

GERMAN CRUISER IS SUNK; 762 MEN LOST IN BATTLE

ATTEMPT BY TEUTON SQUADRON TO REPEAT ATTACK ON ENGLISH COAST TOWNS IS FAILURE.

TWO BATTLE CRUISERS SERIOUSLY DAMAGED

British Ships Suffer Only Slight Injury—Clash Occurred Between Light Cruisers and Destroyers—Only 123 of Crew Are Saved.

Berlin, via Marconi wireless to London, Jan. 26.—Destruction of a British battle cruiser in a great naval engagement in the North sea is claimed in an official statement given out here. The German war office admits the loss of the cruiser Blecher, but declares other German cruisers engaged returned to the naval base without material damage. The British, the statement declares, "discontinued the battle 70 miles northwest of Helgoland."

London, Jan. 26.—The official statement from the British admiralty contains no mention of the reported sinking of a British battle cruiser in the North sea engagement. The German statement, however, was transmitted by wireless to London and "passed" by cable to New York.

London, Jan. 26.—An attempt by a German cruiser squadron to repeat the attack recently made on Scarborough, the Hartlepool and other British coast towns was frustrated by the British patrolling squadron, and in a running fight the German armored cruiser Bluecher was seriously damaged.

The British ships suffered only slight injury. So far as is known only 123 of the Bluecher's crew of 885 were saved.

A battle also occurred between the light cruisers and destroyers, accompanying the bigger ships, but the result of this engagement has not yet reached the admiralty.

The British were superior in ships engaged, weight of armament and speed, and the flight of the German ships into the mine and submarine-infested field possibly saved them from further losses.

Bluecher Re-rigged Last Year.
The Bluecher was a cruiser of 15,550 tons displacement, and although commissioned in 1908, was completely re-rigged last year. She was not classed as a battle-cruiser, but was in the next class to those formidable fighters. With her were the Derflinger, Germany's latest battle cruiser, which had just left the builders' hands, and the battle cruisers Seydlitz and Moltke, the latter a sister ship of the Goeben, formerly of the German, but now of the Turkish fleet, which was recently reported damaged by the Russians in the Black Sea.

The British squadron, commanded by Vice Admiral Sir David Beatty, who also was in command at the battle off Helgoland last August, consisted of the battle cruisers Tiger, Lion, Princess Royal, New Zealand and Indomitable. The first three of these cruisers mount eight 13.5 inch guns each, and even the New Zealand and Indomitable carry 12 inch guns, which are equal to those of the Derflinger, the only one of the German ships that had better than 11 inch guns.

REPORTS BRITISH SHIP SUNK

Berlin Declares Battle Cruiser of Enemy Was Lost in North Sea Engagement.

Berlin, via London, Jan. 26.—The following official announcement on the naval engagement in the North Sea was given out in Berlin:

"During the advance of our armored cruisers Seydlitz, Derflinger, Moltke and Bluecher which, accompanied by four smaller cruisers and two flotillas of torpedo boats, was steaming in the North Sea, these vessels became engaged with a British detachment composed of five battle cruisers, several smaller cruisers and 26 torpedo boat destroyers.

"The enemy discontinued the engagement after three hours' time at a point 70 miles northwest of Helgoland and retreated.

"According to the information available one British battle cruiser and one of our armored cruisers, the Bluecher, were sunk. All the other German ships returned to port."
(Signed) "Von Behnecke."

Founder of Steamship Line Dies.
Southport, England, Jan. 26.—Alexander Elder, founder of the Elder-Dempster Steamship Line, died here.

To Probe Warship Accident.

Washington, Jan. 25.—Under the usual naval procedure, Rear Admiral Howard, commander of the Pacific fleet, will appoint a board of officers to investigate the explosion on the cruiser San Diego, resulting in the death of five sailors and the wounding of eight others. Officials said that likely the inquiry is under way. The result will later be reviewed by a board and it will determine also whether the circumstances of the accident warrant court martial proceedings.

DEFENDS BELGIAN INVASION

GERMAN CHANCELLOR DENIES NEUTRALITY PACT BELITTLED.

Declares He is Surprised That Phrase "Scrap of Paper" Caused Unfavorable Impression.

General Field Headquarters of the German Armies, (in France) via Berlin and London, Jan. 26.—"I am surprised to learn that my phrase, 'A scrap of paper,' which I used in my last conversation with the British ambassador in reference to the Belgian neutrality treaty, should have caused such an unfavorable impression in the United States. The expression was used in quite another connection, and the meaning implied in Sir William Edward Goschen's report and the turn given to it in the biased comment of our enemies are undoubtedly responsible for this impression."

The speaker was Dr. Theobald von Bethmann-Hollweg, the German imperial chancellor, and the conversation occurred at the German army field headquarters in a town of northern France, and in a villa serving as the office and dwelling for the imperial chancellor, for the foreign minister, Gottlieb von Jagow, and for the members of the diplomatic suite accompanying Emperor William afield.

The chancellor apparently had not relished the subject until his attention was called to the extent which the phrase had been used in discussion of the responsibility of the war. He then volunteered to give an explanation of his meaning. In substance it was that he had spoken of the treaty not as a scrap of paper for Germany, but "as an instrument which had become obsolete through Belgium's forfeiture of its neutrality"; and that Great Britain had quite other reasons for entering into the war, compared with which the neutrality treaty appeared to have only the value of a scrap of paper.

"My conversation with Sir William Edward Goschen," said the Chancellor, "occurred Aug. 4. I had just declared in the reichstag that only dire necessity and only the struggle for existence compelled Germany to march through Belgium, but that Germany was ready to make compensation for the wrong committed."

NEW PACT WITH COSTA RICA

United States Government Begins Negotiations to Compensate for Rights in Canal Route.

Washington, Jan. 26.—The United States government has begun negotiations of a new treaty with Costa Rica designed to compensate the latter country for its rights in the inter-oceanic canal route over which this country is seeking to gain control by a treaty with Nicaragua, now pending before the United States senate.

The Senate Foreign Relations Committee, which recently reported the Nicaraguan treaty favorably, soon will receive from the state department an amendment to that pact, expressly recognizing the rights of Costa Rica in the route.

Although no price has been fixed for an option on Costa Rica's rights in the waterway, it is understood that \$1,500,000 is approximately the sum under consideration.

The United States is preparing to negotiate with Salvador and Honduras, as well as Nicaragua, for the purchase of a naval base in the Bay of Fonseca, whose waters touch all three countries.

\$1,000,000 MART IN NEW YORK

Great Terminal to Be Erected by New York Central Railroad for Distributing Foodstuffs.

New York, Jan. 26.—A great market terminal costing \$1,000,000, the first of a dozen or more planned for receiving and distributing foodstuffs in New York City with a view to reducing the high cost of living, will be erected here by the New York Central Railroad company. The project was announced by John J. Dillon, commissioner of the new state department of foods and markets.

Under Commissioner Dillon's plan this and other similar market terminals will be leased by the co-operative companies organized and conducted under rules laid down by his department. The profits of these companies will be limited to 6 per cent a year.

This first terminal will cover a whole city block. Train loads of perishable farm products will enter there and discharge their loads directly into distributing wagons.

Destroy Turk's Air Fleet.

London, Jan. 26.—A Petrograd dispatch to the Times asserts that the Russians have sunk, near Sinope, Asia Minor, the steamer Georgios on board of which were sixteen aeroplanes, comprising the entire Turkish aerial fleet.

Sleet Storm Causes Death.

New York, Jan. 28.—Sleet, freezing to smooth ice upon the sidewalks and pavements of New York, caused the death of a woman and serious injuries to scores of pedestrians through falls. Virtually all the available ambulances in the city were forced into service and at the hospitals extraordinary conditions prevailed as victims suffering from broken bones, concussion of the brain, dislocations and lesser hurts, were brought in. Traffic on elevated and surface lines was seriously hampered.

PRESIDENT PHONES FROM WASHINGTON TO SAN FRANCISCO

INAUGURATES FIRST TRANSCONTINENTAL SYSTEM BY SPEAKING DIRECTLY TO PANAMA EXPOSITION PRESIDENT.

CONGRATULATES BELL, INVENTOR OF TELEPHONE

"It Appeals to the Imagination to Talk Across the Continent," Says President—Head of American Company Listens at Jekyll Island, Georgia.

Washington, Jan. 27.—President Wilson inaugurated the first transcontinental telephone system by speaking directly to President Moore of the Panama-Pacific exposition in San Francisco. With Alexander Graham Bell, the inventor of the telephone, and President Vail of the American Telephone & Telegraph company, cut in on the wire at different points, the president extended congratulations on the achievement.

"It appeals to the imagination to talk across the continent," said the president to Mr. Moore. "I congratulate you on the fine prospects for a successful exposition. I am confidently hoping to take part in it after the adjournment of congress. May I not send my greetings to the management and to all whose work has made it possible and made it the great event it promises to be, and convey my personal congratulations to you?"

Wilson Talks to Watson.

With Dr. Bell listening on the line at New York, the president then spoke to Thomas A. Watson in San Francisco. Mr. Watson was Dr. Bell's electrician at the time of the invention of the telephone and was the first person to hear a word spoken over a telephone.

With Mr. Vail listening in on the line at Jekyll Island, Georgia, the president then spoke to Dr. Bell. The president said he could hear Mr. Moore in San Francisco very clearly.

Use Original Telephone.

San Francisco, Jan. 26.—After the first successful interchange of messages between Dr. Bell and Mr. Watson over the New York-San Francisco telephone line, the original instrument used in the first conversation between the two forty years ago was cut in on the circuit and the voices still were distinct.

As a further test, an extension was set up from New York to Jekyll Island, Ga., where Theodore N. Vail, president of the American Telephone & Telegraph company, was waiting and Mr. Watson and Mr. Vail talked over a circuit 4,600 miles long.

Mayors Rolph of San Francisco and E. Mitchel of New York, and many others, exchanged messages.

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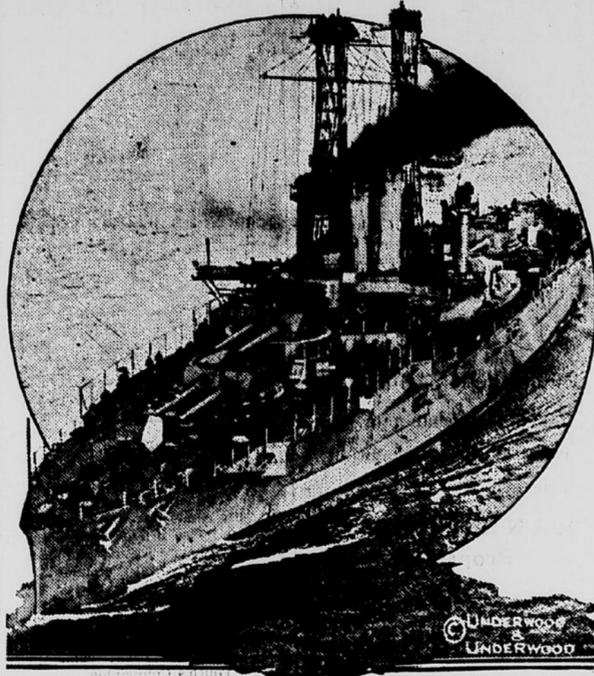
Berlin Claims 3 British Ships Sunk.

Berlin, via wireless to London, Jan. 27.—Repeating its claims that a British battle cruiser was sunk in the Sunday morning naval battle in the North sea, the German war office declared it has information that two British destroyers also were sunk and the enemy's ships badly damaged. Berlin papers declared the North sea engagement a brilliant victory for the German squadron, though regretting the loss of the Bluecher. Aside from the sinking of the German battle cruiser, Rear Admiral Hipper's squadron sustained but slight losses, it was reported here.

British Want Guarantee.

London, Jan. 27.—Unless a positive guarantee is given that the cargo of foodstuffs on the American steamer Wilhelmina, which sailed from New York for Germany, will not reach the German army, it is likely the ship will be stopped by the allies. Because of the alleged practice of the German authorities of seizing foodstuffs for army use, it is said the British officials would not regard the consignment of the foodstuff to some firm proof that its ultimate destination would be the army.

OFF FOR PANAMA CANAL PARADE



The United States battleship Utah passing under Manhattan bridge, New York, on its way to the Panama canal to take part in the official celebrations that start on February 20.

U. S. TO SATISFY GERMAN OFFICERS ON BELGIAN SOIL

WILL MAKE ARRANGEMENTS WITH TEUTON AUTHORITIES FOR CONTINUATION OF CONSULAR SERVICE.

FORMAL NOTE SENT TO BERLIN GOVERNMENT

While Not Questioning German Military Occupation the American Communication Presumes Consular Officers at Brussels Are Agreeable to Authorities.

Washington, Jan. 26.—The United States has sent a formal note to Germany which, without discussing the sovereignty of Belgium, expresses a willingness to make such arrangements as may be necessary with the German military authorities in de facto control of Belgian territory for the continuance of American consular service there.

Although the first note from Germany did not explicitly raise the issue of officials of the Washington government in making their reply carefully avoided any expression which could be construed as a political recognition of Germany's control of Belgium.

Discussion Is Awaited.

The decision of the United States has been awaited by Central and South American governments, who instructed their diplomatic representatives here to discuss it in the Pan-American Union. The note from the German foreign office sent identically to all neutral governments announced that the exequaturs, or certificates of authority, of all neutral consuls had "expired."

No reference was made in either the German note or the American reply to the status of diplomatic officers, American Minister Brand Whitlock will continue at Brussels, where he is in active charge of Belgian relief work.

Not a Political Representative.

In its reply the United States declares that it considers a consul not a political, but "a commercial representative," who derives permission to do business, irrespective of his legal right, from the authorities in direct control of the district to which he is assigned. In view of the German military occupation the United States further asserts that it "is not inclined to question at this time the right of Germany to suspend exequaturs."

Five Killed by Blast.

Vancouver, B. C., Jan. 26.—Three engineers were killed and five others injured at the British Columbia Transport company's quarry, Pitt River, 20 miles from here. A blast so shook the four acres of ground on which the company's wharf and machinery stood, that they slid off the banks into the river. More than a score of men were caught. Three still are missing. Where the company's office formerly stood is now more than 30 feet of water.

URGES SPECIAL \$5 GOLD PIECE

PAN-AMERICAN COIN WOULD HELP TRADE.

Design Typifies North and South American Continents and Should Prove to Be Popular.

Washington, Jan. 27.—Ex-Minister Horace G. Knowles, who represented the United States to Bolivia and Nicaragua, has recommended to the department of commerce and labor that the government, as a help to the popularization of the dollar in the South American trade, should coin a special \$5 gold piece in connection with the Panama-Pacific exposition, so designed that the Latin-American republics may later be prevailed upon to adopt it among their own national coins. It is the purpose to thus establish a form of money that will ultimately pass current anywhere in the western hemisphere.

On the design submitted by Mr. Knowles to the department the face of the coin bears the head of the Goddess of Liberty and that of an Inca Indian. Surmounting the heads is an inscription in Latin, "Peace, Brotherhood and Justice." Underneath the heads the numerical value of the coin is expressed thus: "5 Dollars 5."

Mr. Knowles says that the design is the only one that shows the male and female of the human race together, with the place of honor given to the woman. The design, he also points out, "typifies the North and South American continents, the forceful Inca head representing the earliest government in this hemisphere, the refined Columbian head the most modern." Mr. Knowles suggested that the reverse would probably be of special design for each of the countries adopting the "Pan-American \$5 gold piece," but that some compromise might be found even for that.

U. S. Sues Chicago Trade Board.

Chicago, Jan. 26.—The inquiry of the United States government into the increase in the price of wheat is believed to be the cause of bringing suit against the Chicago Board of Trade filed seven years ago. Jams A. Patten and Adolph J. Lichstein, brokers and members of the "call committee" of the board at the time the suit was filed, will be the first witnesses. The suit was started under the Sherman anti-trust law. It sought the abolition of the call committee, which according to the government's allegation, was composed of members of the board. The members of the committee, it is said, would meet every afternoon when the board had adjourned and fix the price of all grain.

Austrian Cruiser Sinks.

London, Jan. 26.—A dispatch to the Daily Mail from Venice says it is reported there from Trieste that an Austrian cruiser has struck a mine near the Brioni islands and sunk. The Brioni islands are at the mouth of the harbor of Pola, Austria's big naval base and arsenal on the Adriatic.

New British Secretary Named.

London, Jan. 26.—John William Guland, junior lord of the treasury, has been appointed parliamentary secretary to the treasury in succession to the late Percy Holden Illingworth.

Obregon Denies Report.

El Paso, Texas, Jan. 23.—Gen. Alvaro Obregon, commander of the main group of the Carranza forces, denied in a telegram to local agents that he had entered into an agreement with General Eulalio Gutierrez for the overthrow of Carranza.

U. S. DETERMINED TO SEE FOREIGN TRADE INCREASE

NATION CONVINCED BY EUROPEAN WAR THAT COMMERCE ABROAD IS VITAL ELEMENT IN PROSPERITY.

ALL ELEMENTS UNITE IN PATRIOTIC CO-OPERATION

James A. Farrell, Steel Corporation Head, at Foreign Trade Convention in St. Louis, Tells of Advantage Brought by War—Redfield Speaks.

St. Louis, Jan. 23.—"One week of the European war did more than 10 years of academic discussion to convince Americans that foreign trade is a vital element in prosperity. No doubt remains that the nation is determined to see its foreign commerce safeguarded and increased. Differences of opinion relate only to method."

This statement was made by James A. Farrell, president of the United States Steel corporation, at a banquet of the foreign trade convention here.

All Elements United.

"All elements are united in patriotic co-operation for the common end," Mr. Farrell said.

"What advantage the European war brings us depends largely upon changes in industrial trade relations that cannot be forecast. Meanwhile, the interests of the United States are sufficient to warrant a proper respect for neutral commerce and the United States will, in maintaining its trade at as high a level as a just regard for belligerent interests permits, serve the larger and permanent interests of those not engaged in hostilities.

"Whatever may be the political outcome of the European war it is apparent that each of the belligerents will find it essential vigorously to recover its foreign trade, to repair the ravages of its domestic commerce, to provide labor to soldiers returned to peaceful pursuits and to ameliorate the burden of taxation.

To Exploit U. S. Products.

"Diplomacy of the future, as of the past, will be intimately concerned with commercial aggrandizement. It is, therefore, of vital consequence to America's future that advantage be taken of the present opportunity to exploit the products of American invention and establish a firm foothold in the markets of the world, which neither political effort, tariff discrimination, nor low prices successfully can assail.

"Under the shipping registry over 100 vessels have been transferred to American registry. Some of the onerous restrictions of the navigation laws were suspended by executive order. It should be remembered that this notification is not a repeal of existing navigation laws, but merely a suspension. While there may be differences of opinion as to the proper policy of up-building the merchant marine, it appears to be generally recognized that as long as these restrictions are not legislatively repealed, the possibility of an enlarged American merchant marine competing successfully with the ships of other nations in time of peace will be a matter of slow growth."

Secretary of Commerce Redfield departed from his prepared speech at the convention to impress on his auditors the great opportunities for foreign trade that the war has brought American business men. He said:

"A manufacturer expecting to enter the South American market recently told me that as a preliminary he investigated the conditions of his competitors in Europe and found that it would take them four years to recover from the effects of the war, by which time he hoped to be so entrenched that his product could not be dislodged."

RELEASE AMERICAN SAILORS.

German Authorities Arrested Crew of Cotton Steamer Greenbrier at Bremen, Says Consul.

Washington, Jan. 22.—While the American government awaited Great Britain's explanation of its seizure of the American cotton steamer Greenbrier, it developed that American sailors of its crew, as well as those of the cotton ship Carolyn, had been arrested by German authorities at Bremen.

In a brief dispatch informing the state department that the sailors had been released from detention and were now free to join their ship when they left the port, the American consul at Bremen gave the first information that the sailors had been arrested and added no details.

Super-Submarine a Success.

London, Jan. 25.—The Daily Mail's Copenhagen correspondent says he learns from Hamburg that one of the new German super-submarines has just finished trial runs in the Bay of Helgoland and that she proved well suited for the purpose for which she was constructed. This giant submarine, the correspondent adds, is of the type that carries supplies for three months, and is not under the necessity of putting into a port or having recourse to the parent ship.