"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. Count von Reventiow, naval writer, says:

"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 more 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.

meanst 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 18 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 de-serve Germany's respect."

"AS GERMANY SEES FIT," SENTIMENT ON ZONE ORDER

AMSTERDAM, Feb. 12.-The Berlin Der Tag prints an interview with Herr Erz-berger, an influential member of the Reichstag, in which the statesman dis-cussed the German blockade declaration and its effect on neutral countries. "Neutrals have no right to make claims." says Herr Erzberger, "but Ger-

many 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 theats or protests, but only by the free will of the

a new method of warfare and a new law for the sea will arise, the Kreuz Zeitung says that first of all England's domina-tion 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 Ger-many did not mean that the blockade of 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 Eng-lish waters and that Germany would not accept the responsibility for the safety of

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

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

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

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

THE HAGUE, Feb. 12 - Henry Van Dyke, United States Minister to The Hague, and slso to the Grand Duchy of Luxemburg, states that he has appealed to the Government at Washington to protest against German interference with his duties as Minister to Luxemburg. He said his diplomatic communications with said his diplomatic communications with that place have been cut off by the German military commander at Trier, who had refused to permit his letters to pass because they were scaled with the seal of the American Legation.

"That statement of facts is incorrect," said Doctor Van Dyke. "The action of

said Doctor Van Dyke. "The action of the German commander at Trier may have been a mistake or ignorance, but it must be explained and apologized for.
"I cannot consent to interference with
my duties toward Luxemburg by any
Power of the world, except that which
conferred them upon me, namely, the
Government at Washington."

KAISER FORCES RETIREMENT OF FOE IN EAST PRUSSIA

Petrograd Admits Strategic Retreat South of Lakes,

PETROGRAD, Feb. 12 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 Geogral Headquarters today.

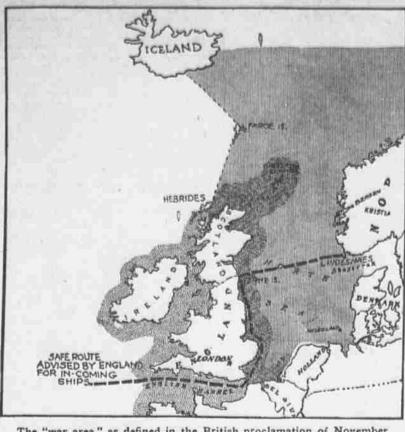
This movement, described here as strategic, covers the region south of the Farurian Lakes, where the marshy terrain has been abandoned and new ground axion near the Polish frontier.

FRENCH AID IN SUEZ DEFENSE

Warships Take Part in Repelling Turks' Attack on Canal.

PARIS, Peb. 12, such to-operation with the British in defense of the Sucs Canal was an-less tuday in an official communique.

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. Ships of all countries wishing to trade to and from Norway, the Baltic, Denmark and Holland were advised to come, if inward bound, by the English Channel and Straits of Dover. There they would be given sailing directions which would pass them safely up the east coast of England to Farne Island, whence safe route would be given to Lindesnaes to Farne Lightship.

The German "war zone," proclaimed in the decrees of February 2 and February 4, is covered by the dotted portions of the map. The first German proclamation declared the waters around Great Britain, including the English Channel, in the danger zone. The routes of navigation around the north of the Shetland Islands, in the eastern part of the North Sea and in a strip 30 miles wide along the Dutch coast, were exempted. The German Admiralty later included the north and west coasts of France in the "war zone."

SLAUGHTER APPALLS KAISER

Distressed by Heavy Toll of Battles

in East.

COPENHAGEN, Feb. 12.-According to

in the east generally hopeful, but he is

Germany has had to pay for comparative-

ly limited advances against the intrenched

Russians. One account by way of Warsaw places the German losses on the Baura and the Rawka front at 45,000 dead.

transfer the fighting to some point where the Russians are less formidably in

ANOTHER GERMAN LOAN

More Money Needed for War-Rus-

sian Issue.

financiers of Germany have been sum-moned to a secret conference in Berlin, where they will discuss with the Min-

ister of Finance the means to be pursued to raise another loan of \$1,250,000,000 to carry on the war. It is believed that the Krupps and other rich families will sub-

It is reported that Russia also contem-plates floating an internal loan of \$250,-

scribe most of it.

ROTTERAM, Feb. 12 .- The foremost

HOLLAND BROUGHT **CLOSER TO WAR BY** FIRING UPON FLAG

Attack of German Submarine on Laertes, Following Dutch Protest, Regarded Nevertheless, Danish military critics say Emperor William protested against this slaughter, and as a result an effort was made by the German war staff to 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 flying the Dutch flag, is the general belief here. The Netherlands Government had already sent an emphatic note to Germany in answer to the war zone proclamation, in which it was pointed out that ships carrying the Dutch flag must be protected in the war zone prescribed by the proclamation.

The Laertes incident, coming so closely upon the heels of this answer, is re-

garded as of the utmost seriousness. The firing on the steamship occurred British ship, which had sailed from Japan with a valuable cargo, was north of the neighborhood between Schouwerbank and the Maas Lightship when she was challenged by the German submarine U-2 and

ordered to stop.

Aboard the ship were neutrals, and the captain, in order to save them, hoisted the Dutch flag, but the Germans refused to honor this, and continued to fire. One shot struck the compass and others crashed into the lifeboats and on the up-per deck, putting the lives of the neutrals

per deck, putting the lives of the neutrals abroad in the utmost danger.

The German commander ordered a torpedo to be launched. The sinuous white wake of the torpedo was seen speeding toward the Laertes. The speed and course of the ship saved her, although the torpedo passed just astern, missing by a few yards.

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 Christiana, Norway, that in the beavy North Sea gales a few days ago ten German submarines put into Bergen, Trondhjem and other Norwegian ports in a terribly battered condition. The crews are reported to have been many days in heavy weather, enduring privations, loss of sleep and discomfort through the ceaseless rising and falling of mountainous seas. The were exhausted and several of them

The submarines were escorted to har bor by Norwegian patrol cruisers and in-formed that they must leave within 24 hours or be interned. They remained about 20 hours for rest and slight re-pairs."

A BEERLESS GERMANY? OUCH!

Bundesrath Considers Measure to

Limit Consumption. BERLIN, Feb. 12.—According to the Lokal Anxeiger, a State regulation of an-other essential of German life besides bread is impending, The Bundesrath is considering a law

The Bundesrath is considering a law imiting the consumption of malt to 60 per cent, of the present quantity permitted to be used and reducing the beer productions correspondingly. The barley thus saved will be available for human consumption as barley grits or as food for cattle. Guests of Berlin restaurants after February 22 must either brins pocketfuls of rolls or a bread ticket with them. Otherwise no bread will be obtainable.

Best Coal

Egg \$7, Stove \$7.25, Chestnut \$7.59

Large Rauma Pea Coal, \$5.50

Largest Goal Yard to Palladelphia OWEN LETTER'S SONS Trenton Ave. & Westmoreland St

Germany and Britain

Must Bow to U. S.

would require the United States to war on Germany, should it sink American ships in the war sone.

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. England was told, too, that it would be in a sense responsi-ble for destruction of American lives or shipping should Germany come to regard the Stars and Stripes as England's mode

of avoiding conflict with an enemy.

Administration authorities held today that despite the "strength" of tone displayed in both notes neither would involve this nation in difficulties abroad. They believed that England and Germany would acquises in America's posimany would acquiesce in America's posi-tion and grant such relief as will assure safety to American shipping and passen-

Antiadministration forces, on the other hand, held that the notes showed a "re versal of form"—a spirit of protest, care fully subdued at the outset of the war. The notes were understood to have been drafted by Counsellor Robert Lan-ring, the State Department's Internation al law expert, but it was reported that the President did the "proof-reading" and furnished many of the ideas. Certain it was that the notes passed unde his eye and were the subject of several lengthy conferences with the counsellor. Secretary Bryan was understood to have had virtually no hand in the actual

LONDON PAPERS THROW ALL BLAME ON GERMANY

LONDON, Feb. 12. The Foreign Office today maintained al-ence on the American note to Great Britain concerning the sinking of American ships and the use of the American flag. Sir Edward Grey, Foreign Secre-tary, will call the Cabinet into session as aoon as the full text of the note is re-ceived. Until the Cabinet has taken up the matter no official announcement or reply is expected to be made.

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 civili-zation. Germany is blamed for the sit-uation, and the papers defend the use of

the American flag.
"Responsibility of any danger to American ships is placed firmly on the German Government," says the Pall Mall Gazette, "President Wilson declines to accept the German theory that two wrongs make a right. The note to the British Government is couched in the friendliest possible terms, and it ought not to be difficult to satisfy the United States that there will be no danger of an American ship being sunk if the Ger-man craft behave as every usage of war the correspondents of Danish newspapers, dictates, and board ships they stop for an examination of their papers. The question, as it presents itself to Ameri-Emperor William has found the situation can citizens traveling in British ships, is described as having been, greatly dethat it gives the Germans the right to pressed over the terrible price in men kill them.

The Evening Standard says:
"It is impossible for the German Gov ernment to misunderstand how America views the proclamation regarding neutral ships. Americans have appealed to the owners of the Lusitania to fly their flag during the next trip for their protection. President Wilson can scarcely define this

"It is clear that the notice given by the German Government is merely an inti-mation to the neutrals that they should better look out for themselves after that date," says the Westminster Gazette.

8000 GERMANS DESERT

Reported to Have Crossed Into Holland When Ordered to Yser.

LONDON, Feb. 12.-A London Times dispatch from Amsterdam says: "The Telegraaf learns from Antwerp tofled to the Netherlands, including numerous officers. All these men had been commanded to proceed to the Yeer. Large numbers of soldiers are reported to he deserting from the Drasschaet 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, lays itself "responsible" if harm comes to Americans under such circumstances.

The text of these notes is:

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 distroyed, aithough 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

neutral flags, said to have been ordered by the British Government on the Ilst of January, and of the contingencies of maritime warfare, it may not be possible always to exempt neutral vessels from at-tacks intended to strike enemy ships, feels it to be its duty to call the atten-tion of the Imperial German Government, with sincere respect and the most friendly sentiments but very candidly and earnestly, to the very serious possibilities of the course of action apparently contem-plated under the proclamation. "The Government of the United States

views those possibilities with such grave concern that it feels it to be its privi-lege, and indeed its duty to request the Imperial German Government to consider, before action is taken, the critical situ-ation 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 resole 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 at-

tack and destroy any vessel entering a prescribed area of the high seas without first certainly determining 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 presumtion that all ships traversing a prescribed area are subject to the same suspicion. It is to determine exact-ly 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 man 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 ac-States has not consented to or ac-quiesced in any measures which may have

been taken by the other belligerent nations in the present war which operate to restrain neutral trade, but has, on the contrary, taken in all such matters a position which warrants it in holding those Governments responsible in the proper way for any untoward effects on American shipping which the accepted principles of international law do not justify; and that it, therefore, regards liself as free in the present instance to take with a clear conscience and upon accepted principles the position indicated in this note.

"If the commanders of German vesseis of war should act upon the presump-

"If the commanders of German vessels of war should act upon the presumption that the flag of the United States was not being used in good faith and should destroy on the high seas an American vessel or the lives of American citizens, it would be difficult for the Government of the United States to view the sot in any other light than as in indefensible violation of neutral rights, which it would be very hard, indeed, to reconcile with the friendly relations now so happily subsisting between the two Govhappily subsisting between the two Gov-ernments.

"If such a deplorable situation should arise, the Imperial German Government can readily appreciate that the Govern-ment of the United States would be con-strained to hold the Imperial German Government to a strict accountability for such acts of their naval authorities and to take any steps it might be necessary to take to safeguard American lives and property and to secure to American citi-sens the full enjoyment of their acknowledged rights on the high seas.

"The Government of the United States, in view of these considerations, which it urges with the greatest respect and with the sincere purpose of making sure that no misunderstanding may arise and no circumstances occur that might even cloud intercourse of the two Governments. expresses the confident hope and expecta-tion that the Imperial German Govern-ment can and will give assurance that American citizens and their vessels will not be molested by the naval forces of Germany otherwise than by visit and search, though their vessels may be traersing the sea area delimited in the proc-amation of the German Admiralty. "It is added 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."

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:

"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 cap-ture 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 decep-tive 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

tinued.

"The occasional use of the flag of neutral or an enemy under the stress immediate pursuit and to docaive an proaching enemy, which appears by press reports to be represented as precedent and justification used to a port this action, seems to this Government a very different thing from an explicancion by a belligerent Government its merchant ships generally to fly flag of a neutral Power within cert portions of the high seas, which are pursuits.

mny result to American vessels. American citizens if this practice in a

portions of the high seas, which are possible to be frequented by hostile with a ships.

The formal declaration of such a post of general misuse of a neutral's a jeopardizes the vessels of the neutral yiting those waters in a peculiar degree raising the presumption that they are belligerent nationality, regardless of the flag which they may carry.

"In view of the announced purpose the German Admiralty to engage in tive naval operations in certain delimit sea areas adjacent to the coasts of Grantian and Ireland, the Government the United States would view of anxious solicitude any general use of the flag of the United States by British weeks traversing those waters. A poll such as the one which his Majest Government is said to intend to adwould, if the declaration of the Germ Admiralty be put in force, it seems cle afford no protection to British vesse while it would be a serious and constant of the constant of the serious and constant of t menace to the lives and vessels of Amer

menace to the lives and vessels of American citizens.

"The Government of the Untied Stattherefore, trust that his Majesty's Government will do all in their power to retrain vessels of British nationality fred deceptive use of the flag of the Unit States in the sea area defined in the Gorman declaration, since such practice would greatly endanger the vessels of friendly Power navigating those water and would even seem to impose upon the Government of Great Britain a measure of responsibility for the loss of Americalives and vessels in case of an attack

of responsibility for the loss of Americ
lives and vessels in case of an attack
a German naval force.

"You will impress upon his Majest
Government the grave concern which t
Government feels in the circumstances
regard to the safety of American vess
and lives in the war zone declared by t
German Admiralty.

"This Government is making earn
representations to the German Gover
ment in regard to the danger to Americ
vessels and citizens, if the declaration
the German Admiralty is put into effect

CANADA DECREES WAR TAX

Dominion to Raise More Than \$20 000,000 by Drastic Measure,

OTTAWA, Ont., Feb. 12.—A drastic we taxation measure was proclaimed in the Canadian Parliament yeaterday. It is pected to raise from \$20,000,000 to \$25,000, additional revenue. Bank circulation at the business of loan and fire insuran companies are proposed to be taxed, stamp tax is to be applied to business a banking transactions, to tickets, te graph and cable messages and not graph and cable messages and pate

medicines.

A special war tax in the form of a creased customs charge will be applied it is 7½ per cent, increase in general a termediate tariff rates and 5 per cent, increase to British preferential rates.

The increased customs charges are a contracted. The increased customs charges are r to be applied to silk fabrics, velvets, ri bons, embroideries, wheat, flour, anthr cite coal, lines, twines, sugar, tobacc news print paper, newspaper press type-setters and casters.

FRENCH RESUME OFFENSIVE TO FORCE FOE ACROSS RHIN

Hostile Armies in Battle for Posse sion of Vosges Passes.

PARIS, Feb. 12 The campaign for possession of t Vosges passes and the main roads in Upper Alsaco has been resumed despi the heavy snow.

The Germans are being bombarded wi long-range heavy artillery, brought a during the full of the last fortnight, as an offensive is being initiated that is e pected to give the French possession various strategic points necessary to beg the drive of the Kalser's forces norther vard and across the Rhine

BERLIN, Feb. 12.-Emperor Willia left again today for the eastern theat of war, it is officially announced.

