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# The Toronto World

TWELVE PAGES—THURSDAY MORNING FEBRUARY 25 1915—TWELVE PAGES

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## NERLICH FOUND GUILTY AND GRANTED AN APPEAL

### Nineteen Newfoundland Reservists Lost With British Merchant Cruiser

#### NERLICH GUILTY OF CONSPIRACY GRANTED APPEAL

Jury Returns Verdict Against Emil Nerlich After Long Consideration.

#### WILL APPEAL CASE

Bail of Hundred Thousand Dollars Allowed Pending Further Hearing.

Guilty as charged in the indictment was the verdict rendered against Emil Nerlich in the criminal session yesterday. Nerlich was allowed his bail on a bond of \$100,000 pending the hearing of a reserve case granted by Chief Justice Mulock, at the request of I. F. Hellmuth, K.C., on the ground that the discharge of Mrs. Nerlich on Tuesday left no co-conspirator, and therefore Emil Nerlich, being the only one charged, an indictment for conspiracy could not stand. The reserve case will be prepared by the attorney-general's department and will be argued before the court of appeal in due course. The second indictment carrying the direct charge of treason against Nerlich was traversed until the spring session.

The jury took about an hour and a half to reach its decision and returned to the box once to have some of the evidence regarding Zizow's intent to leave Canada read. It returned a second time with a verdict finding Nerlich guilty of conspiracy in aiding and assisting Zizow to leave Canada. As this was not in accordance with the indictment, Chief Justice Mulock sent them back to read the indictment over again, with the result that the verdict of guilty was brought in. While the verdict is equivalent to one of treason, it being tried under section 573 of the Criminal Code, instead of section 71 which makes the charge one of conspiracy to commit an indictable offence, for which the penalty is death.

#### HUGHES TO LEAVE SOON FOR FRONT

Minister of Militia to Get a Command in Canadian Force.

#### WILL RETIRE SHORTLY

Department is in Smooth Working Order and He Could Leave.

OTTAWA, Feb. 24.—The resignation of Major-General Sam Hughes from the federal cabinet and the formal announcement that he has been given a command in the Canadian expeditionary force is expected to take place shortly. It is understood that negotiations are in progress between Sir Robert Borden and the British war office thru the medium of Sir George Perley, acting high commissioner in London, with a view to securing for General Hughes a suitable command in the composite British army now at the front.

For some time after the beginning of the war it was considered impossible by the prime minister to allow General Hughes to leave Canada, but the military department is now in smooth working order, and there is less reason for the premier to refuse to let him go. Rumor has been busy all day regarding the retirement of the minister, and it is the sole topic of conversation in the lobbies. The general statement was that the opponents of General Hughes, and there were some, had been successful in forcing him out of the cabinet.

General Hughes was credited by a friend of his tonight with saying that there was nothing in the statement as it was current, but he would not be surprised if some change took place, with honors even.

#### BOTHA'S TROOPS INVADE GERMAN EAST AFRICA

CAPETOWN, South Africa, Feb. 24.—Troops of the Union of South Africa occupied the Town of Garubeb, German Southwest Africa, on Monday.

#### MILLION PRISONERS IN ENEMY'S HANDS?

Nineteen Thousand British Included in Frankfurter Zeitung's Estimate.

#### BREAD PRICE CAUSES BIG STRIKE IN ITALY

Ten Thousand Socialists Join in Demonstration at Naples.

#### GERMAN SHIP GOTHA CAPTURED BY BRITISH

Had Provisions for Kron Prinz Wilhelm—Taken to Falkland Islands.

#### ALLIES CONSULTED ON U.S. PROPOSALS

Great Britain Submits Compromise Suggestions to France and Russia.

#### SEEK WAR ZONE'S END

Adoption of Definite Policy on Food Shipments Also Sought.

#### WILL RENEW ATTACKS ON DARDANELLES FORTS

Cessation in Operations is Believed to Be Only Temporary.

#### MANY SHOES REJECTED BY LONDON MILITARY

Lieut.-Col. Leonard Strongly Condemns Boots Supplied to Mounted Rifles.

#### CANADIAN SOLDIER IS DANGEROUSLY ILL

Private Donald Paterson, Canadian Cyclist Company, in Hospital at Rouen.

#### TO BLOCKADE AFRICAN PORTS

PARIS, Feb. 24.—The Governments of France and Great Britain have caused notice to be served on the Governor of German East Africa of a naval blockade beginning Feb. 24.

#### NINETEEN FROM NEWFOUNDLAND LOST WITH SHIP

Nearly Three Hundred Aboard British Merchant Cruiser Perished.

#### FOUNDERED IN STORM

Clan MacNaughton Not Heard From Since Early February.

Canadian Press Despatch. LONDON, Feb. 24.—Nineteen men of the Newfoundland Royal Naval Reserve were among the crew of the Clan MacNaughton, an armed merchant cruiser, which has been missing since Feb. 3, and practically given up as lost.

Twenty officers and 260 men were on board the warship. The commander and the principal officers belonged to the Royal Navy, the others to the Newfoundland Reserve.

The admiral announces the following 19 men belonging to the Newfoundland R. N. R. as lost on the Clan MacNaughton: George Bonnell, Edward Bryan, Peter Butler, H. C. Chaffee, Timothy Soudy, Stanley Crocker, Stephen Dicker, William Dyer, Albert Hallett, John Morgan, Patrick O'Brien, Francis Pike, Ralph Randall, Eugene Simmonds, Ronald Snow, Richard Squires, Edward Stone, Jonas Watkins and Philip Wheeler.

The merchant steamer Clan MacNaughton was built at Glasgow in 1911 and was of 4985 tons gross. Her length was 429 feet, beam 53 and depth 34 feet. She had been in the Indian service for the past 10 years. She was owned by Cayer, Irvine & Co. of Glasgow.

Commander Jeffrey was detached from service on the cruiser Grafton at that time and placed in command of the Clan MacNaughton. Jeffrey has had a long career in the navy. He was made a commander on Dec. 31, 1908.

Two Coasters Sunk.—A despatch to Lloyd's Agency from New Haven says the steamer Rio Parana of London, laden with coal and bound from the Tyne to Portoferraio, Island of Elba, struck a mine off the coast of the Italian Peninsula at 3 o'clock Wednesday afternoon. The explosion tore a hole in the vessel's starboard side and she filled and sank. The crew of the Rio Parana were rescued by a torpedo boat and landed at New Haven.

The British steamer Oakby was torpedoed by a German submarine off Rye yesterday. Her crew was rescued by a fishing smack and landed at Ramsgate today.

The Oakby was bound, in ballast, from London for Cardiff, Wales. She was struck on the port side. Her main hatch was blown off, her decks were splintered and the binoculars were hurled into the air. One lifeboat was swamped by the great vol-

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#### TORPEDOES SUNK BRITISH VESSEL AND KILLED

Royperana and Oakby Added to List of Submarine Victims.

#### SPEED SAVES STEAMERS

Slow-Going Craft Alone Fall Prey—No Transport Sunk.

Canadian Press Despatch. LONDON, Feb. 24.—The German blockade of the British Isles has been in effect for a week, with the result that so far as is known two Norwegian, one French and five British steamers have been sunk or torpedoed by submarines with the surprisingly small loss of four lives. Two of these steamers, the Helbridge and the Dilmora, succeeded in reaching port.

On the other side of the account it is reported that two German submarines are missing and that a third had been hit and possibly sunk by a French destroyer.

Besides the vessels which fell victims to the submarines, two American and one Norwegian steamer have been sunk by mines in the North Sea, and the Swedish steamer Specia and one or two British steamers are overdue and it is feared have been lost with their crews.

Safety in Speed.—In almost every case the steamer sunk by the submarine was a small and slow vessel, and at least three of them were caught while at anchor or in the process of unloading.

This, with the failure of a submarine to hit a fast cross-channel steamer at the point of departure, has led to the conviction of the British naval writers that steamers with moderate speed, which observe obvious precautions, can invariably escape the under-water craft, and such vessels are continuing to cross the seas.

The blockade, however, has had the effect of increasing insurance rates, and some neutral owners are keeping their ships in neutral waters.

With conditions such as these, the public both in England and neutral countries are naturally curious as to the latest proposal of the American Government to Great Britain and Germany, of which little has been allowed to be known.

The latest proposal of the American Government to Great Britain and Germany, of which little has been allowed to be known, is that the allies reply to the German blockade will be in another matter in which secrecy is being well maintained.

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#### MARINE LOSSES

The loss of the armed merchant cruiser Oster Maconaghon in the rough weather of early February is virtually admitted by the British Admiralty. There were 30 officers and 260 men aboard, including 20 men of the Newfoundland royal naval reserve.

Absolute denial is given an official report from Berlin yesterday that the English transport No. 122 was sunk by a German submarine off Beachy Head in the English Channel.

The small coasting steamer Royperana was sunk off Eastbourne, Sussex, in the English Channel yesterday, probably a result of torpedoing. The crew of 31 men was saved.

The Oakby, a British coaster, sank off Folkestone yesterday morning, after being torpedoed off the coast of Kent. The crew was saved by a fishing smack.

Confirmation of the report that the sinking of the government collier, Branksome Chine, on Tuesday was due to a torpedo, was given by the captain yesterday. No lives were lost.

#### CALLS ON GERMANY TO COERCE AUSTRIA

Count Von Buelow Believes War With Italy Inevitable Otherwise.

#### ITALIANS WANT UNITY

Government Will Be Forced to Fulfill Aspirations of Nation.

Canadian Press Despatch. ROME, Feb. 24.—(Via Paris)—Close observers in Rome of the political situation declare that since the readiness of Italy to join in the war has become apparent, the insistence of Germany upon her continued neutrality has grown stronger.

It is declared in a reliable quarter that Prince Von Buelow, the German ambassador to Italy, has summarized the Italian situation to his government substantially as follows:

"Italy has spent nearly 2,000,000,000 lire (\$400,000,000) in war preparations since the outbreak of hostilities, consequently action on her part is daily becoming more imperative. Furthermore, for internal reasons, all political parties are urging the government to obtain as a result of diplomatic negotiation, or thru the use of the Italian army and navy, the retirement of the Russian from the Province of Trent and a portion of the Iatria Peninsula, with the idea of keeping Italy neutral at the present time and enlisting her favor for the future. It has been asserted in Rome that Prince Von Buelow has said that Austria must be induced to accede to his views concerning territorial concessions to Italy, else he would resign his post."

#### RUSSIANS CUT WAY OUT OF LABYRINTH

Considerable Detachments of Twentieth Army Corps Make Escape.

#### GERMAN LOSSES HUGE

Enemy Abandons Plan of Pushing Definite Forward Movement.

Canadian Press Despatch. LONDON, Feb. 25, 2:09 a.m.—A despatch to The Daily Telegraph from Petrograd says: "The Russian military leaders expect that a considerable portion of the Russian 20th army corps will succeed in fighting its way out of East Prussia and rejoin the main Russian forces. These hopes are based on the capture of a hand-to-hand detachment of the troops, who have extricated themselves from the forest labyrinth."

Reports from the Russian line indicate that the German losses in the fighting were even larger than at first indicated, as the fighting at many places was of a hand-to-hand character. Along this front the present fighting seems to show that the Germans are not now trying to push a definite forward movement, but are merely feeling about for a weak spot in the Russian line."

#### LATEST NOTE OF U.S. TO KAISER LIKELY TO FAIL

Germany Will Not Withdraw Mines From British Waters, Says Berlin.

#### BRITAIN TO STAND FIRM

Prize Court Will Determine Fate of Foodstuff Cargo on Wilhelmina.

Canadian Press Despatch. BERLIN, via London, Feb. 24.—The American note on marine warfare, sent by the United States Government to Great Britain and Germany, is now in the hands of Dr. Von Bethmann-Hollweg, Imperial German chancellor, and Gottlieb Von Jagow, the German foreign minister, who are examining carefully the various proposals contained in it.

The German Government is not yet ready to make a statement regarding the contents of the note, but it is said that they may be regarded as the basis for further negotiations. Certain of the proposals, as an example, the removal of the mine fields around England, probably will be inacceptable to Germany, but it is thought that Germany possibly may make concessions on other points.

It cannot be said, however, that there is any great optimism in either Germany or diplomatic quarters that Great Britain will accept any of the proposals permitting the importation of great masses of troops in front of the German lines.

BRITISH MINISTERS RETICENT.—LONDON, Feb. 24, 8:07 p.m.—The foreign office is extremely reticent in discussing the American proposal made to London and Berlin outlining a plan (Continued on Page 2, Column 2)

#### RUSSIANS BLOCK LATEST PLAN OF GERMAN CHIEF

Von Hindenburg Has Four Big Armies in North Poland at Standstill.

#### MAIN HIGHWAY BARRED

Strong Positions Held by Grand Duke Nicholas Across Pathways.

Special Cable to The Toronto World. By Frederick Rensell. PETROGRAD, Feb. 24.—The important change that has come over the campaign in Poland can best be gauged by the military estimates of the present disposition of the German forces. They are believed to have barely 300,000 men stationed at selected points outside of the old positions along the Bzura and the Rawka Rivers, where the Russians are proceeding steadily with the destruction of the enemy's disorganized underground cover. Von Hindenburg has now in the north from Wroclaw stretching eastward about parallel with his front, nearly a million men, divided into four armies. These are spread along 150 miles of front to near the Niemen. He has completely reversed the plan which failed against the Bzura and Rawka. Ten weeks' desperate onslaught upon that narrow front convinced him by launching his most appalling losses that nothing was to be gained by the throwing of great masses of troops in front of his attacks against the Russians. He reconstituted his main eastern army and spread it over a front where there is ample room for a display. His plan is handicapped by the extreme scarcity of railways and by the fact that the Russian lines have already been and held the positions essential to his plan. One of these positions is (Continued on Page 7, Column 6)

#### Russia Gives Assurance Of an "Open" Dardanelles

Free Navigation and Internationalization of the Straits and Constantinople Will Be Allowed.

Special Cable to The Toronto World. PARIS, Feb. 24.—A Roumanian diplomat who has just passed thru Paris, has confirmed to the correspondent of The Daily News the impression that there is a deadlock in his government's projects of intervention. He does not apprehend that this situation will last, but difficulties which have arisen are of a serious nature and calculated to inspire great caution. In the first place the retirement of the Russians from Bukowina deprives the Roumanians of what would be their right wing in the event of an invasion of Transylvania. The Russian army is quite able to cope with the Austro-Hungarian and German forces if they were acting on the defensive in their own country; but unequal to the task of taking the offensive in Transylvania single-handed.

Secondly, a painful impression has been caused in Bucharest by the declaration of Sazonoff and Govenyakin with regards to the revival of the traditional Russian policy of obtaining command of Constantinople and the straits. Roumanian stands for the internationalization of the Bosphorus, Constantinople and the Dardanelles. Roumanian statesmen regard this question as vital for the very existence of Roumania. Without free passage of the Dardanelles, Roumania could not compete with Russia in the exportation of corn, petrol and textiles, and her small industries would consequently be throttled. These are grave considerations. I understand, however, that within the last few days the czar's government has given normal assurances to Bucharest with regard to free navigation and internationalization of the straits and Constantinople. More than this my informant is not in a position to state.

#### Germany's Reply to Italy Says Flag Will Be Respected

Its Tone is More Courteous Than Other Neutrals and Speaks of "Friendly Relations."

Special Cable to The Toronto World. ROME, Feb. 24.—The German reply to Italy's observations on the blockade of the British coast has arrived. Its tone is more courteous than that of the notes to other neutrals. It declares that in view of the friendly relations between the two countries Germany will respect the Italian flag. The Messagero hears from the Austrian frontier that the bombardment of the Dardanelles forts has greatly impressed Vienna, where the action of the allies in the near east is dreaded. Such action, says a correspondent, might prevent Bulgaria moving and involve Greek and Italian intervention, if Asia Minor were the theatre of hostilities, where both those nations have interests or aspirations.

#### BERLIN FEARS ITALY'S ATTITUDE

Canadian Press Despatch. BERLIN, Feb. 24, via London.—A sudden change of feeling concerning the attitude of Italy has been noticeable in diplomatic quarters here during the last few days. The position of Italy appears to have become a matter of much greater concern.

The reasons for this change are not clear at this time.