

WILMINGTON THE MORNING STAR

ENGLAND MAY DECLARE BLOCKADE OF GERMAN COAST AT EARLY DATE

Germany's Proposition to Abandon War on Shipping Presented by Page.

WILL NOT BE ACCEPTED

Military Movements of Great Importance Are Taking Place.

Germans Continue Their Advance in East.

London, February 16.—In the absence of any striking news from the two European battle fronts, public attention in England today was centered on the threatened blockade of the British Isles by German submarines and mines in retaliation for Great Britain's act in prohibiting the carrying of food to Germany.

Great Britain received today, through Ambassador Page Germany's offer to withdraw her threat of a blockade, if the British navy will permit the free movement of foodstuffs to the civil population of Germany.

It is not believed here the offer will be accepted. In fact, Great Britain already is preparing to retaliate against Germany by placing under more stringent control ships destined to German ports, and a proclamation momentarily is expected, declaring a blockade of the German coast, or, at any rate, the prohibition of foodstuffs destined for Germany. The cabinet considered this question today, and it is understood the decision is awaiting formal confirmation by the privy council.

Shipping Moves Freely.

In the meantime, British and neutral vessels are moving as freely as usual, except those belonging to a few Dutch lines, which have reduced their number of sailings. Norwegian and Danish insurance companies have given instructions that steamers insured by them shall have their national colors, the names of the ships and the country of their origin painted conspicuously on the sides of all vessels.

Holland and Italy, like the United States, have protested to Germany against her sea zone threat, and have asked Great Britain not to make use of neutral flags. Similar representations are expected to be made to the two countries tomorrow in a joint note by Norway, Sweden and Denmark.

On the battlefields of Europe, military movements of the first importance are taking place, especially in the East. The German offensive, strongly supported by French troops, is being pushed with great vigor both along the east Prussian frontier and in Poland, north of Lower Visula. The Russians have evacuated East Prussia except for a small area near Lyck, and also are apparently falling back in North Poland, for the Germans today announced the capture of Plock and Bialsk, which the Russians recaptured from them a short time ago.

Unstained Losses Heavy. While the Germans seem to have inflicted heavy losses on the retreating Russian army, military men here and the newspaper correspondents in Petrograd continue to refer to the Muscovite movement as a strategic retreat, and the fortified line along the Niemen river, which runs through Kovno, Gdansk and Lomza, and thence southward to the fortress of Novoe Georgievsk, is being held.

Heavy fighting continues in the Carpathians and Bukovina. In Bukovina the Russians also are falling back, but they continue to hold the Carpathian passes further west and are offering stubborn resistance to the Austro-German offensive in that region. Here the Austro-Germans are suffering severely. The large number of troops the Germans are using in the East, military men here believe will prevent for some time any attempt by the Germans to break the western deadlock.

Although there have been no events of outstanding importance on this front since the official report of the British operations from November to the 15th of February, issued today, there is more or less activity in this theater. The report says there has been a lot of trench fighting in which the British and British Territorials have done more than justified the most sanguine hopes entertained of their success in the field. The report adds (Continued on Page Two.)

AMERICA QUIETLY AWAITS ANSWERS

No Further Move Made in Diplomatic Controversy

ENGLAND AND GERMANY

Realizing the Gravity of Situation Officials at Washington Refrain from Commenting as to Next Move or Plans.

Washington, Feb. 16.—The United States made no further move today in the diplomatic controversy with Great Britain and Germany over the use of neutral flags, the submarine campaign on merchant men and the shipment of foodstuffs to Germany. Officials awaited formal replies from Great Britain and Germany to the recent American notes on the subject.

Ambassador Page, at London, and Ambassador Gerdok, at Berlin, sent dispatches to the State Department telling of informal conferences with the high officials of Great Britain and Germany, respectively, but did not indicate that the former intended to alter its policy on shipments of conditional contraband to civilians, or that the latter would recede from its announced intention of waging a submarine war on enemy merchant ships.

Ambassador Gerard reported that German officials were friendly and disposed to take into consideration the embarrassment of the United States arising out of the controversy.

While awaiting answers to the various American communications high officials here, admitting the gravity of the diplomatic situation, were disinclined to discuss future steps or policy.

Many Difficulties. One suggestion of the German government—that American organizations or consular officers supervise the distribution of foodstuffs to civilians—seems to be set with more difficulties than were originally evident. While making it clear such a procedure could be undertaken by the United States only with the acquiescence of all the belligerents.

The situation in Belgium and in Germany proper were in this respect held by State Department officials to be analogous. It was revealed, however, that before Minister Whitlock and American organizations were permitted to supervise food distribution in Belgium the consent of Germany as well as Great Britain had to be obtained. For a neutral government to assist the civilian population of a belligerent to obtain supplies without the consent of the other belligerents would be unneutral, according to American officials.

But while the situation presents many difficulties, officials are still hopeful that the consent of Germany to the distribution of foodstuffs will be reached which may avert the necessity which Germany declares will ensue for making war on enemy merchant ships.

The British government has made its position clear on the principles under which conditional contraband will not be interfered with when destined to civilians in an enemy country; while the German government has stated that if it can get food supplies for its civilian population, it will recede from its submarine campaign.

These declarations contain no concurrence of views, but officials say there always is possibility that through the good offices of an intermediary a common ground for an understanding may be reached.

In this connection the British supplementary note, replying to the American note, which generally was laid before President Wilson today. It contains a lengthy argument on the subject of American shipping and the conditional contraband and the decree taking over the supply of flour in Germany by the government.

RUSSIANS BADLY DEFEATED. Losses Sustained Will Reach Fully 50,000 Men, is Report. Berlin, Feb. 16.—By wireless, London—Reports from the Carpathian mountains to the Paster Lizard of Bukovina, says the Austro-Hungarians were everywhere successful in their offensive movement in Dukla Pass.

The total losses of the Russians in the Dukla Pass battles in the past few days, the reports say, was at least 50,000 men killed or wounded. In a single attack, the retreating Russians left 1,200 dead on the field.

MAD GRAS IS OVER Holiday Observed at New Orleans on Last Day. New Orleans, Feb. 16.—Mardi Gras Day, marking the end of the reign of Rex, King of the Carnival of 1915 was observed here today by a general suspension of business. The cotton exchange and all banks were closed while the postoffice for the first time in the history of the carnival it was kept open under Sunday rules, remaining closed the greater part of the day.

HOUSE EARLY THIS MORNING ADOPTED COMPROMISE BILL

Filibuster by Republican Leader Mann of no Avail—Big Majority.

NOW GOES TO SENATE

Fourteen Hour Struggle Concluded With Vote of Two Hundred and Fifteen to One Hundred and Four in Favor of Bill. Washington, Feb. 17.—The Government ship purchase bill, as an amendment to the Weeks Naval Auxiliary bill, was passed by the House of Representatives at 1:20 o'clock this morning by a vote of 215 to 104.

The passage of the bill followed a 14 hour parliamentary struggle which, until long after midnight threatened to extend interminably because of a determined filibuster directed by Minority Leader Mann who yielded only after administration leaders decided to apply a second special rule to bring the fight to an end.

MUST BE PASSED SOON Leaders in Both Houses Realize That Fight is Coming to a Head. Washington, Feb. 16.—Democratic leaders in both Houses of Congress agreed tonight that the government ship purchase bill either would be before President Wilson for his signature within a few days or dead, so far as this session is concerned.

The House remained in session late tonight to pass the ship purchase bill as amended. It is known and tomorrow the administration forces will begin a final effort to get a vote in the Senate on the House amendments over the opposition of Republicans and revolting Democrats.

Majority leaders spoke confidently today of the prospect of victory and President Wilson, after a conference with Senator Kern, today called the bill would be passed.

On both sides of the Capitol belief was current that if present plans for prompt action in the Senate fell through the ship bill would be abandoned and all efforts centered upon disposing of appropriation bills to make unnecessary an extra session.

Webb Favors Bill. Representative Webb of North Carolina, opening debate for the bill in the House, declared that the United States was now confronted with the "greatest opportunity that any nation ever offered in foreign commerce."

"It seems to me that at one end of this Capitol they are fiddling while Rome burns," he added. He said government ownership "had no terrors" for him, citing the activities of the government in the Philippines, the Panama railroad and the Aslan railroad to show that the United States already was in private business.

Debate in the House proceeded slowly through the afternoon and evening, halted time and again by roll calls demanded by Republican Leader Mann. When the bill had been before the (Continued on Page Two.)

MORE FRICTION AT MEXICAN CAPITAL

Trouble Still Brewing Between Carranza and Diplomats.

MUST GO TO VERA CRUZ

Newspapers at Seat of Carranza's Government Publish Articles Urging Move to Vera Cruz or Leave the Country. Washington, Feb. 16.—Further indications of friction between Carranza officials and diplomats in Mexico City were contained in official advices today to the State Department. In Vera Cruz, seat of the Carranza government, several newspapers were said to have printed articles intimating that the diplomats should transfer their activities to Vera Cruz or leave the republic.

Secretary Bryan said he did not interpret Carranza's order that all diplomatic intercourse must be transacted with him personally as preventing American consul Silliman and other foreign ministers from remaining in Mexico City and dealing with General Obregon on non-diplomatic business. He said that if business arose that could not be transacted with Carranza's subordinates, Consul Canada at Vera Cruz for the purpose. The secretary suggested that other governments might follow a similar course.

GOOPER FURNISHES GINGER IN SENATE

Withdraws Note Collection Bill, After Breezy Debate.

SCHOOL BILL IS PASSED

But Cannot Get Through House—Bill to Tax Debtors 10 Per Cent for Forced Collections Given Grilling.

(Special Star Telegram.) Raleigh, N. C., Feb. 16.—Two of Senator Cooper's bills, one to substitute Cuthbert Martin for J. O. Carr on the New Hanover School board and the other to tax debtors with attorney's percentage on forced collections, furnished the ginger and, indeed, the sensation of the day in the Senate. The school bill passed as a senatorial courtesy with no possibility of its passing the House and the percentage bill was carried off unmercifully until its author lodged the motion, which carried, that it be tabled.

Senator Cooper's bill to appoint Cuthbert Martin was opposed by Senator Giles, when Senator Ward moved that the bill be held up so that outside recommendations might prevail. The motion was ruled out of order. The bill passed second reading, and then Senator Giles said he was forced to make a statement, that the matter was threshed out before the Senate committee by the Senator Cooper. He said he had petitions from a large number of Wilmington people asking that Senator Cooper be not allowed to do what he is doing. He said the people of Wilmington want to be heard. The petition presented was against "any change," specifying Senator Cooper's purpose.

Senator Cooper said the petition contains 162 names, was gotten up by a man who fought him in the primaries and who voted against him in the general election and he was informed voted for the Republican candidate. Senator Giles said Senator Cooper should not make wild statements without knowing the facts. He held up a large roll of signatures. He wanted a chance to state his position, and he was ashamed that a number of the Senate was "afraid" to allow a bill to go before the committee. Senator Cooper declined an offer of such a course, but declared Mr. Stacy had rushed his bill through the House and he wanted similar privilege. The chair ruled discussion out of order and the bill was passed on its third reading.

Senator Ward made the statement that an agreement had been reached and that the educational authorities would place the name of the new member in the omnibus bill.

Note Collection Bill. When Senator Cooper's bill to provide for collection of attorneys' fees in forced collections came up, it was opposed by Havmore, Republican leader, on the ground that it added the sum of \$100,000 to the tax on the property of the debtor. He thought it unjust and unconstitutional.

Senator Cooper said it was simply a provision in contracts so that the party who lends money should be able to lose more than the original amount when forced to employ a lawyer to collect. He said it must be expressly stipulated in the contract that the borrower would pay the cost of collection will pay the lawyer's fee.

Senator McMichael declared that the bill was another effort to take advantage of the debtor class and to charge money for the collection of debts. He said the time is to oppress the debtor class, and such legislation as this makes it harder for the poor man.

Senator Speight agreed with Senator McMichael and declared that he need not worry about the money lender.

Senator Muse said the bill was a fine bill for lawyers, a fine bill for note shavers and a splendid bill for money lenders, but as this he had told Mr. Stacy that the bill would be collected by a very small part of his constituents he was against the bill.

Senator White thought the bill would result in untold hardship. Time merchants would be forced to employ two-by-four lawyers and the law would be a machine of oppression.

Senator Ward thought the bill would help the shark to eat up the small man. It is a good law for the protection of the general objects in view were all right, but great misuse would result. Others grilled the bill.

GERMAN OFFICER GIVES REASON FOR WAR ZONE AROUND BRITISH ISLES

FOREIGN MARKETS ARE DEMORALIZED

International Bankers May Hold Meeting Soon.

TO READJUST MATTERS

Situation Largely the Outcome of Increasing Exports from This Country—Secrecy of Gold in International Payments.

New York, Feb. 16.—Demoralization in foreign exchange markets has affected the big financial interests to such an extent that a meeting of international bankers may be called soon to re-adjust conditions, financial experts said today. Sight drafts on London sold down to 4.75 a pound sterling today, the lowest in a generation, but recovered before the end of the market session. The drop in exchange was followed by announcement of another small importation of gold—\$2,500,000 that amount having been released by the Bank of England from the large sum now to its credit in Ottawa.

Exchange between New York and most parts of continental Europe, while less unsettled than at London, pointed to acute strain. Francs, reichsmarks and lire were quoted at increased discounts and some conservative banks and banking houses declined to engage in any actual transactions.

Cause of Situation. The situation is largely the outgrowth of the country's heavy extra exports to Europe. In the first four months of the war shipments of war materials aggregated almost \$50,000,000 and according to trustworthy accounts they have passed the \$100,000,000 mark now.

This does not include the enormous export of foodstuffs and other commodities which have gone out in unprecedented volume since the beginning of 1915.

Except in instances where credits had been established here payment for these exports has been made in pounds sterling, francs, marks and other foreign moneys. These bills are now pressing on the exchange market and their extent, coupled with England's refusal to release gold in sufficient quantity to meet demand, have been the primary factors in depreciating rates. The situation has put all foreign gold at a premium.

The market has become so deranged that number of contractors and other exporters of supplies, it is stated, have decided to demand future payments in dollars. This plan will necessitate the placing of additional credits in the hands of foreign governments and individuals. The British and Russian governments have established such credits, but amounts available are said to be inadequate.

GRAVEN BAR WANTS NO ACTION BY LEGISLATURE

Adopts Resolution as to Carter-Abernethy Controversy.

Newbern Lawyers and Court Officials Sign Resolution Praising Work and Demeanor of Judge—Committee to Raleigh.

(Special Star Telegram.) Raleigh, N. C., Feb. 16.—Solicitor L. A. Abernethy arrived this morning from Newbern and, chafing under the contempt rule imposed upon him last week by Judge Frank Carter at Newbern, is talking to the members of the Legislature. At the time there is a multiplication of talk of the possibility of putting through the House a bill for a general investigation of Judge Carter.

It is clearly manifest that if friends of Abernethy conclude that such a movement can be carried through, at least the humiliation of the provision for the investigation will be put upon him whether the findings in the investigation should be against the judge or not.

The general impression seems, however, to be that the House would not vote for the investigation. While the legislative work is multiplying rapidly now, members not finding much time to talk about the matter.

Newbern, N. C., Feb. 16.—The latest development in the Judge Frank Carter-Solicitor Abernethy case which has attracted State-wide interest, occurred today when the Craven county bar met and passed a resolution requesting that the Legislature take no action in regard to the matter as it has been reported it is about to do. In addition to this set of resolutions passed, a number of the members of the bar and officials (Continued on Page Eight.)

Admiral Behncke Explains Move to Naval Attache of American Legation

WILL END WAR SOONER

If Submarine Operations Against British Commerce Prove Successful

Suggests Battleship Convoy for American Vessels

Berlin, Feb. 16. (By wireless to Sayville)—Germany's purpose in declaring a sea war zone around the British Isles is explained at length in a statement made by Admiral Behncke, of the marine department, and transmitted to Lieut. Com. Walter R. Gherard, naval attache of the American embassy. It is given out officially as follows: "Up to the present time Germany in the war at sea has followed the London Declaration, or the stipulations of the Paris treaty on which the conduct of war on the sea had been based before the London Declaration.

"In waging this commercial warfare, England had in view the subjugation of Germany by starvation. Germany in every way had sought to bring the attention of the neutral powers and all others to the necessity she was under to obtain food for her civilian population which was being cut under the laws of war. No results could be obtained from her efforts.

In Need of Food. "Since the shutting off of food supplies had now come to a point where Germany no longer had sufficient food to feed her people, it became necessary for her to turn to England to terms through force. Germany knows that by the use of the submarine England can be placed in a position where food will be lacking. Her life as a nation and the lives of her people depend on putting this campaign into action, and she must do so.

"The difficulties in the way of this campaign have been largely connected with the care which, it is desired to give to neutral ships and to the lives of those on board all commercial ships, whether neutral or belonging to the enemy.

"First, in arming her merchant ships with guns for self-defense England adopted a policy against which Germans strongly protest. The United States took the initiative in this respect. Submarines cannot approach British merchant ships and make examinations without exposing themselves.

"Second, England has advised the British merchant fleet to fly neutral flags to cover up names. In spite of the care which, it is desired to give to neutral ships and to the lives of those on board all commercial ships, whether neutral or belonging to the enemy.

"Germany does not wish to harm American or other neutral ships or their cargoes unless carrying contraband. She is, however, in a position where her life depends upon her putting into effect the only means she has of saving herself. She must and will use this means.

"Commanding officers of submarines have been ordered to make every effort to safeguard the lives of the crews of neutral ships. It is noted that neutral ships through error of attack might be destroyed. For this reason a strong warning was issued.

"In addition to the English coast, has been mined by the British themselves for protective reasons, and would be mined by the Germans as an act of offensive warfare. Ships were therefore in danger from mines.

"In spite of the great effect the admiralty staff feel the use of the submarines will have in bringing the war to a rapid close, the admiralty do not wish to cover up names in spite of the precautions the possibility was noted that neutral ships through error of attack might be destroyed. For this reason a strong warning was issued.

"Admiral Behncke called Commander Gherard's attention to the fact that when Great Britain closed the North Sea she did not give free passage to American ships bound for the neutral country of Holland, but compelled the ships to pass through certain channels, take an English pilot aboard and undergo a sea search for contraband of war at the hands of officers of British warships.

"Admiral Behncke then said that Germany was prepared to suggest to the United States an even freer and safer method of passage for American ships bound either through the channel or to English ports—namely, that several American warships should wait in some port on the southwest coast of Ireland, and when German commerce was by wireless by an American merchant man one should proceed to the place indicated and convey the merchantman through that portion of the sea which Germany, following the example of Great Britain, has declared to be dangerous.

Surveys Convoy. "Of course," said the admiral, "ships under convoy, by the rules of international law, are not subject to search, but the country to which they belong is, upon its honor, as it were, to see that they do not carry contraband of war.

"American warships have distinctive masts and either by night or day they (Continued on Page Two.)