

The Herald

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Dominion Parliament

Ottawa, March 13.—Hon. A. E. Kemp made a statement at the opening of the House in reply to allegations uttered by Mr. F. B. Carvell of Carleton, N. B. a few days ago with regard to purchases by the old shell committee from the Sheet Metal Products of Canada, Ltd., of which he said Mr. Kemp was president and manager. "I have never," said Mr. Kemp, "received any favors from this or any other government of Canada." He explained that he had not taken any active part in the management of the company for many years, that he had not given more than half a day to the affairs of the company since the outbreak of the war and had not been in its works in that time. He had gained his first information as to the purchase of \$300,000 worth of goods from the company by the shell committee from the Hansard report of Mr. Carvell's speech. At the same time Mr. Kemp did not wish to be understood as apologizing because the company had accepted the orders. He would have condemned the company had it refused the business because of his connection with it and he thought he would have been worthy of condemnation had he led the company to decline the orders. Mr. Kemp read a letter from Mr. F. S. Corrigan, manager of the company. Mr. Corrigan said that no one except the regular officials of the company had participated in negotiations in connection with the transactions with the shell committee. The company had been asked shortly after the war broke out, to make certain articles which were particularly in its line of business. It had congratulated itself on being able to be of some service and it had rendered some service by giving information to other manufacturers, which Mr. Corrigan believed, had resulted in increased production on their part. The company had afforded the shell committee facilities for the training of inspectors and had been informed that its plant had been of immense value in overcoming difficulties in connection with the manufacture of certain articles.

Mr. Corrigan said that the total amount of business received from the shell committee was small in comparison, first with the quantity of the articles referred to required by the shell committee, and secondly, in comparison with the volume of the company's regular business, being approximately only three per cent. in the years for which delivery was expected. Mr. Corrigan pointed out that the shell cups of which Mr. Carvell had spoken were made of 22 gauge steel tinned that the slips of brass or steel required no less than thirty operations before completion, that the production of shells had been retarded for lack of that particular part. The execution of the shell committee's orders had necessitated special attention of the company's mechanical experts and factory executives, and to a large extent impeded operations in connection with its regular business. Under other than war conditions, Mr. Corrigan said, the company would have viewed those orders from a different standpoint, because breaking into the manufacture of new intricate articles tended to a condition of affairs which gave unfavorable results.

Ottawa, March 15.—A war credit of seventy-five million

dollars for the purpose of financing additional munition orders placed by the imperial government in Canada during the next two months has been offered by the chartered banks. With the credit of fifty million established last fall from proceeds of the domestic war loan the total is thus brought up to \$125,000,000. New munition orders amounting to twenty million dollars have reached the Imperial Munitions Board during the past two weeks in anticipation of the creation of the new credit. The arrangement simply means that the banks will advance the money required from time to time for the purchase of munitions and will be repaid in due course out of the imperial treasury. Negotiations to this end have been proceeding for some time past between the Canadian Bankers' Association, Mr. J. W. Flavell, chairman of the Imperial Munitions Board, and the Minister of Finance. Several conferences were held during the past three weeks. The proposals now made by the Canadian bankers date back to a conference called by the Minister of Finance in December last when the Dominion government pledged to the credit of the imperial treasury fifty million dollars of the Canadian war loan. At that time the banks were engaged in financing the crop movement but it was understood that in the spring the matter would be taken up again with a view to establishing a credit such as has now been arranged for. The Minister of Finance has written the president of the Bankers' Association expressing the appreciation of the government and of the minister of the patriotic spirit actuating the members of the association in making the offer, which will mean so much to the successful prosecution of the war by reason of the added supply of munitions, to the industries of Canada and to the cause of imperial unity and solidarity. In his letter the minister observed that it was a matter of great pride that the banks of Canada find themselves able to contribute so large a sum to assist in imperial financing in the Dominion. The two transactions, namely, the establishment of the credit of fifty million dollars by the Dominion government and the present credit of seventy-five million dollars, making a total of one hundred and twenty-five million dollars, mark an epoch in the financial history of the empire.

Ottawa, March 14.—The only thing they have succeeded in proving is that they are profligate and abandoned slanders, was the conclusion arrived at by Hon. Arthur Meighen, after two hours discussion of the reckless and unsubstantiated charges of Messrs. Carvell and Pugsley's against the shell committee of Canada. As Hon. William Pugsley charges against the shell committee today were based on the irresponsible statements of Mr. Carvell it was to the latter gentleman that Mr. Meighen paid particular attention. Every charge and assertion made by Mr. Carvell was dealt with by Mr. Meighen and by documentary evidence he completely refuted the allegation of the member for Carleton. Hon. William Pugsley's dramatic introduction to his speech in which he purported on his responsibility as a member of parliament to make charges requiring an investigation was one of the most ridiculous performances ever seen in parliament. The member for St. John made no charges, assumed no responsibility nor produced a particle of evidence on which to demand Canadian interference in an imperial affair, not even if the matter under discussion had been one of purely Canadian concern. As Mr. Meighen said, the pseudo-charges were the common stock of every opposition and had been made in every parliament practically every day since Confederation.

The lion which Mr. Pugsley had let loose in parliament when stripped of its false mane and tail was found to be the ordinary common, wooden dog which he trotted out on every occasion. The member for St. John had taken no risk in that he had not accused the government nor any of its members of wrong doing and therefore had assumed no responsibility. Mr. Meighen analysed Mr. Pugsley's supposed charges. Mr. Pugsley had declared that the shell committee was appointed by the Canadian government—which was true. But he had not declared what was equally true that it was under the jurisdiction of and responsible to the British government. The charge that prices were fixed without competition was a charge against the British government which had fixed the prices at which the shell committee had placed the contracts. If the prices were excessive the British government which was paying the prices was responsible for them. Another charge was that members of the shell committee had given contracts to companies in which they were personally interested. The Solicitor General proved by affidavits that every allegation made on this score was false. Another complaint of Mr. Pugsley was that delay had been permitted in filling contracts. Hon. David Lloyd George, British Minister of Munitions, had admitted in the British parliament that there had been delay in filling contracts for shells in every country, even Great Britain. Mr. Pugsley's final accusation was that the shell committee had placed a large order for fuses in the United States and this was done through an unwise and imprudent contract. This and every other similar contract, said Mr. Meighen, was submitted to and endorsed by the British government before they were completed. In every one of Mr. Pugsley's charges, concluded Mr. Meighen, if he had not charged, he was accusing the British government of playing false to themselves and their people.

Ottawa, March 16.—Hon. J. D. Hazen gave the House a statement dealing with the complaint of Quebec merchants brought forward by Sir Wilfrid Laurier, that the subsidized steamers plying between Canada and the West Indies were not accepting shipments of molasses for this country. The statement which was furnished by the deputy minister of trade and commerce said that there had been congestion of freight both to and from Canada, and that Sir George Foster had been making efforts to relieve it. The Royal Mail Steam Packet line explained that seventy per cent. of its tonnage had been commandeered by the Admiralty. The minister of trade and commerce had cabled the Admiralty with a view of having some of the vessels released, but so far without success. Hon. R. Lemieux called attention to a newspaper report that in the 300 new kit bags supplied to the 20th Overseas Battalion they had found many toilet articles marked "made in Germany." In reply Hon. A. E. Kemp said that he was not aware that goods of German manufacture were supplied to the soldiers and that he would make inquiries into the case. "It would be far from the policy of the government," he continued, "to buy anything made in Germany at this time."

Hon. T. W. Crothers arose on a question of privilege to discuss an editorial article which appeared in the Toronto Globe yesterday, and which quoted him as having said, he was not sure Great Britain and her allies would win the war. "That a German victory would mean a German Canada," that he did not approve of everything done by

the British House of Commons for the relief of disabled soldiers, and "that no one knows when the war will cease or how it will end. "It is a gross misrepresentation of what I said," asserted Mr. Crothers, "although perhaps it is as near the truth as the Globe generally gets when dealing with the remarks of political opponents."

The House then went into committee on the finance minister's motion calling upon parliament to authorize the government to borrow, in addition to sums authorized and still unborrowed, a sum or sums not exceeding \$75,000,000 as required to pay maturing obligations of Canada, to carry on public works and meet expenses for general purposes. Sir Thomas White said the government would find it necessary to borrow in the neighborhood of \$225,000,000 although the amount would depend on the number of men enlisted for active service and at the time at which they enlisted. The \$75,000,000 referred to in the resolution would form part of the borrowings which the government would have to make. Sir Thomas told Mr. W. F. MacLean that negotiations with regard to a loan by Canada had been proceeding between the government and a firm of New York financiers. He informed the leader of the opposition that a credit of thirty million pounds had been arranged with the Imperial government to meet obligations in Great Britain and France. At the same time he felt that, in view of the financial undertakings of the Mother Country, Canada should only draw upon that credit when absolutely necessary and as far as possible finance herself. The government would find it necessary later in the year to borrow further, and possibly in Canada. The credit arranged by the banks for the Imperial government was, he considered, a reason why the Canadian government should not at once undertake the flotation of another domestic loan.

Progress of the War.

Paris, March 11.—Extremely heavy infantry fighting has taken place northwest of Verdun, and on the outskirts of the Bois Des Buttes, to the north of the Aisne, with the Germans in both regions the aggressors. Elsewhere along the line artillery duels of great proportions are under way. In the sector between Bethancourt and Cumieres, northwest of Verdun, the intense artillery bombardment of the Germans was followed by an infantry attack, but over the entire front of three miles it was repulsed by the French with serious losses, except between Bethancourt and Le Mort Homme, where the Germans gained a footing at two points in the French trenches. The Germans three times threw their troops against the French positions northwest of the Bois Des Buttes, but none of the attacks proved successful. In the forest of Argonne the French guns effectively shelled German positions. North and east of Verdun the artillery duels continue. To the north of St. Mihiel, in Lorraine, and in the Vosges mountains the guns of both sides have been active. A large number of flights in the air have taken place around Verdun. In these four German air-craft have been brought down. French aviators have again bombarded the station of Brioules, behind the German lines north of Verdun.

London, March 12.—Throwing large masses of infantry against the French in the Corbeaux wood, to the northwest of Verdun, the Germans after several attacks, in which they are declared by Paris to have suffered large casualties, have re-faken part of the wood from which the French had previously ejected them. The entire region about Verdun continues the scene of intense operations. West of Donauumont and the sector embracing the village of Vaux have been points against which the Germans have launched vicious

infantry attacks, but at both places their efforts to advance broke down under the heavy fire of the French. Berlin, however, counters this assertion by announcing the taking of a ridge west of Donauumont by the Germans, and says also that the Germans have succeeded in pushing forward their line through the wooded sector southeast of Damloup, which lies a short distance east of Fort Vaux. It is admitted in the German official communication that the French have succeeded in gaining a firm footing in Fort Vaux. Paris had previously categorically denied that the Germans had captured either the fort or the village of Vaux. East and southeast of Verdun, over a front of about seven and a half miles, the Germans have been directing a heavy bombardment on the towns of Eix, Mouleuvre, Villers-Sous-Bouchamp and Bonzee, with the French guns answering them energetically. In the Artois region the French have occupied the crater of a mine exploded by the Germans, and in Lorraine have damaged by gunfire German organizations on the front of Halleville-Bremont. The Germans on the Upper Stripa region of the Russian front are declared by Petrograd to have suffered heavy losses in a counter-attack made on a position captured by the Russians.

London, March 13.—The British official statement issued to-night says: "The enemy exploded mines near Carny and on the Labasse-Bethune road without damage. Today we carried out successful bombardments near Manetz, on the Lille-Armentieres railroad and Hoog. About Los and southward from Bully and Creney there was considerable artillery activity. "Yesterday there was most aerial activity on both sides. Thirty-two hostile machines were driven down near Lille and a second shot down in our lines. Today another German machine was forced to descend in our lines."

Geneva, March 13, via Paris.—Germany has requested Bulgaria to send two divisions to the French front, according to information received here from Bucharest. The Bulgarian government declined, the advice state owing to the uncertain attitude of Roumania. The correspondent of the Berne Bund, at Austrian headquarters in Albania telegraphs that the Austrians have advanced far southward since the capture of Durazzo, the Italians and Albanians retiring on Avion, blowing up railway bridges behind them. Slight skirmishes only have taken place, the correspondent states, but a pitched battle is expected soon near Avion.

Switching their activity from the east to the northwest of Verdun, the Germans again are hammering at the salient of Le Mort Homme and the region of the Bois Bourrus, in an endeavor to bring their line farther south on the western flank of the fortress. To the east of the Meuse and in the Woerwe district there has been a noticeable let-up in the bombardments on both sides. The infantry everywhere on the Verdun front has been inactive. In line with the bombardment of Le Mort Homme and the Bois Bourrus the Germans are assembling men in the region between Porges and the Bois Des Corbeaux, probably with the intention of throwing them into the fray, should the intense bombardment meet with success. The French artillery, however, have this assembling point under the fire of their guns. No advantage is claimed by either side in the latest fighting around the Fortress.

Back of the German line, to the north of Verdun, a French air squadron dropped 130 bombs on the station of Brioules, and at numerous points around Verdun French and German aviators have met in combats in the air, with the advantage incontestably in favor of the French, according to Paris. At least three German aeroplanes are declared to have been brought down, while others were seen by the French observers to have been in distress. In the region of Seppois, Upper Alsace, the Germans essayed an attack on trenches the French had captured, but were repulsed

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(Continued from page 1) with considerable casualties. French guns have done damage to German positions north of Aisne, in Champagne, and in the eastern portion of the forest of the Argonne. Northwest Russia, around the Ikskull district, and in the Jacobstadt sector, there have been violent artillery duels. Galicia, southeast of Kolk along the Middle Stripa river, Russians have been successful in small engagements with the Teutons. In the coastal region of the Caucasus front the Russians are still driving the Teutons before them.

Lieut. General Jan Christ Smuts, the former defense minister of the Union of South Africa and now commander of the East expedition against German East Africa, has had a stiff engagement with the Germans in the mountainous region west of Taveeta, along the frontier. Germans were driven back, though the fighting was of most obstinate character. British are endeavoring to cut the retreat of the Germans, who are withdrawing to the sea. Unofficial advice is given to the effect that Admiral Von Tirpitz, German minister of marine, is and that the ministry is in charge of another official.

New York, March 15.—A news agency despatch from Paris today says: That the desire for peace is rapidly increasing throughout Germany was the information brought to Paris today by Dr. Sidonia Paes, former foreign minister to Germany, who was recalled when Germany declared war on Portugal. "The spirits of the people are drooping rapidly," said Dr. Paes. "Economic conditions are very bad. The recent issue of potato cards shows the desperate food situation. Prussia is the hardest hit of all the German states. The situation there is positively painful."

The German Crown Prince army has apparently paused to take breath, or bring up reinforcements for a continuation of the advance against the Verdun fortress and its outlying defenses. Meanwhile the big guns are exchanging shells at various points along the entire line from Belgium to the Vosges mountains. The latest assault by the German infantry between Bethancourt and Cumieres resulted in the winning of important positions, but by counter-attacks the French succeeded in retaking a portion of the ground, and, according to the official statement of the French war office, hold Bethancourt, the height of Le Mort Homme, the village of Cumieres wood, all positions of great strategic importance. To the east of Verdun there has been considerable activity around Vaux and Demloup, the fighting at close range is still in progress around the eastern slopes of Fort Vaux which for days past has been the object of the hardest fighting. The French have taken a German trench south of St. Souplet which indicates that in the Champagne region the contending forces are still endeavoring to take advantage of every opportunity to strengthen their lines. Advances from Petrograd describe remarkable progress in Persia of the Russian troops, who are moving swiftly over difficult roads and in the face of considerable opposition towards the Mesopotamian frontier, where shortly they expect to be in touch with the British forces at Kut-el-Amara and the relieving column under General Lake and Aylmer. The Russians are now said to be within fifty miles of the last difficult pass, which will place them in the rear of the Turkish Bagdad army, and their object is to cut the railway to the north thereby preventing the Turkish army from receiving supplies, and co-operate with the British against Bagdad. In their advance against the Turks along the Black Sea littoral towards Trebizond the Russians have captured additional Turkish officers and men and two machine guns. A British column has attacked an advanced position of the Turks in Mesopotamia, bayoneted a considerable number of the Turks and captured others. In the Austro-Italian zone the Italian are vigorously shelling Austrian positions, and here and there throwing their infantry into the fray. No marked change in the lines has occurred, however.