance of the renewal of the compact at the moment of a serious international crisis.

The Zeita learns that Servia's demands at the coming peace conference will include the whole of northern Albania and as this will lead Austria to define her counter demands, a decisive phase in the Austro-Servian difference will soon be reached.

(Continued on page 8, sixth column.)