

# U. S. GOV'T WILL NOT DROP ANCONA AFFAIR

Inside Information About The Teuton Spy System and Its Various Activities in United States

Startling Facts Revealed by a Former Austro-Hungarian Consul.

OVER 3,000 TEUTON SPIES IN AMERICA

U.S. Department of Justice has begun searching inquiry on strength of Dr. Gorica's information.

Washington, Nov. 18.—Further investigation of the activities of Austrian consul general Von Nuber and his associates will be made by the Department of Justice as a result of yesterday's conference in New York between A. Bruce Melisaki, chief of the bureau of investigations, and Dr. Joseph Gorica, former Austrian consul. A department statement, announcing this tonight, also said that information had been obtained which probably would lead to further indictments for passport frauds.

The Providence, R. I., Journal prints the following story of Teuton intrigue and as described by Dr. Gorica, former Austrian consul:

"In a vigorous reply to the denials of the Austrian Embassy and several Austro-Hungarian consuls that they had been fomenting trouble in munition plants and constantly intriguing with spies and secret agents, Dr. Jos. Gorica has made the following statement:

"Did anybody expect that these men were going to acknowledge the fact? I can simply give my word of honor that what I have said is the truth, and that the facts are going to be proved to the satisfaction of the American people.

"I will state further that no act of violence, whether it be a fire in a munition factory, the explosion of a bomb on board a ship or the establishment of a fraudulent passport office, springs from the demoralized mind of any single individual. Every act is planned in advance. Men who can be trusted to go through with such criminal performances are selected in advance and the whole scheme is worked through the system. Individuals are simply carrying out orders that they get from above.

"My fifteen years' experience in the foreign service of Austria-Hungary has given me exact knowledge of this spy system, which is directed by the German Embassy through Captain Boyed and Captain von Popen, acting directly with Consul General von Nuber in New York. These three men have full and complete knowledge of every move made by every German and Austrian spy in the United States. In spite of their assertions that they are innocent of any wrong doing or of any knowledge of the burning of munition plants or of wrecking of ships, they are in immediate touch with every transaction.

"Every Central Empire spy operating in this country today is officially listed in the offices of these men and their records are kept in card index form. There are, I should judge from my personal knowledge, about three

thousand of these men in the United States today, and every one of them will do exactly what he is ordered to do and consider himself, as in fact he really is, a soldier under the direct instruction of his military superiors. No one of these men would dare to act on his own responsibility in a foreign country before he had secured the approval of the representative of his government in that country. These men have to keep in touch with the military and naval attaches of either the German or Austrian embassies, or else with the consuls [have named already in my previous statement, and from them they secure all maps and charts, sailing lists of steamers and the precise locations of factories where munition is being manufactured.

"They have to visit the official representatives of their country in order to get the sums of money which they need to carry out their instructions. It is a standing order in all the German and Austrian Consulates that these spies are never to be given more than the amount of money necessary to the one specific job they have on hand at any one time.

"Do the American people think that Captain von Popen's somewhat incoherent statement about Americans in his letter discovered on Archibald is an isolated expression of opinion? The truth is, that since the beginning of the war in every German and Austrian consulate in this country, and in both embassies, Americans have been 'dogs' and 'pigs' and 'beasts' whenever reference has been made to them. The people of this country do not understand the contempt with which these men view them, and their almost entire freedom from restraint in every illicit act they are performing.

"No passport fraud agent in New York or Cleveland or Philadelphia, and these three cities are full of them, could live and do business a day without the sanction and friendly assistance of the Austrian and German officials.

"When the truth is known concerning the actual sums of money that have been spent in this country for the purchase of newspapers, the subsidizing of college professors, the destruction of munition plants, the hiring of halls, the payment of travelling expenses for hundreds of men who are constantly moving about the country and for many other purposes, the amount will stagger the imagination.

"With reference to the charges made by the Austrian-Hungarian Embassy in Washington yesterday that Dr. Gorica is a Russian spy and that he used his position as Consul to further Slavic interests against those of Austria-Hungary, Dr. Gorica said:

"The declaration of the Embassy is utterly ridiculous and can be proved to the satisfaction of every thinking man.

"When I returned to this country in the beginning of March of this year, after my resignation, I was notified by friends in the consular service that the government had sent word to officials in this country to have me declared either insane or a Russian spy at the first sign of any movement on my part against their interests. This Russian spy charge is simply the old propaganda that they intended to use against me several months ago.

"I also desire to call attention to the fact that if I had been a traitor to my country, my country gave me a splendid opportunity to present to Russia the most vital secrets of its activities two days prior to the declaration of war, when on July 16, 1914, I was sent from Warsaw by the Consul General of Vienna, with secret despatches of the utmost importance, and carried them in my pocket until my arrival in Vienna on the night of July

27, when I was received in the Foreign Office by Count Forstner, the Acting Minister of Foreign Affairs. What an opportunity if I had really been a traitor to my country.

"The French Ambassador came out as I went in and I tried to tell Count Forstner, who was my personal friend, that I believed diplomacy could still save the situation. His reply to me was as follows: 'Diplomacy can do no more. We have placed everything in the hands of the General Staff.'

"The Embassy declares that I left my post in Berlin without permission. This is an absolute falsehood. When I went to Rome I was on leave of absence. The Embassy also claims that I feared dismissal and therefore resigned in order to prevent it. The truth is that some weeks after December 20, the date on which I sent my resignation to Vienna, Count Colloredo came to me from Baron Macchio, the Austrian Ambassador to the Quirinal, and told me that the Baron had seen my resignation on file in the foreign office in Vienna. He pleaded with me to withdraw my resignation, and in behalf of the Foreign Office promised me that if I would do so I would secure advancement and a more important post than I had yet occupied.

"I declined the proposition and Count Colloredo then told me that the Ambassador was very sorry and would have done anything in his power to keep me in the service.

"Since my return to this country I have never sought to disguise the fact that I have been working, and still am working, for Slavdom. The Austrian Embassy has known very well from the first day of my return to America that I came back here for this specific work, and I am not ashamed of it. I have never used any subterfuge or operated under cover. On the other hand, however, the Austro-Hungarian Embassy and Consul General von Nuber, with all the consuls mentioned in my statement yesterday, are intriguing every moment against the peace and order of the United States. They have used every method known to the spy and the plotter to carry out their game secretly and to do the vilest and dishonorable work without discovery.

"The charge that I have ever attempted to induce any Slav in this country to treasonable acts against Austria-Hungary is a deliberate falsehood. If the Austrian Embassy can prove that I have done anything of this kind, in one single instance, I offer myself up for the threatened punishment promised to such traitors, and will cheerfully go back to Austria to meet it.

"It is quite true that I am today sincerely desirous of victory for the Allies. I have nothing against Austria except that I deplore the way in which the corrupting influence of Germany has destroyed her vitality and her government and filled her leaders with the mad desire to obliterate the Slavic spirit. I not only was never disloyal to my trust while I was in the civil service in Austria-Hungary, but even today, in spite of my very natural resentment, I would not under any circumstances reveal a single official secret, and I have many of them, which came to me in the course of my consular service."

## QUOTATIONS OF BERLIN 'CHANGE

Announced as official and are the first to be issued since war began.

Berlin, Nov. 18, by wireless to Sayville.—A majority of the speculative engagements on the Berlin stock exchange having been settled during the last few months, the stock exchange committee has ordered the closing of the remainder by the end of November, and has published an official list of quotations as the settlement basis.

"These are the first official quotations issued on the Berlin exchange since the war began," says the Overseas News Agency.

They are of the highest importance as an indication of the status of financial affairs in Germany. They refute all stories invented by Germany's enemies concerning the breaking down of the nation's finances.

"The most interesting quotations are those of the German and Prussian 3 per cent. loans. These are listed at 70, the same figure as in July of 1914. This shows absolutely that the quotation of 55 given in London was purely fanciful, as already has been stated by Dr. Karl Helfferich, secretary of the treasury, who in the Reichstag announced he had attempted to purchase, through neutrals, for redemption purposes, as much of these loans as could be obtained at this rate in London. These attempts met with utter failure.

"In a few cases German securities are listed lower than before the war."

## MELLEN TELLS OF NEGOTIATIONS FOR THE B. & M. SYSTEM

Defence in trial of New Haven directors suggests inspection trip for Jury over N. Y., N. H. and H. lines.

New York, Nov. 18.—The defense in the trial of the eleven former directors of the New York, New Haven & Hartford Railroad proposed to the court today that the jury be taken on an inspection trip over the lines of the road so that they could see for themselves the actual physical conditions around which the testimony in the case centres. The suggestion was not pressed by the attorneys for a decision at this time, but H. L. Bates, of the prosecution, refused to take the suggestion seriously. The defendants' attorneys said the proposal was made in all seriousness and that it would be a help to the jury.

Judge Hunt, without committing himself, did not seem inclined to favor it. It was made just before the government launched into the history of the acquisition by the New Haven of the Boston & Maine Railroad, Charles B. Mellen testifying on this subject, said that a proposition to buy control of the Boston & Maine was made to him by Gardiner M. Lane of Boston, who told him that the stock was on the market. Lane, Mellen said, told him that the stock was going to be sold anyway, a fact which the witness said he regarded as "a serious thing."

## SAILINGS FROM ITALY TO U.S. SUSPENDED

Until the submarine menace in the Mediterranean has been dealt with.

London, Nov. 18.—The correspondent at Zurich of the Central News forwards a report that it has been decided to suspend steamship service between Italy and America until arrangements are made to deal adequately with the menace of submarines to shipping in the Mediterranean.

Several December Sailings Cancelled

New York, Nov. 18.—Representatives of Italian steamship lines here said today that while they had received no advice that steamship service between Italy and the United States had been entirely suspended because of the submarine menace, at least five sailings from here during early December had been cancelled.

On advice from the home offices in Italy received here during the past few days, the following ships have been temporarily withdrawn from Italian ports services: Steamship America to sail December 7, the Europa, December 8, Dante Alighieri, December 8, Caserta, December 10, and Palermo, December 14.

The new passenger liner Giuseppe Virde is due to arrive here tomorrow on her maiden voyage. Local agents of the line said today that they had received no orders respecting her return passage.

## LIEUT. HUGHES IS BURIED AT LOOS

Ottawa, Nov. 18.—A cable from Brigadier-General Garnet Hughes to his father, Sir Sam Hughes, states that Lieut. Chester Hughes, of Toronto, met his death through the explosion of a shell and was buried at Loos.

BURGLARS LOOT THEATRE SAFE AND GET \$3,400

Winnipeg, Nov. 18.—Burglars forced an entrance into the Walker Theatre some time last night, blew open the safe with nitro glycerine and got away with cash which it is understood amounts to \$3,400.

Margaret Illington is playing at the theatre this week in "The Lie." No arrests have been made.

## Americans Not Given Sufficient Chance To Escape From Ancona

Washington will impress on Austrian gov't that placing American citizens in open boats is not regarded as assuring them place of safety when vessel is being torpedoed.

Washington, Nov. 18.—While the United States will wait for the Austrian reply to Ambassador Penfield's inquiry concerning the circumstances under which the Italian liner was sunk, it was stated officially today that the placing of American citizens in small boats on the high seas was not regarded as according them "a place of safety," within the meaning of the term, as used in international law.

In its correspondence with Germany over the Frye case, the American government expressed the view that open boats did not constitute a place of safety. This was broadened today by an official interpretation to apply to American citizens, whether travelling on belligerent or neutral ships.

Officials qualified their assertions somewhat by stating that if a vessel was destroyed within a few miles of shore, lifeboats would be regarded as safe, but that weather conditions and the opportunity given for passengers to be transferred, even then, were pertinent circumstances. From these intimations it generally was believed tonight that the American government would develop the entire question of submarine warfare further in correspondence with Austria, and that even though, as the Austrian admiral has declared, forty-five minutes was given, passengers and crew of the Ancona to be transferred, this was not regarded as affording American citizens a sufficient opportunity to be saved.

The United States has insisted throughout that the operations of submarines shall not "jeopardize the lives of American citizens," and notwithstanding the formal denial from Vienna that the Ancona was shelled after she stopped, the fact that the ship actually was torpedoed while a number of passengers still were aboard is regarded as the chief circumstance upon which representations will be made.

The first official report alleging that

## CALL FOR 30 PER CENT. OF ALLIED LOAN

New York, Nov. 18.—The Anglo-French financial commission, which negotiated the \$500,000,000 credit with banks, trust companies and banking houses of this country, has made a call for a 30 per cent. installment, or \$150,000,000 of the full amount. The money is to be deposited to the order of the commission in the National City Bank on or before Nov. 29.

THE VICTROLA AND THE COMMUNITY—NO. 5



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