

TAFT TAKES UP CASE AGAINST NICARAGUA

After Conference Secretary Knox
Announces That Reparation
May Be Demanded.

BUFFALO ORDERED SOUTH

Transport to Hurry to Panama in
Readiness to Take Marines to
Corinto, if Necessary.

WASHINGTON, Nov. 21.—Following a conference with the President at the White House to-night on the Nicaraguan situation, Secretary of State Knox authorized the following statement:

If certain representations of fact which have been made to the State Department concerning the Groce and Cannon case are verified by inquiries that have been made, This Government will at once prepare a demand on the Nicaraguan Government for reparation for the death of these two men.

For two hours to-night President Taft conferred with Secretary Knox on the Nicaraguan situation. The Secretary of State, accompanied by Henry M. Hoyt, Counselor of the State Department, reached the White House shortly after 9 o'clock. Before going to the Executive Mansion Mr. Knox held a conference in his home with Assistant Secretary Huntington Wilson.

The Secretary carried a formidable array of papers when he entered his carriage to drive to the White House, and Counselor Hoyt also carried a bulging portfolio.

The only other event of importance in connection with the Nicaraguan situation was the dispatch of orders to the transport Buffalo, on duty on the Pacific Coast, to sail at once for Panama. She was expected to start to-night from Pinchlinque Bay, Cal., after taking on adequate supplies of coal and provisions.

This is taken to mean that the Government is making ready to throw a column of United States marines into the Nicaraguan turmoil for the protection of American lives and property. While the 500 marines are scattered generally over the Canal Zone they can be concentrated quickly by means of the railroad at Panama, where there are military stores and supplies.

Any expedition against Nicaragua in which the marines figure would be undertaken on the Pacific side of the Isthmus. The Buffalo would land the men at the Port of Corinto, which is about forty miles from Managua, the capital. The authorities declare that the dispatch of the Buffalo is not to be accepted as meaning that an expedition is to be launched against the Zelayan Government, but that the vessel is ordered south in order to be in readiness should occasion suddenly arise.

The Buffalo carries six guns, is of 6,888 tons burden, and her engines develop 3,600 horse power. The vessel will be driven at top speed to Panama, where on her arrival her Commander has been instructed to report immediately to Washington.

What can be done by this Government by way of punishing President Zelaya or repressing the "disorders" incident to his retention of power rests practically with the Administration. The consent of Congress is not needed for anything short of war, and technically war could be avoided by this Government, even if it should become necessary to send a force inland to Managua and throw President Zelaya into prison. Whatever is done will be in the nature of punishment, not the collecting of debt, so that it is believed the hands of this Government are left free to do what seems expedient. If an indemnity is demanded for the lives of Groce and Cannon and is not paid, a port of Nicaragua could be seized. In that case it is certain that the port selected would be either Greytown, on the Atlantic side, or Corinto, on the Pacific, and not Bluefields, which is already out of Zelaya's control and in the hands of the insurgents.

The United States is a party to the newly declared international policy against the collection of debts by force, but as the indemnity demanded for Groce and Cannon would be strictly punitive, there would be no obligation to refrain from forcible collection. Under the guise of collecting the indemnity, any amount of damage might be done the Zelaya forces. If, for instance, the Provisional Government should be recognized, this country could even go to the extent of aiding by the use of soldiers in the final overthrow of Zelaya without declaring war against him. Having recognized Estrada, as far as this country is concerned Zelaya would be a mere outlaw, capable through his power of doing damage to American interests.

The declaration of this country's intention to permit the insurgents to continue their blockade of Greytown is equivalent to a recognition of insurgency and entitles them and their American volunteers to the protection of the rules of war. It is a question whether their further recognition as belligerents would help them. That recognition would impose upon this Government the scrupulous observance of neutrality. The two opposing parties would be recognized as practically equal, and this Government could no longer deny knowledge of the infringement of neutrality laws by American citizens in favor of either side.

In view of that fact, it is possible that until we are ready to recognize the provisional Government as the Government de facto no step in that direction will be taken.