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LATEST NEWS SHORT ITEMS OF INTEREST FROM VARIOUS SOURCES.

Sunken Ships

London, Thursday. Lloyd's announces that the crews of two trawlers, sunk in the North Sea, have been landed in Lowestoft.

Transport Ship Sunk

Vienna, Thursday. The Head Staff Quarters announces that an Austro-Hungarian flyer dropped a bomb upon a transport ship lying in the harbor of Durazzo and sank it.

Paper Shortage in Paris

Paris, Thursday. The shortage of paper for the newspapers grows worse each day. The *Journal*, *Matin* and *Petit Journal* have consequently decided to appear five times per week, and only with four pages instead of six.

Sarrail visits Greek King

London, Thursday. General Sarrail has had an audience with King Constantin and assured the Monarch that he had never for one moment had the intention of hurting the feelings of the Greek army.

Smyrna and Ephesus Bombarded
London, Thursday. According to a despatch from Athens several points along the coast of the Gulf of Smyrna have been bombarded. Ephesus was shelled on the 28th, 29th and 30th of January.

New Blockade Minister

London, Thursday. Mr. Asquith announces that Lord Robert Cecil has been appointed to deal with the Blockade question, and for that purpose has been given the rank of Cabinet Minister.

Troops Landed at Patras

Constantinople, Thursday. It is announced that the Entente powers have landed troops at Patras. The force consists of a mixed detachment. M. Skuludis has made a personal protest to the British Minister.

Turks Deny the News

Constantinople, Thursday. The report published in an English newspaper to the effect that a tug and six Turkish ships laden with munitions had been sunk by a British submarine in the Bosphorus is quite untrue. There have been no English submarines in the Sea of Marmora or Bosphorus for months past.

A Bad Plight

"Daily Telegraph" Draws Attention of Country to Terrible Contingency Which Threatens England.

London, Tuesday. All here now realise the peril threatening the nation and the Allies owing to the lack of sufficient freight ships and the failure to be able to protect against airship incursions. The *Telegraph* voices that sentiment editorially as follows:

The command of the sea and the most efficient use of the ocean communications of the world are essential factors to the victory of the Allies. If in either respect there is failure, the realisation of our hopes must be postponed, or abandoned—a contingency we dare not face. So far as maritime and aerial supremacy are concerned, the nation, since in war full knowledge is impossible, can only trust that all will be well, and live in faith. There is, unfortunately, accumulating evidence that the merchant shipping problem has so far not been solved, and it is not in the way of being solved. A shortage of tonnage exists, and is, indeed, increasing. Owing to various circumstances what is available is not being used to the best purpose. No one denies that conclusion, but do we realise its bearing on ourselves, our Allies, and our cause? It is a matter of importance to every man, woman, and child in these islands, because cheap and rapid sea transport lies at the very basis of our welfare. Directly or indirectly we are all of us dependent on ships for everything we require, for our agriculture and industries must either stop or be crippled if there is insufficient tonnage or if it is used inefficiently. In varying degrees, all the nations which are standing by our side in this struggle are similarly situated.

THE BULLIES OF THE BOWERY OR THE ANGLO-AMERICAN PRESS IN ACTION



Grey to Reuter: "Time for another campaign!"
Reuter to his Gun-men: "Get busy, boys! Whoop it up against Bernstorff!!
No! whoop, no pay!"
(Drawn for the C. T. by the famous Cartoonist A. M. CAY.)

Submarine Programme Must Not Be Postponed

Quite Evident That The Imperial Government Cannot Listen to Plans of Delay in the Newly Announced Naval Policy as Regards Armed Merchant Ships. American Efforts to Stave off Decisive Date for Commencement of Hostilities Regarded Merely as Attempt Towards Favoring England

by Aubrey Stanhope.

There are a considerable number of highly trained and very experienced American Correspondents here who have known full well, specially in view of the expert advice given, that the United States would do well to be very careful in interfering with the effectiveness of the submarine now, seeing that America would itself in time of war have to utilise the submarine in the broadest manner as its most effective weapon of defence; that America had not the slightest intention of seriously protesting against the new German Memorandum concerning submarine warfare.

The Memorandum

That all important Memorandum to the Neutral Powers, was dated Febr. 8, and it gave notice that the German Government having acquired the certain knowledge that the merchant ships of the enemy were one and all armed, and thus had ceased to be trading vessels, they would in future be treated as craft of war. It was simultaneously announced that a certain time, denoted as a "short period," would be given before this last measure would be adopted, in order that Neutral passengers might not be surprised and should have full warning. That was right and chivalrous, and was exactly the same kind of warning given on the occasion of the first submarine blockade on Febr. 4, 1915. The Neutral countries were given notice in order that their citizens might be warned against taking passage in merchant ships belonging to the belligerent nations, which, being armed, would be torpedoed on sight. The exact date of the termination of that brief period mentioned in the warning was not stated. But it was told later, that the respite given would be until the end of the month of February.

Since that time, all the leading American Correspondents here have known full well, specially in view of the expert advice given, that the United States would do well to be very careful in interfering with the effectiveness of the submarine now, seeing that America would itself in time of war have to utilise the submarine in the broadest manner as its most effective weapon of defence; that America had not the slightest intention of seriously protesting against the new German Memorandum concerning submarine warfare.

Notes Ignored

America for some time past, its various Notes to Great Britain having been contemptuously ignored, has decided that the time has come to curb the arrogance of the English, and the claims of England to dominate the seas and all overseas trade. And so, according to the whispers of those who are well informed as to the trend of political events, America today has veered round and is more than disposed to try and coerce the British Government into a recognition of the rights of neutrals, those rights which the Washington Cabinet so proudly decided to champion and which so far it has championed in vain. And, as everyone can clearly see, Germany is the one and only country which can help the United States to force the British hand and compel that country to respect the rights of neutrals. Hence everyone may be quite sure that the United States Government will not oppose the new submarine blockade of England and France, whether pursued in western or eastern waters, in the Atlantic or the Mediterranean.

Within the last twenty-four hours, the assembled American Correspondents have been allowed to telegraph to their various newspapers, that Germany has no inclination to postpone its activities as regards attacking armed merchant ships with submarine boats. That is the clear and concise reply to the frantic efforts made by the English to obtain a respite; it may be taken as quite sure that Germany has no intention of postponing its submarine activities as exercised against armed merchant ships and that when ready she will go ahead.

As far as is known the situation is about as follows. Mr. Lansing apparently considers that the "Lusitania" question is not finally settled. At the same time Germany believes that the settlement of the "Lusitania" question in no way stands in the way of the action proposed by Germany as regards the armed merchant ships. In Germany the belief is that the "Lusitania" case is, to all intents and purposes, at an end.

No Delay

Undoubtedly the attitude of Mr. Lansing, in which he proposes that one month's notice should be given, in order that all possible American travellers may be in safety, has given the impression that America is seeking to place impediments in the way, to stop Germany from using its most potent weapon at sea. Such delay would of course be beneficial to England, giving that country ample time to get ready and store up provisions and ammunitions. Therefore in German eyes it is all important to avoid any delay. It may therefore be taken that Germany will not be willing to

(Continued on Page 2.)

U-Boat Policy Decided upon by Germany

Secretary of State von Jagow Gives
Interview to The New York World
Correspondent Upon the Subject
of the Coming Submarine
Warfare Against Armed
Merchantmen

Once again the well known representative of the *New York World* has a news primer, this time in the form of a highly interesting interview with Secretary of State von Jagow, upon the all absorbing subject of the newly adopted policy which Germany has decided upon as regards armed merchantmen. Amongst other things the Secretary of State said are the following:

Not Admissible

"The German Government takes the stand, firstly, that in these times it cannot be admitted that armed merchantmen be permitted, and, that the arming of such ships with cannon and artillerymen stamps them as auxiliary cruisers intended, to all intents and purposes, for offensive warfare.

"Secondly, that the needs of modern warfare at sea give no right to the arming of merchant ships. That international law, which provided for the arming of such ships for defensive purposes, no longer stands good. It was introduced in olden times in the days when ships were in danger of attacks from sea-robbers and pirates, but sea-robbers and pirates have not existed within the past fifty years."

The Secretary of State admitted that he was entirely without news from Washington and had no idea what Mr. Lansing proposed doing and continued:

"The underlying principle of all law rests on the words: 'with the cessation of the necessity for a law, the law itself ceases to exist', that is to say that when a law becomes obsolete it can no longer be recognised. That principle has been accepted for the past century by all law-makers, and is one of the strongest foundations of Roman law, upon which, as every jurist knows, our modern law is based.

"There are no more pirates nowadays, and, by the Paris Convention of 1856, privateering was abolished and letters of mark no longer issued. It is true that America was not party to that Convention, but that has nothing to do with the present quarrel, as America does not belong to the countries at war. There is therefore no need for the law, it having of itself lapsed."

The Real Reason

Herr von Jagow went on to say, that it was evident that it would not occur to an armed merchant ship to resist a modern cruiser and that it was clear that the merchant ships were armed solely with the idea of destroying the submarine boats when these approached them for the purpose of ascertaining whether they were carrying contraband. If a submarine under such conditions should go alongside a merchant ship, it could be sunk with one shot. And, that as Germany had full proof as to the real reason for the arming of the merchant ships, and had given public evidence of that purpose, it was now found necessary to find some special means in order to avoid the danger.

"The submarine boat, he said, is a fully legitimate weapon of warfare in modern sea fighting, and even America has acknowledged that. The submarine fighting has been forced upon Germany as a means of reprisal against the totally illegal action of the English in the starving out policy, which is completely against the laws of the rights of people which the protest made by President Wilson fully demonstrates.

The present action of Germany is merely a measure of self protection against the plans of the English to arm their merchant ships for offensive purposes. Those plans have no right in law and if carried out would completely tie the hands of Germany.

Full Proof

"We have," said Herr von Jagow, "the proof that the British Admiralty gave the most minute instructions that armed merchantmen were to adopt an offensive attitude against submarine ships. And that is why we consider that we have the fullest right to believe that this pretext of being armed for purely defensive purposes is a mere feint and that those ships are to all intents and purposes auxiliary war cruisers and must be so taken. That Germany will do, just as soon as the time notice given to the Neutrals has expired."

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Decision of Germany

After showing infinite patience; patience stretched to its widest limit in order to bend as far as possible to the somewhat over sentimental attitude displayed in America; the German Government has determined to take a firm stand in the question of the treatment of armed merchant ships, which for the future will be dealt with as auxiliary war cruisers.

It is true that there exists an old law which admits the right of trading ships to arm themselves for defensive purposes. But as Secretary of State, von Jagow, tells the Correspondent of the New York World, in an interview of which we give extracts on our first page, such law was intended for times when sea-robbers and Pirates lived. But sea-robbers and Pirates have not existed for fifty years past. However for the English and their allies, no law was too old to be hunted up and used as a weapon against the Central Powers, and so the time worn and obsolete law was set forth as a reason why the Allies should be allowed to arm their merchantmen for defensive purposes. It was of course a mere blind, that word "defensive"; for the experienced gunners, shipped aboard the trading ships by order of the British, French and Italian Admiralties, were accompanied with the most minute instructions to Captains of such ships, as to the best means of attacking, ramming and sinking submarine boats and of using their cannon to the utmost advantage against submarines. Once those documents were in the hands of the German Government, the game of "bluff" was up, no country in the world could possibly take objection to such ships being treated as war craft, as the Germans and Austrians are now going to do.

There appears to exist a general belief that the President of the United States and Mr. Lansing endeavored to gain time for the Allies, and quite specially for the English. But there has grown up of late a very strong feeling in the United States, that President Wilson has not been behaving impartially and that Mr. Lansing has not been fulfilling the strict duties of the Minister of a Neutral Government. And both the President and Mr. Lansing have been called to book for their actions by a number of influential Senators and the representatives of big public vested interests. The result is, that both the President and his Secretary of State are nowadays disposed to drop their rather over-tempestuous attitude and listen to reason as stated by the German Government and seconded by the Senators and other men of influence and position in America. And the consequence is, that America will not make any trouble.

A Perpetual Protest

Greece in these days is in a state of continuous protest against the infringements of its national independence by the Powers which profess that they went to war to protect the rights of the small nations. The latest violation of the neutrality of Greece has been the landing of troops at Chios, also, in various parts of the Island of Crete, and once more British soldiers have invaded Phaleron. Mytilene, Corfu, Salonica, Othonoi, one after the other have been occupied, and on each occasion Greece has issued a formal protest. Greece is in sore straits for lack of provisions, and is so situated because it refuses the invitation of the Allies to enter into the war on their side. There again Greece protests, but all of no avail. And what can the small Kingdom do more? Nothing!

But the Hellenic nation is now forever embittered against both England and France, the two nations by tradition the friends of Greece. The Greeks are mobilised and refuse the request of the Allies to disband their army. So long as the army of occupation remains in Salonica, that long will the Greeks refuse to demobilise; such is the decision of the Skududis Government. But one may be sure, that if the ever changing aspect of the war should bring about the defeat of the Allies in Macedonia, then the Greeks will surely join hands with the Central Powers and help to wipe out the endless insults heaped upon them by the French, English and Italians. Every Greek is hoping for that day to come.

Submarine Programme

(Continued from page 1.)

accept any proposals which should give the English the advantage which it is surmised that country wishes to gain.

Method Which Failed

Owing to having in the past tried to carry out the wishes of the United States as regards submarine warfare, Germany has lost submarine boats and the lives of heroic men caused by the attacks from armed merchantmen. This having been fully proved, it is quite evident that Germany cannot in her own interests continue such war. This matter has been fully discussed in Washington and it is quite understood that the practical sense of the Washington Cabinet has immediately grasped the fairness of the contention made by Germany and practically shown by the fact of many painful sacrifices.

Stands Firm

Germany stands firm upon the documents found on the sunken ship "Woodfield," in which it was clearly shown that all merchant ships were armed, that they had skilled gunners aboard, that they had special instructions as to the best and quickest means of destroying by artillery and ramming submarine boats.

It may therefore be taken that Germany will act up to its decisions, dated February 8, and will proceed to pursue its announced submarine warfare in a manner so as to do the most efficacious work at the least possible risk to the submarines and their officers and crews.

Passengers Warned

According to a despatch from New York, the latest phases of the "Lusitania" negotiations have proved thoroughly satisfactory to both the United States and Germany.

It is also announced that Americans who were about to take passage aboard the steamer "Espagne," of the Compagnie Generale Transatlantique, received anonymous letters warning them against embarking and drawing their attention to the German Memorandum concerning armed merchant ships.

Conference In

The White House

New York, Thursday. The last conference called by President Wilson in the White House caused the utmost interest. A great number of influential party leaders had been summoned. It is stated that President Wilson seeks to get Congress to take the responsibility off his shoulders of forbidding American citizens to travel on belligerent merchant ships.

AMBASSADOR RECALLED

Geneva, Thursday. In Paris diplomatic centres it is reported that Sir Cecil Spring Rice, the British Ambassador to Washington has been recalled and that his place will be taken by the former British Ambassador to America, Lord Bryce.

Press Opinion.

Paris, Thursday. The fanatically anti-German New York Herald, which on account of its one-sidedness is very little reliable in its news, announces that the State Department has decided to break off relations with Count Bernstorff and to treat directly with the Wilhelm Strasse.

The above is given just as showing what foolish things are published in newspapers which ought to know better. As may be expected, nothing is known in official circles here of any such conditions as the Herald tells of as existing.

THE TIMES

London, Thursday. From New York the London Times published a cable giving the interview of Secretary of State von Jagow with the Special Correspondent of the New York World, von Wiegand, in which it is told that the submarine war upon armed merchant ships will commence upon March 2, after which date they will be treated as vessels of war.

AGAINST WILSON

Frankfort on the Main, Thursday. According to the Frankfurter Zeitung, a number of the newspapers in New York have taken the side of Count Bernstorff in the question of the proposed submarine warfare against armed merchantmen. They say that Wilson has constantly altered his mind upon many questions. The New York American quotes twelve different cases in which President Wilson has given example of his changeableness.

PARIS AIR SERVICE

THE NEW BROOM

Paris, Thursday. Since the last Zeppelin raid there has been a panicky feeling existing and M. Besnard has been superseded by Colonel Regnier. The new Director of Military Aeronautics whom the Parisians pin their faith upon, is an expert in aviation and also in gunnery and munitions, and has been for a year at the head of the School of Pyrotechnics at Bourges. He had already belonged to the aviation service, as Director of Material. The aviation service is now under the sole control of the Ministry of War, with Colonel Regnier as director.

Great Successes Of Germans At West Front

Three Thousand Four Hundred Prisoners Taken and Ten Kilometres Broad and Three Deep of Positions Captured. Advance at Souchez and in Upper Alsace

Coming right atop the success of the German troops about Givinchy, which the French freely admit, there appears the announcement of a far more important victory about Verdun, where 3,000 prisoners were taken and a large area of entrenched positions; also a less important but substantial victory at Souchez, where 11 officers and 348 men were taken.

(German Official Report) (Western Front)

Staff Head Quarters Feb. 23

Owing to the blowing up of mines on the 21st of February, positions of the enemy East of Souchez were seriously damaged. The total of prisoners amounted to 11 officers and 348 men. The booty 3 machine guns. East of the Meuse we attacked the positions of the enemy at about the heights of the villages Consenvoye-Azannes which for the past year and a half had been built up according to the most modern ideas of defensive works in order to hold us back and make our communications with the northern portion of the Woivre difficult. The attack stretched over a distance of ten kilometres and was pushed forward three kilometres deep. After having suffered very severe losses, the enemy left 3,000 men prisoners in our hands and a great quantity of booty.

In Upper Alsace an attack was made to the west of Feldweiler; the positions of the enemy were captured over a distance of 700 metres and 400 metres deep. Eighty prisoners were left in our hands.

Staff Head Quarters, Feb. 24.

The success east of the Meuse was followed up further. The places Brabant, Haumont and Samogneux have been taken. The entire forest district to the northwest, north and northeast of Beaumont as well as the Herbebois are in our hands.

South of Metz an advanced French post was surprised and taken prisoners in a strength of more than fifty men.

Austrian Official Report (South East Front)

Vienna, Feb. 24. Our troops in Albania yesterday beat the Italians and troops of Essad near Durazzo. Our troops captured early in the morning, the last of the enemy outposts east of Bazar Shik. Towards the middle of the day the Italian Savona brigade was driven away from its strongly entrenched position. Simultaneously another column stormed ten kilometres south-east of Durazzo the trenches of Sasso Bianco. The enemy retired in panic stricken manner and sought refuge in the inner defensive positions.

The Möwe Active Again

Madrid, Thursday. Just at the moment when people were becoming exceedingly curious to know where the famous small German Warship "Möwe" had disappeared to, a fresh and very live trace of that famous craft appears in the "Westburn" an English steamer, 3,300 tons, which has put into Tenerife, in the Canary Islands for repairs and sailing under the German flag. The crew consists of seven men, having on their caps the word "Möwe." The "Westburn" brought aboard the passengers of the British ships, "Horace," 3,335 tons; "Clan MacAvish," "Edinburgh," "Cambridge," 1,259 tons, "Flamenco," 4,540 tons, and the Belgian ship, "Luxemburg," 4,322 tons and 11 Spanish sailors. In the Lloyds Register there is an "Edinburgh Castle," 13,326 tons, but no steamer of the name of "Edinburgh."

"Westburn" sunk by her Captors.

London, Thursday. Lloyds reports from Teneriffa: The British steamer "Westburn" was taken out of the harbor by the German prize crew and sunk.

The Mystery Of the Möwe.

London, Tuesday. The Navy department is exceedingly fretful in face of the serious charges made against it for allowing the mysterious German steamer, the Möwe, to remain at large.

All kinds of versions are given concerning the "Möwe", and it has come about that the public has taken it into its head that the "Möwe" is nothing more nor less than one of the new German giant submarine boats.

The Times publishes an editorial upon the mystery of the "Möwe". It suggests that what is known as the "Möwe" is in truth the "Ponga."

THE HEALTH OF AMBASSADOR GERARD

According to latest news, Ambassador Gerard is progressing towards complete recovery in a most satisfactory way and is able to carry out his official duties without any great trouble. The Ambassador naturally suffers some pain from his accident but is otherwise in the best of health.

AUSTRIA-HUNGARY

HUNGARIAN TRAVELLER RETURNS TO CONSTANTINOPLE AFTER FRUITLESSLY ATTEMPTING TO REACH AFGHANISTAN

FASHION SHOW IN VIENNA CROWDS RUSH TO SEE THE LATEST DAINY DESIGNS FOR WOMEN'S DRESS. PRINCE HOHENLOHE VISITS STRICKEN GALICIA

Vienna, Thursday. According to a despatch from Constantinople received here there has just arrived in Constantinople, coming from Persia, the Member of the Hungarian Parliament and former Consul General Bela Rakovsky, who had just made an attempt to cross from Persia into Afghanistan, but failed to accomplish his wish, a Kurdish tribe having attacked and plundered his Caravan. He just managed to escape with his life.

According to Herr Rakovsky, who thoroughly knows the conditions existing in those regions, the British expedition in Mesopotamia is doomed to failure. As regards Persia, he says, the Central Powers cannot place any reliance or faith in practical assistance from the country, because complete anarchy and hopeless confusion reigns throughout the Empire of the Shah. There is no money, no government, and no organisation of any kind. The so-called Government in Teheran has no power whatsoever in the provinces, and each Governor just acts as he chooses. Most of the Persians hate both the English and the Russians, but from the military point of view are helpless against any armed force which may happen to come along. The Kurds, who are under the command of Russian officers, fight one another.

Herr Rakovsky says that the situation of Persia during the past few years has grown considerably worse and few people can have any idea what an absolutely lost people the Persians have become. Scarcely any roads, no railroads, no army, no cash in their treasury, the Persians have lost all cast and their country must eventually one day or the other be annexed by one of the Powers so that order may be restored where at present chaos reigns.

A Great Success

The Fashions Exhibition in the Industrial Museum continues to draw immense crowds of well dressed women who come to gain ideas as regards the latest edicts of fashion. It has come to such a point at times, that the would-be visitors have had to wait their turn outside and have to be let in in batches after waiting until there was room for them inside. It would appear that the Mantle of the moment is of the Covert Coat style, and in general, great simplicity is the vogue of the times. Jackets are to be made with bell like pleats. Materials are most varied, silk, tafetas, cloth and linen being used indiscriminately. Tea gowns of the most graceful form abound in the exhibition, and some perfectly charming visiting costumes are to be seen. Hats are of the most diminutive and some of them run to height with high narrow funnel shapes of the early Empire style. For the morning very small hats are de rigueur whilst for afternoon wear those of half size are creeping in as being more suitable to fit in with the smarter afternoon toilette.

Amongst the recent visitors to the exhibition have been: the Archduchess Isabella, Archduchess Marie Alice, Princess Anna and Princess Belli Hohenlohe, Princess Franziska Hohenlohe and her daughter, Princess Irma Esterhazy-Andrassy, Countess Nadine Berchtold, Countess Mariha Blome, Countess Margarete Wurmbrand Stuppach, Baroness Helene Beck, Baroness Hedda Skoda, Baroness Bannhaus, Baron Meroede.

A new feature of the exhibition, just inaugurated, has been the show of the Vienna Model Society, which consists of a number of the firms of the Capital that have united for trade purposes. The display is excellent.

For the Refugees

Prince Hohenlohe, the newly created Minister of the Interior has been making a trip round about Galicia, in order to find out what was most necessary to be done for the refugees who have now begun to return to their homes. At Lemberg the Prince had long conferences with the Refugees Committee. The Minister President Count Stürgkh was also present taking a lively interest. In fulfilment of the wishes of the Government, Prince Hohenlohe was able to announce that a sum of 300,000 Kronen was at disposal in order to facilitate the return of the refugees to Lemberg.

Concert for the Blind

Under the Protectorate of the Archduke Karl Stephan, the Male Choir Society of Vienna has just given a most successful Concert for the laudable object of the erection of the building of an Asylum for those who have become blind in the war. Some of the finest pieces were given, such as the "Zur Ruhe," of Josef Reiter; "Vineta," by Abt; "Im Maier," by Engelsberg.

The Court Actor, Georg Reimers, opened the evening with a recital of a Prologue by Gerhart Hauptmann. Then came the turn of Lieutenant Fritz Reimers, who recited pieces he had composed at the front and a patriotic song "Die Wacht an der Donau;" and he was followed by the well known concert-singer Richard Mayr.

The Open Tribune To Our Readers.

We shall be glad to publish any communication from our readers, but must ask contributors to attach name and address to their letters. These will be published anonymously, if so desired. The Continental Times is not responsible for the opinions of the contributors to this column. Contributors are requested to limit the length of their letters to the utmost, in order to avoid the necessity of curtailing by the Editor.

Albert Gascoigne Missing.

To the Editor.

Could any of your readers in the English War Prisoners' Camps supply information respecting the fate of Private Albert Gascoigne, No. 1533, B. Company, 9th Battalion, East Surrey Regiment? He has been missing since the battles at Hulluch and Loos on September 26th, 1915.

Any details in connection with Private Gascoigne will be gratefully received by His Brother, c/o Continental Times.

Sinking of Neutral Ships.

To the Editor.

What is the Status of the neutral ships during this world war? This question is very widely discussed. It is hard to advocate that the neutral ships should not be molested by the belligerents even if the action of the neutral vessels materially injure the interest of one of the combatants.

In this connection I should like to point out a very important historical fact, that during the Napoleonic War France destroyed neutral ships without any special consideration.

"The right to destroy neutral ships, not because they were carrying contraband, but because they might convey to the enemy information of vital importance—was freely exercised by the French Commodore Allemand in 1805 at the very crisis of the Trafalgar Campaign. In his admirable work on "The Campaign of Trafalgar" p. 214, Mr. Julian Corbett tells that on July 20th 1805 Allemand issued a ruthless order that every neutral vessel that had been in sight of the squadron while on its true course was to be captured and sunk. The authority cited by Mr. Corbett for this is Allemand's own report of his proceedings and Mr. Corbett adds, on the same unimpeachable authority, that between July 20 and Aug. 16 when he returned to Vigo Allemand saw 91 sails "Of these he sunk three English and no less than 22 neutrals." The University of Berlin. An American Student.

A Scandalous Assertion.

To the Editor.

Allow me as to one who is well acquainted with Albanian affairs, to refute a scandalous assertion which disgraces even the already so much disgraced columns of the London Times. In its number of Feb. 11th on page 6 we read the following "news" emanating from Rome:

"Prince Wilhelm of Wied, the late Upret of Albania, has arrived at Skutari and was welcomed by the Austrians and by "Prince" Bib Doda. "Prince" Bib Doda acted as Minister to the Prince in Albania, having previously been occupied in the mental vocation of selling nuts in the street."

The italics are mine. First pardon please one digression as to nobility. Prent Bib Doda is the scion of the ancient noble house of the chiefs of his clan, and as such certainly is more of a Prince, than are Peers those London editors who get their peerage for the, at least doubtful, service of pouring on the British public (mostly half educated) the produce of their gutter-press. Further, Prent Bib Doda in spite of all Anglo-Italian vituperation, remains what he is, a great Albanian patriot and a paramount leader of the sorely tried Albanian people, the trusted chief of the Nirdites and true "Son of the Eagle," who serves his own country and has not sold himself to the foreigners' gold, like Essad. But it throws curious light on such an organ of information like the London Times, that though they have at their disposal the excellent books of that noble woman and impartial authority Miss Edith Durham—who not only thoroughly knows the Albanians, and is loved by all of them,—but also tries to disseminate that knowledge among her countrymen,—the London Times yet rather publishes the lies of some stupid Italian pressfighter.

Prent Bib Doda, Chief of the glorious gallant Albanian tribe of the Nirdites, was during the reign of Abdul Hamid since his early youth, carefully kept away from Albania on the Bosphorus as a high Turkish officer and finally General in the Turkish army, because among and at the head of his own tribe he was judged to be too dangerous to the autocratic rule of Abdul Hamid. After Abdul Hamid's deposition he returned to Orsh, his peoples capital and later became Minister to the Upret William I. of Albania (Prince Wied). And it is as certain that Prent Bib Doda never did "sell nuts in the street" as it is sure that King George the Vth of Great Britain never followed this menial vocation.

Zürich, Feb. 14, 1916.

Illyricus.

GERMANY'S SILENT CONQUESTS

"The Truth About the German Nation."

Professor Fullerton's Admirable Work

Partisanship in this war is determined by many factors—by birth, by self-interest, by personal prejudice, ignorance or sentiment. If we would realize how utterly contemptible the human intellect may become during these times of international stress—we need only observe how few are the voices lifted in the camps of the partisans against the prevailing madness, error or iniquity. We must, of course, reckon with the artificial suppression of individual opinion in most of the warring states. The greater credit is therefore due to those men who defend a cause, a people or a principle solely out of their love for objective truth, for abstract justice, or sheer, cold fact.

There is, perhaps no more pernicious sentiment, no blacker bigotry, no more detestable outlandry than the phrase: "Right or wrong, my country." Followed to its natural conclusion it would lead to the complete subversion of all ethical and civilized values—it would mean the defense of crime against innocence, of wrong against right. Its primitive defiance cannot excuse its essential stupidity. If this be patriotism, Heaven preserve us from its corruption. Because a Cabinet of criminal conspirators might choose to lead or lure or fling one's country into a war with an unoffending nation, shall one give such felons an absolute right over one's soul, brain and body? Yet that is practically what every patriotic Briton (to cite the most conspicuous example) has done to-day. Patriotism—faugh!—how this mixture of ignorance, low journalism, blind hatred, fear and meanness reels unto the skies.

The true scholar, the intellectually honest man, whatever his birth, or blood, will wrest his intellect clear of these potent factors—unless, as is usually, and not always adversely, the case with the human animal—his heart outweigh his head. The man who feels it as a necessity of his nature to support a misunderstood idea, cause or people against attack, misinterpretation or calumny, follows the higher law that governs the higher man. There are Americans who, once indifferent to or even critical of Germany, now defend it with a passionate love that seems to be intensified by the very volume of the ignorance and rancor artificially engendered against it. An American of New England ancestry confessed to me that were Germany to succumb to the rage of her fanatic enemies, he felt that he too would die. Other Americans in their correspondence with me refer to the German soldiers as "our" men and that with excusable pride and reason—for these soldiers represent to them the defenders of their side—the cause is one with its champions.

From the very beginning the German cause and the world-conquering German idea have had few better or more skillful defenders than Professor George Stuart Fullerton. I recall the gratification with which I always read his articles in London. They came as a pleasant antidote to the venom of the English press.

"The Truth About the German Nation" is a bald title, and the book, despite its value and accuracy, is written in a style that might almost be called cold were it not redeemed

by "The Truth About the German Nation," by Prof. George Stuart Fullerton, Verlag R. Oldenbourg, Munich. American Publishers, Bobbs-Merrill Co. Indianapolis.

by a deep and simple sincerity. A subdued but luminous intensity may be felt in it—the scholar's desire so to present the truth that not only all men may but that all men must believe. As an intellectual man Professor Fullerton has admirably fulfilled his task—the work is one of calm precision, punctilious exactness and restrained expression. Yet as a human being pure and simple I doubt not that Prof. Fullerton had many a struggle with his impatience, scorn, or doubt. For admirable as is this little work, great as is the service its author has thereby done the German cause, and the American mind—it is nevertheless a proof of the existence of that appalling lack of knowledge which infests such vast sections of our people in all that concerns Germany.

Painfully, cautiously, tentatively Professor Fullerton brings forward the simplest facts relating to the history, character and institutions of the Germans and illustrates them by homely parallels out of our own history. The method is effective, and necessary—and there could be no better judge of this than Dr. Fullerton with his long experience as an educator. Real intellectual and artistic liberty and their unfettered expression are two goals which still lie beyond reach of the American scholar and creator. Yet the author of this work has most astutely insinuated truth and, let us hope, conviction, between the joints in the armor of the uninformed and prejudiced mind. One feels that Prof. Fullerton writes with one eye bent admiringly upon German virtues and institutions, the other cocked upon possible attacks on the part of fanatical Anglo-Americans to whom the praise of all things German is as gall and wormwood—though truth herself attest the facts.

This quite unique book, handbook in some ways though it may be, is in others a remarkable achievement both of scholarship and elucidation. The work is dedicated "to those who desire a mutual understanding among civilized nations and who work for the cause of international conciliation." To many the work will have all the value of a revelation—to all it will bring a clear picture of the inner constitution of a great power now obscured by the clouds and smoke of international fury and misrepresentation.

Professor Fullerton belongs emphatically to that class of enlightened Americans who are pro-German in their sympathies because they have realized the immense significance of the message which Germany bears to the world—and in particular its value to our own country in its present state of development. These clear-sighted scholars are the wholesome counteracting force against the reactionary and sterile Anglicism of such men as Prof. Eliot, bent on bolstering up the crumbling structure of British ideals, theories and traditions—which needed but the shock of war to make plain their inner decay.

The United States of Germany and the United States of North America (as our country should properly be called) are, each in a different manner, the two youngest and most vigorous nations in the world to-day. Yet Germany—to take issue with the first sentence in Prof. Fullerton's book—is more of a nation than America, and also more of a people—for in her we find combined the forces and the forms of centuries of experience. Only the centuries can bring this to America. At present we are a Government, and a very imperfect one—with aspirations towards a Commonwealth. In order that we may

travel safe paths it is necessary that we realize the falseness and hollowness of various English parliamentary myths, and the invalidity of various French revolutionary formulae.

It is with a deep conviction of the worth and power of the German idea that Prof. Fullerton has written this book. Both the United States and Germany have a greater part to play in the development of the nations than most of us realize. To quote his own words:

"United Germany has become a great and powerful nation. Her voice will be listened to in the future as it has not been listened to in the past. She has given the world an exhibition of what a modern civilized state can do for all classes of its own citizens, and has shown how strong a state may become through the improvement of its own social texture. Education, discipline, organization, these elements in modern civilization have had an opportunity to stand revealed in their true significance. The exhibition has been an impressive one."

It has, in fact, been the phenomenon of all history. Through this tremendous display of moral, mental and material forces Germany has already set her impress upon the soul of this century, has shown progress the roads it must pursue towards perfection. The lesson is none the less valuable because it is given amidst the throes of war—for all great changes are brought to the stubborn sons of men in elemental or cataclysmic form. He who has eyes of finer light already sees great and shining structures soaring in permanence above the havoc and misery of war. It is above all things fitting that the American thinker should recognize and point these out to his indifferent or oblivious countrymen.

A WORKING ARMY

An Address by James A. B. Scherer
President of Throop College of Technology,
Pasadena, California.

Not a larger standing army, but a great new working army is what we chiefly need here in the United States, with construction, not destruction, as its primary object, and "millions for defense but not one cent for offense," as its motto.

We students are supposed to be capable of brain work. In considering our relation to the peace movement we ought to be open minded to all the facts, and think athletically about them, remembering too, that "a condition and not a theory confronts us."

I am going to take what, in this presence, is the unpopular side of my subject, and discuss the duty of defense. And I believe there is a way of discharging that manifest duty which will prove to be an antidote to militarism.

President Wilson says that pacifists, in order to make progress, must make peace as beautiful as war. Horace Bushnell spoke of the explosive power of a new affection. And William James, that greatest American teacher, hit the nail squarely on the head in saying that so long as antimilitarists propose no moral equivalent of war, analogous, as one might say, to the mechanical equivalent of heat, so long do they fail to realize the full inwardness of the situation. Even Bernhardi is sound when he says that military service not only educates nations in war-like capacity, but it develops the intellectual and moral qualities generally for the occupations of peace. It educates a man to the full mastery of his body, to the exercise and improvement of his muscles; it develops his

mental powers, his self reliance and readiness of decision; it accustoms him to order and subordination for a common end; it elevates his self-respect and courage, and thus his capacity for every kind of work. What we have got to do is to conserve the virility and discipline and the unselfish subordination of this kind of training and turn it all in a new direction, so that it will work for welfare instead of warfare, inflaming the civic temper hereafter instead of the military temper as heretofore, but ready, when necessary, for defense.

For my part, I cannot blind my eyes to the fact that as a nation we are practically undefended—waiting passively, like some fat oyster, for the possible covetous fork, yet spending \$250,000,000 a year in the upkeep of an inadequate system, which is as heartily despised by the militarists as it is earnestly denounced by some pacifists, so that we may reasonably conclude it is no better than it should be.

Nor am I blind to the fact that we are constantly suffering enormous losses from the invasion of Nature's forces, and that these losses are largely preventable. As a nation we are eating into our capital at a fearful rate, and unless we begin to conserve our resources there is no more reason to expect our prosperous survival than there is to anticipate the resuscitation of Mesopotamia and North Africa, which were once fertile and populous, but have been obliterated as human habitations by the destructive forces of Nature; for wherever the natural resources are destroyed the human race becomes extinct.

Forest fires, which could be stopped at an expense of one-fifth the value of the marketable timber burned, cost us \$50,000,000 a year, to say nothing of the fact that our lumbering is so unintelligent that of each thousand feet we cut, 680 are wasted. Damage from floods is preventable, and yet since 1900 the direct yearly injury from them has increased steadily from \$45,000,000 to over \$238,000,000. We utilize \$62,000,000 worth of natural gas every year, the most perfect fuel known, and permit an equal amount to escape into the air, and our supply of petroleum cannot be expected to last beyond the middle of the century. Our spendthrift agriculture is indicated by the fact that our average yield of wheat is fourteen bushels an acre, as against twenty-eight bushels in Germany and thirty-two bushels in England. It is the same with our personal vitality. There are constantly about 3,000,000 people seriously ill in the United States; but more than half of this illness is easily preventable, and if we only used our knowledge we could at once add fifteen years to the average length of American life.

Here, then, we have two sets of serious conditions confronting us as students; actual but wholly needless invasion by the destructive forces of Nature, and a possible invasion by a powerful military foe in the face of inadequate defenses. As students, what are we going to do about it in a way that will make for both safety and peace?

I don't believe in a larger standing army, I believe in a great new working army to supplement our present force and to give a new direction to its controlling ideals. We have been spending enough on a standing army of 50,000 men to support, according to the more intelligent methods used by Japan, an army of a million men on a peace footing, or to enable Europe to maintain an efficient army half that large, together with reserves of regulars varying from 2,000,000 to 5,000,000, whereas, we have no reserves of regulars whatsoever. We are no more efficient in army management than we are in conservation. As to the navy, Admiral Fletcher recently testified that a foe could land at any time on almost

any foot of our 2,000 miles of coast line for anything the navy could do to prevent it.

I believe in a working army. Make the present army and navy efficient, and then take a leaf from the wise little book of economical Switzerland. Under the civil control of the government why should we not organize upon the slopes of our mountains, in the wastes of the deserts, and along the flood-threatened valleys, great camps of a constructive army of peace, trained to the conservation of resources, inured to wholesome hardship, and drilled also sufficiently in military tactics, so that they would find a noble moral substitute for war in saving life and husbanding the bounty of Nature, thus serving the State as "soldiers of the common good," yet ready also for defense whenever defense may be required? Not a dollar of their pay would be wasted, but every cent permanently invested. The hardihood of our fibre would be toned up, the loss of billions averted, the pressure of unemployment alleviated, and a peaceful army of a million men gradually built up, inspired not with military ambition but with the joy of creative achievement in the service of the State, and therefore, because they have put their own bone and muscle and blood into it, all the more ready in time of national peril to stand like a stone wall against the threatened invasion?

If Cervera slipped into Santiago when nearly the whole American navy was watching for him, can we depend on a greater navy for national immunity? If England cannot protect 200 miles of seacoast from the raids of German battleships, can we protect 2,000? But a trained and toughened citizen soldiery standing sure-footed and clear eyed on its native soil would be our bulwark in war as in peace. Use the present military posts as training schools for officers, convert your new army of experienced engineers into a great band of reservists after a limited service, substitute an earned home on reclaimed lands for a pension, and you have gone far toward solving our two-fold national problem of conservation and defense.

As Maxwell says in his great book on "The Patriotism of Peace," wars will never cease until the inspiration and patriotism and national ideals developed by such a peaceful conquest of the forces of Nature have been substituted for the tremendous stimulus which the human race has in the past drawn from armed conflicts between nations. A citizen soldiery is what we must undoubtedly have in this country, but it must be a citizen soldiery trained and inured in advance to the real hardships of war. The problem of providing adequately for the national defense of a country as large as the United States is a large problem and must be solved in a large way. Nobody, within my knowledge, has contributed so valuably toward this solution as Maxwell with his great constructive book, the best statement I have seen of the proper relations of the thoughtful American student toward the peace question. We shall never have a war unless it is the result of our own heedless indifference, apathetic neglect, and inexcusable unpreparedness.

Do not throw away your Continental Times after reading it, but send it to a friend either at home or abroad.

EXPLAINED

Milly—I rode all the way up to Harlem in the same subway car with you the other day.

Billy—That's strange. I didn't see you.
Milly—Oh. I don't know. You had a seat, and I was standing. (From Judge.)

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NEWS OF THE BUSINESS AND FINANCIAL WORLD

America's Conception of the World's Coming Tariffs and Commercial Treaties.

(Continued)

The Economic Alliance

"Although it is very doubtful that anything like the idea of an economic alliance for the permanent exclusion of Germany and Austria from trade relations with the countries at war with her will ever be carried out, it is certain that when the war ends and new commercial treaties are written the allies will make the international trade arrangements much more favorable to each other than they were before the war. There will be political reasons for doing so, and the fiscal co-operation that financing the war has made necessary will compel them to keep close together in many ways, for years. The former Russian Minister of Finance, P. L. Barck, is quoted as saying in Paris:

"It is the natural intention of Russia after the war to free herself as much as possible from her commercial and industrial connection with Germany and replace German goods by French and British. Thanks to free trade policy the commercial relations of Russia with England are greater than those with France, owing to the French duties in time of peace. It is the intention of the Russian government to develop the relation with England and France to the fullest extent. The creation of a financial pool of the allies for war purposes would remedy the present situation of the Russian exchange and form a moral nucleus of commercial and industrial activity between the allies when the constructive period of peace is reached."

In the official deliberations of the French Trade Commission formed by Delcasse, the purpose of developing every possible trade relation between the allies has been discussed, and when the organization of a campaign for foreign trade was brought up a serious proposition was put forward by a French financier for the formation of a British-French-Russian bank to offer the long credits Germany has given in the past. It was definitely decided that it was too soon to formulate the terms of a new commercial treaty with the other nations, but in order to facilitate present trade a Russian Commercial Bureau under the management of Russian customs officials has been established in Paris. Through it goods may be cleared and enter Russia without any uncertainty. There is a Franco-Russian Chamber of Commerce. The Russo-British Chamber of Commerce is no new thing. M. Barck has been a friend of it. The activity and influence of this body is indicated by the following excerpt from an article in the *Times* (London):

"The drafting of measures to promote the development of Anglo-Russian intercourse and the elimination of hindrances to this development lies within the competence of the council, if necessary, in conjunction with representatives of the government and experienced specialists. For the investigation of important questions special commissions are usually formed. For example, after the declaration of war, a commission was created on questions of trade with England via Archangel and the Scandinavian countries, presided over by S. Vostrotin, member of the imperial duma, well known for his exceptional loyalty to the Anglo-Russian cause and for his inexhaustible energy."

The World's Commercial Treaties

Now there appears to be a serious attempt forming in this country, among men who have become interested in developing a great export trade, to get modern commercial treaties between the United States and other countries. Our present treaties are rudimentary affairs. There was a time when we were making the world sit up because of our reciprocity pacts but all our reciprocity treaties are now dead and we are relying upon the "most favored nation" clauses of venerable documents yellow with age to protect our exports against discrimination in foreign custom-houses. Anybody who knows the development of commercial treaties and conventions of the past generation in Europe appreciates what this means for our trade.

Tariffs and commercial treaties are inseparable in European diplomacy. The "protective" tariffs of Europe are really bargaining tariffs, with the regulation of imports only half the purpose of them. All but a few countries have two or three columns in their schedules, the "general" column giving the maximum rates, the "conventional" column showing the minimum rates conceded in the international bargains.

A mental picture of European trade relationships before the war shows a maze of intricate special tariff concessions between all countries, regardless of political preferences. This intricacy is complicated by the working of the universal "most favored nation" clauses of general treaties, by which almost any nation may claim any concession made to another. Technically the "most favored nation" clause of this country's treaties or those of Great Britain entitles our goods or English manufactures to the best of every special commercial treaty made, and they really do obtain many favors. But Germany has taught the world how to make a tariff list with such a variety of minute classifications that one country's standard merchandise is admitted at low rates while the almost identical, but not quite, goods of another takes the classification calling for a high duty. The country protected by the "most favored nation" clause is welcome to the low duty that is of no use to it.

The Russo-German Treaty

The commercial treaty between Germany and Russia of 1894, said to be the most elaborately developed thing of the kind ever made, was supplemented by the trade convention in 1904, while the war was on. It was to expire in 1917, and is has been openly stated that Russia was aiming so that she might be in a more independent position when Germany should seek a renewal of it.

This treaty contained in detail the full customs schedules, on both sides, of Russo-German commerce. Additional paragraphs covering many pages fixed the construction to be placed on classifications. The treaty provided for the mutual recognition of each other's corporations. A hundred and one details covering the smooth transaction of business between the two countries were in it. For instance, a provision enabled merchandise shipped from one country to the other and then returned, for any reason, to obtain a full return of duties on passing back. This is an important minor item in trade. Personal baggage and estates for traveling passed freely in crossing the customs boundaries. Facilitation of customs inspection on ferries crossing boundary rivers was agreed upon.

This treaty was prepared with the active assistance of an association of German commercial bodies that furnished the members of an official body of commercial and industrial experts to work with the diplomatic representatives and the Minister of the Interior of Germany. These men knew German industry, Russian industry, and the necessities of German commerce in both directions. It has, in the last few years, been bitterly attacked by Russian commercial interests, who charged that it not only favored German industry at the expense of Russia's commercial relations with the rest of the world, but even stifled Russian industrial development through its subsidies.

The trend in commercial treaties is toward the extensive use of diplomacy to smooth the path of trade.

As said before, the United States is now a party to no modern commercial treaties. There is a special pact with Cuba which gives us an advantage in her duties. Brazil, by virtue of an unwritten understanding, continues to accord us certain tariff concessions while coffee is on our free list. All our reciprocity arrangements are gone. We have no commercial treaty with Russia. We have not even a general treaty, only a consular convention, with the German empire. By virtue of certain brief agreements and exchanges of diplomatic notes we are reciprocating minor concessions with small British possessions. There are other special conventions, of comparatively minor importance. There are certain international conventions, like the one controlling "wireless," and the international copyright, but these are not ordinarily thought of as commercial treaties.

The Move For Commercial Diplomacy

But there is an organized movement gathering strength for the purpose of obtaining for United States goods unhandicapped treatment in foreign markets. It is largely a business movement, purely, by associations and individuals keen for foreign trade. There is now much talk of tariff protection when the war ends, and tariff goes hand in hand with commercial diplomacy elsewhere in the world. The Federal Trade Commission is investigating "unfair" competition in our export and import trade by foreign combinations of manufacturers. It is also studying the menace of "dumping." The Secretary of Commerce is actively interested. The Department of State is steadily increasing the effectiveness of the consular service as a means of foreign trade information, and of active, current, particular trade diplomacy.

The Chamber of Commerce of the United States is busy with a very practical work that brings it a vast fund of information that will be useful when commercial treaties are to be formulated. At the most recent meeting of the National Foreign Trade Council resolutions, of which the following are part, were adopted: "Whereas, Existing foreign tariff and administrative discriminations against products of the United States impede the full development of our export trade and possible tariff agreements among European nations, following the war, may vitally affect our foreign commerce, it is, therefore,

"Resolved, That it is the sense of the National Foreign Trade Council that the highest interests of the United States require that the authority conferred upon the president to negotiate commercial agreements should be so exercised as to assure American exports reciprocal and equivalent foreign tariff treatment in return for the valuable market here given to foreign products, and to obtain the removal of undue discriminations against the products of the soil and industry of the United States. Since adaptation of this phase of the tariff to the necessities of the changing international commercial relationships peculiarly requires expert and national, rather than political and sectional consideration,

"Further Resolved, That to contribute to public knowledge of this question, and to seek to establish the principle that future tariff revisions, by whatever party undertaken, shall proceed with effective economic regard to the interests of export trade, the National Foreign Trade Council hereby recommends the establishment of a tariff committee of seven members, appointed by the chairman, to include at least three active business men and one tariff expert, who may or may not be members of the council and whose duty it shall be to investigate and report to the council upon the efficiency of the present United States tariff system for the promotion of export trade and its protection from undue discriminations by foreign governments, the necessary expenses to be borne from the funds of the council."

French and Russian newspapers are talking with enthusiasm of inviting the United States into their "economic alliance." This is an indication of friendliness that ought to give us favorable standing in commercial treaty negotiations should we see fit to go into them later, although, obviously, this country could not depart from its ancient policy of commercial dealing without favor or political discrimination with the rest of the world.

(To be concluded.)

Reichsbank Return of February 15, 1916

Assets.	Feb. 15, 1916	against Feb. 7, 1916
	In 1000 Marks	In 1000 Marks
Total Coin and Bullion	2,498,920	+ 3,726
Of which Gold	2,455,850	+ 899
Treasury Notes	419,248	-130,131
Notes of other Banks	14,450	+ 2,569
Bills discounted	5,887,493	+147,819
Advances	15,248	- 2,966
Investments	42,726	- 5,632
Other Securities	236,510	+ 24,446
Liabilities		
Capital stock	180,000	no change
Reserve Fund	80,550	no change
Notes in Circulation	6,374,300	- 76,534
Deposits	1,742,712	+116,739
Other Liabilities	287,039	- 374
Total Business	—	- 47,302
Bank Discount	5%	5%

During the week ended February 15 gold held by the Reichsbank has increased by 900,000 Marks to 2,455,850 million Marks. This increase is apparently small as compared with previous weeks, but is due to the fact that considerable payments in gold were made to foreign countries.

Silver on hand has increased by 2,9 to 43,1 million Marks, the same as the amount of Imperial treasury notes which has reached now 43,7 million Marks.

Loan Bank certificates held by the Reichsbank have considerably decreased, i. e. from 508,6 million Marks to 375,5 million Marks.

Advances by the Loan Banks have decreased by 136,7 to 1480,5 million Marks.

Private deposits have increased by 116,7 to 1742,2 million Marks.

Notes in circulation have decreased by 76,5 to 6374,3 million Marks. Gold cover of notes has increased from 38,1 to 38,5 per cent, and their metal cover from 38,7 to 39,2 per cent.

Gold cover of deposits has decreased from 30,4 to 30,3 per cent.

Bank of England Statement

	Feb. 16, 1916	Feb. 9, 1916
Circulation	£ 32,565,780	— 299,810
Public Deposits	51,514,369	- 11,126,306
Other Deposits	99,158,058	- 1,331,225
Gov't Securities	32,839,300	+ 780
Other Securities	95,152,596	- 13,378,664
Coin and Bullion	54,819,732	+ 540,168
Total Reserve	40,704,022	+ 839,978
Prop. of res. to liab.	27%	+ 2 1/2 %

During the week ended February 16 the net influx of gold on foreign account was £430,000, and as there was a contraction of £110,000 in the coin and bullion in the note circulation, the reserve increased by £340,000. Its proportion to current liabilities rose 2 1/2 per cent. Government disbursements were largely in excess of the receipts from revenue and from the sale of Exchequer bonds and Treasury bills, public deposits being over 11 millions lower, but as other securities declined by £13,379,000, private deposits were only £1,331,000 lower on balance.

Bank of France Statement

	Feb. 17, 1916	Feb. 10, 1916
Gold in hand	5,031,110,000	5,024,560,000
Silver in hand	358,870,000	354,420,000
Foreign account current	889,990,000	912,000,000
Bills discounted	2,188,610,000	2,204,640,000
Loans	1,254,190,000	1,262,990,000
Advances to the State	5,800,000,000	5,700,000,000
Notes in circulation	14,203,470,000	14,144,740,000
Treasury account current	81,440,000	83,860,000
Other account current	1,929,370,000	1,933,230,000

New York Stock Exchange

	Feb. 21, 1916	Feb. 19, 1916
Atchafalaya	103	102 1/2
Baltimore and Ohio	86 1/4	86 1/4
Canadian Pacific	168 1/4	168 1/4
Chesapeake and Ohio	61 1/2	61 1/2
Chicago, Mil., St. Paul	94	94 1/2
Denver & R. Grande	8	8
Erie	36 1/4	37 1/4
do 1st Pref.	52 1/2	52 1/2
Qt. Northern Pref.	120 1/4	120 1/2
Qt. North. Ore. Certs.	—	45 1/4
Illinois Central	103 1/2	103 1/2
Lehigh Valley	—	77 1/2
Louisville & Nash.	121 1/4	122
Miss. Kan. & Texas	5 1/4	5 1/2
Missouri Pacific	5	4 1/4
N. Rlys. Mex. 2nd Pref.	6 1/2	6 1/2
Norfolk & Western	117	117
Norfolk Pacific	112 1/2	113
Pennsylvania	57 1/4	57 1/4
Reading	78	78
Chic. Rock Island Pac.	18 1/4	19 1/4
Southern Pacific	99 1/4	99 1/4
Southern Rwy.	20 1/4	20 1/4
Union Pacific	133 1/4	133 1/4
Union Pacific Pref.	—	82 1/2
Wabash Pref.	43	43 1/4
American Can.	62 1/4	62
Am. Car. & Foundry	—	—
Am. Sm. & Refn. Co.	102	102 1/4
Anaconda Copper	89 1/4	90 1/4
Bethlehem Steel	478	478
General Electric	171	171
Republic Iron & Steel	—	—
U. S. Steel Cor. Com.	83 1/4	83 1/4
do Pref.	116 1/4	116 1/4
Utah Copper	—	36 1/4

United States Federal Reserve Banks Weekly Statement

Combined Resources and Liabilities at the Close of Business

Resources	Jan. 28, 1916	Jan. 21, 1916
Total gold reserves	\$ 349,861,000	\$ 341,788,000
Legal tender notes, silver etc.	15,496,000	14,132,000
Total reserves	365,357,000	355,920,000
Bills discounted and bought	53,215,000	55,868,000
Investments, U. S. Bonds	21,372,000	20,242,000
Municipal Warrants	20,602,000	20,624,000
Due from Federal Reserve Banks (Net)	36,469,000	34,895,000
Federal Reserve Notes (Net)	10,761,000	13,089,000
All other Resources	9,994,000	10,658,000
Total resources	\$ 517,770,000	\$ 511,326,000
Liabilities		
Capital paid in	\$ 54,892,000	\$ 54,889,000
Government deposits	27,760,000	28,073,000
Reserve deposits (Net)	424,664,000	416,656,000
Federal Reserve Notes in circulation (Net)	10,813,000	11,571,000
All other liabilities	141,000	137,000
Total liabilities	\$ 517,770,000	\$ 511,326,000
Gold reserve against net liabilities	77.4 %	77.1 %
Cash reserve against net liabilities	80.8 %	80.3 %
Cash reserve against all liabilities after setting aside 40% gold reserve against net amount of Federal reserve notes in circulation.	81.8 %	81.4 %

New York Weekly Clearing House Return

	Feb. 19, 1916	Feb. 12, 1916
Loans	\$3,333,720,000	\$3,315,820,000
Reserve held in own vaults	515,250,000	523,040,000
Reserve in Federal Reserve Bank	169,350,000	172,160,000
Reserve in other Depositories	58,591,000	58,440,000
Net Demand Deposits	3,411,660,000	3,408,280,000
Net Time Deposits	152,800,000	156,690,000
Circulation	33,970,000	34,120,000
Excess Reserve	155,850,000	167,800,000

German Pig Iron Production in January 1916

The German pig iron production reached in January 1916 with 31 work days 1,077,045 metric tons against 1,029,144 metric tons in December 1915 with 31 work days. The average daily output reached in January 34,743 metric tons compared with 33,198 metric tons in December 1915.

Table No. 1 shows the comparative output during the last few years in metric tons.

	1916	1915	1914	1913
January	1,077,045	874,133	1,566,696	1,611,345
February	—	803,623	1,445,911	1,493,877
March	—	938,438	1,602,896	1,679,463
Total for the first quarter	2,616,194	4,615,502	4,734,685	4,784,685
April	—	938,79	1,534,429	1,588,701
May	—	985,968	1,607,211	1,643,060
June	—	93,496	1,531,313	1,609,718
Total for the second quarter	2,918,143	4,672,953	4,841,418	4,841,418
July	—	1,047,503	1,564,345	1,648,818
August	—	1,050,610	1,586,661	1,640,016
September	—	1,033,078	1,580,087	1,590,849
Total for the third quarter	3,131,191	2,731,093	4,879,683	4,879,683
October	—	1,076,343	1,729,841	1,653,051
November	—	1,019,122	1,788,956	1,589,965
December	—	1,029,144	1,854,186	1,611,250
Total for the fourth quarter	3,126,709	2,372,983	4,853,286	4,853,286

Table No. 2 shows the production of the various grades of pig iron during the last few months, in metric tons.

	1916	1915	1915	1915
January	164,401	164,372	160,897	172,036
February	16,875	19,997	17,736	11,618
Bessemer	682,576	642,283	642,603	540,325
Thomas	191,354	183,681	177,393	124,020
Spiegelisen	21,840	18,861	20,493	26,132
Puddle	—	—	—	—

The following districts participated in the January output, the December output in parenthesis:

	1916	1915	metric tons
Rhenish-Westphalia	474,734	(546,331)	
Siegerland and Hesse-Nassau	70,721	(66,187)	
Silesia	69,260	(66,126)	
North Germany	21,152	(20,129)	
Central Germany	31,942	(29,724)	
South Germany and Thuringia	21,774	(20,416)	
Saar District	69,730	(64,061)	
Lorraine	150,316	(157,508)	
Luxemburg	158,417	(148,132)	

The American Dry Goods Market

Indications are multiplying as to the growing anxiety of buyers, especially those operating on a large scale, as to their ability to obtain adequate supplies of merchandise, says the Dry Goods Economist. Particularly is this the case as regards distant deliveries. Large operators in colored cottons, for example, are offering orders to manufacturers for the season of 1917. Incidentally, such offers are not being accepted, mills being deterred from such action by uncertainty as to raw material prices, the dye shortage and demands for higher wages in various textile centres.

Buyers of merchandise for immediate selling are also coming into the market at an unusually early date. A large percentage of the spring dress fabrics, silks and certain other lines, has already been bought, but on such lines as women's garments, millinery and dress accessories, whereon orders are placed much closer to the period of retail distribution, buyers are beginning to show exceptional activity. And in the lines where provision for spring requirements had already been largely effected additional orders are being placed.

Exchange Rates

	Feb. 24, 1916	Feb. 23, 1916
	asked offered	asked offered
New York	5.39	5.41
Amsterdam	236	236 1/2
Copenhagen	154 1/4	154 1/4
Stockholm	154 1/4	154 1/4
Christiania	154 1/4	154 1/4
Switzerland	104 1/4	105 1/4
Vienna	68.70	68.80
Bucarest	85 1/2	85 1/2
Sofia	77 1/2	78 1/2

Exchange Rates New York

	Feb. 21, 1916	Feb. 19, 1916
Exchange Berlin 60 days sight	74 1/4	74 1/4
Exchange Paris 60 days sight	5.8800	5.8750
Exchange London 60 days sight	4.7150	4.7150
Cable Transfers	4.7700	4.7700
Call Money	2	2

American Wool Supply Decreasing

Wool production in the United States in 1915, according to the Bureau of Crop Estimate, was 288,277,000 pounds. In the preceding year it was more than a million and a half pounds greater, and in 1913 the total clip was 296,175,000 pounds. While the average price of 23.4 cents a pound, compared with 15.7 cents in 1913, made this clip more valuable to the producers, it is disturbing to see evidence of a waning of the production of one of the most essential textiles.

In 1900 there were 61,000,000 sheep in the United States, and the population was 76,000,000. In 1915 there were 49,000,000 sheep and a population of over 100,000,000. This is a decrease of 19 per cent. of the wool producers and an increase of 23 1-3 of wool consumers.

America has been trying to mend this disparity by increasing importations. In 1870 it was necessary to import 23 per cent of the wool that went into domestic manufacture. In 1913 45 per cent. were imported. Today America wants 50 per cent., but finds a difficulty in getting it. World production of wool has also lagged behind consumptive demand. Nearly half the commercial wool is produced in Australasia and Argentina. By direct and indirect methods Great Britain is able to command this supply, and so long as the