

BRITAIN TO DEFEND FRENCH COAST AGAINST GERMAN ATTACK

BRITAIN'S NAVY WILL PROTECT THE COAST LINE OF FRANCE

Sir Edward Grey Says Such an Assurance Has Been Given.

Frank Statement in the Commons Regarding Britain's Obligations is Cheered by All Parties—Redmond Pledges a United Ireland in Defence of the Empire—The Understanding With France is Explained

In the course of a speech in the British House of Commons yesterday, Sir Edward Grey, Minister for Foreign Affairs, said:—
"I gave the engagement to the French Ambassador last night that if the German fleet goes into the English Channel or into the North Sea to attack French shipping or the French coast the British fleet will give all the protection in its power."
"That answer is subject to the approval of Parliament. It is not a declaration of war."
"I understand that the German Government would be prepared if we would pledge ourselves to neutrality to agree that its fleet would not attack the northern coast of France."
"That is far too narrow an engagement."
In a supplementary statement later he said in the House of Commons, after the conference of Ministers in regard to the German ultimatum to Belgium:—
"The British Government is taking into grave consideration the information received, and I will make no further comments."

SIR EDWARD'S SPEECH

London, Aug. 3.—Sir Edward Grey in the House of Commons this afternoon announced that orders for the mobilization of the British army as well as of the navy have been issued.
Sir Edward declared, amidst frenzied cheering:
"England must now consider this crisis from the viewpoint of honor and obligation as well as from her interest."
"The King of Belgium has telegraphed a supreme appeal to England to safeguard his country's integrity. The big question for England now, the question that overshadows all else, is the question of Belgium, her neutrality, and the respecting of her integrity."
"Germany to Blame."
Sir Edward Grey placed responsibility for the break on Germany when he declared:
"England has tried consistently to secure peace. It was not possible, however, because of the briaferness of the time and the disposition in some quarters to force matters rapidly to an issue."
Dealing with the question of Great Britain's obligations, Sir Edward said:
"Up to yesterday we had given no promise of more than diplomatic support. I was asked at the time of the Algiers crisis if we would give armed support, and I said I could promise nothing to any foreign power unless it received the wholehearted support of public opinion."
"I gave no promise, but I told both the French and German Ambassadors that if war was forced on France public opinion in the British Isles would rally to France."
This part of the speech was received with loud cheering.
Sir Edward added that if a foreign fleet came down the English Channel

to bombard the French coast, "We could not stand aside."
The Foreign Secretary stated the British fleet had been mobilized, and the mobilization of the British army was taking place, but that no engagement had yet been made by the British Government to send an expedition abroad. He continued:
"French Coast Defences."
"The French fleet is in the Mediterranean, and the northern coasts of France are defenceless."
"We felt strongly that France was entitled to know at once whether in the event of an attack on her unprotected coasts she could rely on our support."
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"That is far too narrow an engagement."
"The House broke out into cheers at this remark. Sir Edward then recited the history of Belgian neutrality, saying:
"Our interest is as strong to-day as it was in 1870. We cannot take a less serious view of our obligations now than did the late Mr. Gladstone in that year."
"Mobilization began I telegraphed to both the French and the German Governments asking whether they would respect Belgian neutrality."
"France replied that she was prepared to do so unless another power violated that neutrality."
"The German Foreign Secretary re-

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King Albert of Belgium



Who appealed to Britain for assistance.

BELGIUM AN ENEMY IF SHE RESISTS

"Friendly Neutrality" is the Demand of Germany

Sir Edward Grey Reads to British Commons the Text of the German Ultimatum to Smaller Nation—Cheers for Belgium's Answer.

(Canadian Press Despatch.)
London, Aug. 3.—The text of the Belgian King's telegram to King George was as follows:
"Remembering the numerous proofs of your Majesty's friendship and that of your predecessor, of the friendly attitude of England in 1870 and the proof of the friendship which she has just given us again, I make a supreme appeal to the diplomatic intervention of your Majesty's Government to safeguard the integrity of Belgium."
The German Ultimatum.
London, Aug. 3.—The entire communication made by Sir Edward Grey, Secretary for Foreign Affairs to the House of Commons on his second appearance there to-day, was as follows:
"A message has been received by the Belgian Legation here stating that Germany sent to Belgium at 7 o'clock last night a note proposing to Belgium friendly neutrality coupled with the free passage through Belgian territory of German troops, promising the maintenance of Belgian independence at the conclusion of peace, and threatening in case of refusal to treat Belgium as an enemy. The time limit of twelve hours was fixed for the reply."
This statement was received with murmurs from all parts of the House, and then Sir Edward Grey continued:
"Belgium answered that an attack on her neutrality would be a flagrant violation of the rights of nations, that to accept the German proposal would be to sacrifice her honor, and, being conscious of her duty, Belgium was firmly resolved to repel aggression by all possible means."
The Belgian reply was received with loud cheers by the members, and Sir Edward concluded with the declaration that the British Government had taken the information received into grave consideration, and that he would make no further comment.

ULTIMATUM!

(Special Cable Despatch to The Globe.)
London, Aug. 3.—According to private unofficial sources in the House of Commons the British Government has presented an ultimatum to Germany demanding the instant withdrawal of German troops from Belgian territory. It is generally believed among the members of Parliament that Britain will declare war before twenty-four hours pass. It is understood that the ultimatum came to an end at 7 o'clock to-night without a favorable reply having been received from Germany.

BIG POLISH CITIES TAKEN BY GERMANS

Three of Them Occupied After Little Fighting

In Czenstochowa, the Principal City Captured, is a Picture of the Virgin, Which Attracts Thousands of Pilgrims There Annually.

(Canadian Press Despatch.)
Berlin, Aug. 3.—The German border troops from Lublitz, Silesia, today, after a short skirmish with Russians, took possession of Czenstochowa, Russian Poland.
Benzin and Kulis, Russian Poland, also have been occupied by the Germans.
The Germans completely surprised the garrison at Czenstochowa, and before the Russians realized what was at hand they had been almost completely surrounded. The German artillery shelled the fortifications sharply, after which the cavalry and mounted infantry charged and soon were in complete possession.
Czenstochowa is a city of some 50,000 inhabitants situated on the river Vaeche, near the Silesian frontier. It is noted chiefly for its manufactures of woollen and cotton cloths and paper. A picture of the Virgin in a noted convent there attracts thousands of pilgrims to Czenstochowa annually.
Benzin is a coal and zinc mining centre. It has a population of slightly over 20,000, about half of which are Jews.
Kulis is the capital of the province of the same name. It is the most westerly city in Russian Poland. Its population of 20,000 is engaged in various manufactures.

A GERMAN CRUISER BOMBARDED LIBAU

(Canadian Press Despatch.)
Berlin, via Brussels, Aug. 3.—The small cruiser Augsburg has sent the following report to Berlin by wireless:
"An bombardment of the naval harbor at Libau, and an engagement with the enemy's cruiser. The naval port of Libau is in flames."
St. Petersburg, Aug. 3.—An official despatch from Libau says that a German cruiser on Sunday bombarded the town. The cruiser fired twenty shells, one of which struck the naval hospital. Slight damage was done and no one was killed or wounded. The cruiser then departed.

RUSSIAN SEAPORT ON THE BALTIC SEA IS NOW IN FLAMES

(Canadian Press Despatch.)
Ottawa, Aug. 3.—(Special.)—The cabinet Council sat until after 10 o'clock to-night. When the Ministers left Sir Robert Borden indicated that no further word of importance had been received from the Imperial Government, and that there was no further official action to be announced pending more definite news from London.

NO FURTHER WORD.

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A WAR SCENE IN PARIS



Troops of one of the six army corps called out two weeks ago marching through the streets to camp.

WAR SUMMARY

BRITAIN LINES UP beside France, and will use her fleet to protect the French coast from attack by the German navy. That is the one great outstanding fact in to-day's war news. Sir Edward Grey in the House of Commons declared, amid the cheers of members of all parties, that on Sunday night he had given an engagement to the French Ambassador that if the German fleet goes into the English Channel or into the North Sea to attack French shipping or the French coast the British fleet will give all the protection in its power.
This action is taken not because of any specific agreement between France and Britain requiring it, but because the French fleets have been withdrawn from the northern coast to the Mediterranean, where they protect British interests as well as those of France.

THE SECOND GREAT FEATURE of the day's news is that Belgium has protested strongly against the evident intention of Germany to violate her neutrality by attacking France through Belgian territory.

Here again Britain faces Germany as one of the guarantors of Belgian independence. Sir Edward Grey stated that he had AS YET made no engagement to send an expeditionary force out of the country, but he clearly contemplates the necessity of sending an army into northern France and southern Belgium to operate there against German invasion.

A VERY STRONG BID for British neutrality was made by the Counsellor of the German Embassy in London, who declared that if Britain would remain out of the conflict Germany would be disposed to give an undertaking that she would not attack France by sea in the north, or make any warlike use of the SEA COASTS of Belgium and Holland. This pledge, of course, would, if given, still leave Germany free to march across Belgium to the attack of France BY LAND. It would be of value only if Britain

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BRITAIN GUARANTEES WAR RISKS ON BRAIN

Will Protect Shippers of Food-stuffs Here

ON EXISTING CONTRACTS

Bankers Would Make Advances on Grain if This Guarantee Were to be Continued and Old Country Credits Established Here.

Of vital importance to grain interests both here and in the United States is the announcement which came from London last night that the British Government had decided to guarantee war risks on wheat and flour shipped from Canada or the United States to the United Kingdom under existing contracts, the premiums to be paid by the importer and to be charged by him against the eventual receiver. This step, it is understood, is being taken to secure 8,000,000 quarters of Canadian wheat and large shipments of American grain.

The New York Produce Exchange, as well as exporters here, were advised by the London Corn Trade Association that the British Government would guarantee war risks, but this was not taken to mean that further contracts would be protected in like manner.

"If the British Government takes such a position for any length of time it will help the situation very much," said Mr. John Aird, Assistant General Manager of the Canadian Bank of Commerce, who was asked last night as to the new situation created in the grain markets by this announcement. "It will help to facilitate cash sales. If it applies only to existing contracts it will be of importance, for it will prevent those engaged in the trade from running the risk of ruinous losses if they carry out their contracts."

"Dealers will, of course, now be anxious to get rid of their grain, for they will not know how soon Britain's requirements for the war will be filled up. If the war risk continued to be guaranteed loans would be made on grain consigned to old country importers when they had established credits on this side."

Mr. H. Gault Offers to Equip Regiment

(Special Despatch to The Globe.)
Ottawa, Aug. 3.—An offer almost rivaling that of the late Lord Strathcona at the time of the South African war was made to the Minister of Militia by Mr. Hamilton Gault, a Montreal millionaire. He offered to bear the expense of raising, equipping and despatching a whole regiment for active service wherever needed for the defence of the Empire at the present time. The cost of raising and equipping such a regiment is estimated at \$100,000.

GERMANY OPENS WAY TO RUSSIAN CAPITAL

What Occupation of the Aland Islands Means

HIGH ROAD TO FINLAND

Strategic Importance of Germany's Movement in Baltic Sea—Provides a Naval and Military Base to Move Against St. Petersburg.

(Special Cable Despatch to The Globe.)
London, Aug. 3.—In some quarters the report of German and Russian naval engagements at Libau is regarded as conveying the news of a great German victory, probably the bottling-up and perhaps the crippling of the Russian fleet. With the reported occupation of the Aland Islands Germany possesses a safe and high road to Finland, and a naval and military base to operate against St. Petersburg itself. Within the shelter of the islands the fleet might lie in perfect security, and would command the entrance to the Gulf of Finland and the sea route to St. Petersburg.

Importance of Islands.
Strategically the islands are always considered the outer defence of St. Petersburg. In 1907-08 Russia was anxious to fortify them, but was prevented by the powers. Great Britain among them. When the islands were transferred from Sweden to Russia in 1859 there was a clause in the treaty forbidding Russia to erect fortifications. The powers held Russia down to this provision, largely because Russia was suspected of having designs of Sweden. Germany's seizure of the islands suggests another consideration. Finland for some years was in a state of suppressed revolt, and the appearance of the German army would be the signal of a general rising. The Germans would then have the rail ways and the nation at their disposal.

RELIEF AT ANTWERP WHEN THE TRUTH WAS FINALLY DISCOVERED.
(Special Cable Despatch to The Globe.)
Antwerp, Aug. 3.—A wave of relief passed over Antwerp at nightfall when it was learned that the report that the Germans had crossed the Belgian frontier was due to a telephonic error. Late this evening the bulletins were all on the hopeful side.

MORLEY MAY RESIGN FROM THE CABINET

(Canadian Press Despatch.)
London, Aug. 3.—It is rumored that Viscount Morley of Blackburn, Lord-President of the Council, contemplates resigning from the Cabinet. It is understood that the resignation of John Burns has not yet been accepted.

400 NAVAL RESERVISTS WANTED.

(Special Despatch to The Globe.)
Ottawa, Aug. 3.—The Government has issued a call for volunteers from among the naval reservists in Canada to man the Niobe. About 400 men are needed.

DOMINION GOVERNMENT READY TO AID BANKS

If Necessary, Will Issue Notes Against Their Securities—Authorizes them to Pay in Bank Notes Instead of Gold and Issue Excess Circulation

(Special Despatch to The Globe.)
OTTAWA, Aug. 3.—Having regard to the world-wide financial crisis which has developed upon the outbreak of hostilities in Europe, and in view of the action of the Imperial Government for conserving the financial and commercial interests of the United Kingdom, the Minister of Finance announces on behalf of the Dominion Government that, while it is not probable that such action on its part will be required, it stands ready to issue Dominion notes to such an amount as may be necessary against securities deposited by the banks and approved by the Minister of Finance.

The Minister of Finance further announces that the Government has authorized the chartered banks of Canada to make payments in bank notes instead of in gold or Dominion notes until further official announcement in that behalf. "This action will tend to conserve the Canadian gold supply against demands from foreign sources, a course now being followed by all the leading nations of the world."

The Minister announces also that the Government has authorized the chartered banks of Canada to issue excess circulation to an amount not exceeding 15 per cent. of their combined unimpaired paid-up capital and rest or reserve fund from this date until further official announcement. Any necessary special legislation will be obtained at the next session of Parliament.

The Minister states that the Government is prepared, if necessity should arise, to give every other possible assistance in order to prevent any avoidable interruption of stable business conditions, and for this purpose it will not hesitate to use to the fullest extent all existing powers, and to ask further powers from Parliament if that course should seem necessary or expedient.

THE NEWS OF THE DAY

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TORONTO.

The Scottish demonstration at Exhibition Park attracted a large crowd.
Great crowds paraded Toronto's streets cheering and singing patriotic songs.
Chas. Hampson, 413 Parliament street, was thrown from his motorcycle near London and seriously injured.
A boy named Arthur E. Nelson of 383 Jones avenue, died from heart failure whilst bathing in the Etobicoke River.
THE DOMINION.
The Canadian Naval Service Department is calling for 400 naval reservists as volunteers to man the Niobe.
Arrangements are being made to collect 20,000 horses in Canada, if required, for British cavalry mounts.
Pearl has advanced 10 cents a hundred.

Steamship Arrivals

Steamers	At	From
Columbia	New York	Glasgow
Frederick VIII	New York	Copenhagen
G. Wainwright	New York	Bremen
Europa	New York	Genoa
London	New York	London
Lochmaben	New York	Havre
London	New York	Havre
Rotterdam	New York	Rotterdam
Pomerania	Philadelphia	Glasgow
Manitowac	Boston	Antwerp
Andania	Plymouth	Montreal
Minnesota	London	New York
St. Michael	New York	Havre
Dalton	Montreal	Hull
Hendon Hall	Montreal	Berry
Canada	Quebec	Liverpool
Canada	Quebec	Glasgow