BUSINESS ROMANCE OF THE CANADIAN NORTHERN
How two young men dreamed a transcontinental railroad system and then built it.
IN THE SUN NEXT SUNDAY.

The Sun.

THE WEATHER FORECAST.
Snow or rain to-day; c[illegible] ow; northwest [illegible]
Highest temperature yes[illegible]ay, 3[illegible] at.
Detailed weather, mail ed[illegible] 11.

VOL. LXXXIII.—NO. 104. ✦✦✦ NEW YORK, MONDAY, DECEMBER 13, 1915.—Copyright, 1915, by the Sun Printing and Publishing Association. PRICE TWO CENTS.

DANIELS ASKS $500,000,000 FOR THE NAVY

Programme in Annual Report Is Largest Ever Indorsed by a President.

BASED ON SEA POWER OF THE BIG NATIONS

Secretary Daniels in his annual report asks Congress for $500,000,000 to be spent in five years for the naval defence of the United States. The building programme is the largest ever indorsed by a President. Special pleas are made for battle cruisers and scout ships.

New York pays nearly one-half of the income taxes, according to the report of the Commissioner of Internal Revenue. His tabulated statement shows that 102 of the 174 persons who have an annual income of $500,000 or more live in New York.

Dry laws are responsible for an immense decrease in the amount of liquor consumed in 1915, amounting to nearly 9,000,000 gallons, according to Commissioner of Internal Revenue Osborne.

Reduction of railroad and water carriers' rates as a result of the opening of the Panama Canal is shown in the annual report of the Interstate Commerce Commission.

SECRETARY OF NAVY'S PLEA FOR WARSHIPS

Special Request Is Made for Battle Cruisers and Scout Ships.

WASHINGTON, Dec. 12.—Details of the most ambitious naval building programme ever indorsed by a President of the United States were disclosed to-night when Secretary of the Navy Josephus Daniels made public his annual report calling for the expenditure in the next five years of more than half a billion dollars for new warships, aerial craft and reserve ammunition.

Admitting that the programme was drafted on the basis of what the other Powers of the world are known to have built and are building, and from information in hand as to the part which each type of vessel has played in the naval engagements of the European war, the report states that the purpose of the Navy Department is to have the American navy in 1921 consist of the following ships, built or building:

Twenty-seven battleships of the first line, 6 battle cruisers, 25 battleships of the second line, 10 armored cruisers, 13 scout cruisers, 5 first class cruisers, 3 second class cruisers, 10 third class cruisers, 108 destroyers, 18 fleet submarines, 197 coast submarines, 6 monitors, 20 gunboats, 4 supply ships, 15 fuel ships, 4 transports, 3 tenders to torpedo vessels, 8 special type vessels and 2 ammunition ships.

Of this number there are to be built or started in the next five years 10 battleships or dreadnoughts of the first line, 6 battle cruisers, 10 scout cruisers, 50 destroyers, 15 fleet submarines, 85 coast submarines, 4 gunboats, 1 hospital ship, 2 ammunition ships, 2 fuel oil ships and 1 repair ship.

Each Year's Expenditures.

In the same period it is proposed to expend $48,000,000 on ships already authorized, $6,000,000 on aviation and $25,000,000 on reserve munitions, the total to be expended on the entire programme each year being as follows:

1916	$93,372,127
1917	110,422,750
1918	96,767,500
1919	95,133,087
1920	104,786,750
Total	$502,482,214

For the first time in the history of modern naval building programmes in the United States the Secretary of the Navy is found advocating a larger expenditure that than proposed by the General Board of the navy, which recommended an expenditure in the same five year period of $499,876,000.

The General Board's recommendations embraced the same number of dreadnoughts, battle cruisers, scout cruisers and destroyers as that proposed by Secretary Daniels, but where Secretary Daniels recommends the construction of fifteen fleet submarines the General Board recommended nine, and where Mr. Daniels's programme calls for eighty-five coast submarines the General Board urged but fifty-eight.

For additional reserve ammunition the General Board recommended $11,000,000, as against Mr. Daniels's recommendation of $25,000,000. The principal distinction as to cost figures, however, lies in the fact that the General Board urged that a large proportion of the money should be expended in the initial period of the five year programme. Mr. Daniels in his report explains that because of the cramped condition of the shipyards he thought it better to equalize the construction work more evenly.

According to Mr. Daniels the cost figures in the programme call for the construction of a larger type of dreadnought than any nation has ever attempted. And while he states that the Department has not finally approved the type designed he states that final determination will depend on what is demonstrated to be the best type on the basis of future developments in the war in Europe.

Why Battle Cruisers Are Urged.

If Congress approves the recommendations of the Secretary as regards battle cruisers it will be the first time that the United States has undertaken the construction of this type of vessel, although both Germany and Great Britain have adopted this type extensively.

Commenting on the showing made by these vessels as well as scout cruisers in the European war, Secretary Daniels says:

"In the early months of the present war the world witnessed a demonstration of what could be accomplished in the direction of commerce destruction by a limited number of small vessels (scout cruisers) operating in the open and deprived of shore bases for refuel-

Continued on Fourth Page.

MAN TRAPPED IN TREETOP.

Held Prisoner in Cold Three Hours—Freed by Firemen.

YONKERS, N. Y., Dec. 12.—After being held a prisoner for three hours in the branches of a tree twenty-five feet from the ground where he was pinned by another tree falling against it, Pierre Barat, proprietor of the French Inn in Grassy Sprain road, was rescued at 8 o'clock to-night in a state of collapse from exposure and pain. His right foot was badly crushed. Policemen, firemen, ambulance surgeons and neighbors worked for two hours before they could free him.

Barat climbed a tree in his yard this afternoon to watch workmen whom he had engaged to cut down another tree. When that tree toppled over it fell against the one he had chosen for his lookout and pinned his foot in a crotch formed by a limb and the trunk. Barat could not budge. He screamed with pain as the workmen tried to move the fallen tree. Telephone calls were sent to a police station and a nearby firehouse, but it was nearly an hour before the police and firemen arrived. The firemen ran up an extension ladder and stimulants were carried to Barat. Blankets and robes from automobiles were wrapped around the victim to protect him from the cold. Darkness fell and the rescue party worked by the firemen's flares.

They did not dare to chop down the second tree, for Barat was twenty-five feet from the ground. Finally they brought jackscrews. One was placed against the butt of the tree and a fireman climbed the ladder. He used another jackscrew to push the fallen tree away from the sound one and Barat was freed.

COL. BROMWELL SLAIN, ARMY OFFICERS SAY

Former Roosevelt Aid, Dead in Hawaii, Superintended Secret Fortifications.

WASHINGTON, Dec. 12.—Secretary Garrison will order a full investigation of the report that Lieut.-Col. C. H. Bromwell, former aid to President Roosevelt, was murdered and did not shoot himself, as had been indicated by the early reports of his death in Hawaii.

Army circles here were startled to-day by the charge that Col. Bromwell was murdered, which came from his associates in the War Department and from his son, Scott Bromwell, a Harvard freshman. Vigorous denial was made that Lieut.-Col. Bromwell had any reason for suicide.

While the War Department has no tangible evidence for the suspicion that the army officer came to death except by his own hand, it was indicated definitely that a careful investigation will be made to ascertain if his superintendency of construction of secret fortifications in Hawaii had anything to do with his death.

Expressions of opinion from Col. Bromwell's friends, as well as his son, consisted largely of suspicions. It was recalled by them that frequently in the past year he has been called on to prevent Japanese from visiting the fortifications of which he was in charge. It was emphasized also that the officer's life has been a happy one.

"There was no reason for my father to commit suicide," said young Scott Bromwell to a friend to-day. "I don't believe the story at all. Before I left Honolulu he told me that he and some of the other officers engaged in the construction of the fortifications would never leave the islands alive. Only those who have been out there can realize the serious situation that he was in. His servants, moreover, were Japanese."

During the summer a score or more of prominent Americans visited Col. Bromwell, including Representative Sherley of Kentucky, Representative Rodger of Massachusetts and Mrs. Carter Harrison of Washington.

No Evidence of Murder, Says a Honolulu Despatch.

SAN FRANCISCO, Dec. 12.—A despatch from Honolulu to-night says there is no evidence that Lieut.-Col. Bromwell was murdered and that the authorities are satisfied that he committed suicide.

FIRE SCARE AT DARTMOUTH.

Students in Pajamas Put Out a Blaze at Fraternity House.

HANOVER, N. H., Dec. 12.—The members of the Phi Gamma Delta fraternity at Dartmouth had a fire scare at 8 o'clock this morning when the roof of their house was set on fire by sparks from a defective chimney. Fourteen men were sleeping in the house and it being Sunday morning none was up when the fire was discovered.

Joseph W. Emery, '17, of Quincy, Ill., right end on this year's football team, and Carl N. Holmes, '16, of Somerville, one of the best hockey players in college, climbed out on the roof in their pajamas despite the fact that the thermometer registered ten above and with fire extinguishers put out the blaze.

The damage was trifling.

PITTSBURG FOUNDRIES' TIEUP.

Strike of Moulders Expected to Bring It About To-day.

PITTSBURG, Dec. 12.—Just when they are under an avalanche of orders the seventy foundries in this district, or a majority of them at least, will be tied up by a strike of 1,500 moulders, who demand an eight hour day without reduction of pay. Strikes began last night at shops where notice had been given that the union men would not be on hand to-morrow morning unless the foundries conceded the eight hour day.

To-morrow morning the tieup will be complete. A few foundries have granted a shorter day, but the majority have not, the union officials admitted after a mass meeting to-day.

ATLANTA MAY RECALL MAYOR.

Demotion of Police Chief Leads to Referendum.

ATLANTA, Ga., Dec. 12.—On January 5, 1916, Atlanta will vote on the question of recalling Mayor Woodward and six members of the police commission who demoted Chief of Police Beavers last August.

The demotion of Beavers caused a sensation. It was charged that his removal was due to the fact that he had closed the segregated district and was trying to close the locker clubs operating in defiance of Georgia's prohibition law.

Recall petitions bearing nearly 4,000 signatures, many more than the required 25 per cent. of the registration, were filed with the Council to-day, and that body ordered the election as required by law. A bitter campaign is anticipated.

HIGH CHURCH ISSUE STIRS CITY RECTORS

Calling of Bishops in Special Session Makes Situation Become Acute.

PLEA TO KEEP COOL WIDELY DISTRIBUTED

That the situation in the Protestant Episcopal Church arising out of differences between the High and the Low Church parties is extremely intense was made more evident yesterday by pulpit deliveries in many Episcopal churches in this city bearing on the discussion resulting from the action of the Episcopal Board of Missions in sending delegates to the Panama Congress, from which Roman Catholics were barred.

A statement prepared by Bishop Edsall and signed by twenty-four clergymen, nearly all of whom are New York rectors, was distributed yesterday in Episcopal churches where the rectors are of the Low or Broad party urging congregations and clergymen to keep cool and advising all not to "indulge in public speech or writing except with fair recognition of all existing facts."

Interest in the controversy that promises to have an important influence on the future of the Episcopal Church was increased by the announcement that the Right Rev. Daniel S. Tuttle, presiding Bishop of the Episcopal Church in the United States, has confirmed the fact that a special meeting of the House of Bishops will be held in Philadelphia on Wednesday, January 12.

Twelve Bishops Sign Request.

Bishop Tuttle telegraphed from Macon, Ga., where he is holding a mission, that twelve Bishops had signed a request that he call a special meeting and that more than forty Bishops have promised to attend the session. The request was made to him shortly after the meeting of the Board of Missions, when three Bishops and two clergymen, including the Rev. Dr. William T. Manning of Trinity, representing the High Church elements, resigned.

The special meeting is called for the purpose of electing a Bishop of South Dakota and such other business as may properly come before the house. It is said that a special meeting for the election of a Bishop is most unusual, which gives ground for the belief that the more serious business to be transacted will relate to the differences between the church parties that are apparently coming to a head again after many years of more or less suppression.

It is necessary that a call for a meeting of the House of Bishops shall be validated by a pledge of a constitutional quorum to attend, and a sufficient number of promises having been obtained Bishop Tuttle was able to fix a date; otherwise, as he explained, the "meeting would be off."

The statement prepared by Bishop Edsall, which the "Broads" made their own by signing their names, contains the declaration that he does not believe there will be any divison of the church over the matter of the Panama congress.

Bishop Edsall's Statement.

It reads as follows:

"From a fair consideration of the facts it seems to me clear that the Board of Missions did not act contrary to the direction of the General Convention nor contravene the action of the House of Bishops when it stuck to its decision to send delegates to Panama. In the mind of any fair minded man the question was reduced simply to that of expediency. In my own opinion it was not only expedient but right. It is also to be borne in mind that sending delegates does not involve the spending of money nor is there a proposition to expend in the future missionary funds in Latin America in any other way than that that has already been approved in the wise conduct of work in Brazil, Cuba, Porto Rico, Mexico and the Canal Zone.

"Under these conditions, how can it possibly be urged that there is danger of a 'split in the Episcopal Church?' All that is necessary is that each and all of us control his temper and not indulge in public speech or writing except with fair recognition of all existing facts. In the past when we have had controversies the danger has consisted not so much in radical divergence of conviction as in mutual misunderstanding of terms or in failure to be fair in our statement of the viewpoint of those who differ from us."

Signers New York Rectors.

All the signers are rectors of the Diocese of New York. Fourteen were classified yesterday by one who is in a position to know as Broads. They are the Revs. Percy Stickney Grant, Ascension; William M. Grosvenor, Cathedral; William N. Guthrie, St. Mark's; Henry Mottet, Holy Communion; Harry P. Nichols, Holy Trinity, Harlem; Leighton Parks, St. Bartholomew's; John P. Peters, St. Michael's; William H. Pott, Archdeacon of New York; Karl Reiland, St. George's; Theodore Sedgewick, Calvary; Herbert Shipman, Heavenly Rest; John F. Steen, Ascension Memorial; William T. Crocker, Epiphany, and Nathan A. Seagle, St. Stephen's.

Other signers, described by the same authority as men "who occupy middle ground," are the Revs. George F. Nelson of the Cathedral; George R. Van De Water, St. Andrew's, Harlem; Bishop Courtney, St. James's; Francis A. Brown, St. Mary's; Henry Lubeck, Zion and St. Timothy; Howard Robbins, Incarnation; Charles L. Slattery, Grace; Ernest M. Stires, St. Thomas's; De Lancey Townsend, All Angels, and John A. Wade, St. John the Evangelist.

According to an agreement made by those who attended the meetings which preceded the drafting of the statement all those who affixed their signatures to it preached yesterday on the subject matter in the document. It is understood that the sermons were to be considered in the light of a broadside from the so-called Broad Church party.

Broached in Many Pulpits.

In some manner, however, High Church clergymen in the city found out what was going to happen and many of them either preached on the subject or made references to the subject now uppermost in most Episcopalian minds. The result was that the controversy in some form or another was heard from the pulpit in nearly all the important parishes in the city.

Down in Old Trinity, on lower Broadway, Dr. William T. Manning, who re-

Continued on Third Page.

ALLIES FALL FURTHER BACK, FIGHTING HARD

Berlin Says the Retreating Forces Have Crossed Greek Frontier.

IRISH REGIMENTS SAVE BRITISH ARMY

"Victorious Once Again," Kaiser to Von Mackensen

Special Cable Despatch to THE SUN.

LONDON, Dec. 13.—The Rotterdam correspondent of the *Daily Mail* telegraphs that the Kaiser has sent a letter to Field Marshal von Mackensen saying:

"Once more you stand at the close of a great campaign in which, in union with the Austrian and Bulgarian armies, you have succeeded in crushing a brave enemy. You overcame with incomparable speed enormous difficulties, crossing a great river and taking the enemy's capital by storm, while the enemy was defeated on all fronts.

"I shall never forget the debt I owe you and your leading of the troops."

Special Cable Despatch to THE SUN.

London, Dec. 13.—The Salonica correspondent of the "Daily Mail," telegraphing Friday night, says:

"It is unofficially stated that the Germans and Bulgarians have reached Dorian and that they are also within four and a half miles of Guevgheli, which they have begun to bombard."

The Athens correspondent of the *Morning Post* says that Turkish troops, said to consist of three divisions, have joined the Austro-German forces at Dorian. They are to help in the pursuit of the allied troops should the latter be forced into Greek territory, the Bulgarians withdrawing in order not to arouse Greek public opinion.

Special Cable Despatch to THE SUN.

LONDON, Dec. 12.—Terrific rear guard fighting continues to mark the retreat of the allied forces in Serbia to the Greek frontier. The British army particularly has been subjected to violent onslaught. Its left wing, falling back to the Vardar River, has carried out this movement in the face of attacks by overwhelmingly superior forces.

The War Office report on these operations, issued to-day, says:

After sustaining violent attacks delivered by the enemy in overwhelming numbers the Tenth Division succeeded with the help of reenforcements in retiring to a strong position stretching from Lake Dorian westward toward the Vardar Valley in conjunction with our Allies.

The division is reported to have fought well against very heavy odds. It is largely due to the gallantry of the troops, especially of the Munster Fusiliers and the Dublin Fusiliers as well as the Connaught Rangers, that the withdrawal was successfully accomplished.

Owing to the mountainous nature of the country it was necessary to place eight field guns for the purpose of defence in positions from which it was impossible to withdraw them when the retirement took place.

Our casualties amounted to some 1,500 men.

A correspondent at British headquarters in Macedonia emphasizes the splendid tenacity of the Irish. He says:

"They proved to be better than the Bulgarians with the latter's favorite weapon, the bayonet, and saved the situation, which was serious, owing to the hot gruelling of the Bulgarian guns and the partial exposure of the British flank in the retirement.

"The enemy's superiority in numbers, especially in their mountain guns, could not fail to predominate in the long run. We are entirely unprovided with these indispensable weapons and we retired to the second line. It is difficult to exaggerate our stand, because had the Bulgarians succeeded in pushing through as they doubtless hoped they would, they would have cut the retreat of the main body of the French as well as of the British, which probably would have led to a grave reverse."

The Rotterdam correspondent of the *Daily Mail*, telegraphing yesterday, says:

"The *Frankfurter Zeitung* declares that the Macedonian campaign will in all probability be successfully concluded before the Allies can send reenforcements. The German papers take the view that the Allies' armies are in a trap and that their complete defeat is only a matter of a few days."

Berlin announces that the allied retirement across the Greek frontier already has begun. The Bulgarian War Office states that the Anglo-French forces are "desperately resisting at every position."

The Athens correspondent of the *Times* telegraphs:

"Telegrams from Salonica state that the Germans and Bulgars occupied Guevghell on the morning of December 11, but subsequently evacuated, only a few Bulgars remaining. The German and Bulgarian armies are at Mirovca, a few miles to the north. The French are keeping them at a distance with their artillery in order to facilitate the removal of stores to Greek territory. The capture of Guevghell, however, is imminent."

The Athens correspondent of the *Daily Express* telegraphs:

"The Bulgarians occupied Guevghell on December 12."

The Salonica correspondent of the *Times* telegraphs:

"Two formidable Bulgarian assaults were delivered upon the British yesterday north of Lake Dorian. The enemy's losses were terrific. His massed battalions were mown down by our machine guns."

The *Daily Mail's* Salonica correspondent telegraphs:

"Major-Gen. Sir Bryan Mahon arrived here after spending several days inspecting the Anglo-French front. He said he is much satisfied with what he saw

Continued on Second Page.

AUSTRIA MUST "DENOUNCE" ACTS OF SUBMARINES AS INDEFENSIBLE; BERLIN DISAVOWS SPY RINTELEN

Germany Declares He Had No Instructions to Violate U. S. Laws.

BERNSTORFF GIVES OUT DISCLAIMER

Accused Spy Said to Have Paid Large Sums to David Lamar.

SUPPOSED TO HEAD PRO-GERMAN PLOTS

Bernstorff Seeks to Dissociate Government From Charges.

WASHINGTON, Dec. 12.—Germany has officially repudiated Franz Rintelen, the German subject now under arrest in London, who was charged with having financed the pro-German plots and conspiracies in this country.

The repudiation was made in the form of an official statement given out at the German Embassy to-night by Count von Bernstorff, the German Ambassador, acting on direct instructions from Berlin. The statement was as follows:

The German Government entirely disavows Franz Rintelen and especially wishes to say that it issued no instructions of any kind which could have led him to violate American laws.

Rintelen, who was a prominent figure in Wall Street at the time the various pro-German conspiracies were afoot, was generally looked upon as a personal friend of Kaiser Wilhelm and as having been the financial backer of various schemes in the interest of German propaganda and German interests. Among other things he was charged with being the backer of the proposed Huerta uprising in Mexico, the purpose of which was to embarrass the United States Government.

He was arrested in London under an alias corresponding to the name set forth in a Swiss passport he was carrying. It is charged that he previously tried to procure an American passport in the name of John V. Gates, a matter into which the Federal Grand Jury in New York is now inquiring.

Coming as it does on the recall of Capts. Boy-Ed and Von Papen of the German Embassy staff, whose activities in various pro-German schemes made them objectionable to the United States, the repudiation of Rintelen at the express direction of the Berlin Government is believed to reflect a determination on the part of the German Government to dissociate itself entirely from these various plots.

RINTELEN'S WORK HERE.

Believed to Be Head of German Spy System.

Franz Rintelen, who boasted during his stay in New York that he had at his command a fund of $30,000,000 to spend in stopping the export of munitions from this country, is believed by Federal authorities to have been the head of the German system organized in the United States for that purpose. He was said to have been a close friend of the Kaiser. He is now locked up in the Tower of London awaiting death as a spy.

Rintelen was out of the country before his activities in trying to stir up trouble between the United States and Mexico as a means of diverting supplies of munitions from the Allies became known. Then rapidly came other revelations of his attempts to start strikes and to buy up munition plants.

Andrew D. Meloy was Rintelen's chief aid in the attempt to buy munitions plants and stir up trouble in Mexico, just as David Lamar, indicted last week for conspiracy in financing the National Labor Peace Council, was his agent in the strike business. When Rintelen first arrived in this country in April he got in touch with Meloy, who received $100,000 as a retainer, and the two worked for a time on the plan to buy munition plants.

Later the plan to start war between this country and Mexico got under way, also the work of the National Peace Labor Council. Through this organization Rintelen attempted to buy strikes. He paid Lamar $300,000 for the organization of the council, of which Lamar paid out $170,000 to men connected with the organization. Of $500,000 which Rintelen had on deposit with the Transatlantic Trust Company large sums went to stir up the Mexican rumpus.

When Rintelen sailed for Holland Meloy and his secretary, Hattie V. Brophy, went with him. Rintelen prepared a lot of spurious documents for British consumption in case he was captured, but in Miss Brophy's trunk British officials found a lot of papers which told the true facts of Rintelen's work in this country.

NEW MODEL CITY TO BE DRY.

Sunday Observance Also to Be Enforced in Wisconsin Town.

CHIPPEWA FALLS, Wis., Dec. 12.—The economic value of decent living and of Sunday observance is getting a thorough test on a great publicity work at Wissota, near here, where the Wisconsin-Minnesota Light and Power Company is constructing a $2,000,000 dam, in the building of a model city by the company, giving homes to 1,000 persons.

The company will provide amusements such as educational movie picture theatres, establish a hospital and will make the city sanitary in every particular.

Among the first rules laid down by the company is that there shall be no desecration of the Sabbath, that gambling shall be barred, and that no intoxicants shall be tolerated.

TEXT OF NOTE TO AUSTRIA ON SINKING OF ANCONA

WASHINGTON, Dec. 12.—The text of Secretary of State Lansing's note to the Austro-Hungarian Government on the sinking of the Ancona follows:

The Secretary of State to Ambassador Penfield:

Please deliver a note to the Minister of Foreign Affairs, textually as follows:

Reliable information obtained from American and other survivors who were passengers on the steamship Ancona shows that on November 7 a submarine flying the Austro-Hungarian flag fired a solid shot toward the steamship:

That thereupon the Ancona attempted to escape, but being overhauled by the submarine she stopped; that after a brief period and before the crew and passengers were all able to take to the boats the submarine fired a number of shells at the vessel and finally torpedoed and sank her while there were yet many persons on board, and that by gunfire and foundering of the vessel a large number of persons lost their lives or were seriously injured, among whom were citizens of the United States

The public statement of the Austro-Hungarian Admiralty has been brought to the attention of the Government of the United States and received careful consideration. This statement substantially confirms the principal declaration of the survivors, as it admits that the Ancona after being shelled was torpedoed and sunk while persons were still on board.

The Austro-Hungarian Government has been advised, through the correspondence which has passed between the United States and Germany, of the attitude of the Government of the United States as to the use of submarines in attacking vessels of commerce, and the acquiescence of Germany in that attitude, yet with full knowledge on the part of the Austro-Hungarian Government of the views of the Government of the United States as expressed in no uncertain terms to the ally of Austria-Hungary, the commander of the submarine which attacked the Ancona failed to put in a place of safety the crew and passengers of the vessel, which they proposed to destroy because, it is presumed, of the impossibility of taking it into port as a prize of war.

The Government of the United States considers that the commander violated the principles of international law and of humanity by shelling and torpedoing the Ancona before the persons on board had been put in a place of safety or even given sufficient time to leave the vessel. The conduct of the commander can only be characterized as wanton slaughter of defenceless non-combatants, since at the time when the vessel was shelled and torpedoed she was not, it appears, resisting or attempting to escape, and no other reason is sufficient to excuse such an attack, not even the possibility of rescue.

The Government of the United States is forced, therefore, to conclude either that the commander of the submarine acted in violation of his instructions or that the Imperial and Royal Government failed to issue instructions to the commanders of its submarines in accordance with the law of nations and the principles of humanity. The Government of the United States is unwilling to believe the latter alternative and to credit the Austro-Hungarian Government with an intention to permit its submarines to destroy the lives of helpless men, women and children. It prefers to believe that the commander of the submarine committed this outrage without authority and contrary to the general or special instructions which he had received.

As the good relations of the two countries must rest upon a common regard for law and humanity, the Government of the United States cannot be expected to do otherwise than to demand that the Imperial and Royal Government denounce the sinking of the Ancona as an illegal and indefensible act, that the officer who perpetrated the deed be punished and that reparation by the payment of an indemnity be made for the citizens of the United States who were killed or injured by the attack on the vessel.

The Government of the United States expects that the Austro-Hungarian Government, appreciating the gravity of the case, will accede to its demand promptly, and it rests this expectation on the belief that the Austro-Hungarian Government will not sanction or defend an act which is condemned by the world as inhumane and barbarous, which is abhorrent to all civilized nations and which has caused the death of innocent American citizens. LANSING.

Note So Blunt Dual Empire Must Yield or Break Relations.

"WANTON SLAUGHTER" AND "OUTRAGE" USED

Reparation and Punishment of Undersea Boat's Captain Demanded.

ONE AVENUE OPEN FOR A GRACEFUL RETREAT

Austria May Claim Submarine Skipper Acted Contrary to Orders.

WASHINGTON, Dec. 12.—Austria-Hungary must yield to the demands of the United States for satisfaction on account of the sinking of the Italian liner Ancona and the killing of Americans or else face the likelihood of a break of diplomatic relations.

This is the interpretation put by Washington on the note which this Government has sent to Austria and which was made public to-day.

The communication is characterized by a tone of severity and bluntness never before used by the United States in its correspondence with the belligerents in the present war.

A demand is made for the following satisfactions:

1. Denunciation of the act.
2. Punishment of the submarine commander who was responsible.
3. Reparation by the payment of a money indemnity.

The note explicitly prescribes the form of the denunciation. Austria must "denounce" it as "an illegal and indefensible act."

Part That May Hurt.

This is the vital paragraph in the note:

As the good relations of the two countries must rest upon a common regard for law and humanity, the Government of the United States cannot be expected to do otherwise than to demand that the Imperial and Royal Government denounce the sinking of the Ancona as an illegal and indefensible act, that the officer who perpetrated the deed be punished and that reparation by the payment of an indemnity be made for the citizens of the United States who were killed or injured by the attack on the vessel.

Throughout the note has an abruptness of expression which has surprised official and diplomatic circles despite the fact that for five days it has been known generally that the communication was a severe one.

Not the least significant feature of it is the employment of the term "demands," so rarely used in diplomatic correspondence.

It is noted too that the United States in the case of Austria calls for a denunciation of the act, not a "disavowal," as in the case of Germany.

It is words like these, which mean so much more in the language of diplomacy than elsewhere, that has convinced Washington of the peremptory character of the communication.

Some Strong Words.

"Inhumane," "barbarous," "abhorrent," "wanton slaughter," "outrage" are some of the other expressions that stand out in the note.

Yet the United States leaves a way open to Austria for graceful retreat if the dual monarchy desires to accept it. This Government points out that it "prefers to believe" that the submarine commander acted contrary to instructions rather than accept the only other alternative that the "Imperial and Royal Government failed to issue instructions to the commanders of its submarines in accordance with the laws of nations and the principles of humanity."

For the latter alternative the note makes plain that the United States could find no excuse, because the Austro-Hungarian Government, it points out, "has been advised through the correspondence which has passed between the United States and Germany of the attitude of the Government of the United States."

This refers to the fact that the precaution was taken by the State Department to see that all of the American notes to Germany on the submarine issue were delivered to the Austrian Embassy here.

Nowhere in the communications sent to Germany on the Lusitania did the United States "demand" satisfaction. Always it was stated this Government "confidently expects" that Germany would meet the position of the United States.

A Significant Statement.

Much significance was attached here to-night to the statement in the American note that "the good relations of the two countries must rest upon a common regard for law and humanity." This was regarded as a intimation of the likelihood of a rupture of diplomatic relations if Austria failed to satisfy this Government.

In Austro-German diplomatic circles to-night it was evident that the An-

BRITAIN RELAXES CABLE CENSORSHIP

Senders of Press Despatches Will Have to Bear Onus if Law Is Broken.

Special Cable Despatch to THE SUN.

LONDON, Dec. 13.—The censorship of despatches relating to foreign affairs in newspapers as well as in telegrams to foreign countries will be suspended on December 20, except on press telegrams from one foreign country to another over British cables. The censorship of matter regarding naval and military operations remains the same.

Announcement of the change was made to-day by the official press bureau in the following statement:

"The Foreign Secretary has arranged that from December 20, 1915, the censorship by the press bureau on behalf of the Foreign Office will be suspended.

"This means that the responsibility of seeing that the rules and regulations under the defence of the realm act are complied with as regards the publication in any newspaper or by any news agency of matter relating to foreign affairs will rest upon the directors of that newspaper or news agency.

"As regards matter telegraphed abroad from Great Britain the responsibility will rest with the senders of telegrams. The censorship of press telegrams from one foreign country to another over British cables will remain unaltered. Nothing in this announcement will affect the existing arrangements for the censorship of naval or military matter."

KAISER HEADS WAR COUNCIL.

German, Turkish and Bulgarian Staffs Present at Eastern Front.

Special Cable Despatch to THE SUN.

LONDON, Dec. 12.—The Copenhagen correspondent of the *Daily Mail* says:

"I learn from Berlin that a very important war council presided over by the Kaiser is taking place at the German headquarters on the eastern front. Gen. von Falkenhayn and Field Marshals von Mackensen and von Hindenburg are present with their staffs, and also the Turkish and Bulgarian General Staffs and a number of Princes.

"A conference was held last week at which the Crown Princes of Bavaria, Saxony and Wuerttemberg were present. Only the German Crown Prince was absent."

64 SPIES SHOT IN FRANCE DURING WAR

1,860 Arrests Made—8,000 Americans Now Live in Paris.

Special Cable Despatch to THE SUN.

PARIS, Dec. 12.—Louis J. Malvy, Minister of the Interior, in an interview printed in *Le Journal*, says:

"At the outbreak of the war there were 400,000 foreigners in Paris. Of these 45,000 Austrians and Germans were placed in concentration camps. Permits to reside in France were given to 187 Germans and 105 Austrians because their sons were fighting for France. Thirty-eight former members of the Foreign Legion and 137 invalids also were permitted to remain, besides 10,000 duly recognized natives of Alsace-Lorraine and 3,000 Czechs.

There also remain in Paris 8,000 English, 13,000 Russians, 20,000 Belgians, 45,000 Italians, 18,000 Swiss, 7,000 Spaniards and 8,000 Americans. Foreigners to the number of 4,700 have been expelled since the war began.

"The secret service has arrested within the army zone 1,125 persons, accusing them of espionage. Court-martials have condemned 55 to death and have sentenced 34 to penal servitude, 14 to solitary confinement, 29 to prison. Of the 735 persons arrested in the interior of the country 9 have been condemned to death and 33 sent to prison. Many are awaiting trial."

GERMANS HOLD U. S. SHIP.

Prize Court at Hamburg Declares Pass of Balhama "Enemy Vessel."

HAMBURG, via Amsterdam, Dec. 12.—The American ship Pass of Balhama has been declared an "enemy vessel" by a German prize court here, on evidence to the effect that she flew the British flag until the end of 1914, when she was transferred to American registry.

Henry H. Morgan, the American Consul-General, attended the hearing.

The Pass of Balhama was seized while en route to Archangel, Russia, with a cargo of cotton. The cargo has been sold for 2,500,000 marks (about $625,000) and judgment covering the proceeds will be rendered December 18.

The Pass of Balhama, owned by the Harby Ship Company of New York, was first seized in the North Sea by a British cruiser, whose commander placed a prize crew aboard her. Later a German submarine made the British crew prisoners and put a German prize crew aboard.