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TEN PAGES

THURSDAY MORNING

DECEMBER 10, 1914

PROBS-FAIR AND COLD

London, Dec. 9--It was officially announced here today that the German cruisers Scharnhorst, Gneisenau and Leipzig had been sunk in the Atlantic. The following statement was issued by the official information bureau:

"At 7.30 a. m. on the 8th of December the Scharnhorst, Gne senau, Nurnberg, Leipzig and Dresden were sighted near the Falkland Islands by a British squadron under Vice-Admiral Sir Frederick Sturdee.

"An action followed, in the course of which the Scharnhorst, flying the flag of Admiral Count Von Spee, the Gneisenau and the Leipzig were sunk. The Dresden and Nurnberg made off during the action and are being pursued. Two colliers were also captured.

"The vice-admiral reports that the British casualties were very few in number.

"Some survivors have been rescued from the Gneisenau and the Leipzig."

The Scharnhorst, Gneisena and Leipzig Sunk-The Dresden and Numberg Damaged, But L. caped and are Being Pursued -Admiral Von Spee In Command of Enemy and Believed He Went to Bottom With His Ship-Most Important Naval Fight of War Since Heligoland Battle In August-British Came upon Enemy Tuesday Morning — Germans Lose at Least 2,000 Men, British Casualties Few-England Jubilant Over News-Escaped Cruisers Likely to Be Rounded Up Soon-Not Known How Many Ships Vice-Admiral Sturdee Has With Him.

London, Dec. 9.—A British squadron, under command of Vice Admiral Sir Frederick Sturdee, chief of the war staff, en-

Vice Admiral Sir Frederick Sturdee, chief of the war staff, engaged a German squadron, under Admiral Count Von Spee, off the Falkland Islands, in the South Atlantic, yesterday, and won a victory which is being acclaimed throughout England.

The armored cruisers Scharnhorst and Gneisenau, and the protected cruiser Leipzig, three of the German warships which had been menacing British shipping, and part of the squadron which sank the British cruisers Good Hope and Monmouth in the Pacific on November 1, were destroyed, while the cruisers Dresden and Nurnberg, the two other vessels which composed the German squadron, made off during the fight and, according to the latest accounts, are being pursued. Two colliers were captured. ers were captured

IOST IMPORTANT SEA FIGHT OF WAR SINCE BATTLE OFF HELIGOLAND.

The announcement of this engagement and victory, which was the most important naval engagement of the war, with the exception of that off Heligoland last August, was made this evening in a statement by the Admiralty of less than

The statement makes reference to some survivors rescued from the Gneisenau and the Leipzig, but no mention is made of any of the crew of the Schranhorst, which was the flagship of the German admiral, being saved, and it is presumed that Count Von Spee, his officers and men went down with

The British losses were light, but beyond the fact that the British squadron was commanded by Vice Admiral Sturdee no information is vouched regarding the ships engaged, and the newspapers are enjoined not to speculate as "other combinations may be effected."

urkish Commander at Kurn Forced to Surrender and British Now in Control of Persian Gulf, the Tigris and Euphrates Rivers.

Only Building Saved Was Labaratory Containing Valuable Scientific Machinery -3,000 Employes Out of Work -"Will Start All Over Again." Edison Announces.

Were Being Lowered in Cage To Bottom of Shaft When

BARS IN MANITOBA MUST CLOSE AT 6 P.M.

Dynamite Exploded.

GREAT BRITAIN AND PORTUGAL SIGN ARBITRATION TREATY

London, Dec. 9.—An arbitration treaty between Great Britain and Portingal has been signed in London. The treaty, which is for a period of five treaty, which is for a period of five years, is of special significance at the present moment, as it is emphasised in the premible in the following which might weaken that friendship, the alliance has agreed to the words:

"Being desirious of confirming, by

Allies on Offensive all Along Front from Swiss Border to the North Sea and Now Holding Strong Positions-Flanders Fairly Safe from German Attacks.

RUSSIA REPORTS "GRAVE DEFEAT"

OF AUSTRO-GERMAN FORCES IN EAST.

Britain Now Controls Persian Gulf—Proclamation of Holy War by Turkey Leads to Uprising Against Italians in Tripoli -Servia to Stay in Struggle to the End.

London, Dec. 9.—The victory off the Falkland Islands, where the British squadron sank the German cruisers Scharnhorst, Gneisenau and Leipzig, and the success of the Indian troops on the Gulf of Persia, where they compelled the surrender of a Turkish army, have for the moment overshadowed, so far as England is concerned, at any rate, the larger events which have taken place on the continent of Europe.

The sinking of the German cruisers materially lessens the menace to British shipping, while the success of the Indian forces has given Great Britain control of the Persian Gulf, the Delta of the Tigris and Euphrates rivers, and threatens a part of urkey on which German railway builders have had heir eyes set for years.

With this good news for the Allies comes what is considered here as a favorable French communication of the operations in Flanders and France. There is also a somewhat clearer view of what is taking place along the Russo-German front.

SUCCESSES IN WESTERN WAR AREA.

The withdrawal of German troops from the west to strengthen their armies in the east has enabled the Allies to resume the initiative along the front, reaching from the Swiss border to the North Sea, and while they have not made any marked advance they have been able, according to official announcement, to organize and consolidate the positions won in the last few days. This naturally has not been done without opposition from the Germans, who claim to have inflicted heavy losses on the French, particularly in the Argonne and north of Nancy.

Flanders is at present considered fairly safe from German attacks, which, when they do materialize is believed here will be directed more at the French centre.

· RUSSIA ADMITS LOSS OF LODZ.

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The Russians have at last admitted the occupation of Lodz by the Germans but say they evacuated the city fifteen hours before the German occupation, and that they changed their positions without the loss of a single man.

It is apparent from the various reports that there are converging German movements on Warsaw from the north and the centre, combined with outflanking movements to the southeast of Cracow. The success of any of these movements would require the Russians to turn back from Cracow, which they have not done thus far. As a matter of fact, the Russians assert that they have inflicted a "grave defeat" on an Austro-German force which tried to get around their left wing, although a later Austrian report indicates partial success in this region.

Reports of the serious illness of the German Emperor, coming through Amsterdam, have not been confirmed. He is able, however, to receive reports on the situation from the general staff.