

PASSPORTS ARE REFUSED TRAVELERS TO EUROPE FROM UNITED STATES

First Step Taken To Meet German Decree For Unrestricted Submarine Warfare—Further Developments May Follow Quickly—President In Consultation with Secretary Lansing and Other Advisers and All Sources of Information Guarded Carefully—Situation Is Grave and Tense

By Robert J. Bender (United Press Staff Correspondent.)
Washington, Feb. 1.—President Wilson is about ready to announce this government's answer to Germany's warning of future unrestrained naval warfare. Acting upon instructions from the president, Secretary Lansing has prepared a communication, the nature of which is guarded in secrecy. At the same time, the state department has issued an order refusing passports to travelers planning to sail for European ports. This action by the state department served to increase the tension surrounding all developments today, following receipt of the German note. It was pointed out that refusal to issue passports might mean either that this government was planning to take drastic action and foresaw an inevitable break in relations between the United States and Germany, or that President Wilson has determined to modify his former stand, prevent Americans from traveling on the high seas and thus maintain this country's neutral status.

Following an hour's conference with the president this morning, during which the forthcoming communication from this government was discussed, Lansing declared he would probably see the newspapers at 3:30 this afternoon, causing general belief that there may be an official announcement of this government's decision at that time. While no hint was available from any quarter as to the president's decision in the case, the gravity of Secretary Lansing's expression after talking with the president indicated plainly that a most serious situation has developed. Aided to this, the announcement of the new passport regulation led to the conviction that a break with Germany appears imminent.

It was a rather weary gesture that Lansing, after leaving the white house, threw down on the front seat of his carriage the little black portfolio, which, during the last two years and a half, he has carried between the state department and the white house, all of the communications and memoranda bearing on the many crises this country has gone through with Germany. It was also with a note of some dejection that Lansing, flanked on all sides by newspaper correspondents, as he entered his carriage, said: "I can say nothing now, boys. Wait you please close the door and let me go on!"

Lausing is Disturbed
After conferring with President Wilson for some time, Secretary of State Lansing this afternoon positively declined to make any statement concerning the German-American situation. The premier appeared disturbed and more than usually solemn. He came nervously to the front door of the white house, peered hurriedly out for his carriage, lighted a cigarette and
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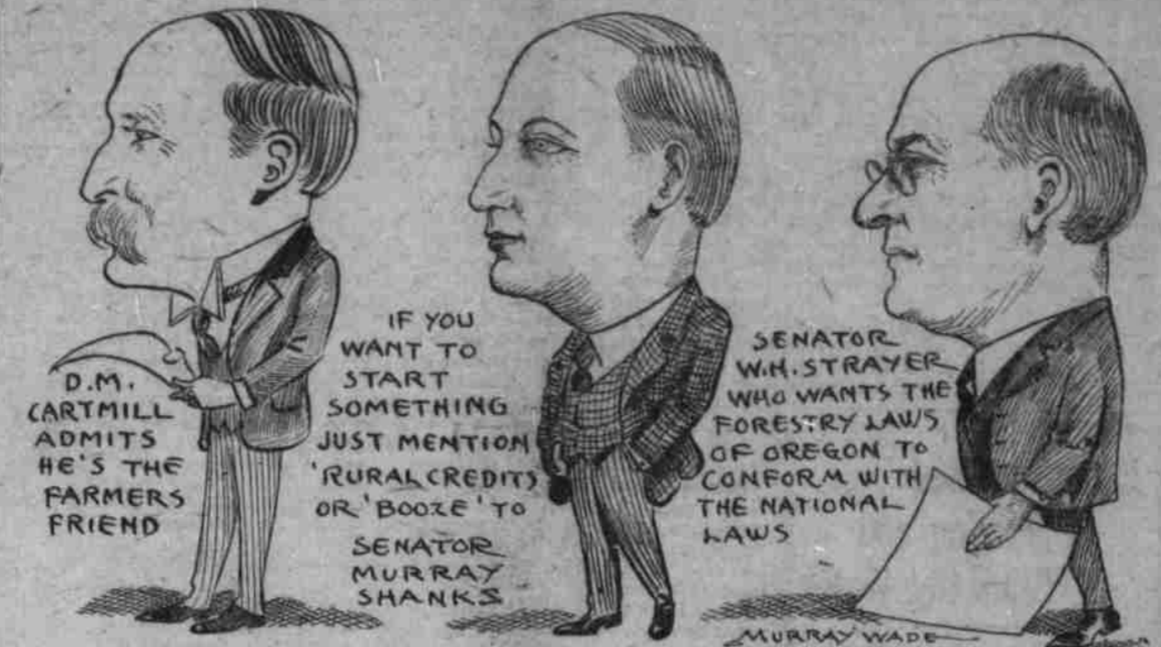
CHANCELLOR DECLARES CHALLENGE ACCEPTED FOR FIGHT TO FINISH

Von Bethmann-Hollweg Makes Address to Reichstag Uttering Defiance

Amsterdam, Feb. 1.—Germany accepts the challenge to fight to the finish and is staking everything to win. The imperial chancellor, Von Bethmann-Hollweg thus summed up Germany's attitude in a speech which he made yesterday to the main committee of the reichstag. Dispatches today from Berlin quoted the chancellor as follows: "We have been challenged to fight to the finish; we accept, and are staking everything."
"Many of President Wilson's maxims agree with our aims," the imperial chancellor said. "But the enemy's conditions mean that Germany's defensive force would be destroyed."
Continuing the chancellor, after enumerating and commenting on "the enemy's designs," declared: "I cannot express it more strongly than to say that Germany accepts the challenge to fight to a finish and is staking everything."
"In their reply to our peace offer, our opponents declared they wanted only a peace which they dictated," the chancellor continued. "Thus the whole goal of the war's continuation falls upon our opponents alone. Conditions which they made are only accepted by a totally defeated people."
"President Wilson's speech in the senate shows the sincerity of his desire for peace."
Discussing the new submarine policy, the chancellor said: "Since last Autumn the time has been ripe, and now the moment has arrived when, with the greatest prospect of success, we can undertake the enterprise. Therefore, we must not wait longer."

Situation Is Grave.
London, Feb. 1.—It is impossible to dispute the gravity of the situation, declared former Premier Asquith today, addressing a meeting at Ladybank and commenting on the German blockade order.
"But with the navy supplementing such other measures as the arming of merchantmen and acceleration of new tonnage, we may hope to counteract it," he added.
It was Asquith's first speech to the constituents whom he formerly represented in parliament since his retirement as England's prime minister, and a big crowd gave him a most enthusiastic reception.
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THESE SOLONS HAVE SPECIAL HOBBIES



House Favors "Cascade"; Another Sterilization Bill

With 41 bills up for third reading and final passage this morning when the house of representatives convened, when the assembly adjourned 15 minutes after 12 o'clock only two bills had been disposed of. These bills were H. R. No. 162, by Representative Peck, establishing a state board of eugenics, and to prevent procreation of the feeble minded and to provide for the sterilization of persons with inferior hereditary potentialities. The second bill was by Representative Stephens of Clackamas county, to establish Cascade from the eastern portion of Clackamas county.
Debate Sterilization.
Both bills produced desultory debate that lasted long and was, for the most part rather uninteresting. After Representative Peck had explained the measure and features of the sterilization measure, the opposition was taken up by Representative Langmaid who said that it was based on hereditary theory and not on practical facts. He declared that normal children are often born to feeble minded parents, and that few criminals are due to heredity but are made by environment instead of birth.
He said the proposition had been rejected by the legislature, vetoed once by the governor, and rejected on the floor by the people. He said the people do not want the bill. In other states he said it was not enforced, in some declared unconstitutional. He averred it was only an experiment and was too drastic. He stated that man was more than animal and that this bill violates the bill of rights which prohibits cruel and inhuman punishment. He declared it would take 50 years to prove whether it was a success.
Dr. Sweeney of Josephine, favored the proposition and asked why the members should fear public opinion in a case like this when the thing is right. He declared the world was being forced to come to it, and that it was an economic problem to be solved, and a step in the right direction. He said the facts do not bear out the statement that criminals are male and not born; he says more are born than made. He said the only way to cope with the animal was to take it by the horn.
Representative Mueller asked who was able to state or judge whether one person was or was not weaker and feeble minded. He averred it might be all right for criminals but it would be hard to draw the line on feeble minded. He said it was ridiculous to try to regulate social instincts and traits. He thought it was a vicious bill.
Representative Crandall was in favor of it as it was one of the most important matters of legislation that has come before the legislative body and involves a change of the lives and practices of civilization. Man, according to his opinion, is to a certain extent his brother's keeper and it is necessary for him to consider the welfare of his fellow being. The safety valve of the bill he declared was the right to a trial by a jury
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DUTCH VESSEL IS VICTIM OF NEW NAVAL POLICY

Steamer Epsilon Was Torpedoed in "Barred Zone" Early Today

ENGLISH PRESS COMMENT MOST BITTER YET PRINTED

Reprisals Against German Naval Officers Is Demanded by Some Papers

By Ed L. Keen (United Press Staff Correspondent.)
London, Feb. 1.—Germany's new submarine campaign of ruthlessness is under way.
The Dutch steamer Epsilon was the first victim to be sunk in the new "barred zone" today. Three British fishing smacks, the Merit, Watt and Wetherill were also among the first vessels known to have been sunk in pursuance of the new German order.
The Epsilon was a steel screw steamer of 3,211 tons gross, built in Rotterdam in 1913 and owned by the Vrachtwart Maats Bothuis. She was registered at Amsterdam and Lloyd's register gave her master as K. Rykboer.
The text of the note was not received in time for the morning newspapers, but with its appearance in the early afternoon editions, editors appeared their full broadsides of denunciation and vituperation.
United States commerce as well as American travelers are plainly threatened. Frightfulness is now unlimited—and the war may therefore assume an entirely new aspect shortly.
Official circles were not only surprised at Germany's open announcement of sea terrorism, but the note confirmed what they had understood and anticipated for some time. It was to take advance measures against just such a plan as Germany now announces that the recent conference of naval officials of all the allies was held in London. The recently announced North Sea mine blockade was likewise decided upon because England expected such an announcement.
Only fragmentary extracts and a general synopsis of the terms of the note were available for the morning papers. For the most part they withheld editorial comment on the note, centering their fire of indignation on Germany's announcement that she intended hereafter to sink ships. This move was regarded as only a part of Germany's future policy of unbridled warfare at sea, regardless of the consequences. There was much speculation but no official hint of the character of the threatened British reprisals.

English Press Comment

Comment of the Pall Mall Gazette was typical of all the other afternoon papers today.
"This is Germany's supreme apocalypse of horror," the editorial asserted. "The Kaiser stands as the declared protagonist of indiscriminate bestial slaughter on a prepared plan—even while he is shedding atrocious tears as to the further desolation of the war of which he is the prime agent."
"Civilization merely repeats in a stronger tone its previous answer—we will no longer be the best that the world need never fear again."
The Evening News held the note frankly declared Germany's intention to wage sea warfare hereafter without mercy and regardless of the laws of
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MAD RUSH TO UNLOAD CAUSES BREAK IN STOCKS IN WALL STREET TODAY

Hundreds of Thousands of Shares Are Dumped On Market As Result of Germany's New Submarine Policy—Leading Industrials and Shipping Stocks Slump—Chicago Wheat and Produce Markets Are Also Badly Demoralized By New Phase of Naval Warfare

New York, Feb. 1.—In a mad rush to unload, started by the German submarine proclamation, traders on the stock exchange today dumped hundreds of thousands of shares to stocks, causing a break of 2 to 26 points. Leading industrials, shipping shares and "war brides" crashed downward six to 26 points. The widest loss was in Bethlehem Steel which sold at \$375. Rails broke 2 to 7 points.

United States Steel common broke 12 points to 100, recovering 3 to 4 points when the market found support. International Mercantile Marine shares were among those hardest hit, preferred breaking 17 to 65 and common. Steel was 3 points above its morning low at noon. There were recoveries of one to ten points before 11 o'clock.

Three quarters of a million shares were dumped into the market during the first hour of panicky selling. Anglo-French loan sold down 5-8 at 92-7-8. Steel sold below par—at 99—this morning for the first time in months. Of 1,000,000 shares of stocks sold on the exchange in the first two hours, 357,000 was Steel common. Steel was 3 points above its coming low at noon, Anaconda, four points; Marine preferred four and quarter and Central Leather four.

NO STATEMENT OF GOVERNMENT'S NEXT MOVE HAS BEEN MADE

Secretary Lansing Will Make Definite Statement But When Is Not Given Out

Washington, Feb. 1.—Withholding an expected announcement of this government's contentions in the crisis with Germany, Secretary of State Lansing this afternoon refused to comment in any way on the situation.
Meeting the newspapermen at 3:30 he said:
"I know nothing to say to you, nor will I answer any questions bearing on the present situation."
If the state department intends handing Ambassador Bernstorff his passports it has not done so yet. This was officially learned at the department late this afternoon when it was announced that "we have not communicated" with the German ambassador, since he delivered the German war note yesterday.
"This announcement, the single official statement of the day, was supplemented by the declaration that there had been no additional communication from Germany."
In telling the newspapermen he would say nothing this afternoon, Lansing added that there would be nothing to report.
When the news as to the administration's course is made known, it will come in an official statement from Lansing, it was said, but when this may be expected was left just as great a secret as all the other moves of the day.

Wheat Market Demoralized

Chicago, Feb. 1.—The grain market closed with wheat showing substantial recovery from the low figures of the session. May closed at \$1.63 1/2, below the opening but 8 cents above last night's close. July closed at \$1.41 1/8, 1/8 above the opening and 5 below Wednesday's close.
The Kaiser's submarine ultimatum was the note cause. May wheat opened down 1 1/2 cents at the start, fell 3-4 cents more, but subsequently regained part of the loss, at noon standing at \$1.60 1/2, one half cent above the opening. Fully opened down 1/8, later, going down an additional 1/2 point to \$1.39 1/2. September wheat opened at \$1.29, regained 1/4, later going to
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OFFICIAL MURDERED

Olympia, Wash., Feb. 1.—E. W. Olson, chairman of the industrial insurance commission, was shot and killed in his office in the capitol building here at 1:30 o'clock this afternoon by A. C. Vandell, said to be a disappointed office seeker.
Olson was shot through the head and died instantly. Vandell was taken into custody a few minutes later.
If that German raider's captain has really been flying the American flag it shows he knows the finest looking flag on earth when he sees it.
In the case of Tom Lawson, a first class scenario writer was spoiled to make a mighty poor leaker.

Brokers' wires again carried the oft-repeated rumor that Bernstorff had been handed his passports. News of the sinking of a German ship in the Charleston, S. C., harbor also was a hour influence around the noon day period. The selling movement today was based on the war notes sounded throughout the country by the press and by public men. The market was similar to that of the days preceding the outbreak of the European war. Thousands of orders to sell "at the market" were in brokers' hands when the opening gong sounded. There was a mad rush from post to post, as brokers tried to execute orders in many different stocks before the break widened.
Wall Street today was convinced that certain German houses yesterday started selling short in anticipation of the break today, having been informed of the action Germany contemplated.
Joseph L. Lissmore, reported to have sold fifty thousand shares of steel stock yesterday, is generally credited with having played both the stock exchange and the cotton market short on a heavy scale for several days.
Covering by shorts who led the bear drive on the market was a feature of the afternoon trading.
United States Steel closed at 102 3/4, off 9 1/2; General Motors at 104; Marine common at 21 1/2; preferred at 69 1/2 and Reading at 93.
It was 3:07 before the stock exchange ticker cleared the report of the last sales on the exchange.
Sales today were 2,658,000 shares.

THE WEATHER
Oregon: Tonight and Friday fair except unsettled, probably rain or snow northwest portion; southerly winds.

IT'S GOING TO GET COOL BOYS

