

RUMORS REACH LONDON THAT GERMANY HAS DECLARED WAR ON DUTCH BUT NOT CONFIRMED

Another From Rome Says Austria is Ready to Make Separate Peace With Russia.

NEITHER IS CREDITED

Desperate Resistance Offered Russians in Carpathians Belies the Report.

Swollen Streams Hinder Army Operations.

London, April 8.—There were persistent rumors in London tonight that Germany either had declared war on Holland or that her troops had occupied the strip of Dutch territory extending from the Belgian frontier on the coast to the river Scheldt. The reports lack confirmation, and were not credited by officials.

How Report Arose. It is possible that the report arose from the news from Dutch sources that the Germans were strengthening their positions around the Dutch frontier and that much uneasiness prevailed at The Hague and other Dutch cities as a result of the seizure or sinking of Dutch steamers by German submarines.

The Dutch are strongly opposed to intervention in the war, but their army is ready to repel invasion. Another diplomatic report which has created immense interest is that from Rome saying Austria seeks a separate peace with Russia. It is not credited, and it is not considered likely that Germany would be sending reinforcements to the Carpathians if there were any doubt of Austria's loyalty.

Battles Still Rage. The fighting in the mountain passes continued as fiercely as ever and although Austria claims success on both sides of the Laborca valley, the Russians, on the whole, are more advanced than they were a week ago and have now forced the Dukla, Lupkow and Rostock passes, and are pouring troops into the region of Ososek where the fiercest battle is in progress.

So far as the rest of the eastern front is concerned, the only battle of importance is that in Bukovina, where the Austrians are endeavoring to compel the Russians to send reinforcements from the Carpathians. In West Galicia, and Poland overlying rivers prevent movements on a large scale.

These same conditions are hindering French operations between the Meuse and Moselle rivers. An important battle is in progress in this region, however, and the French claim to be making advances—a claim which is contested by the Germans. Whichever report is correct, there is little doubt that a sanguinary battle is being fought and that in the attacks and counter attacks heavy losses have been sustained.

The people of Europe are expecting to await a renewal of the attack on the Dardanelles—this time with land and sea forces. But the only news from that part of the world today is that Turkey has decided to call up all her capable of bearing arms, an indication that she expects the Allies to bring exceedingly strong forces against her.

FRENCH MAKE GAINS. Despite Bad Weather Success Reported in West—Balloons Released.

Paris, April 8, via London, April 9.—The official war office statement tonight said: "Despite continued bad weather fresh successes were won yesterday night between the Meuse and the Moselle. At Eparges a night attack enabled us to make a step in advance and we have maintained our progress notwithstanding three violent counter attacks. We already have counted on the field more than 1,000 German bodies."

"Further to the south, near Lamoré in a spirited infantry action, we captured a German company and took prisoners the an survivors."

"In the Ally wood we carried additional trenches and repulsed two counter attacks. In the forest of Montmaré, north of Fribry, we gained a footing in the enemy's defense works and held our ground in spite of the efforts the enemy made to regain them."

"To the northeast of this wood the capture of a captive balloon was severed by one of our shells and the balloon drifted across our line towards the southeast."

GERMANY PAYS FOR PRINZ EITEL GOES TO NORFOLK TODAY

William P. Frye Matter Goes to Prize Court

REPLY TO WASHINGTON

Assumes Liability for Sinking of Schooner by German Cruiser—Prize Court to Decide on Damages Due.

Washington, April 8.—Germany's intention to compensate the owners of the American ship William P. Frye, sunk on the high seas with her cargo of wheat by the commerce raider Prinz Eitel Friedrich, was communicated formally to the United States government today.

Ambassador Gerard cabled a note handed him by the Berlin foreign office in reply to the recent American communication submitting an indemnity claim for \$228,059.54, on behalf of the Frye's owners, the foreign office upholds the legality under international law of the raider's action in sinking the Frye and bases the liability of the German government to pay indemnity solely on the old Prussian-American treaties of 1799 and 1828, which provide that contracts belonging to the subjects or citizens of either party cannot be confiscated by the other, and may be detained or used only in consideration of payment of the full value.

In view of this situation, the note says, the American owners must be compensated for their loss. It is pointed out, however, that the case must go into a prize court that questions of ownership, cargo and destination may be established formally.

The German position is that the Frye's cargo of wheat was contraband because it was consigned "for orders" to Queenstown, which is declared to be a fortified port of Great Britain. No notice is taken of the fact that, since the war was declared, the British citizens the United States filed a claim for the vessel only.

Officials here were somewhat surprised at the nature of the German note, because of the bearing it may have on negotiations between Washington and London over the Allies' blockade of Germany and Austria.

The United States has insisted that upon the belligerent seizing a cargo consigned to "order" rested the burden of proof that the goods were destined for armed forces of an enemy.

The German note was dated April 4th, one day after Ambassador Gerard presented the request for indemnity. Germany requires, however, that the case should be heard before a prize court for the establishment of facts concerning ownership of ship and cargo. To this the State Department will assent.

The reply was handed by the foreign office at Berlin to Ambassador Gerard who cabled it today to the State Department. It follows: "The undersigned has the honor to make reply to the note of His Excellency, Mr. James W. Gerard, ambassador of the United States of America, dated the third instant, foreign office number twenty-eight, ninety-two, relative to claims for damages for the sinking of the American merchant vessel William P. Frye by the German auxiliary cruiser Prinz Eitel Friedrich."

According to principles. "It results from these facts that the German commander acted quite in accordance with the principles of international law as laid down in the Declaration of London and the German prize ordinance. The ports of Queenstown, Plymouth and Bournemouth, whether the ship visited was bound, are strongly fortified English coast places which moreover serve as basis for the British naval forces. The cargo of wheat being food or foodstuffs was conditional contraband within the meaning of Article 24, No. 1, of the Declaration of London and Article 23, No. 1, of the German prize ordinance and was therefore to be considered as destined for the armed forces of the enemy pursuant to articles 33 and 34 of the Declaration of London, and Articles 32 and 33 of the German prize ordinance and the ship was permissible, since it was not taken into a German port without involving danger to its own security or the success of its operations."

All Duties Fulfilled. "The duties devolving upon the cruiser before destruction of the ship pursuant to Article 56 of the Declaration of London and Article 118 of the German prize ordinance have been fulfilled."

Converted German Cruiser Will Have Guns Dismantled at Norfolk Navy Yard This Afternoon—Seaman Accidentally Killed.

Newport News, Va., April 8.—The German auxiliary cruiser Prinz Eitel Friedrich temporarily in custody of the United States government authorities here since last midnight, following the announcement of Commander Max Thierichens that he desired to intern his vessel for the remainder of the European war, will be moved to the Norfolk navy yard at Portsmouth, Va., between 2 and 3 o'clock tomorrow. A pilot from the navy yard will come to Newport News to take charge of the sea raider on her last voyage until the war is over.

Immediately following the arrival of the Eitel at the navy yard the physical internment will take place under the jurisdiction of Admiral Beatty. The breach locks of the warship's guns will be taken off and the connecting rods of her engines dismantled. Captain Thierichens and the commissioned officers will be released under parole and the members of the crew allowed shore liberty under such rules as the Navy Department may designate.

PRINZ EITEL GOES TO NORFOLK TODAY

Delayed on Final Trip by Funeral of Seaman

KILLED ABOARD SHIP

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The Eitel would have been transferred to the navy yard today but for a request from Commander Thierichens that he be allowed to remain here for the funeral of Seaman Prel at 10 o'clock tomorrow morning. Prel accidentally fell down a flight of steps yesterday afternoon and died a few minutes later from a fractured skull.

Funeral of Seaman. The German commander this afternoon told Collector of Customs Hamilton that he desired to come ashore and pay a last tribute to the dead seaman who was the only member of his crew to die since he left Tsing Tau last August. Prel will be buried in the local cemetery with full German military honors, the captain, commissioned officers, band and a detachment of 130 of the men of the cruiser having been given permission to attend.

The three civilian crew members, Thierichens called all his men together and made an official statement of the internment. The scene was deeply impressive. The men heard the lecturer Hamilton in silence and as Captain Thierichens later described it, "you could have heard a pin drop."

"There were no tears," said the commander. "The men had no tears; tears are for women. Their love of the Fatherland is supreme and they are in deep mourning. All of them would have gladly gone to sea and risked their lives for their country, but it is the duty of no one of us of certain destruction awaiting us."

Lieut. McCracken, of the naval tug Patuxent will remain in temporary charge of the Eitel until she is removed to the navy yard tomorrow. The collector tonight received instructions from Washington to the effect that if the men had not been actually enlisted to order their release. The collector tonight sent a letter to leave, but at the last moment, McCracken who has the men in charge on the Patuxent.

Thierichens Makes Statement. Commander Thierichens, captain of the Eitel Friedrich, is today that he had intended to depart up to the last few hours before his allotted time in an American port expired. "Myself and my men were of one mind that we should make the dash for sea," the commander said, "and we hoped to have reinforcements to help us. I cannot talk about the help we expected because that is business."

"Last Saturday night when we were at liberty to go, we planned to go and wanted to go, but it was impossible. That was the night of the storm. The storm did not stop us. I liked the storm, but my boilers were not ready."

"From the moment the American government stipulated the time we might have to make repairs, we have worked night and day. We wanted to go to the contrary. The last moment, we found it impossible."

The German commander was asked what he would do when his ship finally was interned. That, he said, would depend upon conditions to be made by the United States. He hoped, however, to be enabled to be at liberty in this country from time to time.

Commander Thierichens said that the accident in the midst of his other worries had caused him great regret. Late today Collector of Customs Hamilton boarded the Eitel Friedrich and conferred with the captain on the plans of the navy for internment of the ship in the Norfolk navy yard.

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WAKE UP THIS IS WAKE UP TIME APR. 9-16

The "Pay-Up Week" inaugurated by the Wilmington Rotaries Club for community welfare, begins officially at 6 o'clock this morning and lasts one week. During this week all public spirited citizens are asked to join in the movement and arrange to liquidate small indebtednesses that may as well be taken care of now as later. By joining in the movement heartily and enthusiastically, it is pointed out that trade can be greatly stimulated and industry can move along as in the times of piping prosperity which are not a great way in the past.

TO MANUFACTURE DYE STUFFS HERE

Chemical Companies Are to Make Artificial Dyes.

PLANTS ARE BUILDING

American Chemical Companies to Expend Six Million Dollars in Erecting Manufacturing Plants—Ready Early.

Washington, April 8.—American chemical companies are bending every effort toward supplying textile mills and other industries using artificial dyes with home products to replace German dyestuffs shut off by the European war.

Reports to the Department of Commerce made public today show that at least six plants are in course of construction for the manufacture of the local tar derivatives upon which the colors used in cloth manufacture, varnishes and other products are based. Approximately \$6,000,000 is to be expended and within a few months it is estimated that much of the material for the simpler dyes heretofore purchased in Germany at a cost of \$12,000,000 annually will be turned out in the United States.

The more complicated chemicals, however, will require a greater length of time to develop. A report of the dyestuff situation called for by a resolution of Congress was given out today by the department. It estimates that American coke ovens are wasting annually \$100,000,000 in by-products that could be saved and employed in other industries. The American coke industry, the report states, could produce 20 times as much coal tar as the world needs for dyes.

RALEIGH IS GOING RIGHT AFTER SEABOARD'S SHOPS

Organized Movement Launched—Those at Portsmouth Burned.

(Special Star Telegram.)

Raleigh, N. C., April 8.—Raleigh city officials and the heads of the commercial organizations under the leadership of President Alexander Webb, of the Chamber of Commerce, have launched a movement to land the general shops of the Seaboard Air Line, if they are not to be rebuilt in Portsmouth, following the burning of the shops there yesterday.

President Harahan is being urged to give the claims of Raleigh full consideration, in the event the company decides to move the principal shops from Portsmouth. Raleigh claims this is the logical place for the shops of the system.

AMERICAN NOTE TO JAPAN IS OUTLINED

Copy Received at Peking with Reply of the Japanese.

FIVE QUESTIONS ASKED

Demands Made by Japan on China the Basis for Representations from the United States to the Oriental Power.

Peking, April 8.—China received today an outline of the note of the United States to Japan concerning demands made upon China by Japan and of the reply of the Japanese government. It was said the reply was made March 22 by Takaaki Kato, Japanese minister of foreign affairs.

The Chinese report said the American note specifically asked five questions. Those question and Japan's replies thereto are set forth as follows: The United States inquired concerning Japan's demand that in the province of Fukien, Japan shall have the right to work mines, build railroads and construct harbor works, and in the case of employment of foreign capital, Japan shall be first consulted. The Japanese government replied that those concessions were desired for the primary purpose of preventing other nationals from acquiring special rights there, Japan understanding that America wished to build dock yards in the harbor of Santuao. That position is of great strategic importance, Japan pointed out, on account of the possibility of its use for directing operations against Formosa in case of war.

Concerning War Munitions. The second question concerned the Japanese demand for supervision over the manufacture or purchase of war munitions by China. The Japanese government expressed the opinion that this question could be solved most satisfactorily by the employment of mixed forces of Japanese and Chinese—a system which, Japan says, already exists.

The third question dealt with the Japanese demand that the Chinese police in certain places be administered jointly by Japanese and Chinese officials, or that China shall employ numerous Japanese to organize the Chinese police. The Japanese government replied that the demand applied only to Southern Manchuria.

The fourth question concerned the demand for employment by China of Japanese political advisers. Japan replied that political advisers will not be imposed upon China, but merely recommended.

The fifth question related to the demand Japan was said to have made that "no island, port or harbor along the coast shall be ceded or leased to any third power." The Japanese government replied that this proposed restriction is logical place for the shops of the system.

METHODISTS HEAR PRESIDENT WILSON

Chief Executive Addresses Churchmen at Washington

CONFERENCE SESSION

No Man Capable of Judging European War at Present Time—Church Leaders Likened Into Heads of Nation by Wilson.

Washington, April 8.—In a speech before the Maryland annual conference of the Methodist Protestant church in session here tonight, President Wilson said it was his belief that no man was wise enough to pronounce judgment on the European war at this time.

"But," he added, "we can all hold our spirits in readiness to accept the truth when it is revealed to us in the outcome of this titanic struggle."

The President reminded the delegates that in transacting the business of their church they like the men in charge of the nation's government were, in reality handling the "phases of the day."

"You are handling the affairs of the church as they stand under the treatment of the men of your generation," he said. "Back of them lie the eternal principles which you are trying to exemplify in the life of the work; back of us here in the government lie the eternal principles of justice and righteousness which in my conviction at any rate, we do not derive from ourselves, but from the same source which a great church derives its inspiration and authority."

Days of Perplexity. "It seemed to me that it was worth saying something like this. These are days of very great perplexity when a restraint of trouble hangs and broods over the greater part of the world. It seems as if great blind material forces had been released which had for long been held in leash and restraint. And yet underneath that you can see the strong impulses of great ideals. It would be impossible, ladies and gentlemen, for men to go through what men are going through on the battlefields of Europe and struggle through the present dark night of their terrible struggle if it were not that they saw, or thought that they saw the broadening of light where the morning sun comes up and believed that they were standing each on his side of the contest for some eternal principle of right."

"Then all about them, all about us, there sits the silent, waiting tribunal of the opinion of the world; and I fancy I see, I hope that I see, I pray that it may be that I do truly see, great spiritual forces lying waiting for the outcome of this thing to assert themselves."

BANK EXAMINERS REPORT BUSINESS CONDITIONS GOOD

Marked Improvement in Almost Every Line, Treasury Announcement Says.

SOUTH IN FIRST RANK

Sale of Cotton Active at Advanced Prices—Business Increasing.

Maine the Only State Where Depression is Felt.

Washington, April 8.—Business conditions throughout the country are showing marked improvement in almost all lines, according to reports from National bank examiners made public tonight by the Treasury Department. Eighty of the 90 examiners in the United States reported a permanent improvement and Maine is said to be the only state where real depression exists.

"Pronounced hopefulness is prevalent in nearly every district," says the announcement. "Agricultural conditions are generally excellent and commercial lines with comparatively few exceptions are enlarging their activities, mainly through an increased demand, but in some cases preparation for activity is expected to develop with the coming of good weather. Manufacturing is on the increase and those industries having surplus supplies from foreign countries continue especially active."

"Further orders have been placed for cars and rails by the railroads and some large contracts have been made for structural iron for large buildings in different portions of the country."

"The statement attributes depression to unusual conditions abroad, but says business here has been stabilized through the allocation of economy."

Better in the South. "The South," it continues, "is showing marked improvement. The sale of cotton is active at advancing prices with the result that all business in that section is feeling a steady and pronounced improvement. The prospects for large crops generally are excellent and there will be greater diversification."

The Western States and the Pacific States are showing a general improvement.

The New England and Middle Atlantic States and portions of the Central West, although generally reporting an improvement, seem to feel the past depression to the greatest extent. Factors, however generally have had satisfactory results, but manufacturing, with the exception of that to fill foreign orders, is feeling the improvement to the least extent. There is improvement, however, in most lines. Savings bank deposits are increasing and generally banks have an abundance of money."

Reply from Big Cities. "The following reports show the trend of business conditions outside of farming communities: "New York.—There has been no time in the last three years that merchants and manufacturers were such small borrowers, indicating that their present capital is sufficient for their need and that the greatest feeling of optimism is being experienced. Prices of commodities have declined a trifle. Business fairly good in grains. Industries for supplies of war materials, cotton, hat making, tanning, iron, metals, copper, shoes, textile, etc., are improving on account of the European war. Other industries will improve if the war is continued long. Regular steel business is picking up. Embroideries and lace makers are looking up. Lumber business is improving a trifle. Wholesale groceries are inactive. Electric and railway supplies are spotty, but not much below normal. Perishables are quiet. Volume of stock and merchandise is in keeping with the volume of business. Not much stock carried on shelf."

Philadelphia.—Present and immediate outlook business conditions are encouraging and showing gradual improvement.

Pittsburg.—Present conditions show increased activity.

Richmond.—General business conditions are slightly improved.

Atlanta.—Present and immediate outlook regarded as improved.

Louisville.—Present and immediate outlook is good.

St. Louis.—General situation regarded as gradually improving.

Dallas.—Business making time. Basic conditions are good.

Chicago.—Present conditions dull. Immediate outlook hopeful in tone. Business showing slight improvement.

St. Louis.—Business conditions stand at highest point since May, 1914.

Kansas City.—Present and immediate outlook good for material improvement.

San Francisco.—Business people are in better spirits. Present and immediate outlook better and steadily improving.

Depression in Maine. "Of the seven New England districts reporting, none show a decline in business conditions, while three districts show improvement. Maine is the only portion reporting real depression. The lines which show the greatest activity are those with orders for war supplies, which include shoes, woollens, coarse cottons, arms, ammunition and metals."