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AUSTRIA'S REPLY
UNSATISFACTORY
BREAK IS NEAR

Diplomatic Relations Between United States and Austria Strained to the Limit—Decline to Discuss Facts in Case or Quibble Over Details—Breach Between Nations Possible

WASHINGTON, Dec. 16.—Austria's reply to Secretary Lansing's note on the Ancona is regarded, on the basis of the unofficial reports received today from London and Amsterdam, as wholly unsatisfactory, ineffectual and disappointing to the United States. Diplomatic relations between the two countries may safely be described as standing at the breaking point.

President Wilson and Secretary Lansing are reserving comment until they have the official translation and text at hand, but it is stated authoritatively that the United States will enter into no exchange of opinions which the Vienna foreign office is represented as suggesting, and absolutely will decline to discuss the facts of the torpedoing and shelling of the Ancona by an Austrian submarine with the loss of American lives.

Reply on the Way

No official word had reached the state department today that the Austrian reply had been delivered to Ambassador Penfield, but the news dispatches containing excerpts were taken in official quarters as sufficient evidence that the rejoinder is on its way to Washington.

From such parts of the unofficial text as are contained in the news dispatches, officials considered the reply vague in many respects, but they were not prepared to decide whether that was caused by the translation.

The suggestion for an exchange of opinions, the virtual request for a bill of particulars of the American complaint against the action of the submarine commander and the proposal for a discussion of the facts were clearly set forth, however, in the unofficial text, and officials of the state department who have knowledge of its policy in the crisis unhesitatingly declared that all would be refused. It was made clear that the United States does not propose to enter into a diplomatic discussion which would have possibilities of being prolonged almost indefinitely.

Reply Disappointing

The outline of the reply was disappointing because some American officials had been led to believe by predictions from Germanic quarters that it would be favorable or at least would propose something which the United States could accept.

As Secretary Lansing based the representations in his note upon the official statement of the Austrian admiralty itself, American officials are at a loss to understand where there is much room for discussion or dispute of facts.

News from Vienna recently that the submarine which sank the Ancona was missing led some officials to believe that a new element had been introduced into the dispute, which had promise of carrying some weight. That point, however, seems to have been disregarded in Austria's answer so far as officials can judge from the unofficial text received here.

Wanton Slaughter

American officials believed that, taking as a basis the official admission of the Austrian admiralty that the Ancona was shelled, torpedoed and sunk while passengers were still

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MAKING SALONIKI
A SECOND CALAIS

ZURICH, Switzerland, Dec. 16, via London.—"The central powers cannot suffer the entente to create a second Calais at Saloniki," declares the Vienna newspaper Neue Freie Presse. The paper adds:

"If the entente allies intend to remain at Saloniki, Greece is relieved of all obligations to defend her soil against the advance of the central powers. If Greece is too weak to defend herself she will find a true friend in the Germanic league."

TURCO-GERMAN
THREAT AGAINST
EGYPT IMPENDS

Railroad Constructed From Damascus to Egyptian Frontier—300,000 Ottoman Troops, Officered by Germans, Already Concentrated for Attack—Arabs Being Stirred Up.

ROME, Dec. 16.—The Turco-German threat against Egypt is becoming more grave daily, in the belief of military men here.

The construction of a railway line from Damascus to the Egyptian frontier has been pushed with extraordinary speed, it is stated, and it is expected that it will be finished by February 1, there being only fifty miles more of track to lay before the Sinai peninsula is reached. This railway, which has double tracks, is considered by military men to permit of a concentration of half a million men in one month, together with the necessary supplies and ammunition, at the Egyptian frontier.

About 300,000 Ottoman troops, commanded and drilled by German officers, already have been concentrated between Alessandretta, Aleppo and Homs, it is stated. Army engineers are laying miles of tubes for carrying drinking water across the desert, and also are providing material for the construction of bridges with which to cross the Suez canal.

Turco-German emissaries are said to be urging the Senousi to attack Egypt from the west, while an attempt also is being made to induce the Abyssinians to march into Sudan. German officers are reported to be acting as propagandists, or organizers and military instructors.

The Rome newspapers ask if, after the Balkans, the entente powers are going to allow themselves to be taken by surprise in Egypt.

NEUTRAL ZONE ON
SERBIAN-GREEK
BORDER AGREED ON

SOFIA, Dec. 16, via London, Dec. 16.—A neutral zone extending two kilometers in each side of the frontier has been agreed upon between Greece and Bulgaria, according to an official announcement made here today.

The official announcement says: "Bulgarian armies, by the capture of Monastir and Resna, having approached the Greek frontier, the Bulgarian government, wishing to avoid any possibility of accidents between advanced posts and Greek frontier guards, proposed to the Greek government that a neutral zone be formed by the retreat of troops on each side two kilometers from the frontier. "Greece replied, accepting."

Monastir and Resna, mentioned in the Sofia statement in connection with the establishment of the neutral zone, are in western Serbia. The statement contains no mention of the approach of Bulgarian troops to the frontier in southeastern Serbia in their pursuit of the Anglo-French forces that recently retired across the border, and it is not clear whether the neutral arrangement announced extends to this easterly territory of the frontier.

PUGET SOUND FOREIGN
TRADE \$19,612,000

SEATTLE, Wash., Dec. 16.—The foreign trade of Puget Sound for November amounted to nearly \$19,612,000, according to the collector of customs. Imports exceeded exports by more than \$200,000. Japan was the best customer, sending goods worth over \$6,125,000, and taking goods worth \$1,869,000. The principal imports of the district were raw silk, tea and rice; the chief export was canned salmon.

FIRE THAT MADE 25,000 HOMELESS



These graphic photos show the burning of Hopewell, Va., Du Pont Powder company's munition town, razed to the ground by a mysterious blaze said to have been incendiary. Hopewell was a "boom town" transcending in mushroom growth anything ever seen in the palmiest days of the west. The shacks were all of frame, and few of them were more than one story high. The top picture is a general view of the flaming town with the great chimneys of the DuPont plant pointing to the sky in the distance, and the two story boarding house at the left ablaze. Below is a blazing frame hotel and a crowd of refugees just starting on their flight to City Point and Petersburg—afoot and horseback.

MARRIAGE LICENSE
ISSUED FOR PRESIDENT
AND MRS. EDITH GALT

WASHINGTON, Dec. 16.—A marriage license for President Wilson and Mrs. Edith Bolling Galt was issued today at the local bureau. The wedding will take place Saturday night at Mrs. Galt's home here. President Wilson is a Presbyterian. The license, which was obtained by Chief Usher Isaac Hoover of the White House staff, gives the president's age as 59 and Mrs. Galt's as 43.

SMALL FORCE DELAYS
PLANS FOR NEW NAVY

WASHINGTON, Dec. 16.—Unless congress provides for sixty or seventy additional employees for the bureau of construction and repair of the navy department, the designing of the ships included in the administration's five-year building program will be delayed six months or longer and construction of the ships themselves held up for that time. An estimate of \$300,000 has been submitted by the bureau to cover the pay of additional draughtsmen.

SERBIAN ARMY AT
TIRANA WITH PRISONERS

PARIS, Dec. 16.—A division of the Serbian army, escorting 18,000 Austrian prisoners of war, has arrived at Tirana and Elbasan, in Albania, according to a dispatch from Janina, Albania, to the Havas News agency.

BULGARS HALT
CHASE OF ALLIES
AT GREEK LINE

Panicky Times at Saloniki Following Withdrawal of Greeks—Lull on Battle Line Pending Greek Elections—Retirement of Anglo-French Forces Ends.

BERLIN, Dec. 16.—The official report of the Bulgarian headquarters staff dated December 15, as received here today, the Overseas News agency announces, is as follows:

"Bulgarian troops have temporarily stopped at the Greek frontier their pursuit of the enemy."

Austro-Hungarian troops, pushing their advance in Montenegro, have reached the vicinity of Bjelopolje, on the Lim river, about twenty miles west of the Serbian border, it was announced today by German army headquarters.

"Panicky times prevail in Saloniki," says a statement today by the Overseas News agency, "the population fearing violence from the troops of the entente allies after the departure of the Greek forces. The prospects of a siege of the town are also regarded with alarm. The German and Austro-Hungarian colony is preparing to leave."

Lull on Battle Line

LONDON, Dec. 16.—On the Macedonian front there has set in a lull which well-informed observers at Athens believe will extend over the Greek elections of Sunday.

The retirement of the Anglo-French forces has ended and they now occupy strong positions north of Saloniki, where thus far their opponents have made no effort to disturb them.

The German forces probably would need some time to prepare for any assault on these positions, particularly as light artillery and mountain guns would not suffice. Few heavy guns, if any, seem to have arrived near the frontier.

Retreat Masterful

The entente capitals view with satisfaction what is regarded as the masterful manner in which the retreat was conducted and the comparatively small losses of the allies.

In London the retirement of Field Marshal Sir John French from command of the British forces in France temporarily overshadowed other war news. The new commander-in-chief, Sir Douglas Haig, who is almost the youngest general in the British army, enters upon his duties with a high reputation. He has seen more hard fighting than any other general in the British army.

There are 200,000 entente troops at Saloniki, according to the Daily Mail, whose Saloniki correspondent says that the retreat of the entente allies was so brilliantly carried out that the large forces of Bulgarians were unable at any point to overtake and defeat them.

To Halt at Vardar

According to the correspondents of the Times and the Morning Post, the entente forces will halt on the line from Karasuli, in northern Greece, on the Vardar river, to Kilindir, Greece, which they will try to hold until the Saloniki positions are fortified.

The correspondent of the Morning Post says on the authority of the Bulgarian minister at Athens that Gieveli and Doiran, southern Serbia, both of which are in the hands of the Teutonic allies, will be surrendered to Greece.

The Athens correspondent of the Times says he believes the whole future position turns on whether the Bulgarians invade Greece.

ZAPATA PARTISANS
ELECT A PRESIDENT

MEXICO CITY, Dec. 16.—Zapata adherents met in convention at Tlalcozapan yesterday and named Antonio Soto Y. Gama president of the Republic of Mexico, according to a dispatch to the newspaper El Demokrate. The election was approved by General Zapata who spread the decree over the territory controlled by him.

MILLION NEEDED
TO DEFEND U. S.
STATES WORKS

California Senator Would Have Army Employed Ten Months of Year at Reforestation, Irrigation and Flood Prevention, With Two Months' Training Every Year.

WASHINGTON, Dec. 16.—Senator Works of California told the senate today that a standing army of one million men would be necessary to defend the United States against possible invasions, and declared that the Pacific coast was completely at the mercy of Asiatic attack.

Senator Works spoke on the subject of national defense, but particularly to propose as a part of the scheme of preparedness the coalition of a mobile land force and an army reserve of 200,000 men at a cost of \$50,000,000 a year for ten years.

In Useful Employment

The proposed enlisted men in civil and military reserve would be settled according to the Works bill with their families in comfortable five-acre tracts provided by the government, supplementing ten months of productive work at reforestation, irrigation and flood prevention, with two months of military training each year. They would be soldier settlers under the control of the secretary of the interior in times of peace and subject to orders of the department in time of war.

"There are enough Japanese in California now to man and destroy every line of communication from the east, isolating California and depriving her of all aid in troops and ammunition," said the senator. "Mexico is open to the entry of the Japanese, and once there, it is but a step across an invisible boundary into the United States."

Step in Wrong Direction

"The plan to add one hundred thousand men to our present army is a dangerous step in the wrong direction. It would not avail a day to defend California against Japanese invasion. It would find difficulty in maintaining itself against the Japanese already in the state. If we are to be consistent we must either put the army on a footing of at least a million men or turn to a more efficient means of defense."

Outlining the scope of his bill, Senator Works declared a million families could be recruited from the tenement districts of the great cities alone and settled on homestead tracts in the west.

His bill would provide that the men be enlisted for terms of five years. It would authorize the secretary of the interior to set aside public lands or to purchase lands and to construct water rights necessary to supply such lands.

SEND EXHIBITS
AT SAN FRANCISCO
TO SAN DIEGO

WASHINGTON, Dec. 16.—The senate adopted today a resolution authorizing the transfer of all government exhibits from the Panama-Pacific international exposition at San Francisco to the Panama-California exposition at San Diego, Cal.

SAN FRANCISCO, Dec. 16.—Plans already have been made for the shipment of the greater part of the government exhibits at the Panama-Pacific exposition to the Panama National exposition at Panama, which will open in January. A minor part of the exhibits will be sent to the Panama-California exposition at San Diego, Cal., according to the present plans.

The resolution adopted today by the United States senate, according to the government exhibit board, would disarrange these plans and could not be complied with in full because of lack of space at San Diego.

The 750 tons of exhibits at the exposition here required 180,000 square feet of space.