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TWELVE PAGES -MONDAY MORNING AUGUST 17 1914- TWELVE PAGES

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MORATORIUM AND FEDERAL INCOME TAX IN CANADA

Must Withdraw Warships and Evacuate Kiaochau Pending Its Return to China, Disarm all Warships in Far Eastern Waters and Withdraw From China Sea.

MUST ACCEPT BY SUNDAY NEXT OR JAPAN WILL DECLARE WAR.

Canadian Press Despatch

TOKIO, Aug. 16, 2.30 p.m.—Japan has sent an ultimatum to Germany, demanding that she withdraw her warships and evacuate Kiaochau. Unless Germany unconditionally accepts by Aug. 23, Japan

will take action. The news that Japan has sent an ultimatum to Germany is offi-

The newspaper Jiji Shimpo, which is usually well informed, in an extra gives some additional details of the Japanese ultimatum to Germany. It was forwarded on Saturday night, according to The Jiji, and, besides demanding the turning over of Kiaochau to Japan pending its return to China, asked that the German warships in far eastern waters be disarmed, and the forts in Kiaochau dismantled. Germany is also requested to withdraw all her warships from the China Sea.

CHINA NOTIFIED.

were handed to the Chinese Government and the foreign legations today.

As it is not considered likely that Germany will comply with the Japanese demands, preparations are proceeding for a campaign by force of arms. Three British regiments in China have received instructions to hold themselves in readiness for transportation.

CHINESE HOPEFUL.

The statement in the Japanese ultimatum, that Japan proposed to return Kiaochau to China, is regarded hopefully by Chinese officials. The Chinese foreign board announced tonight that China realizes that she cannot forcibly prevent transgression of her territory. She is, however, strengthening her forces at Tsinan, with a view only to regulating Chinese affairs. A protest will be lodged if the allies land troops beyond the 50 kilometre limit allowed German troops for manoeu-

According to Japanese figures, the German troops at Kiaochau number 3500. There are several hundred reservists at the various treaty ports. It is not known where the German fleet has gone. It left port about ten days ago with soldiers.

UNITED STATES HAS NOT INTERFERED.

TOKIO, Aug. 16, 10 p.m.—The text of the Japanese ultimatum has created a profound impression, altho it had been predicted that Japan was making ready to participate in the war.

Count Okuma, the premier, and Takaaki Kato, the foreign minister, addressed meetings of merchants, members of parliament, and others, and counseled a calm attitude. They declared that Japan had ho ambition for territorial aggrandizement.

In reply to a question propounded by a merchant, the foreign minister denied the reports that the United States had interfered in any way in the situation, and, he added, the United States was not likely to. Later, he said, the American Government would be fully informed as to the Japanese position.

TURKEY AND BRITAIN MAY SOON BE AT WAR

If Great Britain Insists on Turkey Yielding Two German Cruisers the Latter Will Forcibly Resist.

bassador to the United States from yards, have been seized," said the ambassador. "If this is true, then Great Britain and her allies will have lost the right to make representations to the struggle in Europe between the Turkey. entente and alliance. The intimation was made when the Turkish ambassador said that if Great Britain insists on Turkey yielding the two German cruisers, Goeben and Breslau, which have taken refuge in the Dardanelles, Tur-

key might forcibly resist. The ambassador said Great Britain has outraged, not only Turkish sentiment, but that of the whole Islamic world," by her seizure of two Turkish Greednoughts in English shipyards, and thereby has forfeited any appeal to international law in the matter of

the German warships. Data Durkish dreadnoughts, the Sul- damaged.

Special to The Toronto World.

WASHINGTON, Aug. 16.—The am-1 tan Osman and the Rechaide, in con-

> **GOEBEN AND BRESLAU** WERE GIVEN POUNDING

> German Cruisers Did Not Find Safe Haven Without Being Damaged.

Canadian Press Despatch.

ROME, via Paris, Aug. 16, 9,05 p.m.
The commanders of Italian steamers arriving from the crient state that the German cruisers Goeben and Breslau did not escape unmolested. They were attacked several times by English cruisers, which, however, were not able to overtake them. It is believed that the Germans took refuge in the Deviant arms, while the marines presenting arms, while the marines There is every reason to believe that the Germans took refuge in the presenting arms, while the marines that the Germans took refuge in the presenting arms, while the marines presenting arms, while the marines aboard the gunboat stood at attention damaged.

MILLIONS OF MEN IN OPPOSING ARMIES LINE OF BATTLE STRETCHES 266 MILES NO DECISIVE RESULT EXPECTED FOR DAYS

COPENHAGEN, Aug. 16.—Russia has demanded that the Turkish Government shall grant free sage to the Russian fleet thru the Dardanelles.

LONDON, Aug. 16, 5 a.m.—A Reuter despatch from Rome says that the Paris correspondent of The Tribuna hears that Greece has decided to demand explanations from Constantinople regarding the concentration of Turkish troops on the frontier. Unless the reply is satisfactory, Greece will mobilize

MORATORIUM IN CANADA DURING PERIOD OF

JAPAN'S ULTIMATUM

TOKIO, Aug. 16.—The ultimatum sent by Japan to Germany is as follows:

"We consider it highly important and necessary in these present situation to take measures to remove the causes of all disturbances of the peace in the far east and to safeguard the general late ests as contemplated by the agreement of alliance between Japan and Great Britain.

"In order to secure a firm and enduring peace in eastern Asia the establishment of which is the aim of the said agreement that the imperial Japanese Government sincerely believes it to b its duty to give the advice to the imperial German Government to carry out the following two propositions:

Must Withdraw Warships.

"First-To withdraw immediately from Japanese and Chinese waters, German men-of-war and armed vessels of all kinds, and to disarm at once those which cannot be so withdrawn.

"Second-To deliver, on a date not later than Sept. 15, to the imperial Japanese authorities, without condition or compensation, the entire leased territory of Kiao Chau, with a view to the eventual restora-"The imperial Japanese Government announces at the same time

that in the event of it not receiving by noon, on Aug. 23, 1914, an answer from the imperial German Government, signifying its unconditional acceptance of the above advice offered by the imperial Japa nese Government, Japan will be compelled to take such action as she may deem necessary to meet the situation."

Defensive Action Necessary,

Inspired utterances express regret at the inability to maintain neutrality, but say that Great Britain, the ally of Japan, is compelled to defend herself against the aggressions of Germany. Moreover, it is pointed out that Germany is making preparations day and night at Kaio Chau, where it is strong provisions, while its warships are scouring the seas of eastern Asia to the great detriment of commerce, and that converted cruisers are seizing English merchant vessels. Such actions, it is argued, are directly calculated to disturb the peace of eastern Asia. Accordingly, after full and frank communication with Britain, Japan has found herself compelled to send an ultimatum

to Poles to Break Away

From Russia.

Canadian Press Despatch. LONDON, Aug. 16, 3 a.m.—A St

Petersburg despatch to the Lloyd

News says a newspaper correspondent

who had just arrived from Warsaw, reports that city quiet up to the time he left. He says that a lively cam-

KAISER HOPES FOR GERMANS RETREAT AT SEVERAL POINTS POLAND AS ALLY

Paris Temps Says French Strong Inducements Offered Show Brilliance in Aggressive Tactics.

Canadian Press Despatch.

LONDON, Aug. 16.—4.05 a.m.—The Paris Temps, according to a Reuter despatch, thus summarizes the military situation:

"The German forces stretch from Liega to the Muhibansan district with

"The German forces stretch from Liege to the Muhlhausen district, with marked density north. Their front seems to follow the course of the Ourthe river, then the frontier, which is crossed at Longwy and Circy. A large part of this front has been brilliantly carried by the French, and the German columns are now falling back. They left behind many dead and wounded, in addition to prisoners. ded, in addition to prisoners.

ded, in addition to prisoners.

"In Upper Vosges, the French troops also continue to make progress, and the Germans are retreating."

U.S. GUNBOAT SALUTED

PASSING THRU CANAL

sia.

A proclamation has also been published, the correspondent adds, urging the Poles to support the Germans, declaring that the Germans would give lavish presents to the Poles if they with the Correspondent adds. PASSING THRU CANAL

ness, and Will Also Impose battles of other times.

By a Staff Reporter. government to declare a moratorium at this time while a state of war pre-

The effect of a moratorium proclamation is to postpone the payment of indebtedness. It may be general, or limited, and for such time and subject to such terms and conditions as the government may determine. So far there has been no necessity what- same. in the future. It may, however, he considered advisable to enact a general moratorium act to be brought into effect in whole or in part by proclamation should emergency arise. Both Breat Britain and France have recently declared moratoriums for li-

mited periods. Gift From J. K. L. Ross. Hon. W. T. White, minister of finance, announces that he has received from J. K. L. Ross of Montreal a contribution of five hundred thousand dollars to be used for the general military and naval purposes of the government including provision for pensions to invalided soldiers, their widows and children.

The minister, in accepting the contribution, has expressed to Mr. Ross the thanks of the government for the splendid gift, and congratulating the donor upon his patriotic loyalty to Canada and the empire.

Federal Income Tax. It is reported tha tthe government has under consideration the levying of a federal income tax. While direct official confirmation is lacking, it seems to be generally understood that

(Centinued on Page 2, Column 6.)

Advance Shipment of New Fail Hats for Men. The Dineen Company received the he left. He says that a lively campagn is being waged by German sympathizers along the border, for the support of the Poles. A Polish newspaper, printed under German supervision at Czestochowa, is publishing accounts of German successes. In its latest issue it reported that Sweden and Japan had declared war on Russia. first advance shipment of men's new fall hats, including those by Henry Heath and Christy



of London, Eng., and soft and stiff hats, made by Stetson of Phila-delphia, We are now on the thres-hold of the fall sea-

the German advance.

The Polish leaders in Warsaw, the correspondent asserts, are bitter against the Germans, owing to alleged severe treatment of Poles who fied from Germany when war was declared. SAY HE STOLE WATCH Edward Pike, 74 Helena avenue, was arrested by Detective Archabold, Saturday evening, charged with the theft of a gold watch and chain from Thes, Gerrard

Impending Conflict is Without Parallel in History and It Will Be at Least Eight Days Before Authoritative News of Outcome Can Be Expected -- Belgian War Office Says General Situation Unchanged-German Aeroplanes Drop Bombs at Namur-French Airmen Claim to Have Destroyed Several Zeppelins -- More Restrictions Imposed by Censors - Germans, Continuing Advance Along Valley of Meuse Were Repulsed by French at Dinant and Other Points---Fighting on Austro-Servian and Austro-Russian Frontiers.

Canadian Press Despatch.

PARIS, Aug. 16, 5.55 p.m.—The conditions under which the great battle between the Germans and the allied forces will probably be fought are made the subject of an official communication issued by the French minister of war this afternoon. By its development and the Postponement of Indebtednature of the ground over which the battle will be waged, the communication says, this vast engagement will differ profoundly from the

Federal Income Tax—
"By reason of the abandonment of the attack which the Germans planned against Nancy," says the communication, "our concentration planned against Nancy," says the communication, "our concentration has been carried out with regularity and in its entirety, and thus the whole of the French army will battle with the whole of the German forces, with the exception of those German troops concentrated on the eastern frontier of the empire.

MILLIONS ENGAGED.

will be enacted at the approaching ses-sion of parliament, authorizing the sion of parliament authorizing the therefore, will be from Basle to Maastricht, with several millions o

"It is this enormous extension of effectives and of front, which will characterize the battle, and it will be profoundly different from all

"When two adversaries engage in battle along a front of from 20 to 30 kilometres (13 to 20 miles) the engagement is characterized by two features—it is rapid and immediately decisive. With a front extending over 400 kilometres (266 miles), it is not likely to be the

BATTLE WITHOUT PARALLEL.

in Canada, nor is it expected that the adversaries would be able to gain decisive advantage upon this front of 400 kilometres. The operations along so great a line would have varying fortunes. We will have an advantage at one or several points; the Germans will have an advantage at other points, and the line of battle will continue to be modified until one of the adversaries succeeds by co-ordination of movements and mass of effort to gain, at some point, the superiority which will dislodge the adverse front and mark the end of the first battle.

"These observations have for their object the preparation of the public for a battle in new form and without precedent in history."

The communication adds that news of definite results need not be expected for at least eight days, or longer.

AUSTRIANS INVADE SERVIA.

LONDON, Aug. 16, 11.25 p.m.—A Vienna despatch to Reuter's Telegram Company says it is semi-officially announced that the Austrian troops have invaded Servia at several points.

GREAT SUSPENSE IN BELGIUM. Direct Copyrighted Cable to The Toronto World.

BRUSSELS, Aug. 16.—The great battle has not yet begun. An official announcement issued by the Belgian War Office says the general situation is unchanged. There are no large bodies of Germans on our front. No part of our army is in direct contact with the enemy. The impression produced by the reported cessation of hostilities is

one of great suspense. GERMAN AEROPLANES DROP BOMBS. German aeroplanes are reported dropping bombs on the City of Namur. One fell on the bridge of Domalrus, killing five men and

wounding three seriously. French aviators, it is reported here, flew over Mctz, droppi bombs on the hangar sheltering Zeppelin airships. It is believed that several of the Zeppelins were destroyed.

French aviators generally, it is reported, are striking terror to

the hearts of the Germans. RESTRICTIONS ON NEWSPAPERS.

As the result of an order issued by the war office, newspapers are hereafter to appear only once a day, and on not more than six evenings each week, and then only after all matter intended for publi-

cation has been submitted to the censor. The news of the history-making events which are occurring here hourly will, therefore, be more greatly restricted than ever.

hold of the fall season. Did you notice how brisk the air was yesterday? The was yesterday? The eity is crowded with visitors returning from the summer reserts. Many will you not a new hat, and the arrival of Dineen's new fall stock gives them the choice of the very latest styles, Heath stiff and soft hats, \$4; Christy & Co. \$2, 50 to \$2; Stetson, \$4 and \$5, See window display this week for new yindow display this week for new fall hats for men, new touring coats. The W. & D. Dineen Co. Limited corner Temperane and said that it had been opposed in numerous cities. All the prisoners and said that it had been opposed in numerous cities. All the prisoners and said that it had been opposed in numerous cities. All the prisoners complained of being badly fed.