

GERMANY WILL NOW BE MADE TO REALIZE HOW POWERFUL A BLOW BRITAIN'S NAVY CAN STRIKE

CHURCHILL HINTS AT FURTHER ACTION BY ALLIES TO CHOK OFF GERMANY'S FOOD SUPPLIES

EVERY RIGHT TO BE CONTENT WITH RESULTS AFTER SIX MONTHS OF WAR, HE SAYS—TOTAL LOSSES AT SEA ONLY 63, EXCLUSIVE OF TRAWLERS—READY TO MEET ANY NEW ATTACKS BY ENEMY WITH RESOURCES FAR SUPERIOR TO THOSE AT OUTBREAK OF WAR—OVER MILLION MEN MOVED WITHOUT A SINGLE ACCIDENT OR LOSS OF LIFE.

London, Feb. 15, 10.50 p. m.—The countries fighting against Germany, Austria and Turkey, up to the present time, have thrown a third of their strength into the field. To maintain this force and to bring the remaining two-thirds into action will cost \$3,000,000,000 during the current year. This announcement was made in the House of Commons today by David Lloyd George, Chancellor of the Exchequer, who, with Winston Spencer Churchill, First Lord of the Admiralty, gave the British public perhaps a closer view of the mystery behind the great struggle than any that had been afforded since the outbreak of the war.

Mr. Churchill declared that Great Britain finally had decided to clamp on every ounce of sea pressure to choke off Germany's food supply, in retaliation for the German submarine policy, while Mr. Lloyd George drew additional cheering by a reference to loans to countries which he said he expected to throw in their lot with the Allies. These countries, the Chancellor said, did not name. It was the first time that a reference was made in parliament to such expectations.

The announcement of the government's decision with relation to Germany's food supplies came almost coincidentally with the receipt of two despatches from the United States, one saying that Count Von Bernstorff, the German Ambassador, had informed the Washington government that Germany was willing to stand on her submarine policy, provided Great Britain ceased interfering with cargoes of foodstuffs, and the other saying that he again had advised neutral shipping to avoid these waters, which Germany had declared would become a dangerous military area three days hence.

Mr. Lloyd George gave the details of the financial arrangements of the Allies as they were decided on at the Paris conference of the British, French and Russian ministers of finance, and put into round figures what heretofore which had been guesses—the remarkable increase in the productivity and efficiency of the Russian people by the prohibition of the sale of vodka. This productivity and efficiency he placed as high as fifty per cent.

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FULL TEXT OF BRITAIN'S REPLY IS RECEIVED

Unwarranted Interference with Legitimate Shipments Denied—Believed Compromise on Blockade Matter May be Reached.

Washington, Feb. 15.—With only three days remaining before the German Admiralty proposes to carry into effect its proclamation ordering a submarine campaign on enemy merchant ships, developments in the diplomatic situation moved rapidly today through the medium of the United States government, custodian of the diplomatic interests of the various belligerents.

At the time Count Von Bernstorff, the German Ambassador, delivered a note to the United States, which was promptly transmitted to Great Britain, in which Germany offered to recede from her plan of destroying enemy merchant ships, if restrictions placed by the Allies on shipments of conditional contraband and foodstuffs destined to the civilian population of Germany were removed, the complete text of the British reply to the American note of protest on neutral shipping, dated December 28, was received. It was laid before President Wilson.

Besides giving statistics on neutral commerce and entering a general denial that there had been any unwarranted interference with legitimate shipments, the new note contains a statement from Great Britain that the recent government decree, taking over the flour and grain supply in Germany required added precautions on the part of the allies that conditional contraband might not be permitted to reach the armed forces of the enemy. The full text will be given out until after an agreement for publication is reached with the British Foreign Office.

RUSSIANS ON OFFENSIVE THEIR OWN TERRITORY

Austro-German Army Continue Pressure on Czar's Army on Eastern Front—No Important Change in Western Theatre—Interest Centres on Outcome of German So-called Blockade.

London, Feb. 15.—The sustained Austro-German pressure on the eastern front, with the admission by Petrograd that the Russians plan to resume offensive on their own territory, is a feature of the military situation.

The British public is centering its interest just now in the outcome of the German so-called blockade of British waters, due to begin on Thursday, with special reference to its effect on neutral shipping.

The speeches in the House of Commons of David Lloyd George, and Winston Spencer Churchill, the former explaining the commercial financial plans of the allies, and the latter reviewing the naval situation and promising the utmost endeavor to cut off all German food supplies, have temporarily overshadowed the war news.

The Royal Dutch Steamship Company today suspended service to Havre on account of the German threat, and according to Berlin despatches the Dutch shipping companies have decided to suspend service to England after February 18. The British steamer Waverlet, from Penzance, struck a mine in the English Channel. The loss of life numbered twelve, and the steamer was beached.

GR. BRITAIN CAN FINANCE THE WAR FOR NEXT FIVE YEARS WITH FOREIGN INVESTMENT PROCEEDS

Chancellor of the Exchequer Lloyd George Says War For Present Year Will Cost Allies Two Billions of Pounds Sterling—Decided at Paris Conference Not to Issue Joint Loan, Except for Probable Advances to Smaller Allied States.

London, Feb. 15.—In a statement explanatory of the arrangement made at the recent conference between the Finance Ministers of France and Russia and himself, in Paris, David Lloyd George told the House of Commons this afternoon that the expenditures of the allies on the war would be two billion pounds sterling (\$10,000,000,000), during the current year, of which Great Britain was spending more money than were her two allies.

The present war, Mr. Lloyd George said, was the most expensive in material men and money that had ever been waged.

Great Britain, the Chancellor of the Exchequer told the House of Commons could finance the war for five years out of the proceeds of her investments abroad. France was able to do so for about two or three years with something to spare.

Russia, he said, although rich in natural resources, was in a different position.

PARLIAMENT HILL, OTTAWA, IN DARKNESS AGAIN LAST NIGHT

REDOUBLE VIGILANCE AGAINST RAIDERS—MILITIA DEPARTMENT AND POLICE PLACE LITTLE CONFIDENCE IN STORIES ABOUT FIRE BALLOONS SENT UP BY BOYS ON AMERICAN SIDE OF BOUNDARY—CRACK MARKSMEN ON WATCH FOR HOSTILE AIRCRAFT.

Ottawa, Ont., Feb. 15.—The parliament buildings are again in darkness tonight. Blinds are drawn to prevent the light from within revealing their locality to any hostile airman who may decide to make an attack upon the Capital. Rideau Hall, the residence of the Governor-General, is also in darkness, and there is no light to show the position of the royal mint.

The light upon the towers of the parliament buildings, which has shone when the House is in session, ever since Confederation, is out tonight for the first time.

The militia authorities have been in communication with Washington regarding the aeroplane raid, and the most thorough inquiry has been set on foot to discover the base from which the aeroplanes started for Canada.

The militia and police here place no confidence in stories which are emanating from American cities along the St. Lawrence to the effect that youngsters sent up fire balloons and that these were the cause of the scare.

VON BERSLORFF SUMMONED TO BERLIN?

London, Feb. 15, 11.10 p. m.—An Amsterdam despatch to the Exchange Telegraph Company, gives the rumor from Berlin that Count Von Bernstorff, the German Ambassador to the United States has been summoned to Berlin.

Countess Von Bernstorff, it is added had engaged passage by a steamer, which sailed Saturday, to join her husband at Washington, but she cancelled the booking a few hours before the steamer sailed.

Despatched at Washington, Washington, Feb. 15.—The German embassy tonight authorized a denial of the report that the Ambassador had been summoned to Berlin, or was contemplating leaving the United States for any purpose. It was said also that Countess Bernstorff had made no plans for a visit to America in the near future.

KID WILLIAMS WINS. Philadelphia, Feb. 15.—"Kid" Williams, the septamweight champion, outboxed Jimmy Murray, of New York, in a six round bout here tonight. Murray fought hard all the way, but was not as clever as the champion.

At Rocca Sinfaldi the body of the convent of Santa Maria fell upon several houses, burying ten persons.

PATRICK'S TO BE GIVEN A RESPITE

London, Feb. 15.—A number of Canadians who contracted illness at Salisbury Plain are convalescing at Victoria Waters, in the residence of Mr. Donald McMaster, the former Montreal barrister. Mr. McMaster has provided medical and nursing services for the men.

News has been received that the Princess Patricia, after a strenuous time alternating between the trenches and the dugouts, will be given a respite from the rigors of the firing line.

MORE EARTHQUAKE SHOCKS IN CENTRAL ITALY YESTERDAY

Rome, Feb. 15.—Renewed earthquake shocks occurred today in parts of the district in Central Italy visited by seismic disturbances several weeks ago. One person was killed and six were injured in the collapse of a house at Naphano.

GARVELL AT OLD GAME OF MUCK-RAKING

Looking for more Scandal Material—Effort to Make Political Capital for Himself.

Ottawa, Ont., Feb. 15.—F. B. Garvell, the Liberal member for Carleton is at it again. He monopolized the attention of the Commons for a while today with another of his tirades regarding New Brunswick affairs. Mr. Garvell seems bent on giving his native province a permanent black eye. He never misses an opportunity of telling the House what a low crowd some of the folks down there are. Scandal after scandal he creates and publishes abroad with all the zest of the man who revels in that class of work.

Today he was at the St. John Valley Railroad which everybody here is sick of hearing about. Nobody took any interest in what he was saying, only a few of the members remained in the chamber. He was out to make political capital against the New Brunswick government, for it is quite freely reported again here that he is to be the leader of the provincial opposition. He knows that he cannot carry Carleton for the Federal House again and he wants to use all the rest of his time at Ottawa in making hay while the sun shines.

FIND BOOTS FOR FIRST CONTINGENT WERE WELL MADE AND OF GOOD QUALITY

Ottawa, Feb. 15.—The court of inquiry appointed by the Minister of Militia to investigate complaints made regarding the boots provided for the first Canadian contingent, and their report was presented to parliament today by Sir Robert Borden. The board, which consisted of Lt.-Col. W. H. Hallock and Messrs. E. A. Stephens and Thomas Galpeau, finds, in brief, that while there were numerous departures from specifications, on the whole the boots were well made and of good quality, but were not suitable for the abnormal weather conditions in England. The whole trouble seems to have been due to the great demand which had to be met within a few weeks, and the consequent insufficiency of inspection, and the necessity for using whatever materials were available at the time.

X-RAYS SHOWS RUBBER HIDDEN IN COTTON CARGO

New York, Feb. 15.—The X-ray examinations of cotton cargoes of outgoing British ships, which have been conducted by representatives of the British government for several months as a means of preventing shipment of contraband of war, revealed today that bales of cotton waste consigned aboard the White Star liner Cretic contained rubber. The Cretic is due to sail tomorrow for Mediterranean ports. The consignee was given by officials of the line as a firm in Genoa, Italy. The consignee, they said, was A. B. Newman, of this city.

The rubber was in the form of sheets and easily concealed. Each of the 18 bales in the consignment contained about four pounds.

BERLIN CLAIMS GREAT VICTORY IN THE EAST

Reported Russians Met With Disastrous Defeat in Mazurian Lakes Region.

Berlin, Feb. 15 (By wireless to London).—The following announcement was made today by the Overseas News Agency: "Field Marshal Von Hindenburg's third battle of the Masurian Lakes will prove more disastrous to the Russians than the other two, from present indications. It is believed that forty thousand Russians were captured. "Prussia is now cleared of the enemy. Indications point to a general German-Austrian offensive, from Bukovina to the Baltic. The Russians are being rolled up in many portions of the line. "Turkish advance guards drove back British divisions across the Suez Canal at Asuan and Serapeum. "Turks defeated the British at Kurma, Mesopotamia. "Wireless negotiations between Austrian and Hungarian ministers resulted in the declaration that there is sufficient corn and flour for both countries. "Dutch shipping companies have decided to suspend commercial communication with England from Feb. 18, except mail steamers."



JAMES W. GERARD. While at a theatre in Berlin United States Ambassador Gerard and a party from the American Embassy were jeered at by a man in the audience who was offended because they spoke English. This incident is indicative of the feeling which is being bred among certain classes by a newspaper campaign against the United States for selling supplies to the enemies of Germany.