

GERMANS DEFLY U. S.; DEMONSTRATE WARNING AS WASTE OF WORDS

"Must Take Consequences," Says Newspaper, of Submarine Menace—Scorns Hate and Envy of World.

AMSTERDAM, Feb. 12.—German newspapers scoff at the indignation expressed in neutral countries over the proclamation by Germany of the new naval policy against Great Britain.

"We have always expected American protests and outbursts and we expect some even more vehement. The United States should understand clearly that indignation and threats are a mere waste of words.

"The military, political and economic results of our action have all been weighed. We can imagine no threat, no measure on the part of the United States which is capable of intimidating Germany or of inducing it to modify its war against British trade.

"The German Government is fully conscious of all the possible consequences of its action and the German people stand united behind their Government. It may incidentally be questioned whether the people of the United States would do the same in all circumstances."

"The Hamburger Nachrichten says: 'Beginning on February 13 everybody must take the consequences. The hate and envy of the whole world concerns us not at all. If neutrals do not protect their flags against England, they do not deserve Germany's respect.'

"AS GERMANY SEES FIT," SENTIMENT ON ZONE ORDER

AMSTERDAM, Feb. 12.—The Berlin Der Tag prints an interview with Herr Erzberger, an influential member of the Reichstag, in which the statesman discussed the German blockade declaration and its effect on neutral countries.

"Neutrals have no right to make claims," says Herr Erzberger, "but Germany may allow them something as a favor. The blockade does not mean that Germany will ignore the wishes of the neutrals as far as they do not endanger the German war plan. But neutrals cannot obtain anything by threats or protests, but only by the free will of the German Government."

Declaring that the time will come when a new method of warfare and a new law for the sea will arise, the Kreuz Zeitung says that first of all England's domination of the sea must be destroyed. Until then, the paper says, discussions of the international law phase of the battle, which is now but beginning, is not worth the paper they are written on.

"GERMANY NOT TO BLAME IF NEUTRALS ARE VICTIMS"

COPENHAGEN, Feb. 12.—That Germany did not mean that the blockade of the English coast should make neutral trade impossible, was the statement published today in the Neue Hamburger Zeitung. The paper says that the German declaration was meant as a warning to neutrals against the dangers in the English waters and that Germany would not accept the responsibility for the safety of neutral ships sailing in those waters.

"There was no talk about hostile measures being taken against neutral shipping, the paper states, the German Admiralty's intention being to refrain from such measures, providing neutral ships by mutual understanding do not carry contraband.

GERMANS SEIZURE OF VAN DYKE'S MAIL ROUSES U. S. PROTEST

WASHINGTON, Feb. 12.—The State Department today protested to the German Government against interference with Minister Van Dyke's communication between Holland and Luxembourg.

THE HAGUE, Feb. 12.—Henry Van Dyke, United States Minister to the Hague, and also to the Grand Duchy of Luxembourg, states that he has appealed to the Government at Washington to protest against German interference with his duties as Minister to Luxembourg.

American Envoy to Holland Demands Apology for Interference With Official Letters to Luxembourg.

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KAISER FORCES RETIREMENT OF FOE IN EAST PRUSSIA

Petrograd Admits Strategic Retreat South of Lakan.

PETROGRAD, Feb. 12.—Heavy reinforcements which the Germans are receiving have virtually driven the Russians out of East Prussia. It was admitted in an official statement issued by the General Headquarters today.

FRENCH AID IN SUEZ DEFENSE

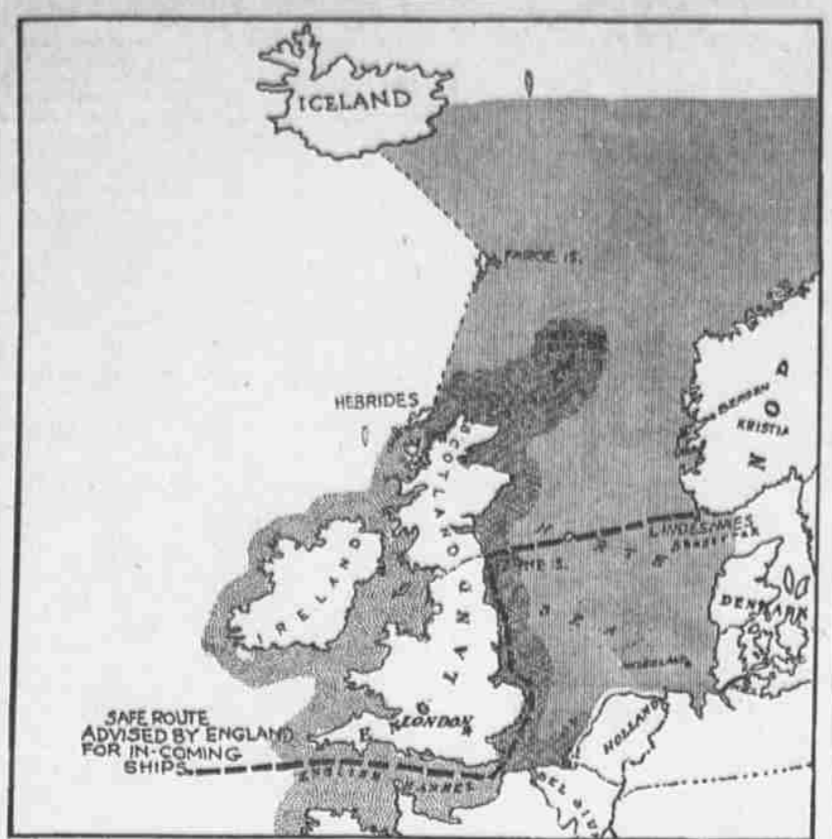
Warships Take Part in Repelling Turks' Attack on Canal.

PARIS, Feb. 12.—French co-operation with the British in the defense of the Suez Canal was announced today in an official communication.

LETTER'S Best Coal

FROM our city on the Delaware off across the prairies and the mountains stretch the mighty copper highways that bridge the continent, joining the great Atlantic seaboard with the Pacific's Golden Gate: the last link in a system of communication that gives to the people of this city and of this nation, telephone service that is universal throughout the land.

GERMAN "WAR ZONE" VS. BRITISH "WAR AREA"



The "war area," as defined in the British proclamation of November 4, is indicated in the foregoing map by the vertical line shading. The proclamation explaining this area announced that all ships passing a line drawn from the northern point of the Hebrides through the Faroe Islands to Iceland did so at their own peril.

HOLLAND BROUGHT CLOSER TO WAR BY FIRING UPON FLAG

Attack of German Submarine on Laertes, Following Dutch Protest, Regarded as Very Serious.

LONDON, Feb. 12.—That Holland has been brought to the brink of war with Germany, as a result of the German submarine U-2 firing upon the steamship Laertes, when the latter was firing the Dutch flag, is the general belief here.

Another German Loan

More Money Needed for War—Russian Issue.

ROTTERDAM, Feb. 12.—The foremost financiers of Germany have been summoned to a secret conference in Berlin, where they will discuss with the Minister of Finance the means to be pursued to raise another loan of \$1,250,000,000 to carry on the war.

STORM ROUTS SUBMARINES

German Craft Forced to Seek Norwegian Havens.

LONDON, Feb. 12.—A dispatch to the Daily Mail from Copenhagen says that information comes from Christiansia, Norway, that in the heavy North Sea gales a few days ago ten German submarines put into Bergen, Trondheim and other Norwegian ports in a terribly battered condition.

A BEERLESS GERMANY? OUCH!

Bundesrath Considers Measure to Limit Consumption.

BERLIN, Feb. 12.—According to the Lokal Anzeiger, a State regulation of another essential of German life besides bread is impending.

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Germany and Britain Must Bow to U. S.

Continued from Page One would require the United States to war on Germany, should it sink American ships in the war zone.

BRITAIN RESPONSIBLE. The English Government was told that the United States regarded constant misuse of the flag for protection against seizure as beyond the pale of the international principle that such use may be applied in emergency.

Administration authorities held today that despite the "strength" of tone displayed in both notes neither would involve this nation in difficulties abroad.

Anti-administration forces, on the other hand, held that the notes showed a "reversal of form"—a spirit of protest, carefully subdued at the outset of the war.

The notes were understood to have been drafted by Counselor Robert Lansing, the State Department's international law expert, but it was reported that Secretary Bryan was understood to have had virtually no hand in the actual drafting.

LONDON PAPERS THROW ALL BLAME ON GERMANY

LONDON, Feb. 12.—The Foreign Office today maintained silence on the American note to Great Britain concerning the sinking of American ships and the use of the American flag.

The newspapers, commenting editorially on the note, assert that Great Britain is acting not only in the national interest, but in the interest of humanity and civilization.

SLAUGHTER APPALLS KAISER

Distressed by Heavy Toll of Battles in East.

COPENHAGEN, Feb. 12.—According to the correspondents of Danish newspapers, Emperor William has found the situation in the east generally hopeful, but he is described as having been greatly depressed over the terrible price in men Germany has had to pay for comparatively limited advances against the entrenched Russians.

Another German Loan

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8000 GERMANS DESERT

Reported to Have Crossed Into Holland When Ordered to Yzer.

LONDON, Feb. 12.—A London Times dispatch from Amsterdam says: "The Telegraph learns from Antwerp today that some 8000 German deserters have fled to the Netherlands, including numerous officers. All these men had been commanded to proceed to the Yzer. Large numbers of soldiers are reported to be deserting from the Draschaet and Merxem forts."

TEXT OF U. S. WARNINGS TO BRITAIN AND GERMANY

American Life and Property Must Be Respected in Whatever Zone, Says Note to Berlin—Britain Involved if United States Flag Is Used, London Is Told.

WASHINGTON, Feb. 12.—The American notes to Germany and Great Britain anent the German threat of blockading Great Britain and the British use of the American flag have been transmitted to the two Powers. They demand that Germany respect American life and property in any and all zones, and that Britain, in using the American flag, lay itself "responsible" if harm comes to Americans under such circumstances.

OFFICIAL U. S. WARNING ISSUED TO GERMANY

WASHINGTON, Feb. 12.—The text of America's warning to Germany on the blockade threat is in the form of an official note to Ambassador Gerard, at Berlin. It is: "The Government of the United States, having had its attention directed to the proclamation of the German Admiralty, issued on the 4th of February, that the waters surrounding Great Britain and Ireland, including the whole of the English Channel, are to be considered as comprised within the seat of war; that all enemy merchant vessels found in those waters after the 18th instant will be destroyed, although it may not always be possible to save crews and passengers; and that neutral vessels expose themselves to danger within this zone of war because, in view of the misuse of neutral flags, said to have been ordered by the British Government on the 21st of January, and of the contingencies of maritime warfare, it may not be possible always to exempt neutral vessels from attacks intended to strike enemy ships."

"The Government of the United States views those possibilities with such grave concern that it feels it to be its privilege, and indeed its duty to request the Imperial German Government to consider, before action is taken, the critical situation in respect of the relations between this country and Germany, which might arise were the German naval forces, in carrying out the policy foreshadowed in the Admiralty's proclamation to destroy any merchant vessel of the United States or cause the death of American citizens."

"It is, of course, not necessary to remind the German Government that the sole right of a belligerent in dealing with neutral vessels on the high seas is limited to visit and search, unless a blockade is proclaimed and effectively maintained, which this Government does not understand to be proposed in this case."

"To declare or exercise a right to attack and destroy any vessel entering a prescribed area of the high seas without first certifying that its belligerent nationality and the contraband character of its cargo would be an act so unprecedented in naval warfare that this Government is reluctant to believe that the Imperial Government of Germany in this case contemplates it as possible."

"The suspicion that enemy ships are using neutral flags improperly can create no just presumption that all ships traversing a prescribed area are subject to the same suspicion. It is to determine exactly such questions that this Government understands the right of visit and search to have been recognized."

"This Government has carefully noted the explanatory statement issued by the Imperial German Government at the same time with the proclamation of the German Admiralty, and takes this occasion to remind the Imperial German Government very respectfully that the Government of the United States is open to none of the criticisms for unneutral action to which the German Government believes the Governments of certain other neutral nations have laid themselves open; that the Government of the United States has not consented to or acquiesced in any measures which may have

OFFICIAL NOTE TO BRITAIN ON MISUSE OF U. S. FLAG

WASHINGTON, Feb. 12.—The text of the note to Great Britain regarding use of the American flag is contained in the following official communication to Ambassador Page: "It is advised for the information of the Imperial Government that representations have been made to his Britannic Majesty's Government in respect to the unwarranted use of the American flag for the protection of British ships."

"The Department has been advised of the declaration of the German Admiralty on February 4, indicating that the British Government had on January 31 explicitly authorized the use of neutral flags on British merchant vessels, presumably for the purpose of avoiding recognition by German naval forces. The Department's attention has also been directed to reports in the press that the captain of the Lusitania, acting upon orders or information received from the British authorities, raised the American flag as his vessel approached the British coasts in order to escape anticipated attacks by German submarines. Today's press reports also contain an alleged official statement of the Foreign Office defending the use of a flag of a neutral country by a belligerent vessel in order to escape capture or attack by an enemy."

"Assuming that the foregoing reports are true, the Government of the United States, reserving for future consideration the legality and propriety of the deceptive use of the flag of a neutral Power in any case for the purpose of avoiding capture, desires very respectfully to point out to his Britannic Majesty's Government the serious consequences which

may result to American vessels and American citizens if this practice is continued.

"The occasional use of the flag of neutral or an enemy under the stress of immediate necessity, which appears in press reports to be represented as a precedent and justification used to support this action, seems to this Government a very different thing from an explicit sanction by a belligerent Government of its merchant ships generally to fly the flag of a neutral Power within certain portions of the high seas, which are presumed to be frequented by hostile warships."

"The formal declaration of such a policy jeopardizes the vessels of the neutral Power raising the presumption that they are belligerent nationality, regardless of the flag which they may carry."

"In view of the announced purpose of the German Admiralty to engage in extensive naval operations in the coast waters of the United States, the Government of the United States would view with anxious solicitude any use of the flag of the United States by British ships traversing those waters. A policy such as the one which his Majesty's Government intend to adopt would, if the declaration of the German Admiralty be put in force, it seems desirable that the United States should afford no protection to British vessels while it would be a serious and constant menace to the lives and vessels of American citizens."

"The Government of the United States therefore, trust that his Majesty's Government will do all in their power to restrain vessels of British nationality from deceptive use of the flag of the United States in the sea area defined in the German declaration, since such practice would greatly endanger the vessels of friendly Power navigating those waters and would even seem to impose upon the Government of Great Britain a measure of responsibility for the loss of American lives and vessels in case of an attack by a German naval force."

"You will impress upon his Majesty's Government the grave concern which the Government of the United States feels in regard to the safety of American vessels and lives in the war zone declared by the German Admiralty."

"This Government is making earnest representations to the German Government in regard to the danger to American vessels and citizens. If the declaration of the German Admiralty is put into effect

CANADA DECREES WAR TAX

Dominion to Raise More Than \$200,000,000 by Drastic Measure.

OTTAWA, Ont., Feb. 12.—A drastic war taxation measure was proclaimed in the Canadian Parliament yesterday. It is expected to raise from \$20,000,000 to \$25,000,000 additional revenue. Bank circulation and the business of loan and fire insurance companies are proposed to be taxed, stamp tax is to be applied to business banking transactions, to tickets, telegrams and cable messages and patent medicines.

A special war tax in the form of increased customs charge will be applied. It is 7 1/2 per cent. increase in general intermediate rates and 5 per cent. increase to British preferential rates. The increased customs charges are to be applied to silk fabrics, velvets, ribbons, embroideries, wheat, flour, anthracite coal, iron, tin, sugar, tobacco, news print paper, newspaper presses, type-setters and casters.

FRENCH RESUME OFFENSIVE TO FORCE FOE ACROSS RHINE

Hostile Armies in Battle for Possession of Vosges Passes.

PARIS, Feb. 12.—The campaign for possession of the Vosges passes and the main roads into Upper Alsace has been resumed despite the heavy snow. The Germans are being bombarded with long-range heavy artillery, brought up during the full of the last fortnight, and an offensive is being initiated that is expected to give the French possession of various strategic points necessary to begin the drive of the Kaiser's forces northward and across the Rhine.

Kaiser at Poland Front

BERLIN, Feb. 12.—Emperor William left again today for the eastern theater of war. It is officially announced.

