GREY'S NOTE CANDID AND CONCILIATORY

British Press Believes American People Will Appreciate Frankness.

NEED NOT QUARREL

Concessions Granted Leave Little in Dispute Between Nations.

Canadian Press Despatch.

LONDON, Jan. 10, 12.10 p.m.—In its editorial comment on Great Britain's reply to the United States Government's concerning delays to American commerce thru the searching of vessels by the British fleet, The Daily Mail expresses confidence that the American people will ungrudgingly recognize many merits in Sir Edward Grey's communication.

"It is prompt, candid, pertinent and conciliatory," says The Daily Mail, "and, while it does not profess to be exhaustive, it brings most of the American assertions and complaints to the touchstone of fact. In tone and spirit it conforms to that ideal friendly frankness which the United States Government suggested as the right note."

Germany Gets Copper.

There is little doubt, says The Daily Mail, that the bulk of copper shipments to neutral countries since the war began were destined for Germany, and there is still less doubt that copper shipments not genuinely destined for neutral countries should be stopped.

"Indeed," The Daily Mail says in conclusion, "when taken in conjunction with the concessions he is able to announce, Sir Edward Grey's reply will, we believe, satisfy the American nation that there is very little left for two businesslike nations to differ about."

Britain's Moderation.

Quoting the figures given by Sir Edward Grey of American exports to neutral countries which "have a German destination," The Daily Chronicle says that, confronted by them, "a citizen of a country like ours, which by gigantic efforts has retained command of the sea, is bound to ask himself not whether our navy has interferd too much with this trade, but whether it is interfering enough. And everybody in the United States who wants us to have fair play and is not overweighed by German sympathies or by a desire to make profits at our expense may reasonably be invited to put to himself the same question."

The Times, in an editorial, which mainly consists of extracts from Sir Edward Grey's note, says:

Expect Favorable Reception.

"It seems to be excellent in substance and tone, and we feel confident that it will meet with a favorable reception across the Atlantic.

"With all the good-will in the world, the task of discriminating in favor of neutrals is exceedingly difficult and delicate. The fact that only 45 out of 773 American steamers proceeding for neutral states had their cargoes brought into court seems to prove that we have exercised our belligerent rights with moderation."

The Daily Telegraph says it is confident that the British reply will be recognized in the United States as a reasonable and straightforward handling of an unavoidable difficulty and adds:

Compensation Claims.

"There will undoubtedly at the end of the war be a number of claims for compensation founded on alleged unwarranted interference with neutral cargoes, but there need be nothing more than that so long as the American and British Governments deal with the matter in the temper which is now common to them. It is not impossible that the traders in the United States who feel most bitterly the pressure of our contraband policy, are those who feed that business and do so at enormous profit. In their case the only thing to be said is that one has no right to blockade runners' prices if there is to be no effective blockade."

One Hand Tied.

Contending that there is no sense in distinguishing between foodstuffs intended for the enemy's armies and for the enemy's subjects, The Post complains that "the British Government has made England fight at sea with one hand tied behind her back in obedience to certain liberal doctrines, which are respected by no one save a handful of pacifists and doctrinaairies.

"In face of the figures given by Sir Edward Grey," comments The Daily Graphic, "there can be only one answer to President Wilson's protest and that answer will be given as emphatically by the American people themselves when they understand the issue as it must be given by the British Government."

ROUMANIA LINGERS ON BRINK OF WAR

Russian Successes in Bukowina Likely to Induce Final Plunge.

Special Direct Copyrighted Cable to The Toronto World.

LONDON, Jan. 10.—Russian successes in Bukowina, the Austrian crown land, coupled with the constantly growing friction between Italy and Turkey foreshadow the almost immediate entrance of Roumania into the conflict according to diplomats here. It it also believed that Greece and Bulgaria, reassured by the apparently successful negotiations looking to a reapproachment of all the Balkan states are preparing to join the allies in the war against Turkey. Should such prove to be the case, Greece will add her navy to the allied fleet now engaged in bombarding the Dardanelles.

RUSSIA AWAITS AID.

Special Direct Copyrighted Cable to The Toronto World.

LONDON, Jan. 10.—Advices reaching here from Petrograd say that the Russian troops in Bukowinia will await reinforcements from Roumania before making an invasion of Transylvania.

BRITAIN PACIFIC IN REPLY TO U.S.

But Definite Pledge to Cease "Interference" is Not Given.

(Continued From Page 1.)

difficulties in actual practice, refers to alleged fraudulent practices by shippers and cites statistics showing an increase rather than a decrease in certain neutral commerce in support of Great Britain's suspicions that Germany and Austria have been indirectly obtaining contraband thru neutral countries. The note promises, however, that "Great Britain will make redress" whenever the action of the British fleet may unintentionally exceed "the limits of international law."

Deals with General Issue.

The British note is as follows:

"The British secretary of state for foreign affairs, to the American ambassador:

"Foreign Office, Jan. 7, 1915.

"Your Excellency:

"I have the honor to acknowledge receipt of your note of Dec. 28.

"It is being carefully examined and the points raised in it are receiving consideration as the result of which a reply shall be addressed to your excellency, dealing in detail with the issues raised and the points to which the United States Government have drawn attention. This consideration and the preparation of the reply will necessarily require some time, and I therefore desire to send without further delay some preliminary observations which will, I trust, help to clear the ground and remove some misconceptions that seem to exist.

In Friendly Spirit.

"Let me say at once that we realize the most friendly spirit referred to by your excellency, and that we desire to reply in the same spirit and in the belief that, as your excellency states, frankness will best serve the continuance of cordial relations between the two countries.

"His majesty's government cordially concur in the principle enunciated by the government of the United States, that a belligerent, in dealing with trade between neutrals, should not interfere unless such interference is necessary to protect the belligerent's national safety, and then only to the extent to which this is necessary. We shall endeavor to keep our action within the limits of this principle, on the understanding that it admits our right to interfere when such interference is, not with 'bona fide' trade between the United States and another neutral country, but with trade in contraband destined for the enemy's country, and we are ready, whenever our action may unintentionally exceed this principle, to make redress.

United States is Misinformed.

"We think that much misconception exists as to the extent to which we have, in practice, interfered with trade. Your excellency's note seems to hold his majesty's government responsible for the present condition of trade with neutral countries, and it is stated that, thru the action of his majesty's government, the products of the great industries of the United States have been denied long established markets in European countries which, tho neutral, are contiguous to the seat of war. Such a result is far from being the intention of his majesty's government, and they would exceedingly regret that it should be due to their action.

Big Increase in Exports.

"I have been unable to obtain complete or conclusive figures showing what the state of trade with neutral countries has been recently, and I can therefore only ask that some further consideration should be given to the question whether United States trade with these neutral countries has been so seriously affected. The only figures as to the total volume of trade that I have seen are those for the exports from New York, for the month of November, 1914, and they are as follows, compared with the month of November, 1913:

"Exports from New York for November, 1913 (and) November, 1914, respectively: Denmark $558,000, $7,101,000; Sweden $877,000, $2,858,000; Norway $477,000, $2,618,000; Italy $2,971,000, $4,731,000; Holland $4,389,000, $3,960,000.

"It is true that there may have been a falling off in cotton exports, as to which New York figures would be no guide, but his majesty's government have been most careful not to interfere with cotton, and its place on the free list has been scrupulously maintained.

Will Weigh all Evidence.

"We do not wish to lay too much stress upon incomplete statistics; the figures above are not put forward as conclusive; and we are prepared to examine any further evidence with regard to the state of trade with these neutral countries, which may point to a different conclusion or show that it is the action of his majesty's government in particular and not the existence of a state of war and consequent diminution of purchasing power and shrinkage of trade, which is responsible for adverse effects on trade with the neutral countries.

"That the existence of a state of war on such a scale has had a very adverse effect on certain great industries, such as cotton, is obvious; but is is submitted that this is due to the general cause of diminished purchasing power of such countries as France, Germany and the United Kingdom, rather than to interference with trade with neutral countries

In the matter of cotton it may be recalled that the British Government gave special assistance thru the Liverpool Cotton Exchange to the renewal of transactions in the cotton trade of not only the United Kingdom but of many neutral countries.

Big Copper Shipments.

"Your excellency's note refers in particular to the detention of copper. The figures taken from official returns for the export of copper from the United States for Italy for the months during which the war has been in progress up to the end of the first three weeks of December are as follows:

"Nineteen thirteen—Fifteen million, two hundred and two thousand pounds.

"Nineteen fourteen—Thirty-six million, two hundred and eighty-five thousand pounds.

"Norway, Sweden, Denmark and Switzerland are not shown separately for the whole period in the United States returns, but are included in the heading, 'Other Europe' (that is, Europe other than the United Kingdom, Russia, France, Belgium, Austria, Germany, Holland and Italy). The corresponding figures under this heading are:

"Nineteen thirteen—Seven million, two hundred and seventy-one thousand pounds.

"Nineteen fourteen—Thirty-five million, three hundred and forty-seven thousand pounds.

For Germany's Use.

"With such figures the presumption is very strong that the bulk of copper consigned to these countries has recently been intended, not for their own use, but for that of a belligerent who cannot import it direct. It is, therefore, an imperative necessity for the safety of this country while it is at war, that His Majesty's government should do all in their power to stop such part of this import of copper as is not genuinely destined for neutral countries.

"Your excellency does not quote any particular shipment of copper to Sweden which has been detained. There are, however, four consignments to Sweden, at the present time, of copper and aluminum which, tho definitely consigned to Sweden, are, according to positive evidence, in the possession of His Majesty's government, definitely destined for Germany.

"I cannot believe that, with such figures before them, and in such cases as those just mentioned, the government of the United States would question the propriety of the action of His Majesty's government in taking suspected cargoes to a prize court, and we are convinced that it cannot be in accord with the wish either of the government or the people of the United States to strain the international code in favor of private interests so as to prevent Great Britain from taking such legitimate means for this purpose as are in her power.

Not Holding Up Foodstuffs.

"With regard to the seizure of foodstuffs to which your excellency refers, His Majesty's government are prepared to admit that foodstuffs should not be detained and put into a prize court without the presumption that they are intended for the armed forces of the enemy or the enemy government. We believe that this rule has been adhered to in practice hitherto, but, if the United States Government have instances to the contrary, we are prepared to examine them, and it is our present intention to adhere to the rule tho we cannot give an unlimited and unconditional undertaking in view of the departure by those against whom we are fighting from hitherto accepted rules of civilization and humanity, and the uncertainty as to the extent to which such rules may be violated by them in future.

Must Search in Port.

"From the fourth of August last to the third of January, the number of steamships proceeding from the U.S. for Holland, Denmark, Norway, Sweden and Italy has been 773. Of these there are forty-five which have had consignments or cargoes placed in the prize court, while of the ships themselves only eight have been placed in the prize court, and one of these has since been released. It is, however, essential under modern conditions that, where there is real ground for suspecting the presence of contraband, the vessels should be brought into port for examination; in no other way can the right of search be exercised and but for this practice it would have to be completely abandoned. Information was received by us that special instructions had been given to ship rubber from the U. S. under another designation to escape notice, and such cases have occurred in several instances. Only by search in a port can such cases, when suspected, be discovered and proved.

Cotton Not Contraband.

"The necessity for examination in a port may also be illustrated by a hypothetical instance, connected with cotton which has not yet occurred. Cotton is not specifically mentioned in your excellency's note, but I have seen public statements made in the U. S. that the attitude of his majesty's government with regard to cotton has been ambiguous, and thereby responsible for depression in cotton trade. There has never been any foundation for this allegation. His Majesty's government have never put cotton on the list of contraband; they have thruout the war kept it on the free list and on every occasion when questioned on the point they have stated their intention of keeping to this practice. But information reached us that, precisely because we have declared our intention of not interfering with cotton, ships carrying cotton will be specially selected to carry concealed contraband and we have been warned that copper will be concealed in bales of cotton.

Must Weigh Bales.

"Whatever suspicions we have entertained, we have not so far made the agreement for detaining any ship carrying cotton; but should we have information giving us real reason to believe in the case of a particular ship that the bales of cotton concealed copper or other contraband, the only way to prove our case would be to examine and weigh the bales; a process that could be carried out only by bringing the vessel into a port. In such a case, or if examination justified the action of his majesty's government, the case shall be brought before a prize court and dealt with in the ordinary way.

"That the decisions of British prize courts hitherto have not been unfavorable to neutrals, is evidenced by the decision in the Miramichi case. This case, which was decided against the crown, laid down that the American shipper was to be paid even when he had sold a cargo c.i.f., and when the risk of loss after the cargo had been shipped did not apply to him at all.

Suspect Rubber Shipments.

"It has, further, been represented to his majesty's government, tho this subject is not dealt with in your excellency's note, that our embargoes on the export of some articles, more especially rubber, have interfered with commercial interests in the United States. It is, of course, difficult for his majesty's government to permit the export of rubber from British dominions to the United States at a time when rubber is essential to belligerent countries for carrying on the war, and when a new trade in exporting rubber from the United States in suspiciously large quantities to neutral countries has actually sprung up since the war. It would be impossible to permit the export of rubber from Great Britain unless the right of his majesty's government were admitted to submit to a prize court cargoes of rubber exported from the United States, which they believed to be destined for an enemy country, and reasonable latitude of action for this purpose were conceded. But his majesty's government have now provisionally come to an arrangement with the rubber exporters in Great Britain which will permit of licenses being given under proper guarantees for the export of rubber to the United States.

A Growing Danger.

"We are confronted with the growing danger that neutral countries contiguous to the enemy will become on a scale hitherto unprecedented a base of supplies for the armed soldiers of our enemies and for materials for manufacturing armament. The trade figures of exports show how strong this tendency is, but we have no complaint to make of the governments of those countries, which, so far as we are aware, have not departed from proper rules of neutrality. We endeavor in the interest of our own national safety to prevent this danger by intercepting goods really destined for the enemy without interfering with those which are 'bonafie' neutral.

Hampered by United States.

"Since the outbreak of the war, the government of the United States have changed their previous practice and have prohibited the publication of manifests till thirty days after the departure of vessels from the United States ports. We had no locus standi for complaining of this change and did not complain. But the effect of it must be to increase the difficulty of ascertaining the presence of contraband and to render necessary in the interests of our national safety the examination and detention of more ships than would have been the case if the former practice had continued.

General Principle Undisputed.

"Pending a more detailed reply, I would conclude by saying that his majesty's government do not desire to contest the general principles of law on which they understand the note of the United States to be based, and desire to restrict their action solely to interferences with contraband destined for the enemy. His majesty's government are prepared, whenever a cargo coming from the United States is detained, to explain the case in which such detention has taken place, and would gladly enter into any arrangement by which mistakes can be avoided and reparation secured promptly when any injury to the neutral owners of a ship or cargo has been improperly caused, for they are most desirous, in the interest both of the United States and of other neutral countries, that British action should not interfere with the normal importation and use by the neutral countries of goods from the United States.

"I have the honor to be, with the highest consideration, your excellency's most obedient humble servant.

(Signed) "E. Grey."

Went Down With Cressy

HARRY NICHOLLS

Chief armorer, who went down on H. M.S. Cressy. He served over 24 years in the navy, and was pensioned July last. He was doing an electrician's work on the Cressy. He leaves a wife and three children, who are living at 166 Park road, Sittingbourne, Kent, England. Mrs. F. Turle, his sister-in-law, lives at 165 Carlton street.

NOT TO ENDURE U.S. BAD FAITH

Britain Warns Merchants Who Sold Woolens to Germany on Lifting of Embargo.

By a Staff Reporter.

WASHINGTON, Jan. 10.—Notice has been served upon the state by the British Government, it was learned today, that the recent modifications of the embargo on the exportation of Australian wool would be withdrawn if American merchants persisted in their alleged practice of exporting to Germany both wool and woolen products manufactured in the United States. The British Government, it is stated, has received information which has led it to the belief that simultaneously with its announcement that Australian wool might be exported to the United States, New England merchants and manufacturers began certain exporting to Germany, which Britain looks upon as an act of bad faith towards herself.

State department officials said today that the United States Government could not be expected to interpose further objection to the Australian embargo if American merchants continued to seek to supply German markets with woolen goods.

REV. DR. DICKSON, GALT, DIED ON SUNDAY NIGHT

Special to The Toronto World.

GALT, Jan. 10.—Dr. J. A. R. Dickson, for 35 years pastor of Central Presbyterian Church of this town and 50 years in the ministry, passed away this evening at 10.30.

Two years ago Mr. Dickson collapsed in his pulpit. It was feared at that time that he would not recover. He passed thru the critical spell, but since has rested himself and avoided any extra exertion. He had just returned at Christmas time from visiting his son in Grand Rapids, Mich., and took to his bed. Generally it was not known that the end was so near. A grown-up family survive.

RUSSIANS GAINING GROUND IN AUSTRIA

Armies of Czar in Rapid Advance Threaten Plains of Hungary.

SUNDAY WORLD NEWS

Greece and Turkey on Verge of War Over Persecution of Greeks.

Canadian Press Despatch.

LONDON, Jan. 9.—The French advance in Alsace today apparently was temporarily delayed. Both the French and German official statements of today report the recapture by the Germans of Burnhaupt-le-Haut, the town south of Steinbach, the capture of which by the French was announced yesterday.

In the Argonne violent fighting is again in progress. In one charge the French lost a number of men as the result of a trap set by the Germans, who permitted them to occupy a trench and then blew it up.

Fighting has been resumed in the Aisne region, where the allies captured three lines of German trenches, covering 600 metres (650 yards) of front.

Still Strike at Warsaw.

German armies are still striking at Warsaw from two directions. Along the Vistula, to the west of the Polish capital, heavy fighting has been resumed, and at the same time a new attack has been launched from the north. The Petrograd war office describes the fighting as "more and more desperate," says that the Germans made advances at many points, but states that they were subsequently driven back again. Coincident with the Russian sweep thru the Austrian Province of Bukowina, plans are under way in the adjacent country of Roumania for the mobilization of the army. The entrance of Roumania into the war is expected.

Austrian Army Trapped.

A Geneva report says than an Austrian army has been trapped in Galicia by the Russians, who, by an unexpected movement, caught the Austrians at a disadvantage on difficult ground and placed them in a precarious position.

Servians Renew Advance.

Servia with her army more or less rehabilitated is described in London as snapping with renewed viciousness at the dual monarchy from the south. Austria declares that the latest Servian attacks have been repulsed. Credence is now given in England to the reports that Germany is planning to throw troops to the assistance of her ally in a third attempt to crush the country of the Serbs. One hundred thousand Prussians and 300,000 Austrians, it is said, are to be employed in this campaign, the Teutonic allies deeming such a move imperative in view of the grave situation in the Balkans.

Expect Austrian Collapse.

The present position of Austria-Hungary, according to observers who are today giving expression to their views, is most critical. Threatened from the east and from the south and with Roumania preparing to cast in her lot with the allies, the war is being brought to her front door.

Von Mueller in England.

LONDON, Jan. 9.—Capt. von Muller, commander of the German cruiser Emden, has arrived in England, and is a prisoner in one of the officers' detention camps in Wales. The place of his internment is kept a secret.

Guarding London.

LONDON, Jan. 9. — Colonel Ward, by order of the war office, has organized a special force of 23,000 for service in Greater London in case of fires being started, or other requirements resulting from a raid by Zeppelins or bomb-throwing by German aeroplanes. In addition to that force another special force of 3000, composed of regular employes at important works, have been sworn in as special constables for night duty as watchmen, each taking four hours guard duty every night.

Greeks and Turks May Fight.

LONDON, Jan. 9.—The relations between Greece and Turkey have reached a critical stage. The immediate cause of the trouble is the alleged persecution of Greeks in Asia Minor.

ALLIES TRIUMPH NEAR BEAUSEJOUR

German Field Forts and Line of Trenches Were Taken.

SOISSONS ATTACKED

Kaiser's Troops Also Made Vain Onslaughts Near Soupir.

Special Direct Copyrighted Cable to The Toronto World.

PARIS, Jan. 10. — German troops were driven to the north today by the French forces near Beausejour, and also in that section of the battlefield between Rheims and the Argonne. North of Beausejour, the French captured a field fort from the kaiser's troops, while to the west of that town the invaders were driven from a line of trenches.

West of the Argonne district French artillerymen dispersed a force of German sappers who were trying to work their way up to the positions held by the republic's soldiers.

Soissons Bombarded.

Soissons has been under bombardment again by the Germans, simultaneously with a new attack by the kaiser's troops to regain the positions they lost to the French near Soupire. This attack failed, the French holding their ground on all the vantage points they had seized.

Strongly organized onslaughts by the Germans in the forest of Apremont, France, and northwest of Wattwiller, near Thann, Alsace, have been repulsed by the French.

OFFICIAL STATEMENTS

FRENCH

"Last night in the Champagne region two counter-attacks by the Germans—one to the north of Perthes, the other to the north of Beausejour, were repelled. In the Argonne two minor attacks by the enemy have failed, at Fontaine Madame and at St. Hubert. There was a lively fusillade in the direction of Hill 263, west of Boureuilles, and on Le Ruisseau des Nouvissons, but no attacks.

"The night was calm on the rest of the front."

"From the sea to the Oise there have been artillery duels.

"Upon the Aisne, in the region of Soissons, the enemy, in spite of many attacks, has not been able to recapture the trenches which he had lost. At the end of the day he again bombarded Soissons.

"In the country from Rheims to the Argonne our artillery has shelled the German trenches very effectively at several points, driving away bodies of sappers.

"The positions which we have gained at Perthes and around that village have been organized. A counter-attack of the enemy to the west of Perthes has been repulsed. In the neighborhood of Laferte de Beausejour we have made two-fold progress by gaining ground to the west and by taking possession of a field fort to the north.

"In the Argonne the enemy has bombarded the region of Four-de-Paris; we have replied and destroyed a German blockhouse.

"The enemy's efforts have been continued on 'Hill 263'.

"To the west of Boureuilles all our positions have been maintained.

"Between the Argonne and the Meuse nothing noteworthy occurred.

"On the heights of the Meuse in the forest of Apremont one of the enemy's attacks has been checked by the fire of our artillery.

"In the Vosges to the northwest of Watwiller (in the region of Thann), we have also repulsed an attack."

Saturday night's official statement said:

"To the north of Soissons our advance of yesterday has been maintained. A new German offensive has been repulsed. This morning the trenches conquered between Perthes les Hurlus and Hill 200 were subjected to a lively counter-attack, but the enemy was driven back after having suffered severe losses."

GERMAN

"The bad weather lasted thru yesterday in the western theatre of the war. The Lys has in certain places flooded the country to a width of 800 metres.

"The enemy's efforts to eject us from our positions in the dunes at Nieuport failed.

"Northeast of Soissons the French repeated their attacks. They were all repulsed yesterday, with great losses of the enemy. We captured more than 100 prisoners. Battles at Soissons itself recommenced today. The French have again fiercely attacked. Their attacks broke down, with very heavy losses to them. We took some prisoners.

"In the Argonne we have gained further ground. In this district, and also in the neighborhood of Apremont, north of Toul, the battles continue.

"On sheevening of Jan. 8 the French again tried to take the Village of Burnhaupt by a night attack, which failed completely. Our troops took 230 more French prisoners and one machine gun, so that the war booty taken at Burnhaupt is increased to two officers, 420 men and one machine gun. The French apparently suffered heavy losses on this occasion, also, as great numbers of killed and injured are lying before our front and in the neighboring woods.

"Only trivial engagements took place yesterday in Upper Alsace. At about midnight our troops repelled a French attack at lower Aspach.

"The weather in the eastern theatre of war has not yet improved. The situation remains unchanged on the entire eastern front.

"Unimportant Russian advances south of Miawa were repulsed."

MONTENEGRIN

"Torrential rains and continuous bad weather have rendered all military operations most difficult, but the Montenegrin troops have firmly held all their positions, notwithstanding the fierce artillery fire of the Austrians.

"The king and queen are visiting the troops at the front."

AUSTRIAN

"The general situation is without change. South of the Vistula the Russians yesterday bombarded our positions, but without result. They directed their fire particularly to our positions on the heights to the northeast of Zakliczyn (Galicia).

"North of the Vistula at some points there have been heavy artillery battles.

"An attempt by the enemy to cross the Nida with weak forces failed.

"The situation in the Carpathians is quiet. Two reconnoitering detachments of the enemy in Bukowina were destroyed by machine-gun fire.

"In some of the advanced positions in the southern theatre, from a point east of Trbinje (Herzegovina) to the frontier, there was a brief artillery duel."

RUSSIAN

"On the left bank of the Vistula nothing but desultory engagements with the Germans have taken place. During the night of Jan. 8 and thruout the following day the Germans directed four successive attacks against us in the northern region.

"Our troops, proceeding by sapping, pelted the Germans with hand grenades and forced thehir trenches and leveled their works.

"In the region of the Moghely farm we advanced and succeeded in taking part of the German trenches, in which we entrenched ourselves.

"On the Austrian front no important change has occurred. Our attacks there, however, have succeeded, and the Austrians everywhere retreated. We took some prisoners."

NOTE SATISFACTORY TO WASHINGTON

Officials Believe Amicable Settlement With Britain is Virtually Assured.

Canadian Press Despatch.

WASHINGTON, Jan. 10.—While they are generally reserved in their comment, it may be stated authoritatively that high officials of the United States Government regard the tone of the note as entirely friendly and believe, moreover, that the discussion which will follow it will be carried on in the same vein with a desire on the part of both countries to reach a satisfactory understanding.

The admission by Great Britain of one of the chief points in the American note—that the relations between neutrals were those of normal times of peace and not of war—was gratifying to officials, who believed that the controversy would now resolve itself into a frank discussion of what were the actual necessities of the case which impel interference by a belligerent when suspecting that the ultimate destination of a neutral cargo is belligerent territory.

CAMP THROWN OPEN TO MANY VISITORS

Advantage Taken of Sunday to See How Soldiers Fare.

CHURCH SERVICES HELD

Men Attend Religious Meetings in Large Numbers, Taking Keen Interest.

Rev. Dr. Drummond, of Hamilton, at the invitation of his friend, Colonel Logie, was the preacher at the first church service of the contingent, under the new commanding officer. In speaking on Christian patriotism he took the view that Canadian soldiers should be especially proud of the fact that the Dominion's forces had never resorted to arms except for defence purposes either to protect her own borders, or as in South Africa to repel and subdue invaders of British territory, or to assist in the defence of allies. About 4000 officers and men assembled at 10 o'clock Sunday morning in the transportation building, and the camp band and the combined camp choir from the various units led the portion of the impressive drum-head service.

The Brotherhood large social room in the dairy building was filled by several hundred worshippers at the Roman Catholic celebration of the Mass at 8.30 a.m.

Many Visitors Out.

There were thousands of visitors at the camp yesterday afternoon calling upon their soldier friends. A concert with an appropriate program, was given in the Brotherhood rooms at 3.30. At the same hour the Y.M.C.A. conducted a praise service in the art building. Captain Best was the speaker and songs were rendered by Physical Director A. P. James and Sergt. R. A. Jones. Rev. Dr. A. L. Geggie, pastor of Parkdale Presbyterian Church, addressed a crowded meeting in the dairy auditorium last night, held by the camp Y.M.C.A.

New Order Welcome.

The men are enthusiastic over the order given by Colonel Logie allowing general leave on Saturday from 3.30 to 9.30 p.m., and on Sunday from 1 to 9.30 p.m. On Saturday afternoon a thousand of the troops were starting on their way downtown within five minutes of the time leave began. They walking in twos and threes, stretched in a solid line from the Dufferin street gates up to where they took the cars at King street. The welcome order announcing the Saturday night and Sunday leave was very carefully worded by Colonel Logie. It said: "It is announced to all ranks that the privilege is granted on the understanding that whilst in town the non-commissioned officers and men of the Canadian expeditionary force will conduct themselves as good soldiers and demonstrate the fact that they are worthy of the trust placed in them."

Captain George C. Milsom, A.D. of S. is taking his first rest from staff duty since the contingent was mobilized at Exhibition Park. During his brief four-days vacation his department will be administered by Lieut.-Colonel H. F. C. Poussette, the senior Canadian Army Service Corps officer in camp.

An unusual cause for the discharge of a member fro mthe contingent was contained in reference to the case of one of the ten men struck off on Saturday afternoon. It was that of a prominent non-commissioned officer whose name was taken from the roll on account of not having the consent of his wife for active service overseas. Of the other nine, three refused inoculation, four were medically unfit, one was permitted to leave at his own request, for valid reasons, and one for unsuitability.

Nine companies of the 20th Battalion will receive instruction in bayonet fighting from 10 to 12 and from 2 to 4 o'clock today. The tenth company will assemble on their own parade ground at 9 a.m. to take part in attack exercises, under command of Major W. J. Butcher, C.I.C.S. of M.

Open Penny Bank.

The Penny Bank of Canada will open an office for the transaction of a savings bank business in the quarters of the Brotherhood of St. Andrew in the dairy building. The bank will open for the first time tonight, and every week night from 7 to 9 o'clock. It has over a quarter of a million dollars deposited with the Dominion Government, and the Hon. Sir John M. Gibson is the honorary president. Arrangements have been made to transmit funds to any part of Canada and to England.

May Locate Here.

It is stated that the headquarters of General Lessard will be located in Toronto, but as yet no definite announcement has been made. In all probability that information will be given out today.

Great Treat Coming.

News that the Mendelssohn Choir will give a free concert for the members of the contingent at the camp in February has been given a great welcome. It will probably be held in the transportation building, where an audience of 5000 troops can be packed in. Dr. Vogt will add to the enthusiasm of the event by having his choir sing "Tipperary."

EX-MAYOR GRAHAM MAY BE NOMINATED

Canadian Press Despatch.

LONDON, Jan. 10.—The Conservatives of Ontario will meet in convention Friday next to name a candidate for the federal house, in succession to the late Major Thomas Beattie. Among those mentioned for the honor are former Mayor C. M. R. Graham, W. Gray, president of the London Conservative Association, and Controller J. P. Moore, K.C.

Tankard Group 13.

Umpire Horace Lewis has called play in Ontario Tankard Group 13 for this week in Toronto. The draw will be made at 9 o'clock Wednesday morning at the Granite Club, and play will begin immediately thereafter. The clubs are: Agincourt, Heather, Newmarket, Queen's, Richmond Hill, Stouffville, Scarboro, Scarborа Maple Leaf, Thornhill and Weston.

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