

The Semi-Weekly Telegraph

The News

VOL. LIV.

ST. JOHN, N. B., SATURDAY, FEBRUARY 13, 1915

NO. 46.

GERMANS MASSING GREAT FORCES IN EAST PRUSSIA BUT CZAR'S ARMIES HAVE SITUATION WELL IN HAND

RUSSIANS EVERYWHERE HOLDING THEIR LINES AGAINST THE ENEMY

Single-Handed, They Are Making Progress Along Great Front.

Von Hindenburg's Army Held in Check Before Warsaw and Austro-German Forces in the Carpathians Are Taken Care Of—Battle Following Battle in the East—Germans Bombarded Nieuport But With Little Success.

London, Feb. 11, 9:30 p. m.—Battle is following battle on the Eastern front, where Russia, single-handed, is fighting the forces of Germany, Austria and Turkey. The Russians have laid their lines against Field Marshal Von Hindenburg's army, which attempted last week break through to Warsaw and apparently have checked the Austro-German offensive in the Carpathians. They are now called upon to defend the positions which they have won in East Prussia and Northern Poland.

The Germans are transferring men and guns by their splendid strategic railways, and have assumed the offensive on the East Prussian border and on the right bank of the Lower Vistula, where an advance has brought them into the district of Sierpoc, which the Russians occupied a short time ago. It is impossible to say yet whether the next big battle will take place in this district or in East Prussia, Grand Duke Nicholas, with whom the initiative remains, has not disclosed his intentions. He may either strike between "Tish and Insterburg, in East Prussia, or threaten to cut Von Hindenburg's communications with Thorn by a movement along the Lower Vistula.

The German emperor has noted in the Carpathians, but the Austrian official report, which complains of the obstacle of snow and the strong pressure of the Russians, suggests that their offensive has at least partially failed. While the Austro-German force in the eastern part of the range seems to have been strong enough to compel the Russians to retire from Bukovina, the Russians appear, after the fierce battles of Sunday last, to have almost completely regained the middle and western portions of the mountains.

Except for a somewhat more severe engagement than usual in the Argonne, and another in Alsace, in which the Germans claim to have succeeded, although the French say that they have regained the ground temporarily given up, the calm continues along the western front.

In the meantime the powers engaged in the struggle are putting their houses in order for a continuation of the war. The German emperor has returned to the eastern front to Berlin to confer with his generals, including Von Moltke, who was retired after the first stages of the war.

Financial experts in Berlin are reported to be arranging for the flotation of another internal loan of \$1,200,000,000. It is said that Russia also contemplates floating an internal loan of \$250,000,000.

In England the increased cost of living for the moment increased the attention of the government, while Premier Asquith has declined to assent to the fixing of maximum prices, steps are being taken to improve the situation. The government, too, is considering means to carry on a more stringent campaign against German trade.

A German submarine has again made its appearance off the coast of Holland, where it attempted to torpedo the British steamer Laertes, which, when ordered to stop, hoisted the Dutch flag for the protection of her neutral crew. A torpedo fired by the submarine according to one report, passed along the steamer's side as she slipped away at full speed, and the submarine sent a shell after her.

ENEMY FAILS IN BOMBARDMENT OF NIEUPORT.
Paris, Feb. 11, 10:40 p. m.—The following official communication was issued by the war office tonight:
"The enemy has strongly bombarded Nieuport and the banks of the Yser, but has not succeeded in doing any material damage. Our artillery has responded effectively. Argonne, in the region of Bagatelle, after a continued struggle by means of bomb throwers, which continued throughout the morning, a German attack was delivered at 1 o'clock in the afternoon against the earthworks of Marie Therese. It was carried out in line by columns of four along five hundred metres of the front, but was broken down by our artillery and infantry fire. The enemy left on the ground a very great number of dead."

SNOW HINDERS THE GERMAN IN EAST.
Berlin, Feb. 11, via London, 3:05 p. m.—At the war office today the following statement was issued:
"In the western theatre of war, an

GENERAL INCREASE IN THE CANADIAN TARIFF

Seven and a Half Per Cent. More Protection, With a Few Exceptions

Finance Minister Also Announces Special Taxes on Banks, Fire Insurance Companies and Other Things—Letter and Postal Card Postage Increased One Cent—Stamp Taxes on Railway, Steamer, Sleeping and Parlor Car Tickets; Also on Checks, Bills of Exchange and Other Legal Documents—Government Hopes to Raise \$30,000,000 a Year by New Imposts—Few Things Left on Free List.

Ottawa, Feb. 11.—Hon. W. T. White proposes to finance Canada through her time of stress and war expenditure by a series of special war taxes and the establishment of a practically prohibitive protection tariff. The special war taxes were expected. Patriotic Canadianism was prepared for generous service and sacrifice. But the all-round tariff increase serves capital and affects consumers. The common people—the ordinary folk—do the principal paying. There is no real evidence of curtailing expenditure. He estimates that this special war tax will realize \$5,000,000. The tariff must be responsible for the rest—\$22,000,000.

The tariff goes up seven and one-half per cent. on the intermediate and general, and five per cent. on the British preferential on all items in the schedule, whether on the free list or not, with a few exceptions. About the only things left on the free list are tea, binder twine and settlers' effects.

The only other items of general consumption left out of the wholesale boost are wheat flour, sugar, agricultural implements, tobacco, and printed books. The special war taxes include an estimated \$1,000,000 from the banks, with the other \$7,000,000 from stamp taxes on telegraph messages, railway and steamship tickets, sleeping and parlor car tickets, letters and post cards, post office notes, and money orders, bank checks, deposits, receipts, bills of exchange, bills of lading, and proprietary medicines and perfumes.

TENDER WITH THE "INTERESTS"
Manufacturers, while having to pay increased duty on their imported raw materials, still have the privilege of the drawback on all exported products manufactured from such raw materials. In other words, the manufacturers will apparently be able to control prices and profits in the home market while still having the benefit of foreign markets, without bearing their cost of the increased duties.

The \$100,000,000 to be spent this year for war purposes, Mr. White said, would be all borrowed in England. Expenditures for the coming year are estimated at \$200,000,000 exclusive of the war cost. Altogether this will be about \$10,000,000 more than the total expenditure of the current year, exclusive of war account.

Although Mr. White stated that the government was economizing, the figures he gave, as to requirements for the ordinary cost of administration, do not reflect any economy. The extra taxes the people will have to pay will simply go to meeting part only of the deficit between revenue and expenditure, apart from the war.

The net debt of the dominion, said Mr. White, will show an increase of about \$110,000,000 for the current year, including the \$50,000,000 spent on the war up to March 31. With an estimated expenditure of \$300,000,000 for the coming year, and an estimated revenue of \$150,000,000, including the new taxes, there is a prospective increase of \$150,000,000 during the coming year.

Mr. White, however, professed optimism as to the future, and a gradual return to normal conditions as the success of the Allies becomes more assured. The debate on the budget will be resumed next week, and will probably provoke a decidedly interesting and illuminating discussion.

Revenue Less Than Expected.
Ottawa, Feb. 11.—The finance minister, in opening, sketched briefly the dominion's financial conditions for the fiscal year, which closes March 31 next. He noted that in his special budget in August last he had anticipated a sharp decline in revenue, owing to the shutting off of trade with the enemy, the interruption and increased risk of ocean traffic, and the cessation of Canadian borrowings abroad, with its consequent effect upon purchasing power at home.

This anticipated decrease in revenue, said Mr. White, had been even greater than was at the time expected. Customs revenue for the first ten months of the fiscal year had dropped by nearly \$20,000,000; excise revenue by \$20,000,000; and in miscellaneous items there had been a drop of \$10,000,000. Since the war broke out, customs revenue had decreased by about one-third, as compared with the corresponding period of the previous year. The increase in excise duties imposed at the war session last August have, however, practically counteracted the heavy losses which would otherwise have been experienced.

CONDITIONS OF LIVING BETTER IN BRITAIN THAN COULD HAVE BEEN EXPECTED

Premier Asquith Predicts Plentiful Wheat Supply in June and Break in Speculation which Forces Prices Up

Resolution From Labor Members Calling for Alleviation of High Cost of Living Deferred for Further Discussion—Admiralty to Make Effort to Release as Many Steamers as Possible and Keep Freights Moving.

London, Feb. 11, 11:25 p. m.—Premier Asquith, in the House of Commons, declined today to assent to the proposal of the Labor party that the government fix maximum prices for coal, food and other necessities of life, but at the request of this party, after an all-day debate on the increased cost of living, granted another day for the discussion of the subject. The debate, therefore, was adjourned until Wednesday next.

Not as Bad as Expected.
London, Feb. 11, 4:45 p. m.—The housewife's side of the great war occupied the attention of the House of Commons this afternoon for this body, by a motion, invited the intervention of the government in the present fight which has been going on against the increased cost of living in the British Isles.

The government has already appointed a parliament committee to investigate this matter, and Premier Asquith explained to the house the result of the inquiry thus far made, and outlined certain proposed steps dealing with urgent necessities, which are causing much hardship on the poor. The premier admitted a formidable rise in the cost of the necessities of life, but he contended that prices were substantially below the level of the best informed judgment of the country would have anticipated at the end of a six months' war involving virtually the whole civilized world, with the exception of the United States.

The large expenditure by the government on separation allowances permitted the working classes to consume food on nearly the same scale as they did before higher prices came, the premier continued.

Speculation One Factor.
Among the factors in the shortage of wheat are the closing of the Dardanelles and the depredations upon crops in the Chicago wheat belt. Premier Asquith said he did not think the shortage of wheat would last long. "The determining factor has been the price on the New York market," he said. "The premier stated: 'These are in a highly nervous and jerky condition, and I know of no way whereby any government of the world can control speculation. As a rule, speculation provides its own remedy. After next June there is reason to anticipate that the fever of speculation will abate.'"

Continuing the premier called attention to the very considerable consumption of meat by the troops, declaring that no men were better fed than the British soldiers. "The stock of sugar in the hands of the government was sufficient to last for many months, and the price of sugar was now approximately the same as in the United States."

Regarding shipping, the premier said that nine vessels of considerable size, now occupied by prisoners of war, would be released for service, and that the admiralty would relinquish vessels in its service whenever possible. "The government," said the premier, "has been invited to fix maximum prices—which the German government has done with such disastrous results—and to buy up all the available supplies in Europe, but I do not think steps of that kind would facilitate the desired end. The government declines to do everything possible to guard the working classes against hardship. A great war like the present must, however, demand sacrifices."

A. Bonar Law, the leader of the opposition, who followed Mr. Asquith, said he thought the government might have done a little more than it had, and that it should, especially when it knew that Turkey would enter the war and that the Dardanelles would be closed, have bought up large quantities of wheat. The government should also have acted earlier, Bonar Law said, in reducing the high cost of freight. "It was common knowledge," he said, "that many ships taken by the admiralty often lay idle for weeks and months. If a board of business men were appointed to deal with these ships, he was sure that fifty per cent. of them would be released for general trade."

The opposition leader said if the premier could convince dealers there would be a plentiful supply of wheat by June he was sure that the price immediately would fall.

WARNS BELLIGERENTS NOT TO HARM U. S. SHIPS OR AMERICAN CITIZENS

Washington, Feb. 11.—Publication by the state department tonight of the text of the notes sent yesterday to Great Britain and Germany, respectively, revealed that both countries had been warned in most emphatic terms, against menacing the vessels or lives of American citizens traversing the recently proclaimed sea zones of war.

Germany was advised that the United States would be constrained to hold the Imperial German government to a strict accountability for such acts of its naval authorities as might result in the destruction of American vessels or the loss of American lives, and that if "such a deplorable situation should arise," the American government would "take any steps it might be necessary to take to safeguard American lives and property."

To Great Britain, the United States pointed out "the measure of responsibility" which would seem to be imposed on the British government "for the loss of American vessels and lives, in case of an attack by German naval forces." England sanctioned the general misuse of the American flag by British vessels, and thereby cast doubt upon the valid character of neutral claims.

The two communications were to have been presented today, respectively to the British government by Ambassador Page, and the German foreign office by Ambassador Gerard. They were prepared by Counselor Robert Lansing, and revised by President Wilson and Secretary Bryan, after consultation with the entire cabinet.

The British, Spanish and Brazilian ambassadors, who happened to call at the state department, were given copies of the notes, as were the ministers of Sweden, Norway and Denmark, who specially requested it. The documents created something of a sensation among the diplomatists generally, because of what some regarded as their dramatic implications.

Diplomats examined with great interest the language of the communications, and some of them construed the note to Germany as a warning that the loss of American lives by sinking even a belligerent merchant ship would be covered by the representations of the American government because of the insistence that all merchant ships must be visited and searched and passengers taken off before ships can be sunk.

55 GERMAN AIRMEN KILLED IN RAID OF BRITISH AIRMEN.

London, Feb. 12, 2:55 a. m.—The Daily Mail's Rotterdam correspondent says he learns that thirty-five German soldiers were killed in one of the Antwerp forts last Friday by a bomb dropped by British airmen.

ARTICLES THAT ESCAPED THE TARIFF BOOST

- Ottawa, Feb. 11.—The list of child exemptions from the general increase in duties is as follows:
Animals for the improvement of stock.
Cocoa and chocolate products.
Tea.
Salt for the fisheries.
Indian corn, except for distillation purposes.
Wheat, wheat flour.
Sweetened biscuits.
Soybean.
Oysters, seed and breeding.
Fish and fish eggs for propagating purposes.
Sugar.
Tobacco.
Wines from South Africa.
Books, printed.
Newspapers and magazines, news printing paper.
Matrix paper.
Woolen knitwear.
Ores of metals.
Bells for churches.
Gold and silver coin and gold and silver in ingots, blocks, bars, drops, etc.
Type-setting and type-casting machines.
Newspaper printing presses.
Mowers, binders, harvesters and reapers.
Traction and ditching machines.
Surgical and dental instruments.
Materials for ships.
Binder twine.
Articles for manufacturing binders and bookbinders.
Fish-hooks, lines, twines and nets for the fisheries.
Artificial limbs.
Artificial teeth not mounted.
Articles applied in tariff for schools, hospitals and charitable objects.
Settlers' effects.
The duties on the above remain unchanged.

CANADA'S WAR OUTLAY TO DEC. 31 WAS \$26,221,974

Ottawa, Feb. 11.—Expenditures in connection with the organization of the Canadian expeditionary force and a list of the firms to whom contracts for the supply of boots, clothing, saddles, etc., were given, are the features of a printed memorandum which was tabled by General Sam Hughes, minister of militia, in the house today.

The report also goes into detail in regard to the organization of the first contingent, and of the forces which are now in training, or are being raised. It is pointed out in a report by Quarter-Master-General MacDonald that 38,000 men were all equipped in six weeks.

A list of expenditures for war purposes up to Dec. 31 last is given as follows:
Pay to troops, \$11,886,104; separation allowances, \$300,040; horses, \$1,721,997; clothing, \$8,609,415; ammunition, \$200,948; field guns, \$1,140,078; rifles, bayonets, \$520,830; motor cars, etc., \$87,198; saddlery and horse-equipment, \$888,628; other equipment, \$1,971,602; engineering works, \$520,177; railway transportation, \$1,200,000; ocean transport, \$1,545,281; censors, \$74,820; general, \$284,260; a total of \$28,281,974.

ANOTHER CANADIAN CASUALTY LIST

Ottawa, Feb. 11.—The following casualty list is announced by militia headquarters today:
Death.
Feb. 10.—Gunner George Rupert Hunter, Third Artillery Brigade, from Nova Scotia, at No. 1 Canadian General Hospital, Netheravon. Next of kin, Richard W. Hunter, 418 Glenmount street, Ottawa.

Private Richard McCullough, P. P. C. L. 1, with bronchitis, at No. 9 Canadian General Hospital, Rouen. Next of kin, Mrs. L. McCullough, 424 Beverley street, Winnipeg.

Wounded Slightly.
Jan. 21.—Private W. South, P. P. C. L. 1. Next of kin, Sarah South, 80 Fuller avenue, Toronto.

ARMED THREAT TO TRANSPORTS

confident that the much heralded ports crossing the Channel and to de-flag in a "war zone" around Britain the warning is being given for its the enemy has exerted its utmost to has failed only through impotence to act. That fact, however, that a German threat will prove but an

life. N. Y.)—Germany officially has indium of the Imperial German Government taken by England, in violation of sea commerce with Germany.

rest of the neutral powers to see this destructive war ended soon as possible.

NEUTRAL VESSELS NOT MOLESTED.
Washington, Feb. 8.—The German embassy declared in a statement issued today in regard to the decree placing the waters around the British Isles in the war zone, that Germany "does not intend to molest or seize American vessels laden with foodstuffs for the civilian population of the enemy countries."

The statement expressed the hope that England will not make necessary a re-consideration of this attitude by seizing German ships like the Wilhelmina.

The German ambassador has not received instructions regarding the decision of the German admiralty, but, according to the text of the decision, by following the statement, it is clear that "There is nothing new in the communication made on Feb. 4 by the German admiralty with respect to the attitude of the German imperial navy toward ships of the enemy or toward neutral commerce. It is absurd to describe this as the proclamation of a new blockade of the British Isles. The communication is simply a statement of what has been since the beginning of the war, the attitude of the navy of all the belligerent powers toward ships of the enemy."

"A few months ago the English admiralty proclaimed the closing of the North Sea, the waters of which are essentially neutral."

"Germany does not profess to close the English Channel to neutral commerce, and she does not intend to molest the American vessels which carry foodstuffs for the civilian population of enemy countries; it is to be hoped that England will not make necessary a re-consideration of this attitude by seizing American ships like the Wilhelmina."

"Germany does, however, announce to the world that it proposes to continue to the ships belonging to the enemy, and it adds the notification to neutral powers that, on account of the fact that British ships are employing neutral flags, according to secret reports, it has now been to have been issued by the British government, bona fide neutral vessels may actually be endangered."

"Although, according to well understood and universally accepted usages of warfare, naval vessels are perfectly justified in destroying merchantmen of the enemy, the German government has issued simply a general reminder to that effect, stating the actual results of operations of the German submarines."

"The warning may also be taken as the nature of an answer to the offer of price of \$2,500, made in England, for the first British merchant ship that would succeed in carrying mail and a German submarine, an offer calculated to revive the long-abandoned practice of privateering."

U. S. NOT LIKELY TO INTERVENE.
Washington, Feb. 8.—Although the text of Germany's official statement explaining the admiralty's proclamation of a submarine campaign against enemy merchant ships, has been delayed in transmission, and did not reach the United States until today from Ambassador Gerard, publication in the press of the text of the document produced a pronounced impression on officials and diplomats in the national capital.

As the memorandum revealed that German naval commanders had been given orders to "avoid violence" to merchant ships, it was regarded as much more reassuring than the brief proclamation, though there was some uneasiness over the suggestion in the memorandum that the press to torpedo enemy merchant ships might unintentionally strike neutral vessels.

President Wilson and his cabinet have come to no decision as to whether or not there will be any protest from the United States government, but it is believed that some inquiry might be made to determine what steps are planned to the effect of assuring and crew from enemy merchant ships, as well as neutral vessels. The Declaration of London provides that all persons aboard an enemy merchant ship must be saved before the vessel is destroyed.

Officials generally were non-committal as to what the position of the United States government might be, but if assurances are given that merchant ships will not be summarily destroyed, without giving an opportunity for persons aboard to be saved, it was regarded as certain that the American government, observing strict neutrality, would not protest against any proclamation of the sea zones.

It was apparent among high officials that the hoisting of the American flag in the British steamer Lusitania immediately after the charge had been made by the German government, that neutral flags had been ordered used by Great Britain, introduced a phase of the situation which is more likely to call forth diplomatic discussion than the proclamation itself. Until some specific acts violating the safety of neutrals on merchant ships are committed, it was believed that no protests would be made, but the Lusitania incident may call forth an inquiry tomorrow, if Ambassador Page does not report on the incident by then.

THE POPE'S PRAYER FOR PEACE.
Berlin, Feb. 8, via London, 4:25 p. m.—Pope Benedict's prayer for peace was read yesterday in the Catholic churches throughout Germany. The reading of the prayer was followed by a ceremony of particular solemnity at the Cologne Cathedral. Cardinal von Hartmann took part in the Eucharistic procession to the cathedral, and read the pope's prayer.