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PROGRESS OF WAR ON BOTH FRONTS

Russians Have Made Decisive Gains at All Points

(Special to The Guardian)
LONDON, Feb. 11.—The following battle on the Eastern front where Russia, single handed, is fighting the forces of Germany, Austria and Turkey. The Russians have held their lines against Field Marshal Von Hindenburg's army which attempted last week to break through to Warsaw and apparently have checked the Austro-German offensive in the Carpathians. They are now called on to defend positions they have won in East Prussia and Northern Poland. The Germans are transferring men and guns by railways and have assumed the offensive on the East Prussian border and on the right bank of the Lower Vistula where the advance has brought them into the district of Sierpre 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 the Grand Duke Nicholas has not disclosed his intentions. He may strike between Tisitz and Insterburg in East Prussia or threaten to cut Von Hindenburg's communications with Thorn by a movement along the Lower Vistula. No further change is noted in the Carpathians but the Austrian's official report, which complains of obstacles of snow and strong pressure of Russians and suggests that the offensive has at least partially failed.

almost complete command of middle and western portions of the mountains. Except for somewhat more severe engagements than usual in Argonne and another in Alsace, in which the Germans claim success—although the French say they have regained the ground temporarily given up—calm continues along the western front. In the meantime the powers engaged in the struggle are putting their houses in order for the continuation of the war. The German Emperor has returned from the eastern front to Berlin 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 \$1,250,000,000. It is said Russia also contemplates floating an internal loan of \$250,000,000. In England increased cost of living occupied the attention of the Government, and while Premier Asquith declined to assent to fixing maximum prices, steps were taken to improve the situation. The Government is considering means to carry on a more stringent campaign against German trade. A German submarine made its appearance off the coast of Holland and attempted to torpedo the British steamer Laert, which when ordered to stop hoisted a Dutch flag to protect her neutral crew. A torpedo was fired and passed along the steamer's side as she slipped away at full speed, and the submarine sent a shell after her.

HOUSE OF COMMONS MOST IMPORTANT BUDGET SINCE CONFEDERATION

Free List Practically Wiped Out. Revenue of \$25,000,000 Expected From Increased Duties, \$8,000,000 from Special War Revenue Tax.

(From our own Reporter.)
OTTAWA, Feb. 11.—Canada will finance the war by a general and sweeping increase in the tariff, and the levying of a special tax. In the House of Commons to-day, Finance Minister White delivered what will go down in history as the most important Budget since Confederation. He announced an increase of 7½ per cent. ad valorem in the general and intermediate schedules, and an increase of 5 per cent. ad valorem to the British preferential. The free list is practically wiped out. Every article hitherto free or dutiable is affected, with half-a-dozen important exceptions. The "special war revenue tax," as it will be known, will include:—
"A tax of one per cent. annually upon the note circulation of banks, to be computed and paid quarterly.
"One per cent. of the gross income of trust and loan companies.
"One per cent. on premiums received in Canada by all insurance associations except life, fraternal and marine companies. Payments to be made quarterly.
"The above charges are made retroactive, and apply to all transactions made after January 1st, 1915. From to-day the following taxes will be applied:—
"One cent on each telegraph or cable message originating in Canada, to be paid by the sender.
"Five cents on each ticket costing over one and not more than five dollars, and five cents for each additional five dollars or fraction of five dollars on all railway and steamboat tickets to points in Canada, Newfoundland and the United States.
"The following stamp taxes are applied:—
"Two cents on each cheque, deposit receipt, and bill of exchange, express order, post office order, and bill of lading and upon each postal note a stamp tax of one cent. Each letter or post card mailed in Canada must carry a war tax stamp of one cent.
"Upon each package of proprietary or patent medicine and perfume a stamp of one cent up to ten cents value, and one cent for each additional ten cents charge.
"Non-sparkling wines, ten cents a quart, champagne and sparkling wines twenty cents a pint.
"From the foregoing a revenue of \$8,000,000 a year is expected. There will be no income tax.
"The increased customs charges are not to be applied to silk fabrics, velvets, ribbons, embroidery, wheat, flour, fish, salt for curing fish, lines, twines, nets and hooks; reapers mowers, binders, harvesters, binder twine, traction ditching machines, sugar, tobacco, newsprint paper, newspapers, presses, type setters and casters.
"Squid for bait and nicotine sulphate are added to the free list.
"An annual revenue of \$25,000,000 is expected from the increased duties. The drawback privilege of 99 per cent. on duty paid on raw materials imported into Canada and manufactured and exported in manufactured form is continued.
"The decrease in revenue, Mr White announced, is thirty-three million dollars. The war expenditure for the year is fifty million. The deficit

he received, on August 4, the day war broke out, a telegram from Sir Richard McBride to the effect that he had advanced the money for the submarines and had purchased them on his own responsibility. He said that, even as it was, efforts were made to stop the submarines, but it was too late, they had passed outside of territorial waters. It was only by minutes, apparently, that Canada secured these. On the following day, after war was declared, Mr Hazen received a cable from the Admiralty strongly recommending the purchase of the submarines, then at Seattle, which had been built for the Chilean Government but of which they could not take possession. He immediately started inquiries, and asked the advice of the British Admiralty. In the meantime

going to be attacked it is ready and prepared to carry the war into the enemy's territory."
"There was no doubt of the feeling of the Government members, they pounded their desks and cheered for the Premier.
"Mr Hazen showed that the purchase of the submarines was endorsed by the British Admiralty and that it was only the courage, foresight and patriotism of the British Columbia Premier which had secured, but a few hours before the declaration of war by England upon Germany, these admirable ships for coast defence. On August 3, the day before war was declared, Mr Hazen got a telegram from the Admiralty at Esquimaux recommending the purchase of these two submarines, then at Seattle, which had been built for the Chilean Government but of which they could not take possession. He immediately started inquiries, and asked the advice of the British Admiralty. In the meantime

CARPATHIAN BATTLE RAGING FURIOUSLY

1,800 Austro-Germans Killed in Bayonet Charge.

(Special to The Guardian)
GENEVA, via Paris, Feb. 11.—The battle which began in the Carpathians on Feb. 7th is still raging furiously along a front of sixty miles, from Mount Polanina Runa to Mount Mako, according to latest information received here. In Mzolaborce region Gen. Dankl is said to have been obliged to send reinforcements to extricate Hungarian corps which was almost

cut off. The Russians are reported to have gained several miles of the Valley of Lyutta, which borders the Northern slopes of Polanina Runa and also advanced half a mile to the Valley of Lehorze, where the railroad passes. In a single charge by the Russians upon Austro-Hungarian trenches, 1800 men are said to have been killed or wounded in three hours' bayonet fighting.

CANADIAN CASUALTIES POSTED AT OTTAWA

(Special to The Guardian.)
OTTAWA, Feb. 11.—The following casualties among the Canadian expeditionary forces are announced by the Militia Department to-night:—
"Seriously ill, Private Richard McCullough, P.P.C.L.L., with bronchitis, at No. 9 Canadian General Hospital, Next of kin, Mrs. L. McCullough, 424 Beverly Street, Winnipeg.
"Wounded slightly, Jan. 11, Private W. South, P.P.C.L.L. Next of kin, ARRESTED ON SUSPICION, THEN RELEASED.
"ST JOHN, Feb. 10.—A Scheller, who, when he arrived on the Atlantic express yesterday morning from the west, was detained because of something suspicious about his leaving a bank in Winnipeg, where he was employed, and the fact that he possessed a German name, was released after a few hours.
"He furnished satisfactory proof to the police that he was not a German, although his ancestors were German. He said that he tendered his resignation to the bank, but did not wait for an acceptance because of his anxiety to get home. He wanted to catch the Corsican here. He also furnished documents to show that he was in the civil service employ in England before he came to Canada last summer. The police released him and will allow him to go on the Corsican.

BRITISH AIRMEN KILLED 25 GERMANS

(Special to The Guardian.)
LONDON, Feb. 11.—The Daily Mail correspondent says he learns that 35 German soldiers were killed in one of the Antwerp forts, Friday, by a bomb dropped by British airmen.

FLAGS DOWN AMSTERDAM, Feb. 10.—The Telegraaf today publishes a despatch saying that the German commander at Bruges, Belgium, ordered all the consuls there to haul down their flags and remove the coats of arms.

DUCHESS IS INCENSED

LONDON, Feb. 10.—A despatch to the Daily Express from Geneva says:—"The Grand Duchess of Luxembourg, still incensed over Germany's violation of the Grand Ducky, refuses to leave her palace, and thus avoids meeting any of the German officers or men in the streets."
"The correspondent adds that the duchess refused a special invitation to visit Emperor William on his birthday.

COAL STRIKE

CLEVELAND, Feb. 10.—Hope of a settlement of the strike of 15,000 coal miners in Eastern Ohio fields was abandoned last night, when negotiations between miners and operators in the presence of government conciliators, were finally broken off. All parties to the conference, which began January 28, admitted last night there was no present hope of a settlement of the strike, which has tied up Eastern Ohio coal mines since last April.

LIEUT.-GOVERNOR OF QUEBEC APPOINTED.

OTTAWA, Feb. 10.—Hon. Pierre Evariste LeBlanch, K.C., of Montreal, former leader of the Conservative Party in Quebec, and ex-Speaker of the Legislative Assembly, has been appointed Lieutenant-Governor, in succession to the late Francois Langeller.

THE WEATHER. TEMPERATURE, TIDE, MOON, ETC.

(Special to The Guardian.)
TORONTO, Feb. 12.—Maritime: Fresh south-westerly winds; generally fair and mild.
"THE WEATHER.—Yesterday was beautifully fine all day.
"The lowest temperature of Tuesday night was 14 deg. above zero. At 9 a.m. yesterday it was 19 deg. above, and at 9 p.m. the mercury registered 26 above. The highest temperature of the day was 26 deg. above zero.
"The tide will be high this morning at 9.57 and tomorrow at 10.40, it will be high tonight at 8.56 and tomorrow at 9.59.
"The sun sets this afternoon at 5.23 and tomorrow at 5.24, it rises tomorrow morning at 7.04 and Sunday at 7.04.
"The moon sets this afternoon at 3.20 and tomorrow at 3.21, it rises on Sunday, Feb. 7th, at 1.11 a. m. There will be a new moon on Sunday, Feb. 14th at 12.31 a. m.
"The length of today will be ten hours and sixteen minutes.
"Minard's Liniment cures Diphtheria.

POLITICAL TRUCE BROKEN BY HON. WM. PUGSLEY

(From our own Reporter.)
OTTAWA, Feb. 11.—The political truce blew up last night with all on board, torpedoed by Hon. William Pugsley. The member for St John made a bitterly partisan attack on the purchase of the two submarines from the day the war broke out for the defence of the Pacific coast, insinuating that there was wrong-doing on the part of Sir Richard McBride, and wound up by reviving the Liberal naval policy, avoiding the building at the present time of submarines for a Canadian navy.
"His speech and attack at a time when urgent efforts were being made to drop politics and to have the two parties unite in the single aim of defence of the Empire were bitterly resented by Conservative parties.
"He was sharply brought to task by Hon. J. D. Hazen and Sir Robert Borden. The old chamber fairly rang with Conservative cheers when the Premier warmly declared: "If there is to be a fight, it will not be a one-sided fight. If the Government is

he received, on August 4, the day war broke out, a telegram from Sir Richard McBride to the effect that he had advanced the money for the submarines and had purchased them on his own responsibility. He said that, even as it was, efforts were made to stop the submarines, but it was too late, they had passed outside of territorial waters. It was only by minutes, apparently, that Canada secured these. On the following day, after war was declared, Mr Hazen received a cable from the Admiralty strongly recommending the purchase of the submarines, then at Seattle, which had been built for the Chilean Government but of which they could not take possession. He immediately started inquiries, and asked the advice of the British Admiralty. In the meantime

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GERMANS EVACUATE INSTERBURG

(Special to The Guardian)
COPENHAGEN, Feb. 11.—Private reports from Berlin say it is rumored there that the Germans have evacuated Insterburg, East Prussia, and that the inhabitants of the city are fleeing in panic before the Russians enter.

MORE STRINGENCY IN GERMAN TRADE

(Special to The Guardian)
LONDON, Feb. 11.—Premier Asquith in an announcement made in the Commons, said the Government is about to take more stringent measures against the trade of Germany. He promised that arrangements would be made to publish communications from Sir John French, twice daily, thus giving more news of the war. In connection with his recent statement to the effect that British casualties in the Western fighting aggregated 104,000 officers and men, the Premier explained that approximately 60 per cent. of the alleged wounded have recovered and were fit for active service.

EVACUATION OF LODZ HAS BEEN CONFIRMED

(Special to The Guardian)
PARIS, Feb. 11.—Evacuation of Lodz by the Germans has been confirmed, according to a Petrograd despatch to Havas Agency, which states that the stores, offices, commissariat and transports are being removed hastily to Kalisz.
"TWENTY KILLED BY EXPLOSION.
"MADRID, via Paris, Feb. 9.—Twenty persons were killed and many injured by the explosion Thursday of a boiler in a furniture factory at Laguardia.

LORD BERESFORD RECOMMENDS HANGING FOR GERMAN RAIDERS

(Special to The Guardian)
LONDON, Feb. 11.—In the Commons to-day in reply to a question put by Admiral Lord Charles Beresford concerning the German air and sea raids on undefended towns, Premier Asquith said:—"I am not prepared to make any general statement. The case must be dealt with on its merits. Beresford asked the Government to treat the German raiders on undefended places as pirates and trial by court martial and hang them in public for the killing of women and children."
"VIOLENT ENGAGEMENT IN ARGONNE
"PARIS, Feb. 11.—(Official)—In Argonne, fighting in the vicinity of the Marla Theresa earthworks was very violent. According to latest reports received here the German forces amount to one brigade only. They have maintained all our positions. Losses of the enemy were considerable; ours were serious.
"It was during a very dark night there occurred the infantry engagement reported yesterday at La Fontelle, in Ban de Sarp, Germans had at least two battalions of troops present. After having covered some ground our troops recaptured everything they gave up. This was during the day of Feb. 10 and was accomplished by a series of counter-attacks.
"ROYAL HOME
"LONDON, Feb. 10.—King George has received York House, London, at the disposal of Lord Kitchener, secretary of state for war, as a residence during the duration of the war.

50 TURKISH SHIPS SUNK BY RUSSIANS

(Special to The Guardian)
PETROGRAD, Feb. 11.—More than fifty Turkish sailing ships were sunk by the Russian fleet in the Black Sea during recent operations officially announced to-day.

BULGARIAN TO REMAIN NEUTRAL

(Special to The Guardian)
SOFIA, Feb. 11.—"Bulgaria has decided to maintain strict and loyal neutrality," said Premier Radoslavoff at a meeting to-day with his parliamentary adherents, at which the German loan to Bulgaria was discussed. The Premier declared military and financial preparations of the country were adequate for any eventuality but that the Government was confident that friendly feelings of the powers towards Bulgaria would result to its advantage.

FRENCH CAPTURE IMPORTANT HILL

(Special to The Guardian)
ST. OMER, France, Feb. 11.—The capture of Hill Notre Dame de Lorette by the French has been announced here. The hill, which dominates the entire region has been fiercely disputed for weeks. The position captured by the British which is close to Violans Station was one of considerable importance overlooked La Bassée. The Germans made several attempts to re-capture it, but the British troops held the strongly fortified lines and repulsed these attacks with heavy slaughter. The British captured on Sunday night two trenches near Festubert, taking 500 prisoners, who belonged apparently to the newest class of German recruits. Nearly all of them were young and wore new uniforms.

ISLANDERS' TRIP TO FRANCE AND ENGLAND

The Guardian had a pleasant interview last night with Mr. George Buntain, son of Mr. H. V. Buntain, of this city, on his return from Havre, whither he accompanied the Morwenna with Prince Edward Island's gift of oats for the army. Mr. Harry McLean, son of Hon. John McLean, Souris, was supercargo, was Mr. Buntain's companion on the trip, which, to both young men was an exceedingly interesting one.
"They left Charlottetown on December 12, and on the morning of Christmas Day arrived off Havre, France, after a pleasant and uneventful voyage. It took ten days to cross to Havre from Sydney, where they were delayed two days. In the English Channel the Morwenna was stopped by a British cruiser which, having been satisfied as regards the bona fides of the port of Havre was fairly filled with shipping, consisting largely of British transports. They were about four days in Havre before they could unload their cargo. The most interesting feature of the sights in Havre was the constant stream of British troops landing and the almost constant stream also of wounded being taken across to England in Hospital ships. They remained some ten days in Havre and had an opportunity of conversing with a number of wounded. Many of the wounded had been in the historic retreat from Mons and their description of the hardships they endured was truly pitiful. They walked 30 to 40 miles a day keeping a rear-guard fight throughout the whole grueling trip.
"From Havre they went to Dartmouth for coal. They had intended going to Cardiff, but on account of the number of transports there it would have meant too great a delay in coaling. After some days in Dartmouth the Morwenna started on her return to Canada, and Messrs. Buntain and McLean proceeded to London, where they stayed for a few days enjoying the sights. They next crossed over to France, going to Le Touquet, where they visited the Canadian Hospital. There they saw Capt. James Walker and Mr. Wm. Hughes and Miss McLean. Three days were spent at Le Touquet, and the party, now joined by Miss McLean, returned to London. After a couple of days in the great city Miss McLean, accompanied by her brother, went back to Le Touquet.
"While they were at Le Touquet the island visitors witnessed the descent of a British aviator who had gone up from the firing line, intending to drop bombs on Ostend. He became lost in the fog, was up in the air three hours, and seeing a large camp with the British flag flying over it, he decided to alight, this camp being near the hospital.
"Messrs. McLean and Buntain were on the other side at the time the German raid was made against the British coast towns. Souvenirs of this raid are being distributed throughout England in the shape of broken china, caps worn by the coast guards, etc., etc. They also saw German guns which had been captured early in the war and a tattered Red Cross flag which had been fired at by the enemy.
"Mr. Buntain brought back a number of souvenirs from the front in the form of German bullets, coins, etc. These are still in his trunk on board the Morwenna, which is now in Halifax.
"Another interesting souvenir which Mr. Buntain has in his possession is a passport secured from the Foreign Office in London, enabling him to travel in France, but it was not valid for the zone of the enemies.
"Messrs. McLean and Buntain left England for home on the Allan Liverpool on January 29th, and reached Halifax last Monday afternoon. They had a pleasant trip over, fine weather, with the exception of two days, but had to slow down for a while owing to heavy fog. They passed a number of icebergs and several ships on the voyage back. Owing to the ice around Cape Race they had to go a considerable distance out of their course.

COST OF LIVING BEFORE THE COMMONS

(Special to The Guardian.)
LONDON, Feb. 11.—The housewives side of the great war occupied the attention of the House of Commons this afternoon, for this body by 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 Parliamentary 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 necessities of life, but he contended that prices were substantially below the level which the best informed judgment of the country would have anticipated at the end of a six months war, involving actually the whole civilized world with the exception of the United States.

DR BELAND IS NOT ALLOWED TO LEAVE BELGIUM

QUEBEC, Feb. 10.—News came today by cablegram that Hon. Dr. H. S. Beland, M. P. for Beauce, is unable to leave Belgium, the German authorities refusing him passport for the pay of a local company, in due time as he cannot see to it himself.

ARMY ESTIMATES ARE PASSED

(Special to The Guardian.)
LONDON, Feb. 10.—After two days debate during which many matters of connection with the war were discussed, the Commons tonight passed, without division, the army estimates for 3,000,000 men, exclusive of India, also by "token" vote provided for the pay of officers and men. By this vote the government will receive a blank check for this purpose.
"Replying to points raised by members of the House, Harold J. Tennant, Parliamentary Under Secretary for War, said that in case of raid on England Gen. Sir Ian Hamilton was in command of a mobile force which was ready to go anywhere at any time.
"There was considerable discussion of the question of inoculation against disease, in reply to which Mr. Tennant declared the sentiment in favor of compulsory inoculation was increasing and that the government was considering to adopt it.
"Lord Kitchener, felt so strongly about the matter, Mr. Tennant said, that he was about to issue an order suspending grants of leave to these persons who declined to be inoculated.
"The Under Secretary added the suggestion that the war office should consent to the enlistment of Bantam battalions" being considered. In mentioning districts, he said, there were many men under the regulation height who desired to serve in the army and some of them already were in training.

COMING EVENTS. ANNOUNCEMENTS, MEETINGS, ETC.

ONE CENT per word each insertion for advertising in this column. Cash must accompany orders. Minimum charge twenty-five cents.
**Reserve Monday evening, Feb. 15, for the Bean Social in Winslow Hall. Admission 25c. Proceeds for Winslow-Harrington Red Cross Society. 6:00 stormy, first fine night.
**NOTICE TO THE PUBLIC.—W. H. Jessop Fancy Baker, 133 Gt. George Street, having contracted a severe attack of Bronchitis has unavoidably been forced to close his store for a short time. Notice will be given when opening again. In the interval orders will be taken in for next week. 8:58.
Minard's Liniment Cures Rheumatism.

Minard's Liniment cures garget in cows