

SINKING OF U. S. SHIP BY GERMAN MEANS WAR

Washington's Note to Berlin Practically Such a Notice.

Note to Britain on the Use of the American Flag.

Washington Report.—The texts of the notes despatched by the United States to the Governments of Great Britain and Germany were made public here today, and prove to be the most vigorous assertions of the rights of America as a neutral yet made by this Government.

The communication to Germany is considerably more severe in tone than had been generally anticipated. So strong are the representations Ambassador Gerard has been instructed to make to Germany with regard to her implied intentions as to neutrality shipping in the new "war zone" that they virtually commit the United States to drastic action if disregarded at Berlin.

The United States declares that it will hold the German Government to a strict accountability for any act of its naval officers resulting in the destruction of bona fide American shipping or the loss of American life. Ambassador Gerard will assert that should a German naval officer act upon the assumption that the United States flag was merely a concealment of a vessel's identity and destroy an American vessel or American life on such an assumption, the United States would view such an act as an indefensible violation of neutrality, and not compatible with the continuance of friendly relations between the two Governments.

DEMANDS ASSURANCE.

Therefore, the United States asks of the German Government some assurance that Americans and their vessels will not be molested upon high seas by German naval forces except through the act of recognized right of visit and search.

While these strong representations are made at Berlin Ambassador Page at London, on the other hand, is instructed to inform Britain that the United States expects Great Britain to do all in her power to restrain British vessels from the use of the American flag in the German war zone. He will state that the United States would hold Great Britain partially responsible if American shipping and American life were lost as a result of the encouragement of such use of the flag.

Ambassador Page also is instructed to inform the British Government of the representations being made to Germany regarding the Admiralty's action. He will also state that the United States is making representations regarding the unauthorized use of the American flag by British shipping.

THE GERMAN NOTE.

Here is the note to Germany: "The Government of the United States, having had its attention directed to the proclamation of the German Admiralty that the waters surrounding Great Britain and Ireland, including the whole of the English Channel, are to be considered as comprised within the seat of war, that all enemy merchant vessels found in those waters after the 18th instant will be destroyed, although it may not always be possible to save crews and passengers; and that neutral vessels expose themselves to danger within this zone of war because, in view of the misuse of neutral flags said to have been ordered by the British Government on the 31st of January, it may not be possible always to exempt neutral vessels from attacks intended to strike the enemy ships, feels it to be its duty to call attention to the Imperial German Government with sincere respect and the most friendly sentiments, but very candidly and earnestly, to the very serious possibilities of the course of action apparently contemplated under that proclamation.

"The Government of the United States views the possibilities with such grave concern that it feels it to its privilege and, indeed, its duty, in the circumstances, to request the Imperial German Government to consider before action is taken the critical situation in respect of the relation between this country and Germany which might arise were the German naval forces, in carrying out the policy foreshadowed in the Admiralty's proclamation, to destroy any merchant vessel of the United States or cause the death of American citizens.

It is, of course, not necessary to remind the German Government that the sole right of a belligerent in dealing with neutral vessels on the high seas is limited to visit and search, unless a blockade is proclaimed and effectively maintained, which this Government does not understand to be proposed in this case. To declare a right of attack and destroy any vessel entering a prescribed area of the high seas without first certainly determining its belligerent nationality and the contraband character of its cargo would be an unprecedented naval warfare that this Government is reluctant to believe that the Imperial Government of Germany in this case contemplates as possible.

The suspicion that enemy ships are using neutral flags improperly can create no just presumption that all ships traversing a prescribed area are subject to the same suspicion. It is to determine exactly such questions that this Government understands the right of visit and search to have been recognized.

"This Government has carefully noted the explanatory statement issued by the Imperial Government at the same time with the proclamation of the German Admiralty, and takes this occasion to remind the Imperial German Government very respectfully that the Government of the United States is open to none of the criticisms for the unneutral action which the German Government believes the Governments of certain other neutral nations have laid themselves open; that the Government of the United States has not consented to or acquiesced in any measures which may have been taken by the other belligerent nations in the present war which operate to restrain neutral trade, but has, on the other hand, taken in all such matters a position which warrants it in holding those Governments responsible in the proper way for any untoward influences on American shipping which the accepted principles of international law do not justify; and that it therefore regards itself as free in the present instance to take with a clear conscience and upon accepted principles the position indicated in this note.

A VIOLATION OF NEUTRALITY.

"If the commanders of German vessels of war should act upon the presumption that the flag of the United States was not being used in good faith and should destroy on the high seas an American vessel or the lives of American citizens, it would be difficult for the Government of the United States to view the act in any other light than as an indefensible violation of neutral rights, which it would be very hard, indeed, to reconcile with the friendly relations now so happily existing between the two Governments.

"If such a deplorable situation should arise the Imperial German Government can readily appreciate that the Government of the United States would be constrained to hold the Imperial German Government to a strict accountability of such acts of their naval authorities and take any steps it might be necessary to take to safeguard American lives and property and to secure to American citizens the full enjoyment of their acknowledged rights on the high seas.

"The Government of the United States, in view of these considerations, which it urges with the greatest respect and with the sincere purpose of making sure that no misunderstanding may arise and no circumstance occur that might even cloud the intercourse of the two Governments, expresses the confident hope and expectation that the Imperial German Government can and will give assurance that American citizens and their vessels will not be molested by the naval forces of Germany otherwise than by visit and search, though their vessel may be traversing the sea area designated in the proclamation of the German Admiralty.

"It is added for the information of the Imperial Government that representations have been made to His Britannic Majesty's Government in respect to the unwarranted use of the American flag for the protection of British ships."

THE BRITISH NOTE.

Here is the note sent to Ambassador Page at London to be presented to the British Government:

"The department has been advised of the declaration of the German Admiralty on February 4th, indicating that the British Government had on January 31st explicitly authorized the use of neutral flags on British merchant vessels, presumably for the purpose of avoiding recognition by German naval forces. The department's attention also has been directed to reports in the press that the captain of the Lusitania, acting on orders of information received from the British authorities, raised the American flag as his vessel approached the British coast, in order to evade anticipated attacks by German submarines. To-day's press reports also contain an alleged official statement of the Foreign Office defending the use of the flag of a neutral country by a belligerent vessel in order to escape capture or attack by an enemy.

"Assuming that the foregoing reports are true, the Government of the United States, reserving for future consideration the legality and propriety of the deceptive use of the flag of a neutral power in any case for the purpose of avoiding capture, desires very respectfully to point out to His Britannic Majesty's Government the serious consequences which may result to American vessels and American citizens if this practice is continued.

SEES A DIFFERENCE.

"That occasional use of the flag of a neutral or an enemy under the stress of immediate pursuit and to deceive an approaching enemy, which appears by the press reports to be represented as the precedent and justification used to support this action, seems to this Government a very different thing from an explicit sanction by the belligerent Government for its merchant ships generally to fly the flag of a neutral power within certain portions of the high seas which are presumed to be frequented with hostile warships. The formal declaration of such a policy of general misuse of a neutral flag jeopardizes the vessels of the neutral visiting those waters in a peculiar degree by raising the presumption that they are of belligerent nationality, regardless of the flag which they may carry.

"In view of the announced purpose of the German Admiralty to engage in active national operations in certain limited sea areas, adjacent to the coasts of Great Britain and Ireland, the Government of the United States would view with anxious solicitude any general use of the flag of the United States by British vessels traversing these waters. A policy such as the one which His Majesty's Government is said to intend to adopt would, if the declaration of the German Admiralty be put in force, it seems clear, afford no protection to British vessels, while it would be a serious and constant menace to the lives and vessels of American citizens.

"The Government of the United States therefore trusts that His Majesty's Government will do all in its power to restrain vessels of British nationality from the use of the flag of the United States in the sea areas defined in the German declaration, since such practice would greatly endanger the vessel of a friendly power navigating those waters, and would even seem to impose upon the Government of Great Britain a measure of responsibility for the loss of American lives and vessels in case of an attack by a German naval force.

"You will immediately press upon His Majesty's Government the grave concern which this Government feels in the circumstances in regard to the safety of American vessels and lives in the war zone declared by the German Admiralty.

"You may add that this Government is making earnest representations to the German Government in regard to the danger to American vessels and citizens if the declaration of the German Admiralty is put into effect."

ESCAPED FROM A SUBMARINE

British Liner Hoisted Dutch Flag and Got Away.

Hit by Gunfire, But Dodged a Torpedo.

Amsterdam, Cable.—The Holt Company's steamship Laertes, which reached Ymuiden today, reports that a German submarine, believed to have been the U-2, attacked her yesterday afternoon, while she was forty miles southwest of the Maas Lightship, off the Dutch coast.

Capt. Propriet, of the Laertes, says that his ship was not flying colors at the time. The submarine appeared suddenly ahead and ordered the vessel to stop. Capt. Propriet quickly ran up the Dutch flag and ordered full speed ahead, ignoring the submarine's repeated orders to stop. The vessel was then fired upon with midget torpedoes, two shots piercing the funnel and ventilator of the Laertes.

The German craft took after the steamship and chased her for forty-five minutes, but the Laertes got away at a 16-knot speed. Towards the speed ahead, ignoring the submarine's repeated orders to stop. Capt. Propriet zig-zagged his vessel to avoid such an attack.

The Laertes was coming from Java and Capt. Propriet justifies his use of a neutral flag by the necessity of protecting a number of neutral passengers, including Chinese.

The incident has attracted the greatest attention in Dutch official circles. It is the first of the kind since the German proclamation establishing a maritime war zone about the British Isles.

THE BUDGET IN BRIEF

Ottawa Report.—The Budget speech of Hon. W. T. White to-day provides for radical revision of the tariff consequent upon the war. Briefly stated, with a small list of exceptions, there is an all-round increase of 7 1/2 per cent. in the general and 5 per cent. in the British preferential tariff, while the free list is abolished, save for certain specified articles mentioned below.

Special war taxes are imposed upon banks, insurance companies, railways, cable and telegraph companies, and patent medicines.

On bank circulation there is to be a tax of 1 per cent, and on trust and loan companies a tax of 1 per cent. on the gross income. Insurance companies, except life and marine concerns, will pay 1 per cent. of net premiums.

All cable and telegraph messages will pay a tax of 1 cent each, while from all railway and steamship tickets the Government will collect five cents where the ticket costs up to \$5, and five cents for each additional \$5 of cost. On parlor car seats and sleeping car berths there will be a tax of ten cents each.

A tax of \$1 is levied on steamship tickets costing up to \$10 to all points other than in Canada or the West Indies; \$2 for berths costing up to \$30, and \$5 for berths over that amount.

POSTAGE GOES UP.

There will be a stamp tax of two cents upon commercial paper, such as receipts, cheques, transfer and business agreements, as well as on express and money orders. Every letter and post card will bear a one-cent stamp, bills of lading a two-cent stamp and postal notes one cent; patent medicines will pay a tax of one cent for each ten cents of cost.

Upon non-sparking wines there will be a tax of five cents per quart; upon champagne, 25 cents per pint.

By reason of the trade conventions with the British West Indies and France, the increased duties do not apply to silk fabrics, velvets, ribbons and embroideries.

THE BATTLES ARE RAGING IN EAST ZONE

And of These Five Are Swinging Toward Victory for the Russ Forces.

IN CZERNOWITZ

Czar's Forces Not All Out of Bukovina—Are Abandoning Masurian Lakes.

London Cable.—Beginning with its approach to Koenigsberg, in East Prussia, and ending almost on the edge of the Roumanian border, at least six battles are in progress. Of these five are swinging in favor of Russia, and if unconfirmed reports be true, there have been developments of the utmost importance to the cause of the allies as represented by the armies of the Czar.

On the Koenigsberg route it is announced that despite the enormous force of men transferred from the Warsaw front by Marshal Von Hindenburg, orders have been given for the evacuation of Insterburg by all civilians. The Germans are transferring men and guns by their splendid strategic railways, and have assumed the offensive on the right bank of the lower Vistula, where an advance has brought them in the district of Sierpce, 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, as Grand Duke Nicholas, with whom the initiative remains, has not disclosed his intentions. He may either strike between Tilsit and Insterburg, in East Prussia, or threaten to cut Von Hindenburg's communication with Thorn by a movement along the lower Vistula.

There is no doubt that the fighting in the Carpathians is continuing now with all the bitterness that has marked it for the last four days. Beginning with the Dukla Pass and extending with the sweep of the mountains themselves there is a series of conflicts at Polonno-Rovna, Mount Munkacs, in the valley of the Lyuta, in the valley of Laborez and Bukovina. There it is that the Germans backing the Austrians and Hungarians have won whatever advantage there may be to them in the east. The Russians are falling back before the superior number of the enemy, but they are fighting every inch of that frozen, snow-covered retreat.

STILL HOLD CZERNOWITZ.

Czernowitz, the capital of Bukovina, is still occupied by Russian troops, according to latest advices, although it is claimed in Berlin that the Russian civil governor has departed from the city. The Bucharest correspondent of the Morning Post reports that, all Austrian reports to the contrary, the Russians are in possession of Czernowitz and of a zone extending some 18 miles to the south of the city.

It is officially announced in a despatch from Berlin that the German Emperor has left again for the eastern war front. Private advices are to the effect that he had returned hurriedly a couple of days ago for a conference with his generals as a result of the enormous sacrifices in life which had been made on the Warsaw front.

EVACUATING LAKE REGION. The following Russian official statement was received to-night from Petrograd:

"It has been definitely established that the Germans are concentrating very great forces in East Prussia. These forces have started an offensive which they are developing, especially in the direction of Wilkowszki (north of Augustowo) and Lyck. The presence is reported of units composed of new recruits from Central Germany. Our troops, keeping the enemy in check, are retiring from the Masurian Lakes towards our frontier.

"On the right bank of the Vistula some small encounters have taken place in the direction of Myschenetz, toward Ostrolenka and in the region of Sierpce, on the Skrwia River.

"On the left bank of the Vistula there have been only cannonades. In the Carpathians, the enemy made attacks to the west of Mokolno, in the direction of Iablunow, We repulsed all these attacks and also a German offensive on the heights of Kozlowka. We seized the heights near Rabbe, to the east of the Lupkow Pass, after a violent fight, and captured as many as 1,000 prisoners."

WEST ADVANCE LONG WAY OFF

Expert Says Neither Side in This Zone Can Move Forward.

Deadly Artillery and the Many Defences Prevent.

London Cable.—The military correspondent of the London Times, in a recent survey of conditions, said that there is little likelihood of any important advance movement by either side on the western front for a long time to come.

Under the present conditions of weather and ground, with artillery which knows the range of every landmark exactly, he argues that a successfully offensive is next to impossible.

"The district in which the British army is operating is practically a swamp," declares this observer. "Water stands on the stiff, slippery and holding clay, rendering the movement of infantry across the country impossible. For weeks on end it has rained, and when it has not rained, thick mists have enveloped the country. The deep trenches are filled with water, and the necessity for standing in this has cost us many casualties.

"It is only on slightly rising ground that life is at all supportable. The fronts of the rival armies are covered with a labyrinth of trenches. On both sides the front lines are often only yards of observation. Acres of barbed wire cover most of the positions. In the rear stretches many lines of zigzag and communication trenches. "Breastworks have been constructed by both armies on the top of the ground to meet the difficulties of holding flooded trenches, while strong posts, defended villages, and farmsteads and other arrangements complete the positions. In the rear masses of guns of all calibres, so well concealed that they are practically invulnerable, are joined up by telephons to all advanced trenches, make a strong framework for the defence.

"During all the months that the British have occupied this district, only three direct hits have been made by German shells upon the British guns. An attack, therefore, has to deal with an intact artillery, which knows every angle of its own trench.

"A forward trench may often be assaulted or mined by either side, or it may be knocked to bits by heavy shells, or cleared by trench mortars and hand grenades, but a local success of this character has no consequences. The battling in front is largely between snipers and men in the sapheads.

"As for the flying corps, despite the weather, it has missed only six days in the air since August. Not easily can any hostile strategical surprise escape the notice of these airmen.

"The British army is not accustomed to winter campaigning, and is not inured to it. Its campaigns have usually taken place in warm climates. It had its lesson to learn, and it has cost something to learn them. In spite of this, the army has stood the test remarkably well, and is probably in better health than any other friendly or hostile, operating in the region."

N'FL'D MINES

Closed by the War, Are Again Being Operated.

St. John's Nfld. Report.—Operations in the mines of Newfoundland, which were practically suspended at the outbreak of war, have been partly resumed. Five hundred men, a quarter of the number usually employed in the winter, are now at work. Because of numerous inquiries from Great Britain for supplies of the ore, at prices promising good returns if transport facilities are available, it is expected that operations will be gradually increased during the next few months.

Canadian manufacturing concerns also have arranged for substantial shipments from the mines of this colony, which for the present will be taken from the reserve stocks. This will increase the Newfoundland Government revenues, through the payment of the export ore tax of 7 1/2 cents a ton.

SHORT ITEMS OF THE WEEK OF THE DAY

Prince of Wales Pays a Visit to the Princess Pat at the Front.

THE DACIA SAILS

Thirty-Two Spanish Soldiers Drown in a Part of Morocco.

Proceedings are begun to unseat the entire Township Council of Sandwich East.

Hog chieftain cost in Essex and Kent counties alone last year \$72,000 in compensation.

Carl Walther, Clerk of Sebatopol township for thirty-six years, missed only one meeting, that held when he was on his death-bed.

The British Official Press Bureau announces that the King has sanctioned the formation of a new regiment of Welsh Guards.

The American steamer Dacia finally sailed Thursday with her cargo of cotton, from Norfolk, Va., for Germany, which goes via Rotterdam.

The Budget brought in by Finance Minister White calls for tariff increases of from twenty to twenty-five million dollars, and special taxes totaling about eight millions.

Thirty-one Spanish soldiers and one commissioned officer, a lieutenant, were drowned in the Bay of Azilia, Morocco, when a barque with 100 soldiers on board straggled Thursday.

A two-storey business block on Ontario road, Welland, was destroyed by fire at midnight Wednesday night. The building was owned by Tony Morykwas, and the two stores were occupied by Paul Thokar and George Prince. The loss is \$5,000.

The Prince of Wales and his staff visited the Princess Patricia's Regiment at the front two days ago. The Prince complimented Major Gault upon the behavior of the regiment under fire. Major Gault was in command in the absence of Colonel Farquhar.

An Exchange Telegram despatch from Copenhagen to London says the Danburrer Zeitung, in an officially inspired article, declares the German Admiralty has issued orders that neutral ships are not to be molested if they are not suspected of carrying contraband, whether a warship or merchantman, is unconditionally to be sent to the bottom.

Mr. E. F. Murphy, saw mill owner of Thoronay, Ont., accidentally shot himself while hunting, and died at his home Wednesday night. The doctor had shot over his shoulder to pick it up, and in so doing, the charge entering the arm near the shoulder. Alone he walked nearly two miles before assistance was secured, and on reaching his home was so weak from loss of blood that he expired. A widow and two children survive.

ASKS COURTESY

Berlin Paper Appeals for English-Speaking Foreigners.

Berlin, via London Cable.—An appeal to its readers not to allow hatred for Great Britain to lead them to insult English-speaking persons in the streets is printed by the Lokai Anzeiger. The paper says it may be assumed in the great majority of such cases that the speakers are Americans. It reminds its readers that diplomatic representatives of the United States have assumed the protection of Germans in lands with which that country is at war.

Americans in Germany are entitled to be treated as guests, and the laws of hospitality must be violated under no conditions, the Lokai Anzeiger asserts.

Ambassador James W. Gerard recently was annoyed while attending a theatre, and similar experiences on the part of other Americans have occurred with increasing frequency in the past few days.

STORM BOUND

Ten German Submarines Disabled in Norway Ports.

London Cable.—The Daily News Copenhagen correspondent states that he had been informed privately from Christiania that during the heavy North Sea gales a few days ago ten German submarines put into Bergen, Stavanger, Trondhjem and other Norwegian ports, all in a terribly battered condition. The crews reported having been many days in heavy weather, enduring severe privations, loss of sleep and discomforts through ceaseless rising and falling in mountainous seas. The men were in an exhausted condition, several of them being ill. The submarines were escorted to Norwegian waters by Norwegian patrol cruisers, and were informed that they must leave within 24 hours, according to international rules, or be interned. They remained about 20 hours for rest, and carried out some slight repairs. The men were only half-intellectual to return to their task in the North Sea.

You can't always size up a man from a distance. The closer we get to some people, the smaller they are.