TWO AUSTRIAN SUBMARINES CAPTURED BY ITALIAN NAVY

Harbor of Pola Again Bombarded By French and Italian Hydroplanes.

A despatch from Rome says: The capture of two submarines is reported in an announcement on Sunday from the War Office. The statement follows:

"The enemy submarine Vc12, which the German navy ceded to Austria-Hungary, has fallen into our hands, and become a unit of our torpedo squadrons. Another enemy submarine the VT12, belonging to the Austro-Hungarian navy, also is in our possession.

"Italian and French hydroplanes on Friday dropped bombs on the enemy's works at Pola. Enemy aeroplanes made a counter-attack, but were repulsed. One of our hydroplanes successfully fought three enemy aeroplanes.

"Enemy aeroplanes bombed our torpedo boats at sea without effect. All our units returned to their base undamaged."

ITALIAN BATTLESHIP HIT MINE 675 MEN ON BOARD PERISHED

The Disaster Occurred a Month Ago, But It Has Only Now Been Announced.

A despatch from Rome says: It is officially announced that the Italian battleship Regina Margherita struck a mine off the Albania coast and sank December 11. Six hundred and seventy-five men on board perished. Two hundred and seventy were saved.

The battleship Regina Margherita was laid down in 1898, and completed in May, 1904. She was a vessel of 13,427 tons, 426 feet long, and had a draught of 27 feet. Her usual complement was 730 men. The battleship carried four 12-inch, four 8-inch, twelve 6-inch guns, twenty 12-pounders, two 1-pounders, two maxims and four torpedo tubes.

The Regina Margherita was a sister ship of the Benedetto Brin, which was badly damaged by an explosion on board in 1915, in which a large number of her crew, including Rear-Admiral De Oervin, were killed.

BRITISH WIN IN PALESTINE

Anzac Mounted Troops Destroy Turk Position At Rafa.

A despatch from London says:—The War Office reports:

"On Tuesday our troops captured a strong enemy position consisting of six lines of entrenchments with six main redoubts and a central keep, covering Rafa, 30 miles north-east of El Arish, Egypt. The attacking force, composed of Anzac mounted troops and the Imperial Camel Corps, left El Arish on Monday, and the attack on the position commenced at 7 a.m. Tuesday. The fighting lasted until 5 p.m., when the position was finally carried.

"After the engagement a Turkish relief force was located, advancing from Shalal, 16 miles east of Rafa. This force was engaged at a point about four miles from the Rafa position, and was entirely destroyed.

"Up to the present we have taken 1.600 unwounded prisoners and four mountain guns. The enemy killed and wounded in our hands amount to 600."

ROME CONFERENCE TURNING POINT IN WAR.

A despatch from London says: The Times in an editorial on Wednesday regarding the recent War Council held in Rome, says: "The conference just concluded in Rome may well prove one of the turning points in the war. More than one vital decision was reached with complete harmony. The road to victory, though it may be long, is now running straight to the appointed end."

JAPANESE SHIP BLOWN UP IN PORT

Fire on Board Tsuku-ba Reaches Magazine and Destroys Ship.

A despatch from Tokio says: The Japanese battle cruiser Tsuku-ba was destroyed by an explosion on Sunday in the harbor of Yokosuka. Fire on the Tsuku-ba caused the magazine to blow up. One hundred and fifty-three members of the crew of the Tsuku-ba were killed and 157 injured, many of them seriously. Numerous members of the ship's company were rescued from the water. Most of the officers of the cruiser were ashore. The cause of the explosion is not known.

200,000 BRITISH WOMEN TO WORK ON THE FARMS

A despatch from London says:—An important announcement regarding the employment of women in agriculture will be made shortly, according to the Daily News. The idea is to raise an army of 200,000 women workers. Several schemes have been under consideration, and the one to which President Prothero of the Board of Agriculture has given special attention, and which has been referred to Neville Chamberlain, Director of National Service, provides for women being billeted and paid a shilling a day.

FORTY TURKISH VESSELS SUNK BY THE RUSSIANS.

A despatch from London says: A raid on the Anatolian coast by a Russian squadron is reported in a Central News despatch from Petrograd. The Russians sank forty Turkish sailing vessels which were carrying food to Constantinople.

BRITISH CAPTURE POSITIONS ON FRONT OF NEARLY A MILE

Several Raids Also Resulted in the Bagging of Large Numbers of Prisoners.

A despatch from London says:—The British official communication issued on Thursday night says: "A number of minor enteprises were undertaken last night with excellent results. South of the Ancre we entered the enemy trenches at two places in the neighborhood of Grandcourt, and took prisoners. Early this morning a local operation on a large scale north-east of Beaumont-Hamel was completely successful. Our troops carried an enemy trench on a front of three-quarters of a mile, and established our position. An enemy counter-attack this afternoon was caught in the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the operations in this area.

"Enemy trenches also were raided last night east of Armentieres, and north-east of Ypres. Many casualties were inflicted on the enemy."

MEN UNFIT FOR ACTIVE DUTY TO TAKE PLACES OF FIT MEN

A despatch from London says:—The scheme of co-ordinating the training of Canadians in England with the requirements in France, is proceeding satisfactorily. Officers from corps and divisional schools have been transferred by the general staff to England, and many of them are specialists in certain lines of instruction. The Canadian military school at Shorncliffe is being reorganized. Col. Watty Burland, who has done exceptionally good work here, will command a double reserve battalion. Special instruction is now given to all men proceeding to France. A list has been compiled throughout all the Canadian centres in England of men fit for active service. Such will be replaced by unfit men and others incapacitated at the front.

NOTE IS CLEAR AND POSITIVE

Demands Restoration of Belgium, Serbia and Montenegro.

A despatch from London says: The Times' war editorial on Friday on the allies' note says: "Eminently courteous and friendly in tone, clear and positive in statement, closely reasoned, and animated by the lofty ideals of politics, morals to which the people of the United States have always paid homage, the reply of the allies to President Wilson's note must command the assent and approbation of the great nation who inherited, assimilated and developed the best principles and traditions of Western civilization. The German Government hastened to avail themselves of a phrase which they picked out of the President's note in order to curtly refuse the information which he asked. They made no 'avowal of their views as to the terms on which the war might be concluded,' and told him in substance he was on a mistaken road to peace. The allies do not pretend in the present position to state all their war aims in detail, but declare the general objects with more amplitude and precision than in any statement they have yet made to their own countrymen."

The Only Terms.

The Times then ennumerates the terms of the allies, viz: The restoration of Belgium, of Serbia and Montenegro and complete reparation for the damage they sustained, and the evacuation of the invaded territories of France, Russia and Rumania, with such reparation as is considered just.

The reorganization of Europe, guaranteed by a stable regime and founded upon the respected nationalities and full liberty and security of all great and small nations.

The restitution of territories previously severed from allied nations by force or contrary to the wishes of their populations.

The liberation of Italians, Slavs, Rumanians and Czech Slavs from foreign domination.

The retirement of the Turkish Empire from Europe.

The expression "they must provide restoration of the provinces torn from the allies by force against the wish of the inhabitants" is a clear reference, says the Times, to Alsace-Lorraine.

The editorial concludes: "We feel confident the excellent impression which the allies' reply to Germany created must be confirmed and intensified by the more ample answer we make at the suggestion of the President."

"VICTORY LOAN" GRIPS J. BULL

Tremendous Response to Lloyd George's Appeal.

A despatch from London says:—Great Britain's loan of victory was successfully launched on Friday. Stimulated by the speech of Premier Lloyd George in the Guildhall on Thursday, in which he appealed to all classes of society to place their capital at the disposal of the Government, the first investors began to pour their funds into the Bank of England on Friday morning. The Premier's declaration that "a well-directed check" was now as powerful as shell and shrapnel, met with an instant response. By noon half a billion dollars had already been subscribed.

Early Friday the building leased by the Bank of England to handle the rush of war-loan bidders was crowded with a picturesque throng, which included many soldiers in khaki and some women. The doors opened earlier than at the bank, and from shortly after 8 o'clock until closing hours the entry was filled with applicants for the prospectuses, which are being distributed broadcast over the city. Even the East End has its share in the loan, one of the earliest visitors at the bank being a costermonger who wheeled away a pile of the pamphlets for the small dealers in his neighborhood. All over Britain application forms are being given out. The munition factories, in particular, are being systematically canvassed by the Government, which is asking the workers, both men and women, to use the new loan as an invesfment of their weekly savings.

Why He Supported the Fund.

The task of raising the Canadian Patriotic Fund is not all serious work. It is illumined here and there by flashes of humor, and everywhere there crop out touches of human nature that add zest to the work. Take the case of a Quebec county councillor. His council had been asked to contribute a certain sum yearly, and an officer of the Fund called on him to secure his endorsation of the proposal. He listened to an explanation of the details, and then started to estimate what the new taxation would imply to him. Then he said: "All right. I'll vote for the grant. I find that it will cost me eight dollars,—but I'd rather pay even twenty dollars than go to the war!"

There are no words of more than six syllables in the Bible.

LEADING MARKETS

Breadstuffs.

Toronto, Jan. 16.—Manitoba wheat—No. 1 Northern $2.07½; No. 2 do., $2.04½; No. 3 do., $2.01½; No. 4 wheat, $1.86½, track, Bay ports. Old crop trading 4c above new crop.

Manitoba oats—No. 2 C.W., 70¾c, track, Bay ports.

American corn, No. 3 yellow, $1.08½, shipment within 30 days.

Ontario oats—No. 2 white, 64 to 65c, nominal; No. 3 white, 63 to 65c, nominal, according to freights outside.

Ontario wheat—New No. 2 Winter, per car lot, $1.78 to $1.80; No. 3 do., $1.76 to $1.78, according to freights outside.

Peas—No. 3, $2.40, according to freights outside.

Barley—Malting, $1.13 to $1.20, according to freights outside.

Buckwheat—$1.25, according to freights outside.

Rye—No. 2, $1.37 to $1.39, according to freights outside.

Manitoba flour—First patents, in jute bags, $9.90; 2nd do., $9.40, strong bakers', do., $9, Toronto.

Ontario flour—Winter, according to sample, $7.30 to $7.50, in bags, track Toronto, prompt shipment.

Millfeed—Car lots—Delivered Montreal freights, bags included, bran, per ton, $32; shorts, do., $37; good feed flour, per bag, $2.70 to $2.80.

Hay—No. 1, per ton, $12.50 to $13.50; No. 2, do., $9 to $11, track, Toronto.

Straw—Car lots, per ton, $9.50 to $10, track, Toronto.

Country Produce—Wholesale.

Butter, fresh dairy, choice, 38 to 40c; creamery prints, 45 to 47c; solids, 43 to 43½c.

Eggs—No. 1 storage, 39 to 40c; storage, selects, 42 to 43c; new-laid, in cartons, 60 to 65c; out of cartons, 58 to 60c.

Cheese—Large, 25½ to 26c; twins, 26 to 26¼; triplets, 26½ to 26¾c.

Dressed poultry—Chickens, 22 to 24c; fowl, 16 to 18c; ducks, 20 to 22c; squabs, per dozen, $4 to $4.50; turkeys, 25 to 30c; geese, 16 to 18c.

Honey—White clover, 2½-lb. tins, 14c; 5-lb. tins, 13 to 13½c; 10-lb., 12½ to 13c; 60-lb., 12 to 13c; buckwheat, 60-lb. tins, 9 to 9½c. Comb honey—extra fine and heavy weight, per doz., $2.75; select, $2.50 to $2.75; No. 2, $2 to $2.25.

Potatoes—Ontario, per bag, $2.25; British Columbia, per bag, $2.25; New Brunswick Delawares, per bag, $2.45 to $2.50.

Beans—Imported, hand-picked, per bush., $6; Canadian hand-picked, per bush., $6.50 to $7; Canadian primes, $6 to $6.50; Limas, per lb., 9½ to 10c.

Provisions—Wholesale.

Smoked meats—Hams, medium, 25 to 26c; do., heavy, 22 to 23c; cooked, 34 to 36c; rolls, 19 to 20c; breakfast bacon, 25 to 27c; backs, plain, 26 to 27c; boneless, 28 to 30c.

Cured meats—Long clear bacon, 18 to 18½c per lb.; clear bellies, 18 to 18½c.

Lard—Pure lard, tierces, 21½ to 21¾c; tubs, 21¾ to 22c; pails, 22 to 22¼c; compound, 16¾ to 17c.

Montreal Markets.

Montreal, Jan. 16.—Oats—Canadian W. No. 2, 71c; No. 3, 69c; extra No. 1 feed, 65c. Barley—Manitoba feed, $1; malting, $1.30. Flour—Manitoba Spring wheat patents, firsts, $10; seconds, $9.50; strong bakers', $9.30; Winter patents, choice, $9.25; straight rollers, $8.50 to $8.80; do., bags, $4.10 to $4.25. Rolled oats—Bbls, $7.25 to $7.45; do., bags, 90 lbs., $3.50 to $3.60. Bran, $32. Shorts, $35. Middlings, $38 to $40. Mouillie, $43 to $48. Hay—No. 2, per ton, car lots, $13. Cheese—Finest westerns, 25c; finest easterns, 24c. Butter—Choicest creamery, 43 to 43½c; seconds, 40 to 41½c; seconds, 40 to 41c. Eggs—Fresh, 55 to 60c; selected, 42c; No. 1 stock, 40c; No. 2 stock, 34 to 36c. Potatoes—Per bag, car lots, $1.75 to $1.95.

Winnipeg Grain.

Winnipeg—Jan. 16.—Wheat—No. 1 Northern, $1.81½; No. 2 Northern, $1.78½; No. 3 Northern, $1.74½. Oats—No. 2 C.W., 56½c; No. 3 C.W., 54½; extra No. 1 feed, 54½c; No. 1 feed, 52½c; No. 2 feed, 51½c. Barley—No. 3, $1; No. 4, 94c; rejected, 78c; feed, 78c. Flax—No. 1 N.W.C., $2.58½; No. 2 C.W., $2.55½.

United States Markets.

Minneapolis, Jan. 16.—Wheat—May, $1.88; July, $1.78. Cash—No. 1 hard, $1.96 to $1.97; No. 1 Northern, $1.89 to $1.92. No. 2 Northern, $1.86 to $1.92. Corn—No. 3 yellow, 91½ to 92½c. Oats—No. 3 white, 52½ to 54½c. Flour—unchanged. Bran, $27.50 to $28.

Duluth, Jan. 16.—Wheat—No. 1 hard, $1.89¾; No. 1 Northern, $1.88¾; No. 2 Northern, $1.83¾ to $1.85¾; May, $1.87¾. Linseed, to arrive, $2.86½; May, $2.90½; July, $2.92½.

Live Stock Markets.

Toronto, Jan. 16.—Choice heavy steers, $9.75 to $10.35; do., good, $9.25 to $9.50; butchers' cattle, choice, $9.25 to $9.50; do., good, $8.75 to $9; do., medium, $8.25 to $8.50; do., common, $7.60 to $8; butchers' bulls, choice, $7.75 to $8.75; do., good bulls, $7.25 to $7.50; do., rough bulls, $5 to $5.15; butchers' cows, choice, $7.75 to $8.50; do., good, $7.25 to $7.50; do., medium, $6.65 to $7; stockers, $5.65 to $7.25; choice feeders, $7 to $7.75; canners and cutters, $4.50 to $5.50; milkers, choice, each, $70 to $100; do., common and medium, each, $40 to $60; springers, $50 to $100; light ewes, $9.25 to $10; sheep, heavy, $6 to $7.50; calves, good to choice, $11.75 to $13; lambs, choice $13 to $14; do., medium, $9.75 to $10.25; hogs, fed and watered, $13; do., weighed off cars, $13.25; do., f.o.b., $12.

Montreal, Jan. 16.—Choice steers, $9; good steers, $7.50 to $8.25; butchers' bulls, $7 to $8; butchers' cows, $5.50 to $7.50; canners bulls, $5.60; canners cows, $5.40; grass fed calves, $5.50; milk fed calves, $10; lambs, $12 to $13.50; select hogs, $12.75 to $13.50.

USE FIRE HOSE ON EAST FRONT

How Germans Direct Gas Clouds Against the Russians.

A despatch from London says: The Germans have added fire hose to the many novel implements of war used in the present conflict. The poisonous gases which they are using now being ejected against the Russian trenches by means of hose. Friday's Petrograd statement reads:

"South of the village of Zubilno, between Vladimir-Volynski and Lutsk (Volhynia), 10 versts (about seven miles) south of Kiselin, the enemy directed from his trenches on to our flank a hose similar to a fire hose, after which we heard a pronounced hissing noise and the whistle of escaping gas. At first there appeared a yellowish green, and afterwards a white cloud of gas, which, however, failed to reach our trenches owing to the wind blowing along our front. This release of gas lasted two minutes, and was not repeated."

183 SWEDISH SHIPS LOST DURING YEAR.

A despatch from London says: An Exchange Telegraph despatch from Copenhagen says that Sweden lost 183 ships, aggregating 113,000 tons, last year, of which 100 were torpedoed, with the loss of 27 lives. This report comes from Stockholm, and adds that during the same period Sweden built 81 ships, aggregating 47,000 tons.

GIGANTIC MUNITIONS SMASH IN CANADIAN CAR CO.'S PLANT

Half a Million 3-inch Shells for Russian Government Destroyed in Series of Terrific Explosions at Factories In New Jersey.

A despatch from New York says:—A fire which broke out in the munition plant of the Canadian Car & Foundry Works near Kingsland, New Jersey, on Thursday afternoon completely destroyed the factory, with a loss estimated all the way from $4,000,000 up to $10,000,000, forced the evacuation of a large part of the town of Kingsland, making 1,000 people homeless for the time.

For the space of more than five hours northern New Jersey, New York city and the western end of Long Island listened to a bombardment that approximated the sound of a great battle, a bombardment in which more than half a million three-inch high-explosive shells were discharged. Yet so far as the police and hospitals of all that section have been able to learn not a single life was lost, and no one was injured. Comparatively few windows were broken in the surrounding districts, and, indeed, the material loss outside the plant itself and the telephone lines running near it was very slight.

Police Prevent Casualties.

Consequently, as the flames reached each case of shells, and exploded the charges, the projectile shot high into the air—often several hundred feet. But as it descended without the fuse, which alone could explode the charge, its fall was only that of so much metal. Even so, the fact that not one of the thousands of people in the neighborhood was hurt, so far as could be learned, was due principally to the prompt police measures in clearing out the houses in the endangered districts near by.

The munition plant lies in the Jersey Meadows, seven miles west of the Hudson, and about a mile east of the edge of the hill on which lie the twin towns of Kingsland and Lyndhurst. The company was just finishing an $82,000,000 contract for the Russian Government, which had kept the plant busy for the past two years. Thirty-eight one and two story buildings had been erected in the meadow, and three shifts of 1,400 workmen each, mostly negroes, were employed in filling the explosives purchased from powder-companies into the shell cases, some of which were brought from the Bethlehem Steel Company and others made by the Canadian Car & Foundry Co., elsewhere. The contract was within two weeks of completion, and one of the shifts was laid off Tuesday night.

Fourteen Hundred Men Employed.

At work in the plant when the fire broke out were the 1,400 men, a consderable number of office employees and two or three hundred guards in uniform, who have been patrolling the factory ever since its erection. It was 3.40 when theb laze broke out in building No. 30, when ten or twelve men were at work cleaning the brass cases of the shells with denatured alcohol before the process of filling was begun. Somehow, from somewhere, a spark fell innto a tub of the alcohol and set it ablaze. One theory is that an electric drop light hung above the tub had become short-circuited, and that the spark was a piece of burning insulation.

There was another story that the spark fell from the carbon of an arc light high above. However it began, the tub of alcohol was ablaze in a moment, and the workmen in the building turned and fled without delay.

SHORTAGE OF COAL NOT TO BE ALLOWED

Vigorous Action to be Taken by Government on Crow's Nest Difficulty.

A despatch from Ottawa says: No settlement of the Crow's Nest coal mines difficulty has been reached, and the prospect of a satisfactory arrangement which at one period during last week's conferences seemed bright, now appears to be remote. The demand of the miners last November for a war bonus to meet the extra cost of living was followed up by an investigation by an officer of the Department of Labor, who reported an actual increase of 9½ per cent. The operators have refused to grant this increase. Their refusal now seems likely to result in vigorous action by the Government, and such action will no doubt be carried out at the expense of the operators, in view of their known financial strength. The Government recognizes a direct responsibility to see that no suffering will occur to the settlers of Western Canada through a shortage of coal during the Winter months, and to see also that sufficient coke is provided for smelters in the Crow's Nest in order that the manufacturers of munitions may not be interrupted.

SELLING ABSINTHE COST MAN $40,000

A despatch from Paris says:—Heavy fines were inflicted on Sunday on the proprietor of the well known Mollard restaurant, outside Gare Saint Lazare, for selling absinthe. Eight hundred and thirty-eight bottles christened "Our Elixir," had left the restaurant. The court ordered the properietor to pay 163 fines of £40 each. Also £300 revenue dues multiplied five times. The court also ordered the absinthe seized, to be confiscated. The breweries, cafe and bar owned by the Mollard Company were ordered closed altogether. The fines amounted to nearly $40,000.

GOLD PRODUCTION ESTABLISHES RECORD

London, Jan. 15.—The production of gold in the Transvaal last year establishes a record. The total for 12 months was £39,484,934, or £857,473 more than in 1915, which was greater than any previous year. As compared with the years before the war the increase last year was £2,126,894. This achievement in the mines was rendered impossible by the larger supply of native labor:. In November, 1915, 210,068 natives were employed. During the current year the production should reach a still higher level, for a large and promising property in the Eastern Rand has just began crushing.

ANOTHER DISASTER THREATENS PARIS.

A despatch from Paris says: The Seine continues to rise and all navigation on the river has ceased. The situation is serious and may become more so if the rain continues to fall.

POWDER EXPLOSION SHATTERS FACTORY

21 Men Reported Killed in Wreck at DuPont Plant At Haskell.

A despatch from New York says: Two of the powder magazines of the DuPont Powder Company, at Haskell, N.J., were blown up on Friday night. The explosions were of terrific force and were felt for many miles in all directions. The detonations were followed almost immediately by a fire, which could be seen as far away as Yonkers, and distant points in New Jersey. The Haskell plant covers several acres and is one of the company's largest. In the plant and the village were several hundred buildings. The concussion blew a tremendous hole in the side of a mountain, near which the plant was built. The loss of life is estimated at 21. Four hundred thousand pounds of powder was destroyed.

TUBERCULOSIS IS SPREADING IN EUROPE.

An Increase of 300 Per Cent. in Germany Reported.

A despatch from Baltimore says: Dr. Alfred Meyer, of New York, a leading authority on tuberculosis, in an address on Sunday to the trustees of the National Jewish Hospitals for Consumptives at a meeting in connection with the convention of the Union of Hebrew Cogregations, said that unless necessary precautions were taken there was great danger of tuberculosis being brought over to this country by immigrants at the close of the war. Dr. Meyer said he had been informed by Amabssador Gerard, and the statement, while privately made, was not confidential, that in Germany the number of cases of tuberculosis had increased 300 per cent.

3,000,000 BRITISH JOBLESS WHEN THE WAR ENDS

A despatch from London says:—It is estimated that between six and eight millions of persons now employed by the Government, representing half the wage-earning population of the United Kingdom, whill have to be discharged at the end of the war, according to the report of the Committee on Labor Problems After the War. All these workers will not be discharged simultaneously, but it is probable that within two months after peace has been declared some two or three million workers will be turned off. Regarding the army demonbilization, the committee calculates that the rate of disbandment cannot exceed five thousand daily, at which rate six months would be occupied in demobilizing less than one million of the huge army.

$663,000 For Province.

A despatch from Walkerville says: Succession duties of the $4,000,000 estate of Edward Chandler Walker, former head of Hiram Walker & Sons, distillers, will amount to $663,000 the Ontario Government has notified the executors. This is said to be the largest amount paid into the Ontario Treasury from any one estate.