Starting Today

A BIG MONEY-SAVING SALE OF

MEN'S SUITS

OUR stock is far too heavy in Men's Suits, and we must unload it. Whether you want to spend $10,00, $12.00, $15.00, $18.00 or $20.00, we can give you 50 per cent. better value than any house in Toronto. Some of our finest Worsted Suits have been reduced as much as $12.00 a suit, others $10.00, $8.00, $7.00 and so on. This is your one good opportunity to buy your spring clothing at a big saving of dollars.

GIVE HEED TO THIS

200 pairs Men's Fine Blue Serge Pants, regular $5.00, on sale today and tomorrow for - - - - - - $3.50

Oak Hall, Clothiers

Cor. Yonge and Adelaide Sts.

J. C. COOMBES, Manager.

GERMANS RETREAT BEFORE RUSSIANS

Grand Duke Frustrates Plans of Kaiser to Capture Warsaw.

SHIFT MEN TO AUSTRIA

Carpathians to Be Scene of Next Great Struggle of Eastern Field.

(Continued From Page 1.)

sian resistance had a similar object with respect to the Germans.

Germans Quitting Lodz.

Interesting news has come from Lodz, where a large number of troops drawn from various parts of the front are being sent in the direction of Thorn. The inhabitants of Lodz were forbidden to stand on the streets while the troops were passing, or to watch the movements of troops from the windows. The importation of provisions from Germany has almost ceased. Civilians are not permitted to use the trams. All the stores of wool have been removed from the Lodz factories to Germany.

The conduct of the Germans suggests that they are nervous and excited. It is reported that they intend shortly to evacuate Lodz.

The stubborn and successful Russian advance on the German left in the Vistula bend near the debouchment of the Bzura, the increased Russian activity in the Mlawa region, the intermittence of the Austro-German artillery demonstration on the Pilitza and Nida, covering the withdrawal of troops, all point to the speedy breakdown of the enemy's effort in Poland.

RESENT RAILWAY'S PROPOSAL.

Great indignation is expressed by the people living to the north of Kingston over the proposal of the C. P. R. to convert some of the regular stopping points in that district into flag stations. Godfrey, one of the most important shipping points, which has hitherto done an average business of about $4000, is one of those likely to be cut off. It is understood that the business men of Kingston are taking up the matter with a view to registering a protest.

Hamilton Hotels

HOTEL ROYAL

Every room furnished with new beds, new carpets and thoroughly redecorated during 1914.

BEST SAMPLE ROOMS IN CANADA. $3.00 and up—American Plan. ed7

MARK HAMBOURG SCORES SUCCESS

Proves Himself Master in a Varied and Trying Program.

A VERSATILE ARTIST

Marvelous Work of Left Hand Feature of Artist's Ability.

Mark Hambourg scored a triumph at Massey Hall last night when he executed a varied and trying program in every number of which he proved himself a master of his instrument, and an exponent of the highest order at technical expression.

The first group by Chopin, a sonata in B flat minor, waltz, A minor, and other numbers, were executed with marvelous regard to expression and intellectual significance, and marked the player at once as among the great artists of the day.

"An Ancient Minuet," by Fganbati, was among the melodious things on the program, as was also the "Lotus-Land," by Cyril Scott. Two compositions by Mark Hambourg himself, "The Chant, Kirghise" and "Pandemonium," showed a versatility of genius possessed by the great player, and the last number, "A Pharaphrase on the Waltz," by Pchaikowski, gave opportunity for the marvelous work of the left hand.

SPLENDID RECEPTION TO W. ESSON BROWN

Elocutionist Assisted by Adanac Quartet and Harvey Robb, Delights Large Audience.

W. Esson Brown, elocutionist, was given a splendid reception by the large audience which filled to its capacity Foresters' Hall at his recital last evening. In addition to his own portion of the program, he was assisted by the Adanac Quartet, and Harvey Robb, who acted as accompanist.

W. Esson Brown is a performer of considerable versatility, and his humorous as well as serious selections showed every evidence of careful preparation in their artistic rendering.

Several splendid numbers were given by the quartet, including as an encore a particularly beautiful arrangement of "Lead Kindly Light." Several piano solos by Harvey Robb served to complete a most artistic and enjoyable entertainment.

Sweeping Tariff Changes Are Announced by Hon. W. T. White

(Continued From Page 1.)

will accrue to the home manufacturer from the new duties, but that the consequent decrease in imports will result in less revenue than the government anticipates.

New Departure in Method.

The horizontal increase in practically all the tariff duties is a new departure in Canada, altho it has often been advocated and sometimes attempted in other countries. The objection heretofore made to either horizontal increase or reduction in tariff duties has been that the tariff contains so many items that any horizontal increase or decrease in duties is bound to work unforeseen results as to many items. In many cases the precedent may also be invoked hereafter by those who clamor for tariff reduction. They cannot hereafter be combatted with the argument that the tariff provision is a complicated, intricate, and delicate operation.

Duty on Iron Ore.

Liquors (except wine), tobacco and sugar are exempted from the horizontal increase. Squid and nicotine sulphate, now subject to duty, are placed upon and remain upon a free list. A specific duty instead of the 5 ad valorem duty is levied upon iron ore, the duty being 8 cents per ton (British preferential, 6 cents).

The "special war revenue tax," as it will be known, will include: A tax of one per cent. annually upon the note circulation of banks, to be computed and paid quarterly.

One per cent. on the gross income of trust and loan companies. One per cent. on premiums received in Canada by all insurance and trust associations, except life, fraternal and marine companies, payments to be made quarterly.

Charges Are Retroactive.

The above charges are made retroactive and apply to all transactions made after January 1, 1915.

One cent on each telegraph or cable message originating in Canada, to be paid by the sender.

Five cents on each ticket costing over one and not more than five dollars, and five cents for each additional five dollars or fraction of five dollars, on all railway and steamboat tickets to points in Canada, Newfoundland, British West Indies and the United States.

Stamp Taxes.

The following stamp taxes are applied:

Two cents on each cheque, deposit receipt and bill of exchange, express order, post office order and bill of lading; and upon each postal note a stamp tax of one cent.

Each letter or post card mailed in Canada must carry a war tax stamp of one cent.

Upon each package of proprietary or patent medicine and perfumery a stamp of one cent up to ten cents value, and one cent for each additional ten cents.

Non-sparkling wines ten cents a quart.

Champagne and sparkling wines, twenty-five cents a pint.

Sleeping car tickets are taxed ten cents and chair car tickets five cents. Steamboat tickets for points not in Canada, Newfoundland and British West Indies or the United States are taxed $1 on tickets costing not less than $10 or more than $20, $3 upon tickets costing more than $20 and less than $60, and $5 upon tickets costing more than $60.

Steamship and railway companies are authorized to add the amount of the tax to the cost of tickets charged their patrons.

No Income Tax.

No income tax is levied, several reasons being assigned therefor. One is that the tax would probably not yield over $2,000,000, and a large amount of this sum would be used up in the collection. Another is that there already exists provincial and municipal income taxes.

The tariff changes come into effect immediately, and the special taxes (except as above noted) will be brought into effect by order-in-council.

Where Not Applicable.

The items in the traiff schedules to which the flat increase of 7½ per cent ad valorem (5 per cent British preferential) do not apply include:

Fish from Nefoundland; animals for the improvement of stock; cocoa and chocolate products; tea; salt for the fisheries; Indian corn except for distillation purposes; wheat; wheat flour; sweetened biscuits; squid; oysters; seed and breeding; fish and fish eggs for propagating purposes; sugar; tobacco; wines from South Africa; books, printed; newspapers and magazines; news printing paper; matrix paper; nicotine sulphate; ores of metals; bells for churches; gold and silver coin and gold and silver in ingots, blocks, bar, drops, etc.; typesetting and type-casting machines; newspaper printing presses; mowers, binders, harvesters and reapers; traction ditching machines; surgical and dental instruments; material for ships; binder twine; articles for the manufacturing of binder twine; fish hooks, lines, twines and nets for the fisheries; artificial limbs, artificial teeth, not mounted; articles specified in tariff for schools, hospitals and charitable objects; settlers effects.

The following is Mr. White's budget speech;

"In presenting my statement I shall deal first with the subject of our revenues and expenditures, actual and estimated, for the current fiscal year, which ends on March 31 next. Taking the ten months of the year which have already elapsed, that is to say from April 1, 1914, to January 31, 1915, the Dominion's revenue from all sources has totaled in round figures, $109,500,000. This compares with $139,000,000 for the corresponding period of the last fiscal year, a decline of nearly thirty millions.

Estimated Revenue Next Year.

"Upon the basis of these figures for the ten months period and having regard to the present action of the revenue-producing services we estimate that the revenue of the Dominion for the fiscal year ending March 31 next computed upon the present basis of duties would amount to $130,000,000. The figures for the previous year having been $163,000,000, this year's loss of revenue would reach a total of thirty-three millions.

Total Expenditure.

"For the ten months ended January 31 the current expenditure has reached $102,000,000 and the capital and special $37,000,000. These figures compare with $93,000,000 and $47,000,000, the outlays under the headings in question respectively for the same period of the previous year.

Total Expenditure of Year.

"For the whole of the present fiscal year we estimate our current expenditure will be $140,000,000, and our capital and special expenditure $50,000,000. Summarizing the estimated results we have the out-turn of the year, stated concisely, as follows:

Current expenditure	$140,000,000
Capital and special (other than war) expenditure	50,000,000
Total	$190,000,000

"Our reveaue on the present basis being estimated as I have stated at $130,000,000, we should have to meet for this year a deficit of ten million dollars on current account plus the entire amount of our capital and special expenditure, a substantial part of which we have in the past been able to defray out of current revenue, a balance only having been provided by borrowing. Included in our ordinary expenditure is an amount of $2,500,000, which will be required this year for the relief of distress in the drought-stricken districts of Alberta and Saskatchewan. In addition, we are making provision for about seven and a half millions or more to be expended in the purchase of seed grain.

Future War Outlay.

"I have still to deal with the expenditure representing the cost of organizing, training, equipping, transporting and maintaining our forces enlisted for active service in defence of the empire. Today there are nearly 50,000 troops in active training thruout Canada, their number being increased daily by enlistment. From this body as a permanent nucleus, constantly replenished by recruitment, further contingents will be sent forward from time to time as practicable. The estimate of expenditure presented in August was, of course, inadequate to meet the enlarged program, and the special war expenditure during the present fiscal year will probably reach the total amount of the appropriation, namely, $50,000,000.

Increase in Debt.

"Taking all the foregoing into consideration, the increase of Canada's national debt for the year would probably aggregate $110,000,000. In this I am, of course, including our expenditure for war.

"In addition to the expenditures to which I have referred, the Dominion has made advances on investment account under statutory authority, and has met its sinking fund obligations as usual, the funds required to be found for these purposes aggregating $5,000,000. We also provided for the retirement of £1,700,000 of yearly treasury bills, which matured in November last.

Onerous Task to Borrow.

"The house will from the statements I have made gather that the task of finding money for our requirements as outlined has been somewhat onerous.

"So far as floating indebtedness is concerned we shall enter upon the new fiscal year with £3,000,000 of treasury bills maturing in June and a bank indebtedness of $5,000,000. Apart from these we have no maturing loans to meet until the year 1919, a most satisfactory situation.

Britain's Generous Terms.

"As regards our borowings from the Imperial Government, our arrangements are that we shall pay interest at the same rate as is paid by the imperial treasury upon its war loans, from the proceeds of which advances are to be made to us. At such time or times in the future as may be agreed upon by the British chancellor of the exchequer and the Canadian minister of finance, a Canadian war loan will be issued and the borrowings from the Imperial Government repaid. It seems to me that no fairer terms could be named than those so generously accorded us by the imperial authorities.

"Until the war is over and for a considerable period afterwards it is not probable that monetary conditions will permit of the issue of securities even of the highest character other than for war purposes in any such volume as that to which we have been accustomed in the past. This interruption of the influx of capital has necessarily meant marked curtailment of expenditure upon undertakings, works and buildings in all parts of Canada, with consequent reaction upon the industries, trades and businesses furnishing material and supplies therefor. The result has been a material slackening of general constructional activity, considerable unemployment and attendant diminished buying power on the part of the community. The total trade for the first nine months of the present and last fiscal years was $745,000,000 and $885,000,000, respectively. In 1912 the so-called adverse balance of trade against Canada was $225,000,000; in 1913, $300,000,000; in 1914, $180,000,000. From present indications it would appear that we shall to a large degree overtake this balance.

Estimated Revenue.

"From what I have stated, it is apparent that with the war still continuing we may expect for the year 1915-16 diminishing imports and consequently reduced revenue as compared with the present year, in which there have been four ante-bellum months. Upon the present basis of duties of customs and excise we estimate that our revenue from all sources for the coming year would not exceed $120,000,000. So far as expenditures are concerned, the policy we enunciated in August we shall continue. Our estimates contain no new items, and as to items which they include we shall proceed with works not already under contract only as we feel justified, having regard to the financial situation.

Heavy Interest Charges.

"We must calculate upon a consolidated fund expenditure of $140,000,000 and of capital and special expenditure of $40,000,000. For investments authorized by statute we shall have to provide $4,000,000 additional. It will be necessary also to raise funds to meet the outstanding treasury bills, to which I have referred. Our special war expenditure may reach $100,000,000, for which a special appropriation bill will be passed at this session. Our interest charges will, of course, greatly increase from this forward. Our outlay for this year on this account will exceed sixteen millions. In next year's estimates they appear at twenty-one and one-half millions. We must also look forward to a large and increasing pension list expenditure.

"We are faced with the problem of raising by additional taxation and borrowing a sum in excess of $180,000,000. My proposals for meeting the situation are as follows:

"So far as concerns our special war expenditure, which may reach one hundred million dollars, I should be disposed, if we had not such heavy and uncontrollable capital expenditure to meet, to recommend that we should pay at least a part of it from current revenue. But it is obvious upon a consideration of the figures which I have submitted, that we shall not by any reasonable supplemental taxation measures be able to close the gap between revenue and expenditure, much less to pay a portion of the principal of our special war outlay. In the circumstances I have no hesitation in proposing to the house that we shall borrow the full amount required under this heading.

Country Stood Shock Well.

"In conclusion it may be fitting that I should say something as to general economic conditions, actual and prospective. On the whole, having regard to the vast dislocation of finance and commerce occasioned by the war, the Dominion has withstood the shock exceedingly well. The consequences of the interruption of our borrowings abroad for purposes to which I have alluded in the course of my remarks have been shown in a slackening of activity in many trades. On the other hand, production in various lines has been greatly quickened and stimulated by orders on a very large scale for clothing, munitions and other equipment and material placed in Canada, not only by the Canadian Government but by Britain and her allies as well.

Improvement With Victory.

"While one hesitates to attempt a forecast in conditions so variable and subject to sudden and violent change it would appear that accumulations of funds with accompanying easier interest rates and increasing confidence on the part of investors will result in a gradual resumption of the sale abroad and at home of securities for needed expenditures on the part of our provinces, municipalities, railways and industries. Above all will our commercial improvement, and, for that matter, commercial improvement thruout the world, follow upon the continuing success of the allies. With such continuance legitimate business thruout the world must improve during the remaining period of the war. Should the progress of that success be interrupted, international trade and commerce must receive a further setback. Happily we have no cause to be apprehensive as to the continued favorable progress and ultimate triumph of the arms of the empire and her allies. So far as any war can be said to go well, we have every reason to make the statement as to this the most terrible of all wars. As to its duration it would be idle to hazard even a guess.

TARIFF RESOLUTIONS

By a Staff Reporter.

OTTAWA, Feb. 11.—The tariff resolutions laid on the table by Finance Minister White at the conclusion of his budget speech, which are now effective, read as follows:

(1) Resolved, that it is expedient to amend Schedule A of the customs tariff, 1907, and to strike thruout tariff item 139 and the enumeration of goods set opposite said item, and to provide that the following items, enumerations and rates of duties, if any, be inserted in said Schedule A:

British preferential tariff, 118 A squid, free; intermediate tariff, free; general tariff, free.

209 B, nicotine sulphate, free, free, free.

339, ores of metals N.O.P., free, free, free.

339 A, iron ore, per ton, 6 cents, 8 cent, 8 cent.

(2) Resolved, that it is expedient to amend the customs tariff, 1907, by providing that:

(1) There shall, in addition to the duties of customs otherwise established by Schedule A to the customs tariff, 1907, and orders-in-council amending Schedule A, be levied, collected and paid upon all goods enumerated, or referred to as not enumerated, in Schedule A expect as hereinafter provided, when imported into Canada or taken out of warehouse for consumption therein, the several rates of duties of customs herein specified:

British preferential tariff, 5 per cent.; intermediate tariff, 7½ per cent.; general tariff, 7½ per cent.

(2) There shall be levied, collected and paid upon all goods enumerated as being free of duty in Schedule A and in orders-in-council amending Schedule A, except as hereinafter provided, when imported into Canada or taken out of warehouse for consumption therein, the several rates of duties of customs herein specified:

British preferential tariff, 5 per cent.; intermediate tariff, 7½ per cent.; general tariff, 7½ per cent; provided, however, that the following goods shall be exempt from the foregoing provisions:

(a) Goods admitted into Canada free of customs duty under the provisions of sections 8 and 9 of the custom tariff, 1907;

(b) Goods enumerated in schedule C. of the French Convention Act, 1908;

(c) Goods imported to be used in the manufacture of mowing machines, harvesters, self-binding or without binders, binding attachments, reapers, and complete parts thereof, under regulations by the minister of customs;

(d) Goods imported to be used in the manufacture of binder twine for harvest binders, under regulations by the minister of customs;

(e) Articles imported to be used in the manufacture of goods enumerated in tariff item 682 in schedule A, under regulations by the minister of customs;

(f) Anthracite coal and anthracite coal dust;

(g) Bacteriological products or serum for subcutaneous injection;

(h) Vaccine and ivory vaccine points;

(i) Pressed felt, elastic webbing and hollow blocks of wood, imported to be used in the manufacture of artificial limbs;

(j) Steel imported to be used in manufacturing rough, unfinished parts of rifles, when such parts are to be used in rifles to be made for the Government of Canada;

(k) Fabrics of which silk is the component material of chief value, imported to be used in the manufacture of neckties.

1. Goods enumeated in the following tariff items in schedule A—1, 2, 3, 19, 20, 20A, 21, 22, 23, 28A, 39B, 40, 55, 60, 61, 66, 77A, 101A, 118A, 129, 132, 135, 142, 143, 144, 145, 153, 164, 169, 171, 172, 173, 174, 175, 176, 178A, 180A, 184, 196, 201, 209B, 329, 329A, 348A, 352A, 359, 360, 369, 373, 441, 443, 445, 445A, 446A, 464, 466, 466A, 470, 483, 544, 544A, 576, 595, 676, 682, 688, 689, 689A, 690, 690A, 691, 692, 692A, 692, 694, 695A, 696, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708 and 709.

Provided further that the duties of customs collected and paid under the provisions of this section shall not be subject to drawback under schedule B.

3. Resolved that any enactment founded on the foregoing resolutions shall be deemed to have come into force on the twelfth day of February, 1915, and to have applied to all goods mentioned in the foregoing resolutions, imported or taken out of warehouse for consumption on and after that day, and to have also applied to goods previously imported for which no entry for consumption was made before that day.

Schedule A, referred to above includes all goods subject to duty and free of duty.

Section 8 and 9 of the Customs Act above referred to includes fish from Newfoundland and fish wherever caught by Canadian fishermen in Canadian vessels.

The articles referred to in the French treaty include silks, velvets and certain wines.

Tariff item 682 above referred to elates to fishhooks and other gearing for lake and deep sea fishing.

The drawback of 99 per cent. of the duty paid by manufacturers upon raw material used in manufactured products for export is still retained.

CANADA SENDS BULK OF NICKEL TO U.S.A.

Britain Took Eight Hundred and Seventy Thousand Dollars' Worth.

JULY TO DECEMBER

Nearly Million and Half Worth Went to U.S. in Same Time.

By a Staff Reporter.

OTTAWA, Feb. 11.—Replying to a question asked by W. F. Maclean (South York) in the house this afternoon, Hon. J. D. Reid, minister of customs, tabled the following information concerning the export of nickel from Canada, from July 1, 1914, to the end of the year, and the countries of destination:

To United Kingdom—	Pounds.	Value.
July	1,037,603	$ 155,263
August	421,838	64,273
September	1,937,851	283,308
October	1,144,477	156,139
November	625,571	93,537
December	791,351	118,996
Total		$ 871,566
To Germany—		
July	48,121	$ 6,737
To United States—		
July	4,007,593	$ 400,759
August	3,130,100	313,010
September	1,242,940	124,359
October	1,523,297	152,328
November	2,104,495	210,540
December	2,343,123	234,307
Total		$1,436,303

DECIDE TO POSTPONE REGULAR SPRING SHOW

Rose Society Holds Annual Meeting and Elects Officers for Next Two Years.

The annual meeting of the Rose Society was held last night in the Margaret Eaton School, and the election of officers for the coming two years took place, as follows: President, Mrs. Allen Bains; vice-presidents, Mrs. Patterson, Miss Coleman, Miss Aikens and Mrs. Gibbons; secretary-treasurer, Miss Armour. It was announced that owing to the unsettled social conditions caused by the war, the regular spring show would not be held this year.

COAL DEMAND CAUSED FREIGHT RATE INCREASE

Orders for Coal Greatest Newcastle Experienced Since War Started.

Canadian Press Despatch.

NEWCASTLE, Feb. 11.—(Via London).—The demands for coal today exceeded any day since the outbreak of the war. As a consequence there was a corresponding increase in freight rate, the rate to Genoa reaching the unprecedented figure of 29 shillings ($9.75) per ton.

Italy, France and the Scandinavian countries were the heaviest purchasers.

GERMANY GIVEN STRONG WARNING

U.S. Will Uphold to Full American Rights on Seas.

PROTEST TO BRITAIN

Must Bear Responsibility for Results of Flying U.S. Flag.

(Continued From Page 1.)

sumption that the flag of the United States was not being used in good faith and should destroy on the high seas an American vessel or the lives of American citizens, it would be difficult for the government of the United States to view the act in any other light than as an indefensible violation of neutral rights which it would be very hard indeed to reconcile with the friendly relations now happily subsisting between the two governments.

"If such a deplorable situation should arise, the Imperial Government of Germany can readily appreciate that the government of the United States would be constrained to hold the Imperial German Government to a strict accountability for such acts of their naval authorities, and to take any steps it might be necessary to take to safeguard American lives and property, and to secure to American citizens the full enjoyment of their acknowledged rights on the high seas.

Assurances Awaited.

"The government of the United States, in view of these considerations, which it urges with the greatest respect and with the sincere purpose of making sure that no misunderstanding may arise and no circumstance occur that might even cloud the intercourse of the two governments, expresses the confident hope and expectation that the Imperial Government of Germany can and will give assurance that American citizens and their vessels will not be molested by the naval forces of Germany, otherwise than by visit and search, tho their vessels may be traversing the sea area delimited in the proclamation of the German admiralty.

"It is added for the information of the imperial government that representations have been made to His Britannic Majesty's government in respect to the unwarranted use of the American flag for the protection of British ships.'"

Note to Britain.

"Feb. 10, 1915.

"The secretary of state has instructed Ambassador Page at London to present to the British Government a note to the following effect:

"'The department has been advised of the declaration of the German admiralty on Feb. 4, indicating that the British Government had on Jan. 31 explicitly authorized the use of neutral flags on British merchant vessels, presumably for the purpose of avoiding recognition by German naval forces. The department's attention has also been directed to reports in the press, that the captain of the Lusitania, acting on orders or information received from the British authorities, raised the American flag as his vessel approached the British coasts in order to escape anticipated attacks by German submarines. Today's press reports also contain an alleged official statement of the foreign office defending the use of the flag of a neutral country by a belligerent vessel in order to escape capture or attack by an enemy.

Fear Serious Consequences.

"Assuming that the foregoing reports are true the Government of the United States reserving for future consideration the legality and propriety of the deceptive use of the flag of a neutral power in any case for the purpose of avoiding capture, desires very respectfully to point out to his Britannic Majesty's Government the serious consequences which may result to American vessels and American citizens if this practice is continued.

"The occasional use of the flag of a neutral or an enemy under the stress of immediate pursuit and to deceive an approaching enemy, which appears by the press reports to be represented as the precedent and justification used to support this action, seems to this government a very different thing from an explicit sanction by a belligerent government for its merchant ships generally to fly the flag of a neutral power within certain portions of the high seas, which are presumed to be frequented with hostile warships. The formal declaration of such a policy of general misuse of a neutral's flag jeopardizes the vessels of the neutral visiting those waters in a peculiar degree by raising the presumption that they are of belligerent nationality regardless of the flag which they may carry.

Imperils American Citizens.

"In view of the announced purpose of the German admiralty to engage in active naval operations in certain delimited sea areas adjacent to the coasts of Great Britain and Ireland, the Government of the United States would view with an anxious solicitude any general use of the flag of the United States by British vessels traversing those waters. A policy such as the one which his majesty's government is said to intend to adopt, would if the declaration of the German admiralty be put in force, it seems clear, afford no protection to British vessels, while it would be a serious and constant menace to the lives and vessels of American citizens.

"The government of the United States, therefore, trusts that his majesty's government will do all in their power to restrain vessels of British nationality in the deceptive use of the United States flag in the sea area defined by the German declaration, since such practice would greatly endanger the vessels of a friendly power navigating those waters and would even seem to impose on the government of Great Britain a measure of responsibility for the loss of American lives and vessels in case of an attack by a German naval force.

Grave Concern Felt.

"You will impress upon his majesty's government the grave concern which this government feels in the circumstances in regard to the safety of American vessels and lives in the war zone declared by the German admiralty.

"You may add that this government is making earnest representations to the German Government in regard to the danger to American vessels and citizens if the declaration of the German admiralty is put into effect."

The "TOP NOTCH" SCOTCH

"KING GEORGE IV."

WHISKY