

BERLIN PEACE TALK DOES NOT HALT U. S.; WON'T YIELD ON U-BOAT WAR

ARMY AND NAVY PLANS RUSHED CONGRESS BUSY

(Associated Press Service by Federal Wireless)

WASHINGTON, D. C., Feb. 6.—Hoping for honorable peace, Uncle Sam is going steadily ahead with possible war in view.

Today's earlier despatches lightening the war-cloud has not halted military preparations nor changed the determination of the United States to stand absolutely by its demands for restriction of submarine war in accordance with international law.

Germany's disposition to regard the break in relations with calmness and deliberation and in a peaceful spirit, as expressed by Dr. Alfred Zimmermann, secretary of foreign affairs, brings encouragement to those hoping that the break will not go to the point of further severance.

Nevertheless it is realized that the real test comes in the performance of the German campaign of unrestricted U-boat warfare. While hoping that hostilities may not be necessary, the American officials show no disposition to recede from their position that American lives and property must be protected, whatever measures may be necessary.

Preparation for eventualities today went steadily forward in all branches of government.

Three emergency measures to the navy bill were presented to the house today by Congressman Padgett, chairman of the house naval affairs committee. These measures propose the issuance of \$15,000,000 three per cent bonds, for five years, to cover the cost of quick delivery of ships, war supplies, submarines, destroyers and ammunition.

One measure is for an appropriation of \$1,000,000 for the purchase of basic patents in the manufacture and development of aircraft.

Blanket authority is being given the president and secretary of the navy to order ships and materials from any plant, within the limits of naval appropriations; and to take possession of plants refusing to give the government precedence, also to draft employees of private plants for use in naval establishments.

Army "On The Job" in Honolulu, Helps to Guard City and Keep Order During Tense Days and Nights



Two photos above show 2nd Infantry troops from Fort Shaft. er encamped in capitol grounds, where public buildings, including armory, are guarded. Below—Soldiers on duty around Pier 7 (Alakea wharf). It was just west of this that the Locksun, the Geier and the Pommer were lying during the exciting events of Sunday morning.

NAVY CENSORSHIP TABU IS LIFTED

At 9:30 this morning the naval censorship was entirely lifted on cable news and newspaper correspondents who had been under rigid restrictions were able to communicate freely with their mainland offices.

Yesterday afternoon, as told in late editions of this paper, the censorship on incoming messages—which had already been censored on the coast—was lifted. Today the censorship on outgoing press matter was lifted, too.

At the wireless offices messages may be received and sent out freely except that no wireless message may be sent out referring to the movements or situation of the German interned vessels Geier and Locksun. It is understood that there is no such censorship on references to the refugee merchant vessels.

This precaution, it is understood, is in line with the attempt on the part of the naval censor to preserve strict neutrality and to allow no messages to be picked up by belligerent ships at sea referring to hostile vessels.

No announcement has been made on commercial messages but it is understood the censorship is virtually off on these, also.

MAIN FEATURES OF GERMAN NEWS HERE

Hearing by immigration officials in the cases of officers and crews of refugee German steamers were expected to begin this afternoon. These hearings are private. This morning the officials were engaged in making investigations and inquiries.

Federal officials express belief that habeas corpus proceedings for the release of men held by immigration authorities would fail.

Passengers arriving on Inter-Island steamer Mauna Kea had no knowledge of occurrences here Sunday until their arrival. No information on the subject had reached Hilo up to the time of sailing Monday.

Information from an authentic source is that an official wireless was received from Hilo Monday that the steamer O. J. D. Ahlers was damaged similarly to the German refugee steamers here.

No visitors are allowed aboard the Oceanic liner Sonoma while in port here.

Inspectors of hulls and boilers will send special reports to Washington on damages to German steamers in addition to the report sent by Assistant Collector of Customs Raymond Sharp.

Henry David, Kasekahi and Chia, Kahal were arrested this afternoon by Capt. McDuffie's department charged with being implicated with the stripping of copper from the piles of Piers 15 and 16. The latest arrests makes five which have been made in all.

SUGAR TARIFF TO STAY UNCHANGED, IN REVENUE BILL

Democrats Decide to Get Needed Funds From Heavy Taxing on Large Fortunes and Profits

[Note.—While the sudden rush of war preparations will make necessary some revision of the revenue-raising plans to provide large additional sums, it is thought unlikely that there will be any further discussion of changing the sugar tariff, so that the correspondence below, though written 12 days ago, is still timely as regards sugar.]

By C. S. ALBERT
(Special Star-Bulletin Correspondence)

WASHINGTON, D. C., Jan. 25.—Sugar has been formally eliminated as a source of additional revenue by the house Democratic leaders. There is no possibility that the Payne-Aldrich rates will be restored, or a consumption tax imposed, unless an amendment to that effect is proposed and sustained in the senate. This is considered highly improbable.

As heretofore indicated excess profits and estates must bear the brunt of taxation to meet the big treasury deficit coming. Sugar neither will be given additional protection, as favored by the Republicans, nor made to pay a tax on the quantities used, as suggested by a few Democrats. It appears to be entirely out of the running.

New Measure Virtually Completed

The new Democratic revenue measure virtually has been completed. It levies a tax on excess profits and increases the existing tax on inheritances. A party caucus to approve the bill will be held in the immediate future.

The fundamentals of the bill were decided upon several days ago by the majority members of the committee, but drafting of the emergency measure was left to a subcommittee consisting of Chairman Kitchin and Congressmen Rainey and Hull. This subcommittee has worked out a bill in accordance with administration plans in rates additional revenue through the two items mentioned.

It is proposed that the excess profits shall be collected in the same manner the government now collects the income tax. There must be returns, under oath, from every copartnership and corporation, and if the internal revenue officers doubt completeness of such returns they are given inquisitorial powers to go into the taxpayers' records to show the error or substantiate his returns.

It was said today that no new machinery will be provided for the excess profits tax; that is, no new bureau in the treasury is contemplated.

Revenue Bureau to Handle

The internal revenue bureau, with the addition of a few experts on tax gathering, is regarded as being able to cope with the details of the new tax and the taking in of the shekels thereunder.

The impending treasury deficit will call for additional revenue of about \$250,000,000 during the next fiscal year. This amount, it is estimated, can be raised by a revenue bill covering two items, instead of one which revises the tariff or taxes many items.

Democratic members of the committee will submit to the caucus a proposal to raise the existing tax on inheritances 50 per cent, and to levy a new tax of 5 per cent on all "excess profits." "Excess profits" are to be construed as all profits above an 8 per cent return on capital stock plus a flat \$5000 exemption. This flat exemption of \$5000 will be allowed in all cases before the 3 per cent tax becomes operative.

It is said by Democratic members of the committee that plans to modify the income tax or tinkering with existing tariff duties, have long since been abandoned and the revenue bill, as forecast, will relate only to inheritances and excess profits.

Fortunes to Be Well Taxed

Chairman Kitchin's revised figures are that the tax on profits will yield \$220,000,000 in revenue each year. The higher rates on inheritances are expected to yield \$22,900,000 additional.

"It is estimated," said Mr. Kitchin, "that during the next fiscal year we must have approximately \$225,000,000 additional revenue. The proposed tax on 'excess profits' and the inheritance tax will yield this sum, according to our figures."

It is understood Republican members of the ways and means committee will not be called into consultation until after the Democratic caucus shall have approved the bill as drafted by the majority members of the committee. The Republicans then

Market Holds Firmer Tone

NEW YORK STOCK MARKET TODAY

	Yesterday	Today
Alaska Gold	8 1/4	7 3/4
American Smelter	99 1/4	99
American Sugar Rfg.	107	106 1/2
American Tel. & Tel.	125 1/2	125 1/2
Anaconda Copper	76 3/4	76
Atchison	103	102 1/2
Baldwin Loco.	52 1/2	51
Baltimore & Ohio	75 1/2	76 3/4
Bethlehem Steel	410	414
Calif. Petroleum	23 1/4	23 3/4
Canadian Pacific	155	155 1/2
C. M. & St. P. (St. Paul)	181 1/2	181 1/2
Colo. Fuel & Iron	44 1/2	44
Crucible Steel	67 1/2	67 1/2
Ericsson	27	27
General Electric	165 1/2	168
General Motors, New	108	107 3/4
Great Northern Pfd.	113	115
Inter. Harv., N. J.	118	118
Kennecott Copper	44 1/2	43 1/2
Lehigh R. R.	74 1/2	74 1/2
New York Central	95	95
Pennsylvania	54 1/4	54 3/4
Ray Consol.	26	25 1/2
Reading Common	91 1/2	92 1/2
Southern Pacific	92 1/2	92 1/2
Studebaker	103 1/2	100 1/2
Texas Oil	212	210 1/2
Union Pacific	135	134 1/2
U. S. Steel	107	107 1/2
Utah	108 1/2	109 1/2
Western Union	94 1/2	94 1/2
Westinghouse	52 1/2	51
May Wheat	1.73 1/2	1.74

FIVE SUNK, TOLL REPORTED TODAY

(Associated Press by Federal Wireless)

LONDON, Eng., Feb. 6.—The British ship Belford and the Norwegian bark Tamara have been sunk, says a Lloyd's despatch. Other advices are that the British steamers Floridian and Warley have been sunk.

Later today it was announced that the British steamer Port Adelaide, carrying passengers, has been sunk, and that 96 passengers and crew have been picked up.

Floridian, 4777 tons, built 1913 at Sunderland, Eng., was owned by the Leyland Co., Ltd. Liverpool was her home port.

Warley, 4196 tons, was built at Middlebro, Eng., and owned by Vickers Steamship Co., Ltd. Home port Middlebro.

Belford, windjammer, 1771 tons, built 1894 at Dumbarton, Scotland, was owned by the Ruthin Castle Ship Co., Ltd. Her home port was Glasgow, Scotland.

It will be given an opportunity to vote for or against the Democratic measure, which becomes a party measure as soon as submitted to a binding caucus.

Late News At A Glance

NEW IMMIGRATION BILL DOES NOT HIT JAPANESE
WASHINGTON, D. C., Feb. 6.—It is stated authoritatively here that there is a perfect understanding between the United States and Japan in working the new immigration law, just passed over the president's veto, and there is no apprehension of friction or difficulty between the two countries on account of the law. A study of the act does not disclose any discrimination against Japanese or any provision for their exclusion from the United States.

DEFENSE RESTS IN TRIAL OF ALLEGED "BOMBERS"
SAN FRANCISCO, Cal., Feb. 5.—The defense rested its case today in the trial of Thomas J. Mooney, labor agitator and alleged anarchist, accused of murder in connection with the killing of ten persons by the dynamiting during the San Francisco preparedness parade last July.

MAY NOW RAISE JAIL OF BOPP AND AIDES
SAN FRANCISCO, Cal., Feb. 6.—In view of the international situation, the bail under which German Consul-general Franz Bopp and his aides are held may be raised to \$50,000, the federal authorities said today. Bopp and other officers and attaches of the consulate have been convicted of violating neutrality by conspiring to blow up trains and ships carrying munitions to the Allies.

Switzerland Won't Join With U. S.

(Associated Press Service by Federal Wireless)

WASHINGTON, D. C., Feb. 5.—Information has been received here that Switzerland declines to follow the suggestion of President Wilson that other neutral countries follow the example of the United States in severing relations with Germany.

The adverse reply from Berne is the first known response received to the notes sent out by the president after the United States took action.

LONDON, Eng., Feb. 6.—The Spanish reply to the "unrestricted submarine warfare" note of the Central Powers will be made public tomorrow.

Indications Situation Less Grave

LONDON, Eng., Feb. 6.—The American steamship line announces acceptance of bookings for the steamers Philadelphia and Finland.

LONDON, Eng., Feb. 6.—An official of the Belgian relief commission stated today that the Spanish ambassador at Berlin is endeavoring to have Germany respect her previous guarantees not to sink ships carrying relief supplies for Belgium.

ALL KNOWLEDGE DENIED OF REPORT CONSUL RODIEK IS PLACED UNDER ARREST

Springing apparently from nowhere, a rumor went around the city this afternoon that German Consul Georg Rodiek had been placed under arrest by three United States soldiers and an officer. The report was telephoned to the Star-Bulletin but at the time of going to press absolutely no confirmation could be secured. The fact that Mr. Rodiek had not been at his office since before noon—according to information at Hackfeld's—was the only apparent basis for the report that he was detained. At Hackfeld's the rumor was simply laughed at as a baseless canard. The United States district attorney's office, army headquarters, the army detention camp and all other officials who could be reached declared that they knew absolutely nothing as to the rumor. With the speed of a rumor, however, it gathered up the story came to the Star-Bulletin from a number of sources, none of which knew anything definite. Up to press time the consul had not been reached by telephone.

Holland Lodges Protest Against Germany's Ruthless U-Boat War

THE HAGUE, Holland, Feb. 5.—The cloud of war has not lifted from Holland.

It was learned today that Holland has protested strongly to Berlin against the German decree declaring for unrestricted submarine warfare.

The Dutch foreign office refuses to give the details of the note of protest. Premier Cort Von Der Linden in a statement to the second chamber of the Dutch parliament declared:

"Serious events are occupying the government's attention. At the present moment it is impossible to give information regarding them. The government will not neglect to inform the chamber as soon as it is expedient. There is no reason at this moment for special anxiety."

U. S. Army Laying In Huge Stores

WASHINGTON, D. C., Feb. 6.—While the diplomatic situation is at an acute stage, naval and military preparations for actual recourse to arms are proceeding rapidly. The immediate purchase of reserve quartermasters' supplies for the army to the limit under all available appropriations was ordered today by Secretary of War Baker. Many army purchasing agents are busy laying in huge stores of all kinds.

Carranza Congratulates Kaiser

LONDON, Eng., Feb. 6.—A Reuter's despatch says that a wireless message has appeared in German papers to the effect that Gen. Carranza, "first chief" in Mexico, has sent his best wishes to Emperor Wilhelm, from Queretaro.