

BRITAIN DECIDES ON MOBILIZATION OF U. S. BONDS

Commons Passes Second Reading of Bill to Obtain Securities.

WILL USE HOLDINGS AS LOAN COLLATERAL

Government Will Not Swap American Market, Says Chancellor McKenna.

London, Dec. 13.—After an explanation by the Chancellor of the Exchequer, Reginald McKenna, and a short debate in the House of Commons passed this evening the second reading of the bill empowering the government to mobilize American and Canadian securities, by purchase or by borrowing them, to be used primarily as collateral for loans, or, in case of necessity, to be sold to meet Great Britain's liabilities in the United States.

The scheme is an entirely voluntary one, and the Chancellor made it clear that the government had no intention of swamping the American market with securities, which would be unfair to holders here, as they were to be paid for at the market price.

Mr. McKenna explained that the usual trade balance in favor of Great Britain had been exhausted by the huge demands made upon America for goods for England and her allies, and the amounts paid in interest on foreign securities held here or earned by British shipping were not sufficient to set this right.

Mr. McKenna said that the government had decided to pay for the securities in five-year 5 per cent exchange bonds. He said that the government was willing to buy such American dollar securities as were available at the middle American price of the day, without brokerage or commission.

Mr. McKenna said that if individual holders were unable to sell their securities the Treasury would accept their holdings on deposit for two years. The holder would receive the interest accruing plus one-half of 1 per cent.

The Treasury would retain the right to sell securities thus deposited under certain contingencies, the Chancellor continued, paying the middle New York price of the day and an additional 2 1/2 per cent on the value thus calculated.

In presenting his plan Mr. McKenna began with a reference to the increase in British liabilities in the United States.

The most intransigent pessimist would not dispute our capacity to meet these obligations, provided our assets were made liquid and were given time," the Chancellor continued. "We have immense resources."

"Despite the large amounts which are being earned by shipping and the large amounts paid in dividends and interest, these are insufficient to restore the balance of trade, which is now against us. In order to meet our liabilities in the United States we are obliged to go outside the ordinary course of trade."

Plan Wins Approval. "I have conferred with insurance and trust companies which are large holders of the desired securities," the Chancellor went on. "They fully approved the plan."

Purchase seemed the simplest and best course where the holder of American or Canadian securities was in a position to sell outright.

BRITAIN FORCED TO JAIL BOYS TO KEEP THEM FROM ENLISTING

[By Cable to The Tribune.] London, Dec. 13.—If armies could be made from youngsters under age, there would be no shortage of soldiers here. From the start boys have tried every dodge to get into the army, and in the rush of the last few days more than ever have made application.

As a lesson to others a youngster of sixteen who swore he was nineteen was sentenced to-day to a day in prison. There are many instances of boys of fifteen slipping in and even serving with distinction on the firing line. However much the government appreciates their patriotism, they do not want them now.

John Hodge, M. P., chairman of the Labor party, explained to the Tribune correspondent to-day his somewhat pessimistic speech at Birmingham yesterday.

"I didn't mean to assert that the Derby scheme had failed. My point was that it was hardly possible in the last week's rush to equalize the initial slowness. I think if the authorities had accepted in the beginning our scheme that men should merely register at night, instead of being taken from work for an indefinite period during the day, all anxiety would have ceased long ago. The working people are determined to crush German militarism, and especially to do so by voluntary methods. But for a job like this, amounting almost to social revolution, a dictator with unlimited powers was required. Nobody now can even guess the result of the Derby scheme, although many members of Parliament are wonderfully sanguine."

current market prices can only be justified by the absolute necessity for mobilizing our American securities in order to make "I look upon the utmost value of the nation as a whole. "While American securities to-day have a good price, it is true that British securities—owing not to any falling of credit, but to our having such large demands to meet—are comparatively low."

After emphasizing the voluntary nature of the scheme, Mr. McKenna said that a large gathering of leading financiers directly concerned had unhesitatingly approved the proposal, apparently making its success certain.

In closing, the Chancellor declared impressively: "I look upon the acceptance of my proposals as a matter of urgency."

BRITISH PLAN CAUSES NO SURPRISE HERE

The decision of the British government to make outright purchases of American securities caused no surprise here, the plan having been reached one of several which British Treasury officials were known to have under consideration.

International bankers regarded the proposition as the nature of a tender bid that is being made solely in the interest of strengthening and maintaining exchange between this country and London. The "middle" price referred to in cables probably means a quotation between bid and asked prices in this market, and the elimination of brokerage or commission implied that the government intends to deal direct with the seller.

The proposed mobilization of American securities was also regarded by bankers here as possibly part of a plan for further borrowing in New York, with the mobilized securities as collateral.

The recent revival of liquidation of our securities by British owners has further reduced the amount of American stocks and bonds owned in Britain, but the total of such holdings at this time as well in excess of \$2,000,000,000.

McKenna Ends Talk of Compulsory Loan

London, Dec. 13.—Reginald McKenna, Chancellor of the Exchequer, appeared anything but depressed when explaining to the House of Commons to-day his scheme for mobilization of American-Canadian securities for the purpose of meeting the cost of purchases from United States and also for repaying to the exchange rate.

Repeating to a question asked by Sir Edwin Cornwall, he killed the rumor of a compulsory loan, saying: "I don't anticipate any difficulty in raising on a voluntary basis such loans as the financial needs of the State would require. I trust this answer will remove any misunderstanding."

The Chancellor's weakest point in his speech on the mobilization of securities was where he said he was unable to state what amount was involved. Some placed the amount from \$700,000,000 to \$800,000,000, others from \$300,000,000 to \$400,000,000.

BRING ZEPPELIN DOWN IN FLAMES

Russians Inscribe Over the Crew's Grave "Honor to the Brave."

TURKISH WARSHIPS ARE OUTFOUGHT

Czar's Gunners Fire Deadly Shots in Black Sea Battle—Germans Lose Village in East.

London, Dec. 13.—News of the destruction of a Zeppelin by Russian artillery and details of the sinking of two Turkish gunboats in the Black Sea by three Russian torpedo boats, announced by Petrograd last Saturday, outweigh in interest the day's news of the fighting on the east front, the sole feature of which was the capture of a village by the Russians at the bayonet point.

The Zeppelin was brought down near Kalkun, on the Liban-Romin railway, on December 5. Details of the feat, which have just reached Petrograd, state that the dirigible made its appearance from the direction of Novo Alexandrovsk, passing over the Russian positions toward Dvinsk. It was located by a powerful searchlight and Russian artillery opened fire on it. The Zeppelin, however, then rose to a greater altitude and became lost in the clouds.

Presently the airship reappeared, over Kalkun, with its motor silent, and the artillery began shelling it. One of the shells hit and the aircraft became enveloped in flames. Under the glare of the searchlights watchers saw it disappear in a cloud of smoke, and heard a loud explosion. The machine fell into the sea, and the crew was extricated from the debris and buried. A cross was erected over the grave, with the inscription: "Honor to the brave, though they were enemies."

The Turkish gunboats, according to reports just received in Petrograd, were destroyed near the island of Kefken, in the Black Sea, about sixty miles east of the Cape of Suez. The Russians failed in attempts to cut off the gunboats at sea, and they gained the shelter of the island and opened fire on the torpedo boats.

After a battle of an hour the gunboats were disabled and set on fire by Russian shells. An explosion on one of the ships led to the belief that steam had been let off, and the gunboats lowered their flags before the end of the battle. A Turkish submarine arrived off the island during the fighting, but was put to flight by the Russian fire.

The Russians suffered no damage in the battle, and proceeded to the estuary of the Sakaria River, a short distance eastward, where they sank a coal-laden Turkish ship.

Petrograd reports the capture to-day of the village of Vouynouy, to the west of Lake Boginskoi. Berlin admits the destruction of a German post held by von Hindenburg's forces and reports the repulse of a Russian attack near Valka, in the south.

RUSSIAN OFFICIAL

The Russian official statement says: In the region west of Lake Boginskoi a detachment of two troops, including a half company of Germans at the point of the bayonet from the village of Vouynouy, capturing an officer and some soldiers and a machine gun.

GERMAN OFFICIAL

The German statement says: Army Group of Field Marshal von Hindenburg: There have been minor engagements by advanced posts with enemy reconnoitering patrols in the city of the Serbians and succeeded in destroying a weak German post.

GERMANS FINISH BIG CANAL

Costing \$60,000,000, Opened. Berlin, Dec. 13 (by wireless to Sayville).—The Rhine-Hanover waterway was opened to-day. This is the last link in the Rhine-Hanover Canal, which has been under consideration for several years at a cost of more than \$60,000,000.

GERMAN SHIP RADIO SEALED

Messages Believed to Have Been Sent from Bulgaria at Baltimore. Baltimore, Dec. 13.—The wireless apparatus on the steamer Bulgaria, of the Hamburg American Line, interned in the harbor here, was sealed by a United States naval officer from Washington late to-day.

It is known that a naval wireless expert has been in the neighborhood of the ship for several days making observations. The Bulgarian was interned early in the war along with the North German Lloyd steamers Rhein and Neckar, which are lying off Locust Point. The officers and part of the crew of the Bulgaria, who still make their home on the ship, are German citizens. They come and go much as they wish, there being no watch kept on their movements.

TIE-UP EXTENDS RAIL EMBARGO

Pennsylvania Now Bans All Freight Except Food and Coal. Philadelphia, Dec. 13.—Owing to the growing congestion of traffic in the vicinity of New York, and in order, if possible, to avoid an impending absolute blockade, the Pennsylvania Railroad extended to-day its embargo on export freight to include freight originating on all connecting lines, and destined to the New York district, whether for export, coastwise or domestic consumption. This embargo does not apply to freight originating on the Pennsylvania Railroad.

Under to-day's embargo exceptions are made in the case of livestock, dressed meats and other perishable freight, flour and other foodstuffs for local consumption, and for delivery at coal and coal for public service corporations. Otherwise all freight is affected, whether destined for New York Lighterage or for the New York district, when coming from points of the Pennsylvania Railroad.

Through freight for New England points via the New York, New Haven & Hartford Railroad, is not covered by the embargo.

"The congested conditions at the port of New York, which have existed for some time," says a statement of the company, "have been largely due to the mill and factory closing of their products without regard to the facilities for disposing of them on arrival."

BARS FETES, YUAN ASKS CONDOLENCES

Attitude of Japan Now Chief Topic at Peking. Peking, Dec. 13.—The Chinese Cabinet went to the palace in a body to-day to congratulate President Yuan Shih-kai on his forthcoming accession to the throne. The President said condolences would be more in order, as he had assumed the gravest responsibilities for himself and his family.

The President discouraged any idea of holding entertainments or celebrating in other ways the reestablishment of the monarchy. He urged his ministers to redouble their efforts to better conditions in China.

The Japanese Chargé d'Affaires, M. Ohata, visited the Foreign Office to-day. He denied that he had discussed the pending change in form of government.

U. S. ACCEPTS SETTLEMENT BY FEATHER IMPORTERS IN CUSTOMS FRAUD CASE

With the approval of the Treasury Department, United States District Attorney H. Snowden Marshall yesterday accepted the offer of Sciamma & Co., of New York, to pay \$111,000 as a compromise settlement of the concern's liabilities to the government. Judge Leonard Hand in the Federal District Court thereupon ordered the discontinuance of the government's suit, begun last January, to recover \$2,501,168, the full value of the merchandise irregularly brought into the country by the ostrich feather firm.

It was stated that the shortage in duty for the period covered by the suit amounted to \$39,000. The additional \$72,000 was imposed as a penalty.

BRITISH SLYLY ADMIT POWER OF DERNBURG

German Diplomat Was a Bit Too Clever to Let Stay in U. S. London, Dec. 13.—Replying to-day to a question regarding four persons who were granted safe conduct from the United States by the Entente Allies, Lord Robert Cecil, Parliamentary Under Secretary for Foreign Affairs, told his questioner in the House of Commons that in the case of Dr. Bernhard Dernburg, ex-German Colonial Secretary, it was considered to be in the interest of the Allies not to prevent his leaving the United States, while in the case of Dr. Dumortier, an Austrian Ambassador, the United States had asked for a safe conduct which Great Britain did not feel justified in refusing.

ITALIANS GAIN WEST OF GORIZIA

Capture Trench Filled with Material Left by Austrians in Haste. Paria, Dec. 13.—Italian forces delivered attacks against Gorizia to-day from the west and the northeast. To the west, on the Calvario Height, they captured an Austrian trench filled with material left by the enemy in his haste. The onslaughts to the north-east, on the heights near Osavia, were repulsed, according to Vienna, together with attacks in the Giudicaria district. Rome announces the failure of Austrian attempts on the Isonzo front and in Carso.

ITALIAN OFFICIAL

The Italian statement says: On the Isonzo front and in Carso the enemy yesterday displayed great artillery activity. Toward nightfall the Italian infantry delivered attacks in the direction of Osavia and Selz, but the attacks were repulsed with heavy losses.

On the southern slope of the Calvario Height, west of Gorizia, our detachments, favored by fog, captured an enemy's trench, taking some thirty rifles and much other material which was abandoned by the fleeing enemy.

TURKS FLOODED OUT OF GALLIOLI POSTS

Blizzard Finds Sultan's Forces Totally Unprepared. London, Dec. 13.—Winter in the Dardanelles is proving to be a severe test for both Australians and Turks. Attacks by Italian infantry northeast of Osavia were repulsed. In Giudicaria the Italian infantry is approaching our positions. The fighting continues.

BRITAIN PLANS BLACK LIST

London, Dec. 13.—The Government proposes to form a "Black List" of enemy traders in neutral countries with whom British firms will be prohibited from trading, said Lord Robert Cecil, Under-Secretary for Foreign Affairs, in moving in the House of Commons to-day the second reading of the bill which he presented in the House on December 8, designed to restrict trading with possible hostile interests.

The list, he continued, would not necessarily be confined to persons of German nationality, but would include such as were by the nature of their business substantially enemy firms and could safely be cut off from British intercourse without serious injury to British trade.

In South America, said the Under-Secretary, there were several German firms at present assisting Great Britain's enemy, and trade with these firms by British firms would be rendered illegal by the bill.

The Solicitor General explained that the purpose of the bill was to forge another weapon with which to cripple the enemy.

TURKS REPULSED IN MESOPOTAMIA

All-Day Attacks on British at Kut-el-Amara Fail — Allies Rushing Reinforcements. London, Dec. 13.—Turkish attacks on the British Mesopotamian army at Kut-el-Amara have been repulsed, it was announced in an official statement to-night. British reinforcements are being pushed forward.

J. Austin Chamberlain, Secretary for India, declared in the House of Commons to-day that he believed the German reports of the treacherous attitude of supposedly friendly Arab tribes toward the British in the recent fighting in Mesopotamia to be untrue.

The defeat of a band of 300 hostile Arabs in an engagement with a British reconnoitering party on the Sinai Peninsula is announced in an official statement issued in Cairo, Egypt, forwarded in a Reuter dispatch to-day.

The statement concerning the Turkish attacks says: General Townshend reports that the enemy shelled his position all day on December 8. The bombardment continued during the 9th, when the enemy made desultory attacks from all sides. On the 10th the enemy again heavily bombarded Kut-el-Amara and developed an attack against the north front position, which, however, was not pressed.

On December 11 the bombardment was renewed and two attacks were made on the north front, which were repulsed with heavy loss to the enemy. Since then there has been less activity.

The attitude of the Arabs is reported as satisfactory. Reinforcements are being pushed forward.

GERMANS MAKE OWN RUBBER

Synthetic Substance To Be Used for Auto Tires, Says Berlin Paper. Berlin, Dec. 13 (by wireless to Sayville).—Automobile tires of artificial rubber now are being made in Germany, the Overseas News Agency says. In his address to the Reichstag last week Chancellor von Bethmann-Hollweg said German inventors had discovered a method of producing synthetic rubber.

"The 'Frankfurter Zeitung' now announces that at almost the same hour that the Chancellor's statement was made," the news agency says, "a factory succeeded in working this rubber into tires which will wear for a year."

Advertisement for The Stroud Piano, a Musician's Piano. Located in Brooklyn at Aeolian Hall, 29 W. 42nd St. The ad features an image of a piano and text describing its quality and price (\$285). It mentions Maurice Moszkowski as a pianist and composer who praised the piano. The ad also includes contact information for The Aeolian Company.

Advertisement for Waterman's Ideal Fountain Pen. The ad features an image of the fountain pen and text describing its safety, self-filling, and regular types. It claims to be the gift that is constantly used and is sold at the best stores.