

# AUSTRIA-HUNGARY BALKS AT KAISER'S ATTEMPT TO FORCE ZOLLVEREIN ON THEM

### Cabinet Crisis in Vienna Due to This Cause—Greece Still Unwilling to Agree to Allied Proposals—Monastir Remains in Hands of Serbians—Allied Artillery in West Plays Havoc with Germans' Defence Work.

London, Dec. 2.—The Morning Post's Hungarian correspondent in a despatch printed this morning says: "The resignation of the three Austrian cabinet ministers is a protest against Germany's attempt to force a Zollverein on Austria and Hungary, and a warning to the people of Austria-Hungary that there is economic disaster ahead. Germany's Zollverein policy already has aroused bitter opposition in both the Austrian and Hungarian governments. There is little doubt that the conference between the two emperors had reference to a tariff union, and that the ministers who opposed it had to resign. Dr. Rudolf Schuster von Bonnot, minister of commerce, who was among those to resign, in a speech opposed the German scheme. He is a shining light in the circles that fear that after the war Germany, cut off from exploiting the Entente countries, is preparing to swallow Austria-Hungary under the guise of a customs union."

London, Dec. 1.—Emperor William's visit to Vienna, which coincided with the resignation of three of the Austrian cabinet ministers, is the chief cause of much speculation. The two events are variously assumed to be connected with the reported effort of Germany to force Austria into a German Zollverein, a desire of Emperor Franz Joseph to secure a separate peace through the intervention of Pope Benedict, and a rumored dispute between Austria and Bulgaria over the division of Serbian territory.

There naturally is no authoritative basis for any of these reports, beyond statements in the German newspapers that Emperor William's visit was one of the highest importance. Meantime, the operations in the Balkans and the movements of the armies of the Central Powers continue with unabated energy. Like Germany, Bulgaria announces with the capture of Prizrend her campaign against Serbia has come to an end, which seems to support the suggestion that, to avoid a dispute with Greece, King Ferdinand of Bulgaria has decided against the occupation of Monastir, the only town of any importance remaining in Serbian hands.

Monastir Still in Hands of Serbians? Monastir was still in the hands of the Serbians until Monday night, and no official news that there has been any change there has been received since. Austria with the assistance of some German troops, continues her operations against Montenegro, the frontier of which has been crossed, but not without considerable opposition from the Montenegrins who are masters in mountain warfare, and who have been joined by some portions of the Serbian armies which succeeded in escaping from the invaders of their country.

Battles are now being fought in that part of the Sanjako of Novi Pazar which was taken by Montenegro after the Balkan war. The Austro-Germans are advancing south from Slenica, and across the frontier from Priepole. In the north the Montenegrins claim to have defeated the Austrians in the region of Potcha, Bosnia. It is expected, however, that the Austro-Germans have provided sufficient forces to make sure of a successful campaign, as they did in the case of Serbia.

Roumania, Between Two Fires, Still Undecided. In Southeastern Serbia, where the British, French and Serbians hold strong positions, the snow still prevents any movements of importance. No news has been received of the Austrians and Germans who proceeded to Ruzschuk, on the Danube river, to cooperate with the Bulgarians and Turks to oppose a possible Russian invasion through Roumania.

The attitude of Roumania is still uncertain. The latest reports say that she, like Greece, is trying to remain neutral, but with two belligerent armies on her borders, this, it is believed, may prove difficult. Greece, in her reply to the latest note of the Entente Allies, insists upon the maintenance of her neutrality and independence, and a final settlement of the points at issue between the Hellenic Kingdom and the Entente Powers is not yet in sight. Greece objects, according to despatches from Athens, to the evacuation of Saloniki by her troops, her handing over of the railways to the Entente Allies, and the policing by the armies of the Entente Powers of her coastal waters to circumvent the activities of German submarines. The Italians continue their offensive along the Isonzo river. On the other fronts comparative calm prevails.

## CAPTURE OF CZERNOWITZ PART OF RUSSIAN ARMEY'S SUCCESSES IN BUCKOWINA

London, Dec. 2.—Despatches to the Italian newspapers which were re-transmitted to London report Russian successes in Bukowina. The Corriere D'Italia's Bucharest correspondent even asserts that the Russians have captured Czernowitz, capital of Bukowina, after four days of fighting. The reports have not yet been confirmed from any source.

### MONTENEGRIANS REPORT A VICTORY.

Paris, Dec. 1.—"Our troops on Nov. 29, attacked and defeated the Austrians in the region of Fotscha, Bosnia," says an official Montenegrin communication received here today. "The enemy retired in disorder towards Gorzaida. The situation on the other fronts is unchanged."

## PEACE PLANS UNDER WAY IN GERMANY? SIR JOHN SIMON PRESS COMMENT ON SPEECH OF

Strong Belief in Holland Partly Substantiated by Editorial in German Paper—Socialists to Demand Straight Answer from Chancellor.

Berlin, via London, Dec. 2.—The Vorwarts, the organ of the Social Democratic party, announces that the Social Democrats in the Reichstag have determined to put the foreign interpellation in a body at the next session: "Is the Imperial Chancellor ready to give information as to the condition under which he would be willing to enter into peace negotiations?"

Herr Scheidemann, the leader of the party, will put the question, and Herr Landeberg has been chosen to lead the debate. A more detailed and searching inquiry as to the government's attitude respecting peace was defeated by the Social Democrats by a vote of 58 to 45. The Vorwarts, in commenting on the subject, says: "What we demand is a definite expression on the Social Democracy's peace demands, and a clear answer from the government."

### Liebknecht's Questions

Amsterdam, via London, Dec. 2.—The Berliner Lokal Anzeiger, a copy of which has been received here, says that Dr. Karl Liebknecht, one of the Socialist leaders, sent ten interpellations to the Reichstag, of which three were censured by the Reichstag. "He wants to know," says the newspaper, "whether the government is prepared to enter immediately into peace negotiations, whether the government will lay before the nation the history of the entry in Luxemburg and Belgium, whether the government will abandon secret diplomacy in favor of lasting control by the public, and whether it will check economic distress among the great masses of the people, and seriously begin, in the course of the present session of the Reichstag, a reorganization of its internal policy."

## HON. MR. SPROULE ONE OF THE FOUR NEW SENATORS

Chas. P. Baubien, of Montreal, John Milne, of Hamilton, and Hon. John McLean the other Appointees.

Special to The Standard. Ottawa, Dec. 1.—Four of the vacancies in the senate are about to be filled by the government, and the men who will be selected are Hon. T. S. Sproule, speaker of the House of Commons; Mr. Charles P. Baubien, K. C., of Montreal; Mr. John Milne, of Hamilton, and Hon. John McLean, one of the ablest colleagues of Premier Matheson in the government of Prince Edward Island. The long and eminent public service of Dr. Sproule would justify the expectation that he will be appointed. Other appointments to the Senate may be expected as soon as there are

## DECLARATION OF LONDON DISCUSSED BY THE LORDS

### HAS NO INTERNATIONAL VALIDITY, MARQUIS OF LANSDOWNE SAYS, BUT WAS BEST AVAILABLE SUMMARY OF VIEWS ON CONDUCT OF NAVAL WARFARE AND THEREFORE ADOPTED WITH IMPORTANT MODIFICATIONS—A MISTAKE TO ENTIRELY IGNORE INTERESTS OF NEUTRALS.

London, Dec. 1.—"The declaration of London has no international validity and adoption of the declaration by an order-in-council does not involve the creation of an international tribunal," said the Marquis of Lansdowne, minister without portfolio in the British cabinet, in answer to a series of questions put by the Earl of Portsmouth in the House of Lords today. "We have adopted the declaration, only with very considerable and important modifications, and we adopted it only partially and for the guidance of our courts."

The Earl of Portsmouth's questions were submitted with a view to eliciting the exact position of Great Britain with regard to the Declaration of London and to setting at rest, or confirming the reports that Lord Reading had made arrangements with the United States government for the reference of claims to an international tribunal after the war. On the latter point the Marquis of Lansdowne referred to the communication of Sir Edward Grey, the Foreign Secretary, on July 31 last, stating that it was open to Washington to claim that disputes in regard to the decisions of prize courts should be submitted for review by an international tribunal, and remarked that Sir Edward Grey's statement only committed Great Britain to a resort to arbitration as a proper means for the liquidation of disputes, as provided, in the arbitration treaty concluded with the United States last year.

### Uniformity Necessary.

Lord Lansdowne pointed out that England was fighting in co-operation with her Allies, and that uniformity in the conduct of naval warfare was eminently desirable. It was no less desirable that the prize courts of the Allies should have some principle laid down for their guidance. The Declaration of London was the only available summary of views held by a great number of people in regard to these questions, and it was, therefore, adopted with modifications. There were a great many questions, said the minister, which would have to be discussed after the war, and freedom of the seas might be discussed like the other. He did not call to mind any statement by Sir Edward Grey that he was prepared to commit

## HALIFAX CALL WOULD MEAN MUCH DELAY SAYS FUGITIVE SHIP NOT NEAR 3-MILE LIMIT

C. P. R. President Says Taking Over of Many Steamers by Admiralty Makes Change Imperative.

Montreal, Dec. 1.—Sir Thomas Shaughnessy, president of the C. P. R., has written to Sir Robert Borden explaining that the substitution of St. John, N. B., for Halifax as a winter port of call for the C. P. R. ocean steamships is imperative because many of the company's ships have been taken over by the Admiralty, and it has been impossible to replace them. Sir Thomas stated that, under the circumstances, the change cannot be avoided, as to continue to make Halifax the winter port of call would involve a delay to the passenger ship of two or three days on each round voyage. He expresses regret at not being able to accede to Premier Borden's request to have the ships call at Halifax this winter, and adds that the chance will not establish a precedent.

the government with regard to the question of the freedom of the seas. As to Sir Edward Grey's offer of July 31 to refer disputes to arbitration, Lord Lansdowne said: "That doctrine, to which no sane citizen of this country could object in principle, could be defended on the ground that it was wrong in the order to ask any neutral to agree to accept in principle that the last word was to be said by the prize court of a belligerent power in a matter which might have arisen outside the jurisdiction of the belligerent."

"I go further and say that in all such cases where there has been failure to obtain a satisfactory solution through the law courts, and where diplomacy has been unable to arrive at any adjustment, it is right and reasonable that the principle of arbitration should be contemplated. If that view required any confirmation it is to be found in the arbitration treaty concluded with the United States last year, and having agreed to the unreserved submission of disputes of all kinds to examination by a commission, as set out in that treaty, it seems to me it would be illogical to decline to look to arbitration if there was failure to arrive at an adjustment regarding the decisions of our prize courts."

Lord Lansdowne said, with reference to the report that Baron Reading, the lord chief justice, had discussed the matter when in the United States. "If I am asked whether Lord Reading, in private conversation, had discussed these questions with people whom he met, I am unable to say, and if I did know I should not think it my duty to inform the House."

The order-in-council of March 11 aimed at preventing commodities of any kind from reaching or leaving Germany during the war—Lord Lansdowne declared had greatly strengthened the hands of the government, and it was impossible to suggest that it had weakened the country's position. If the Earl of Portsmouth would pay a little attention to the reports from all sides as to the economical pressure from which Germany was suffering, he would find, said the minister, that the operations of the foreign office had not been so unsuccessful as he supposed.

Mistake to Ignore Interests of Neutrals. It was impossible to suggest that the country had other interests than those of a belligerent, and other people had

Washington, Dec. 1.—The British embassy has communicated to the State Department a denial by the admiral in charge of the British fleet in north Atlantic waters, that his vessel had pursued the American trans-Atlantic Company's steamer Vinland within American territorial waters recently, while that vessel was en route from New York to Norfolk. The information was sent as a result of an enquiry by the State Department. The admiral's denial said the Vinland was not anywhere near the three mile limit. The Vinland succeeded in eluding the British warships in a fog.