

GREAT BRITAIN'S REPLY TO AMERICAN NOTE REGARDS AS MOST CONCILIATORY DOCUMENT

Sir Edward Grey's Summing up of Case Leaves Very Little For Two Business-Like Nations to Differ About.

Breathes the Same Friendly and Practical Spirit Which Characterized American Communication and Will Probably be Well Received in Washington.

Continued from page 1.

"Let me say, at once, that we entirely recognize 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 'bonafide' 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.

"We think that such 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, through 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, though 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. I have been unable to obtain complete or conclusive figures showing what the state of trade with these 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 month of November, 1914, for the month of November, 1913, and they are as follows, compared with the month of November, 1913:

Exports Compared

Exports from New York for November, 1913, and November, 1914, respectively:	Denmark \$558,000; \$710,000;
Sweden \$377,000; \$2,858,000;	Norway \$477,318,000; Italy \$2,971,000; \$4,781,000; 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 a guide, but His Majesty's government has been most careful not to interfere with cotton, and its place on the free list has been scrupulously maintained.

"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 to be traced with the neutral countries.

"That the existence of a state of war on such a scale has had a very adverse effect upon certain great industries, such as cotton, is admitted, but it 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 re-

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Miss Beatrice Lougheed, Staples, Ont., writes: "I feel it my duty to tell you what Milburn's Heart and Nerve Pills have done for me. I had heart trouble for quite a few years. I doctored for it, and altogether my bill amounted to \$400, and still no cure. One day when very sick I was lying on a couch close to where some almshouses were hanging. I took one down, and was reading about what Milburn's Heart and Nerve Pills cured, and thought I would try them. I got six boxes to start with; have only taken three boxes and I never felt so well in my life as I do now. I only weighed 87 pounds when I started to take them, and now I weigh 138 pounds. I hope all poor sufferers will be benefited by them as I have been."

Wherever there is any weakness of the heart, Milburn's Heart and Nerve Pills will strengthen it and build up a strong healthy system.

Price, 50 cents per box, or 3 boxes for \$1.25, at all dealers or mailed direct on receipt of price, by The T. Milburn Co., Limited, Toronto, Ont.

called that the British government gave special assistance, through the Liverpool Cotton Exchange, to the renewal of transactions in the cotton trade of not only the United Kingdom but of many neutral countries.

"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 the months of August, which the war has been in progress up to the end of the first week of December are as follows:

"Nineteen thirteen—Fifteen million two hundred thousand pounds. Nineteen fourteen—Thirty-six million two hundred 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 as follows:

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

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

"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.

Copper For Germany.

"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, though ostensibly 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 suspicious cargoes to a prize court and we are convinced that it cannot be in accord with the wish either of the government or of 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.

"With regard to the seizure of foodstuffs to which Your Excellency refers, His Majesty's government are anxious to admit that foodstuffs should not be detained and put into a prize court without 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, though we cannot give an unlimited and unconditional undertaking in view of the departure of these 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.

Ships in the Prize Court.

"From the fourth of August last to the third of January the number of steamships proceeding from the United States for Holland, Denmark, Norway, Sweden and Italy has been seven hundred and seventy-three. Of these there were forty-five which have had consignments of 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 instruction had been given to ship rubbers from the United States under another designation to escape notice, and such cases have occurred in several instances. Only by search in port can such cases, when suspected, be discovered and proved. The necessity for examination in 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 United States, that the attitude of His Majesty's government with regard to cotton has been ambiguous, and therefore responsible for depression in the 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 throughout the war kept it on the free list; and on every occasion when questioned on the point, they have stated their intention of adhering to this practice. But information has 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 cargoes, and we have been warned that copper will be concealed in bales of cotton. Whatever suspicions we have entertained, we have not, so far, made these a ground 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, it would be impossible for us to examine and weigh the bales; a process that could be carried out only by bringing the vessel into port, 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.

Rubber Exports

"It has further been represented to His Majesty's government, though 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 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 was 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.

"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 the enemy, and for materials for manufacturing armaments. The trade figures of imports show how strong this tendency is, but we have no complaint to make of the attitude of the government 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 national safety, to prevent this danger by intercepting goods really destined for the enemy, which are interfering with those which are 'bonafide' neutral.

"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 may 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.

"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 which would have been the case if the government are prepared, whenever a cargo coming from the United States is detained, to explain the case on 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 of both the United States and of other neutral countries, that British action should not be taken 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."

KING AND QUEEN VISIT WOUNDED INDIANS

London, Jan. 5.—King George and Queen Mary, accompanied by a large escort, today visited the hospital at Brighton which has been set aside for the wounded of the Indian expeditionary forces. The King and Queen talked at length with many of the wounded, and were given an enthusiastic reception.

GREECE AND TURKEY NOW NEARING OPEN RUPTURE

Persecution of Greeks in Asia Minor responsible for strained relations—Turkish bandits kill Greeks and remain immune from arrest.

London, Jan. 9.—6.55 p. m.—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.

A long official despatch from Athens, received in London today, states that a number of Greeks have been murdered by Turkish bandits, and asserts that the Turkish authorities are making no effort to arrest the bandits.

A private despatch states that Christians are being persecuted by Turkish authorities, who are making requisitions on land owners, compelling them to give up large portions of their produce. These requisitions, the despatch says, amount to confiscation, since no money is paid in return and no receipts are given.

"This state of affairs," says the despatch, "coming as it does after the expulsion of 120,000 Greeks from Asia Minor last Autumn and the repeated promises of the Porte to stop the systematic extermination of Greeks, renders the situation critical to the utmost degree."

HAND TO HAND FIGHTING ON THE VISTULA

Russians Use Hand Grenades to Drive Germans Out of Trenches—Austrians Everywhere Retreating.

Petrograd, Jan. 10.—The following official statement from the general staff of the Russian commander-in-chief was made public tonight:

"On the left bank of the Vistula nothing but desultory engagements with the Germans have taken place. During the night of January 8, and throughout 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 them out of their trenches and leveled their works.

"In the region of the Moghely farm we advanced and succeeded in breaking through 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."

BOY IN DENTIST CHAIR DIED OF HEART FAILURE

Inquest into Death of P. E. I. Boy Held on Saturday—The Verdict.

Charlottetown, P.E.I., Jan. 8.—An inquest was held today into the death of Robert McCarron, aged 9, who died yesterday while in the dental office of Dr. F. S. Lodge. Witnesses examined were the boy's mother, Mrs. Bridget McCarron of Charlottetown, Dr. Lodge, Dr. G. F. Dewar and Dr. W. J. P. McMillan.

The evidence showed that on Friday afternoon the boy accompanied by his mother came to the dentist to have six teeth removed. Chloroform was administered by Dr. Dewar in the usual way after ordinary precautions had been taken. About 1 1/2 drams were used. Whilst the last tooth was being extracted, the boy began to move and show signs of coming out of the anaesthetic. After the tooth was removed the boy's breathing stopped. Artificial respiration was used, restoratives applied and hypodermic injections administered at first with some effect, but breathing shortly after stopped and the boy could not be revived. He was under chloroform about ten minutes. The jury following the evidence of the doctors found a verdict that death was due to heart failure resulting from administration of the anaesthetic combined with shock of extracting teeth.

TURKS PLAN TO INVADE EGYPT.

Rome, Jan. 10.—The Turks are hastening the construction of three railway lines across the Sinai peninsula, according to a despatch to the *Gloamie* from its Cairo correspondent. According to the report the Turks expect to be ready for an invasion of Egypt by the second fortnight in February.

It is stated that the Turkish and German emissaries are promising Egypt complete independence.

RUSSIANS GAVE NO QUARTER TO TURKS, ONLY 300 SURVIVE.

Petrograd, Jan. 10, via London.—A despatch from Tiflis to the *Bourse* Gazette describes the arrival there of officers of the Turkish army who were taken by the Russians at the defeat of the Turks in the region of Sari Kamysh, in the Caucasus. It says: "Lekhan Pasha, commander of the Turkish Ninth army corps has reached here with four division generals and other captured officers. He describes the Turkish defeat chiefly as due to the terrific climatic conditions, and said that only 6,000 of the corps, with whom were the staff, reached Sari Kamysh.

"The Russians surrounded them and killed most of the gunners. He surrendered when only 300 men were left near him."

DRY IRRITATING HACK OR BRONCHITIS INSTANTLY RELIEVED BY "CATARRHOZONE"

No Failure, Cure in Every Case Treated by Catarrhozone.

Catarrhozone can't fail to cure Bronchitis; it's so healing, soothing and balsamic that every trace of the disease flies before it. When you inhale the pure piney vapor of Catarrhozone you send healing medication to the spots that are diseased and sore. Isn't it rational to apply medicine where the disease exists? Certainly! and that's why Catarrhozone is so successful; it goes where the trouble really is, gets where a spray or ointment can't penetrate. For the relief and complete cure of bronchitis, asthma, catarrh, throat trouble, we guarantee Catarrhozone in every case. You don't take medicine—you use it.

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FUN MUSIC GIRLS
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The All-British Beef Preparation

Bovril is "British to the backbone." Unlike some beef preparations, not a single bottle of Bovril is made from cattle on enemy farms.

Beware of any beef preparation which is unable to give you a similar guarantee.

Canada is the country of origin of Bovril. While some of the extracts are imported from other British colonies, the blending and bottling is done in Canada by Canadian work-people.

Every time you buy Bovril you help our men at home and our men at the front.

But Bovril is not merely British—it is the only food which has been proved by independent scientific investigation to possess body-building powers from 10 to 20 times the amount taken.

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Of all Stores, etc., at 25c. 50c. 1.00. 2.00. 4.00. 8.00. 16.00. 32.00. 64.00. Bovril Cordial, large, 81.25; 50c. 40c. 16-oz. Johnson's Fluid Beef (Vimbea), 12.25. S.H.B.

HOW VIENNA HEARS NEWS OF FIGHTING

Official Austrian Communication Screens All Information of Authenticated Russian Successes.

Vienna, Jan. 10.—Via Amsterdam to London, Jan. 11, 12.30 a. m.—The following official communication was issued today:

"The general situation is without change. South of the Vistula the Russians yesterday bombarded our positions, but without result. They direct-

ed their fire particularly to our positions on the heights to the northeast of Zaklozyna (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 Bukovina were destroyed by machine gun fire. "In some of the advanced positions in the southern theatre, from a point east of Trebnje (Herzegovina) to the frontier, there was a brief artillery duel."

With the British in the Trench-Zone of Strife

IMPERIAL - THE MARINO SISTERS
IN COSTUMED OPERATICS

"THE GIRL AT THE THROTTLE" THE HAZARDS OF HELEN
GEORGE ADE'S FABLES
Famous Humourist's SLANG IN PICTURES

MILLION DOLLARS' WORTH OF GEMS
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REAL JEWELS AND SUPERB "LUCILLE" GOWNS

Cooking for the British. East Indian Soldiers. Almost on Firing Line.
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America's Busiest Women. World's Great Xmas Tree. Views from A1 Over.

GERTRUDE ASHE
In Popular Ballads
THE ORCHESTRA
Eleven Professionals

WED. Charlotte Ives, House Painter, Dig Support

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