

ALLY SUB. IN BALTIC BELONGS TO BRITAIN

Raider Which Sunk German Warship Late So Announced.

Merchant Vessels' Right To Carry Arms Is Upheld.

London Cable—The British Admiralty to-night stated that it was officially announced at Petrograd to-day that the submarine which made a successful attack on a German warship on July 2 in the Baltic was a British boat.

The statement of the Admiralty contained the first public announcement intimating that British submarines were operating in the Baltic Sea. It is presumed that the undersea boat passed through the Cattegat from the North Sea to the Baltic Sea and then traveled eastward for 200 miles, as the Bay of Danzig, where the warship was attacked, lies in the southern part of that body of water. The distance from an English port to Danzig is about 900 miles. The Russian official communication announcing that a German warship had been sunk by a submarine said that the battleship, which was of the Deutschland type, was steaming at the head of a German squadron at the entrance to Danzig Bay, July 2 when she was blown up by two torpedoes fired by a submarine.

THE ADRIATIC ARRIVES. The White Star liner Adriatic arrived safely in Liverpool to-day evening. Threats had been made that this steamer, on which Sir Robert Borden, Premier of Canada, was a passenger, would be attacked by submarines during the voyage from New York to Liverpool.

The Italian navy has suffered its first serious loss, an Austrian submarine having successfully torpedoed the cruiser Amalfi in the narrow waters of the Adriatic Sea. Most of the crew were saved. This is the second allied warship to fall a victim to an Austrian under-water craft, the French cruiser Leon Gambetta having, earlier in the war, been caught in the Ionian Sea. It is realized that the loss of the Italian warship is only one of the incidents which must be expected where fleets keep to the sea, blockading enemy ports or protecting commerce.

As an offset, it is claimed that a French warship has sunk a German submarine in the Channel. All the belligerent powers are rapidly building submarines, and it is reported that Austria has nine at Pola alone. Thus the Italian ships will run serious risks in moving about the waters of the Adriatic, which are well suited to these craft.

The Grimby trawler Cheshire was blown up by a mine in the North Sea Wednesday. All the crew, with the exception of the chief engineer were killed.

ENTITLED TO BE ARMED. London Cable—"Merchant vessels of a belligerent power are entitled by established and uninterrupted usage of the sea, to carry and use armament in self-defence," said Lord Robert Cecil, Parliamentary Under-Secretary for Foreign Affairs, in reply to a question put by Commander Carleton W. Bellairs in the House of Commons to-day.

"Several neutral Governments," Lord Robert said, "were communicated with in this matter on the outbreak of the war, and several more have been approached since, as circumstances suggested. The principle of merchant ships carrying arms for self-defence has been generally recognized, and British ships so armed have been trading regularly with the various countries since an early stage of the war."

Commander Bellairs' question was whether in view of the unusual character of the German attacks on unarmed merchant vessels the Government would ask all neutral Governments to allow merchant vessels armed for purposes of defence only, with a gun in the stern, to trade with their ports in spite of the fact that they carried a gun.

JUDGMENT IN THE FALABA CASE. Giving judgment in the Board of Trade inquiry into the sinking of the African liner Falaba in St. George's Channel March 23, the loss of 111 lives, Lord Mersey to-day found that the ship had been sunk by a torpedo from a German submarine; that the measures for saving life had been promptly carried out, and that proper discipline had been maintained.

Lord Mersey added that the submarine made no effort to save life, and probably could not do so without endangering itself. Lord Mersey said he was satisfied that the witnesses who had described the lifeboats as being rotten were mistaken, and that the damage sustained by some of them in launching was not due to neglect on the part of the company or crew.

The blame for the catastrophe, Lord Mersey said, must rest exclusively with the officers and men of the German submarine. The men in the rescuing boats were praised for their courage and kindness. The allegations brought to the attention of Lord Mersey after the conclusion of the hearing that the Falaba had fired signals calling for assistance were found by him to be without foundation.

29 SUNK OUT OF 20,000.

Nearly 20,000 vessels have entered or left the port of Liverpool since the German submarine blockade began. This, said Sir A. Norman Hill, secretary of the Liverpool Steamship Owners' Association, speaking at Liverpool yesterday, showed that the Ger-

mans had failed in their attempt to blockade British ports. On these 20,000 voyages the Germans had captured or destroyed only twenty-nine ships, he continued. What did that represent? Ships which had sailed in and out of Liverpool had completed in safety 998 out of every 1,000 voyages upon which they started. That was a magnificent record, he held, of perils faced and overcome.

TWO AMERICANS KILLED. Washington Despatch—Two Americans, Richard Martin, of Chelsea, Mass., or Providence, R. I., and John Mahoney, thought to have lived at No. 321 Third avenue, New York, were killed by the shell fire of the German submarine which attacked the British ship Anglo-Californian.

Advice to this effect reached the State Department to-day from Consul-General Skinner, at London, who transmitted a report from the American Consul at Queenstown. Eight members of her crew and her captain were killed and eight were wounded during the attack, which occurred July 4. The Anglo-Californian escaped.

TURK PRISONERS TELL OF BREAK OF THEIR SPIRIT

All Have Same Tale of Weariness of War and Hatred of the Germans.

HAVE WHIP HAND

Allied Forces On Gallipoli Are Confident They Are Soon to be Victors.

Mitylene Cable—The recent fighting on the Gallipoli Peninsula has resulted in the capture of a large number of prisoners. I have seen many of them, and though they were not badly clothed and appear to have been fairly well fed, they are all of one mind as to their good fortune in being "rescued," as one termed it, from the inferno which the Turkish positions on the peninsula have been for a considerable time. It is always essential to ascertain to some extent the statements of Turkish prisoners, as they generally think it necessary to make declarations by which they hope to find favor with their captors, but allowing for that there can be no doubt as to the general reliability of what they say. They all agree regarding the fighting spirit of the Turkish army. They state that the feeling between the Germans and the Turks is becoming increasingly bad, and they tell many tales of Germans being shot in the back in return for the frequent emptying of officers' revolvers into hesitating or wavering ranks. Men who come from Constantinople give a curious picture of that once busy city. Gallata quays, formerly so densely crowded, are now almost entirely deserted, while the Golden Horn, protected by bombs, is a mass of ships which dare not move. Only at night time does an occasional transport or supply ship venture out. British submarines' work, and the Russian blockade, have had an extraordinary effect. The city is struck, as it were, with paralysis. There is undoubtedly in the capital a large element favorable to and ready to take part in the revolution to overthrow the military party and its German overlords, while in the provinces anti-German riots have taken place. Meanwhile on the peninsula trench warfare continues with unabated vigor. The weather is extremely hot, so conditions are very trying.

The spirit of the allied forces, however, cannot be too highly praised. Our men are digging and fighting their way towards that important goal, Tree Peak, and the numerous gradual slopes which the Turks have made into an underground fort something akin to "the Labyrinth" in France. Krita has for some weeks ceased to be a village at all. In all this destructive war never perhaps has the village being so completely battered to bits. Turks in the neighborhood of the site of the wiped-out village have tried a new strategy. Four lines of their trenches faced a ground sloping toward a position held by our troops. In a dashing night attack the allied forces carried the first two of these lines. Suddenly, just at dawn, the sides of the captured trenches, skillfully manned, crumbled away, exposing the defenders in front. Our men found themselves in the dim light being raked by machine gun fire from two lines of the enemy's trenches before them. In an instant they were up and at them, and after ten minutes of desperate hand-to-hand fighting the second line of trenches was in our possession.

WHIP HAND OF TURKS. The British press representation, Ashmead Bartlett, in a graphic de-

scription of the Battle of Gully Ravine on June 28, which placed the allied line diagonally across the steps of the hill of Gallipoli by pushing forward a mile on the allies' left wing, emphasizes above all the great moral effect on the British forces, who he says "now feel that they at length have got the whip hand of the Turks." They repeatedly failed, previously, in attacks on the positions now won, and their present success is mainly due to a change of tactics and improvement in support afforded by the artillery, and to the splendid co-operation between the military and naval forces.

"Our left wing has been constantly held up by the strength of the Turkish positions," the account says, "but on June 24 the French by a gallant and successful advance straightened out the line on the right and now our left wing has followed, opening up the brightest prospects for the future if only our gunners are kept supplied with unlimited rounds of ammunition."

As an illustration of the exhaustive nature of the previous fighting, the correspondent says that on June 29 the division upon whom the brunt of this battle fell had some battalions without a single officer who originally landed in the Dardanelles.

On the 25th the British infantry forces were greatly assisted by the loan of some French trench mortars, which, dropping bombs containing 30 to 70 pounds of melinite vertically into the enemy's trenches, were used with deadly effect.

"The great difficulty out here has been to hold captured positions against fierce counter-attacks during the night," the correspondent declares. "The ground is so broken and provides so much natural cover that the enemy, having advantage of minute knowledge of its configuration, is able to creep up under cover and retake portions of trenches with the aid of hand grenades. On the night of 28th these tactics were attempted, but failed, and the enemy, who seemed exhausted, engaged in no fighting on the 29th. Thus our men were able to dig out their positions and the enemy's attempts on the 30th to recapture these positions were fruitless, and since then they have shown no disposition to renew the fighting."

FRENCH GAINS NEAR SOUCHEZ

Numerous Engagements All Along the Arras Front.

Another Hun Attack in Argonne and Woerwe Expected.

London Cable—The French forces which captured the railway station near Souchez pressed forward last night and penetrated for some distance into the German lines in front of the village itself, securing 800 yards of trenches by means of an attack with hand grenades. To-day the Germans counter-attacked with extreme violence and were able to recapture some of the lost ground.

According to the French official report to-night, only 100 of the 800 yards was recaptured by the enemy. Berlin's version is that the French were driven out of the rail length of 800 yards, but came back later and are still established in "a small section of trench"—length not mentioned.

All along the front north of Arras there have been numerous infantry engagements without marked advantage to either side. The Paris report states that the German counter-attack against the trenches recently won by the British near Pilkem was checked by the allied artillery and dispersed with heavy losses. This is the attack in which Berlin yesterday asserted that the Germans had succeeded in expelling the British from the position.

The Germans to-day violently bombarded the French front in the Argonne and the Woerwe, so that another onslaught from this quarter by the Crown Prince's troops may be expected shortly.

COAST DANGER

Government Believes in Possibility of a German Sub. Raid.

Ottawa Report—The danger of an attempt by Germany to establish a submarine base in the Atlantic off the Canadian coast for the purpose of destroying vessels carrying war supplies to the allies is being turned over to the Government by Sir John Eaton, who is expected to take the question under his consideration upon his return. What he and the Government have to face is the problem of meeting a situation where the available freight tonnage on the Atlantic is cut down by at least one-half, while the demands for export business are increased or will be increased by the crop movement by about the same percentage.

The cry for ships has been incessant for some months past, and both the export and import business have been seriously hampered by lack of ocean-shipping facilities. There are hundreds of ocean steamers which were formerly available, but which are now being used exclusively for war purposes, some of them being kept as prison ships in England. When the crop movement starts it will take several hundred vessels to handle Canada's wheat exports alone, with a similar increase in demand from the United States. It is not improbable that there will be serious congestion of wheat at the ocean terminals by the end of September, and in consequence the rail movement to the east will be held up. That may bring about a glut of wheat on the western markets, and a consequent drop

MOVING GRAIN A BIG PROBLEM FOR DOMINION

One of Reasons for Premier-Borden's Present Trip to the Mother Country.

WILL BE SLOW

Freighters May be Requisitioned to Carry Food Exports at Fixed Rates.

Ottawa Report—One of the most serious problems which the Government at present has under consideration, and which is one of the matters that Premier Borden will take up with the Admiralty and the home authorities is that of the shortage of ocean tonnage and the tying-up of the Canadian export movement. The impending harvest in Canada, and the necessity of moving the immense crop which at present is expected, brings the problem more forcibly to the front, and makes its solution a matter of pressing importance. The general export business of the country has been hampered seriously for the past few months, owing to the shortage of ocean tonnage both on the Pacific and the Atlantic, though exporters have shown an inclination to take the situation philosophically and to resign themselves to the inevitable loss of business. In the movement of the new crop this autumn the railway systems, the shipping interests, the financial concerns, and, in fact, the Dominion, are vitally interested. The total yield of wheat in Canada last year was 15,000,000 bushels, and this year, with an estimated increase in the acreage of 25 per cent., and with generally good prospects for an increased yield per acre, it is estimated that the wheat crop will not fall far short of 25,000,000 bushels. In the United States it is estimated that there will be 100,000,000 bushels more than last year. It will therefore be seen that a very considerable increased tonnage will be required to carry the exports of the two countries available for ocean freightage is now engaged on the ordinary export business, having been taken over by the Admiralty for purposes of transport etc. A tremendous amount of tonnage formerly available for ocean freightage is now engaged in carrying troops to the various theatres of war, to the Dardanelles, to France, and from Canada to England. Other ships are engaged in the carriage of ammunition, army stores, horses, hay and fodder, etc., so that a comparatively few are available for the ordinary export business of the Dominion. In this respect not only Canada, but South Africa, Australia, New Zealand and all the British possessions also suffer. While German shipping has been driven from the seas, there is a very large German tonnage locked up in the American ports, which before the war was plying on the trade routes of the world. Neutral shipping is also to some extent seriously hampered. A number of prize vessels have, it is stated, been placed at the disposal of shippers in Great Britain, but these are not many. In response to the urgent demand for ocean tonnage many of the steamers formerly engaged on the Great Lakes have taken to the Atlantic.

CROP MOVEMENT LIKELY SLOW. At best, the movement of the 1915 grain crop under present conditions of scarcity of tonnage must be slow. There is a scarcity of 150,000,000 bushels in the elevators of the Dominion, which, to a great extent, will take care of the storage of the crop, but there is only a capacity of 29,250,000 bushels in the elevators of the eastern inspection division, including Montreal, with a capacity of 7,400,000 bushels, so that unless export is freer than it is at present the crop will have to be moved very gradually from the west. This in itself, however, is not regarded as an unmitigated evil, since a gradual movement, from the financial viewpoint, is perhaps better than a rush during a month or so.

Sir George Perley, Acting High Commissioner for the Dominion of London, has been working on the problem for some time past. Sir George Foster, Minister of Trade and Commerce, has been holidaying in New Brunswick for the past month, but is expected to take the question under his consideration upon his return. What he and the Government have to face is the problem of meeting a situation where the available freight tonnage on the Atlantic is cut down by at least one-half, while the demands for export business are increased or will be increased by the crop movement by about the same percentage.

The cry for ships has been incessant for some months past, and both the export and import business have been seriously hampered by lack of ocean-shipping facilities. There are hundreds of ocean steamers which were formerly available, but which are now being used exclusively for war purposes, some of them being kept as prison ships in England. When the crop movement starts it will take several hundred vessels to handle Canada's wheat exports alone, with a similar increase in demand from the United States. It is not improbable that there will be serious congestion of wheat at the ocean terminals by the end of September, and in consequence the rail movement to the east will be held up. That may bring about a glut of wheat on the western markets, and a consequent drop

in price, unless the Government succeeds in its present efforts to have some of the ships now on war service released, and all the available tonnage pressed into the service. These latter are already reaping a rich harvest, and ocean freight rates are up all around.

FIXED RATES, REQUISITIONED BOATS. The increased insurance rates, on account of war risks, are comparatively light as contrasted with the boost in the freight rates following decreased supply and increased demand for shipping. If the ocean freight rates go still higher, it is not improbable that joint action will be taken by the Imperial and Canadian Governments to requisition all the available freighters for the handling of food exports from Canada at fixed freight rates with the Governments assuming all risks of loss.

Sir Robert Borden will spend at least part of his time while in England in discussing the question with the Admiralty and the British Board of Trade. In the meantime, transportation and business interests are endeavoring to co-operate in looking for a solution of the problem.

DEATH TOLL IS NOW THIRTEEN. From Catastrophe On Queenston Trolley Line Wednesday. Possibly Three More May Succumb to Injuries.

Toronto Report—The bodies of Charles P. Jennings, Sidney W. Grant, Robert Watson, Albert E. Little, Rita Wiggins and Dorothy Keats were brought home from Niagara Falls by steamer this morning. The bodies of Harold Jaffray, Patricia, Elizabeth Crombie and Margaret Tomlin reached Toronto last night.

The six bodies brought home to-day came over the same route over which they met their death. Along the car tracks the residents of Queenston lined up to bid a last farewell to those who had come to such a tragic end. Tenderly the caskets were placed side by side in the baggage section of the radial car. Tears came to the eyes of the men as they lifted the smaller coffins, containing the bodies of little seven-year-old Dorothy Keats and Albert Little, the twelve-year-old newboy.

The death toll now stands at thirteen, but it is possible that it will reach sixteen. The corrected list of dead stands as follows:

Harold Jaffray, Partridge, organist Woodgreen Methodist Church, residence 22 Garden avenue.

Charles P. Jennings, accountant Imperial Varnish and Color Company, residence 603 Broadview avenue.

S. W. Grant, advertising manager Westminster Publishing Company, residence 84 Langley avenue.

Miss Elizabeth Crombie, maid employed by Rev. J. McPherson Scott, pastor of St. John's Presbyterian Church.

Dorothy Keats, aged seven, 250 Silver Birch avenue.

Rita Wiggins, 16 First avenue.

Albert E. Little, aged 12, 103 Bolton avenue.

Margaret R. Tomlin, aged 14, 31 DeGrassi street.

Mrs. Margaret Sloan, 24 Fairview Boulevard (died on steamer Chippewa).

Mrs. J. Moore Hart, 421 Broadview avenue, (died on steamer Chippewa).

Mrs. Jane Heron Westney, 44 Bain avenue, (died on steamer Chippewa).

Alfred Grinnell, 756 Logan avenue (died in Toronto general hospital).

Alfred Grinnell died in the General Hospital early this morning. He sustained terrible injuries about the head, his skull and jaw being fractured, and from the first it was thought his recovery was hopeless.

The severely injured include Sarah McWaters, whose right foot, toe and leg were broken, and who is now in the hospital, and Nelson, Elliott, and two other boys, who are also in the hospital.

THEY MAY DIE. Niagara Falls, Ont., Des.—Serious doubt as to the recovery of two Queenston wreck patients, Mrs. H. H. of 16 First avenue, Toronto and four-year-old Frankie Chatter, 157 Carleton avenue, Toronto, is the feature of reports issued by the General Hospital here to-day. Mrs. Hall suffered a fractured leg and shoulder, but was so badly shaken up that her condition is worse than would ordinarily be occasioned by such injuries.

Frankie Chatter has a broken leg, and is badly lacerated about the head and body.

The only other revisions made in the list of injured are statements that Mrs. Jennings, Jun., of 250 Silver Birch avenue, Toronto has a broken arm, and her baby Willie, aged two and a half, has a fractured leg and several contusions.

Both patients have returned to Toronto, and are expected to return to-day, and two to-morrow.

EXCHANGE OF NON-COMBATANTS. Paris, France, July 13.—The negotiations between France and Germany have agreed to exchange the doctors, chaplains, apothecaries, nurses, stretcher-bearers, and administrative officers of the military service now held prisoner in the hands of the enemy.

The number of persons in this category will be determined by each side, and only to minister to their needs and necessities in the hospitals of their opponents. The exchange will begin with that of the permanently disabled, who are to leave Constantine, Baden, July 10, and Lyons, France, July 11.

SHORT ITEMS OF THE NEWS OF THE DAY

Sir John Hendrie is to Open the Canadian National Exhibition.

HOG CHOLERA

Ontario License Board to Probe Toronto Hotels Giving Liquor to Young Girls.

Sir John Hendrie will open the Canadian National Exhibition.

Joseph McCann and Bert Calvert, of Toronto, were drowned while swimming.

Toronto's legal department advises that Acting Fire Chief Smith had no authority to dismiss District Chief Gunn.

Ontario's Attorney-General will act if the verdict of the Queenstown inquest shows criminal negligence in connection with Wednesday's disaster. High praise was given to Joseph Chantlerlain by Walter Long at an unveiling ceremony.

H. W. Dewar, Winnipeg, was elected vice-president of the Field Workers' Union of the Christian Endeavor at the Chicago convention.

The American steamer Platura, which while on the way from New York with a cargo of petroleum consigned to a Swedish port, was stopped by a German warship and taken to Swinemunde, has been released.

The ornamental lighting system on the streets of Chatham was formally lighted Wednesday evening, when Sir Adam Beck pressed a button at the Armories as one feature of the banquet in honor of the occasion.

A serious outbreak of hog cholera has developed in Elgin County, Southwold and Dunwich Townships being the most seriously affected. Government inspectors are on the scene and a general quarantine, it is expected, will be declared at once.

Henry Whitehead, the C. P. R. ticket agent who shot himself at the C. P. R. Windsor Station, at Montreal, yesterday, left a letter stating that he was ending his life because he was financially embarrassed.

George Stark, who was charged with the murder of his mother, was acquitted by a jury at Winnipeg and discharged from custody. George Stark had been sentenced last week to life imprisonment for the killing of Mrs. Stark.

The French Senate unanimously appropriated \$600,000 to be used by the Minister of Marine in payment of charges of neutral vessels that have been seized and especially of that of the American steamer Dacla.

Walter Lasher, aged 23 years, who was in the county jail at St. Thomas on remand, awaiting appearance in Police Court on the charge of stealing a bicycle, made his escape Thursday morning and no trace of him has been discovered.

Roy H. Sewster, a young farmer of North Norwich, appeared in Woodstock Police Court on a most serious charge made by the 16-year-old sister of his wife. Upon advice of his counsel, S. G. McKay, he declined to plead, and the trial was adjourned until July 20th. Sewster was released on \$5,000 bail.

The Provincial License Board will conduct a searching investigation into the circumstances surrounding the supplying of liquor to two girls of sixteen and seventeen years of age by five Toronto hotels, as a result of which five bartenders were prosecuted and fined in the Police Court Thursday.

The report of crop conditions issued on July 7 by the Grand Trunk Pacific Railway shows that all along the line there is some indication of more than an average crop, providing warm weather continues. From the every winter crop has been an unusually cool weather.

STORM WINDS

29 Bodies Recovered in Cincinnati—That Many Missing.

Cincinnati, Ohio, Des.—While 29 bodies of the victims of the devastating storm of Wednesday have been recovered, it was still impossible, early to-day, to make a definite estimate of the total loss of life. A score or more of persons were reported to be missing, and until they have been accounted for, no accurate estimate of the death toll can be made.

Among the missing were six members of the crew of the tow boat Conroy, which was stuck by striking a pier of the Southern Railway bridge in the Ohio River. Other members of the crew of the boat had narrow escapes from drowning, but the missing men have not been heard from.

The other persons reported missing are believed to have been in the wrecked buildings or in some craft on the river, when the storm broke. Search for bodies continued in the wreckage of buildings and along the shores of the river to-day.

Except for the collapsed buildings, little effect of the storm could be seen in the business section of the city, and in the over-river towns in Kentucky. All debris had been removed from the streets, and the street cars were running on regular schedule time.