

CANADA'S POSITION IN THE PERIOD OF RECONSTRUCTION

A Trade Balance of \$162,000,000 on the Debt Side in 1914 Has Been Converted to a Credit of \$624,000,000 in 1918.

Whatever readjustments may follow in the years immediately after the war, Canada may be looked on as a distinct factor to be reckoned with in foreign trade, both inside and outside of the British Empire. It is not to be expected the abrupt swinging round from an adverse or debit balance of \$162,000,000 in 1914 to a credit balance of \$624,000,000 in 1918 will give Canada's export trade a momentum of itself enabling her merchants and manufacturers to maintain an average excess of 40 percent of sales over imports.

Exports to the United Kingdom rose from \$215,000,000 for the year ended March 31, 1914, to \$742,000,000 for the year 1917. For the year to March 31, 1918, these exports clip the \$800,000,000 mark. Comparison of figures will show greater relative gains in percentages than perhaps in any other country.

After every allowance has been made for war, for war prices, and patriotic organization of industries, the hard fact remains that with its small population and many handicaps to overcome, Canada in the past fiscal year fell only \$21,000,000 short in dollar value of our own trade in 1904. Capacity to utilize every opportunity to the utmost has at least been shown and cannot be denied. This ability to make the most of the work of the day in foul weather as well as fair, is a trade asset which may be stimulated by war, but cannot be stolen or impaired by peace.

A people so enterprising and spirited may be relied on to do their utmost to hold the pace they set in securing a share of war trade. Will they do it?

They will have a debt moderate and well within the financial grasp of any Canadian parliament. They have shown the necessary will and capacity. They will have the wares to sell. A world half starved and half in industrial paralysis will go to market for the food and raw material essential to life and recuperation. The things which Canada produces from land, water and forest are the necessities which at least in the first years in the after-period will attract commerce, shipping and banking.

He would be blind who could not read in the figures of trade a summary of Canada's position and opportunity in the era of commercial reconstruction which is to follow.—Wall Street Journal, New York.

BRITISH POSITIONS IN SOMME REGION IMPROVED IN LOCAL ENGAGEMENTS

Allied Line Completely Re-established in the Voormezele-La Clytte Sector After Hard Fighting—Enemy Gains Footing Near Albert at Cost of Heavy Losses.

A despatch from London says:—The British in Ridge Wood and the neighboring territory southwest of Voormezele, and by the 56th Division, which attacked the British on the left, the French on the right.

Before the battle started in earnest, however, several things had happened which were to have a vital bearing on the day's programme. Along the Ypres-Comines Canal an unusual movement among the enemy had brought down a tremendous barrage from the British guns against a German division on the right of the 52nd Reserves. Nothing further happened along this sector, but it appeared later that the enemy had been assembling here to participate in the attack and had been so badly smashed that the idea of their taking part had been abandoned.

In the meantime, along the French front between Loree and La Clytte the French had their eyes open and began a heavy bombardment. Also, the French had undertaken a small operation in the early morning for the capture of a position east of Scherpenberg Hill. The combination of the French attack and the great bombardment undoubtedly completely upset the German plans for completely German divisions, which were assembling to assist their comrades on their right, could not be brought in. As a consequence the assault was confined to a two-division affair, which was directed mainly against the British about Ridge Wood.

The Canadian forces from New Brunswick and Nova Scotia have engaged in a successful local attack south of Arras.

A despatch from the British Army in France, says:—The Germans had intended to make a much more pretentious assault in Flanders on Wednesday than they were actually able to carry out, it has been learned. Their failure was due to the excellent work of the allied gunners and to a small coincident operation by the French east of Scherpenberg, which came at the right moment to help upset the enemy plans in this sector.

The Germans preceded their advance by a terrific all-night bombardment against both British and French over a wide front. At 9.30 o'clock the infantry was started by the 52nd Reserve, which was sent against

SLAVE DRIVE IN OCCUPIED PARTS OF ITALY

Berne, Switzerland, May 12.—An Austro-German commission is reported to be engaged in deporting the working population of the occupied districts of Italy, taking persons aged from 16 to 55, on the pretence of inviting them to work voluntarily.

At Para and Laisbach 200 working women clamored for bread and broke windows valued at 40,000 kronen in the Casino at Para. Many districts of Bosnia and Herzegovina are deserted owing to the deportations of the inhabitants.

The wheat harvest of last year barely exceeded a quarter of the harvest of 1914.

To make fried moush pour cornmeal mush into an enameled dish and when cold cut into slices and fry in hot drippings until well browned. Serve hot with butter and syrup.

FRENCH ADVANCE ON HIGH GROUND NORTH OF MOUNT KEMMEL

Germans Also Beaten on Southern Front Near Mailly. Thus Giving French Army the Advantage in Two Areas.

With the British Army in France, their success was short-lived, for a prompt counter-attack drove them out, and, besides their dead, they left more than a hundred prisoners in the hands of the defenders.

The battle for Hill 44 was the outcome of the German attack on May 8. When the Germans assaulted, the allies were holding the elevation. Bitter fighting ensued all day long, and the Germans in the course of time secured possession of the hill. The British almost immediately organized a counter-attack and forced the enemy out.

The next day the Germans again drove forward. They made such a heavy assault that they again captured the hill, which they held until yesterday.

OVER 500,000 U. S. SOLDIERS IN FRANCE.

A despatch from Washington says: More than half a million American soldiers have been sent to France. Secretary Baker has authorized the statement that his forecast in Congress in January that five hundred thousand troops would be despatched to France early in the present year now had been surpassed.

Foch's Reserve Army Includes Nearly 250,000 Italians

A despatch from Washington says: Italy's contribution to the reserve army General Foch is building up behind the lines in France for supreme emergency uses, numbers nearly a quarter of a million men, official despatches of Friday say, and the force is being strengthened steadily.

Markets of the World

Breadstuffs

Toronto, May 14.—Manitoba wheat—No. 1 Northern, \$2.32½; No. 2 do, \$2.20½; No. 3 do, \$2.17½; No. 4 do, \$2.10½; in store Fort William, including 2½¢ tax.

Manitoba oats—No. 2 C.W., 81½¢; No. 3 C.W., 78½¢; extra No. 1 feed, 85¢; No. 1 feed 75½¢, in store Fort William.

American corn—No. 3 yellow, kiln dried, nominal; No. 4 yellow, kiln dried, nominal.

Ontario oats—No. 2 white, 86¢; No. 3 white, 85¢; according to freights outside.

Ontario wheat—No. 2. Winter, per car lot, \$2.22; basis in store Montreal.

Peas—Nominal.

Barley—Malting, \$1.54 to \$1.55, according to freights outside.

Buckwheat—\$1.84 to \$1.86, according to freights outside.

Rye—No. 2, \$2.45, according to freights outside.

Manitoba flour—War quality, \$10.90; new bags, Toronto.

Ontario flour—War quality, \$10.65; new bags, Toronto and Montreal freights, prompt shipment.

Millfeed—Car lots—Delivered Montreal freights, bags included: Bran, per ton, \$35.40; shorts, per ton, \$40.40.

Hay—No. 1, per ton, \$16.00 to \$17.00; mixed, \$14.00 to \$15.00, track Toronto.

Straw—Car lots, per ton, \$8.50 to \$9.00, track Toronto.

Country Produce—Wholesale

Butter—Creamery, solids, per lb., 41 to 42¢; prints, per lb., 42 to 43¢; dairy, per lb., 37 to 38¢.

Eggs—New laid, 38 to 39¢.

Poultry—Dressed chickens, 30 to 32¢; fowl, 30 to 35¢; ducks, 25 to 30¢; turkeys, 30 to 35¢.

Wholesalers are selling to the retail trade at the following prices:—

Cheese—New, large, 23½ to 24¢; twins, 23½ to 24½¢; old, large, 25½ to 26¢; twin 26 to 26½¢.

Butter—Fresh, dairy, choice, 40 to 42¢; creamery prints, cut, 45 to 46¢; fresh made, 40 to 41¢; solids, 44 to 45¢.

Margarine—32 to 34¢.

Eggs—New laid, 42 to 43¢; new laid, in cartons, 45 to 46¢.

Dressed poultry—Milk-fed chickens, 38 to 40¢; fowl, 38 to 40¢; turkeys, 40 to 45¢.

Live poultry—Turkeys, 30¢; chickens, lbs., 28 to 30¢; hens, 33 to 37¢.

Beans—Canadian, hand-picked, 26 to 27¢; Imp., hand-picked, 26 to 27¢.

Burma or India, 26 to 27¢.

Maple syrup—8½-lb. tins, 10 to a case, \$14.50; imperial gallon tins, per can, \$10.50; 15-gallon kegs, per gal., \$2.00; maple sugar, 1-lb. box, pure, per lb., 24 to 25¢.

Provisions—Wholesale

Smoked meats—Hams, medium, 36 to 38¢; do, heavy 30 to 32¢; cooked, 49 to 50¢; roils, 32 to 33¢; breakfast bacon, 41 to 44¢; backs, plain, 44 to 45¢; boneless, 48 to 49¢.

Cured meats—Long clear bacon, 30 to 31¢; clear bellies, 29 to 30¢.

Lard—Pure, tierces, 31½ to 32¢; tubs, 31½ to 32½¢; pails, 32 to 32½¢; prints, 33 to 33½¢.

Compound tierces, 26 to 26½¢; tubs, 26½ to 27¢; pails, 26½ to 27¢; prints, 27½ to 28¢.

Montreal Markets

Montreal, May 14.—Oats—Canadian Western, No. 2, 96¢; No. 3, 92¢; extra No. 1 feed, 92¢; No. 3 local white, 92¢.

Flour—New standard Spring wheat grade, \$10.96 to \$11.06.

Rolls, 80 lbs., \$5.25; Bran, \$35.40. Shorts, \$40.40. Middlings, \$48.00 to \$50.00. Mouille, \$60.00 to \$62.00.

Hay—No. 2, per ton, car lots, \$17.00.

Live Stock Markets

Toronto, May 14.—Extra choice heavy steers, \$14.50 to \$15.50; choice heavy steers, \$13.50 to \$14.50; good heavy steers, \$13.00 to \$13.25; butchers' cattle, choice, \$13.25 to \$13.75; do, good, \$12.00 to \$12.25; do, medium, \$11.65 to \$11.85; do, common, \$11.00 to \$11.25.

Bulls, choice, \$11.25 to \$12.25; do, good, \$10.50 to \$11.00; do, medium, \$9.50 to \$10.25; do, rough, \$7.25 to \$7.50; butchers' cows, choice, \$11.25 to \$12.25; do, good, \$10.50 to \$11.00; do, medium, \$9.50 to \$10.25; do, rough, \$7.25 to \$7.50; butchers' calves, \$11.00 to \$11.75; canners and cutters, \$6.50 to \$7.50; milkers, good to choice, \$50.00 to \$140.00; do, com. and med., \$65.00 to \$80.00; springers, \$90.00 to \$140.00; light ewes, \$13.50 to \$18.00; lambs, \$18.00 to \$20.50; calves, good to choice, \$14.00 to \$15.50; hogs, fed and watered, \$20.75 to \$21.00; do, weighed off cars, \$21.00 to \$22.25; do, f.o.b., \$19.75 to \$20.00.

OSTEND HARBOR PARTLY BLOCKED BY SINKING OF CONCRETE-FILLED CRUISER

Another Successful Raid by British Navy on U-Boat Base—Heavy Bombardment of Port Held by Germans.

A despatch from London says: The German submarine base of Ostend, on the Belgian coast, has been partially blocked as the result of a new raid by British naval forces in which the cruiser Vindictive, laden with concrete, was sunk at the entrance.

The Vindictive lies at an angle not effectively blocking the entrance to Ostend, but serving a very useful purpose. A partial and very serious blockade has been achieved, and under the conditions of tide and silting prevailing, this obstruction will certainly tend to increase.

As on the former occasion, the operation to block Ostend harbor was under the direction of Admiral Keyes. Some of the men who participated in the affair returned here on Friday. They say it was completely successful.

The firing which covered the sinking of the Vindictive began about 1

Montreal, May 14.—Choice steers, \$12.50 to \$13.50; do, good, \$12 to \$12.50; do, medium, \$10 to \$11.50; choice butchers' cows, \$11 to \$11.50; good cows, \$10 to \$10.75; medium, \$8.50 to \$9.50; butchers' bulls, \$11 to \$11.50; good bulls, \$10 to \$10.75; medium, \$8.50 to \$9.50; calves, \$8 to \$10; calves, \$8 to \$10; common, \$6 to \$7; Sheep—\$16 to \$17; Hogs—Selects, \$21.75 to \$22; sows, \$19.50 to \$20.

GERMANY CANNOT REPLACE AIRMEN

Enemy Has Difficulty in Finding Flyers, Say Prisoners.

London, May 12.—A few days of fine weather has given our flying men another chance. German aviators taken prisoner lately say they are now having great difficulty in replacing the personnel of their air force. They say they have lost some 700 pilots and observers since beginning the offensive of March 21. One reconnaissance flight alone lost 130 of its men. They speak with the greatest admiration of British aviators, but mitigate their compliments by declaring that our machines are better than theirs.

All this is only evidence that their morale is badly shaken. It is reported that Lieut. von Richthofen, brother of the late champion flyer, and who was said to have succeeded to the command of the "Flying Circus" has had his skull fractured by a fall and will be unable to fly again.

Prisoners continually tell of the great damage done, especially by bombing in the Albert, Bapaume and Bray areas. We hear of batteries knocked about by our guns and gun crews only kept from running away by officers with revolvers; of ration parties composed of men past military age suffering so much through artillery fire that they have refused to come on; of fresh water, after being got up to the front line, being spoiled by our gas shells and made undrinkable. Of some recent batches of prisoners, about 40 per cent have belonged to the 1919 class as well as a considerable proportion of the 1918 class.

20 HUN PLANES FOUGHT BY TWO

British Airmen Engaged Ten Times Their Number and Destroyed Eight.

A despatch from the British Army in France, says:—One of the most daring and magnificent bits of work ever done by British battle planes was carried out this week, when two British machines fought twenty German scouts to a standstill, destroying eight of the enemy and forcing several others to abandon the conflict because they had been so badly shot up. The British machines returned safely from this extraordinary engagement, having abandoned their attack only when their ammunition became exhausted at the end of a half-hour of whirlwind fighting with machine-guns.

The battle was staged last Tuesday evening, and these are the details of it which now come to hand:

It was about sundown that two British battle planes, each with a pilot and observer, went wheeling across this part of the front in search of prey. They were well back of the enemy's line when they sighted seven German planes flying in formation.

The Hardy Brits didn't even pause to consider the odds against them, but turned the noses of the machines toward the enemy and raced in for the attack.

BRITISH CASUALTIES 40,004 FOR ONE WEEK

London, May 12.—British casualties officially published during the past week totalled 40,004. They were divided as follows:

Killed, Wounded, Missing, Total

Officers 677 1,630 368 2,576

Men 5,638 26,889 4,901 37,428

Totals 6,216 28,519 5,269 40,004



Camouflaged streets in a French town under fire of the German heavy guns.

ALLIES MAKE NOTABLE GAINS IN LOCAL ENGAGEMENTS IN FRANCE

British Repulse German Attempt to Secure Position North of Albert—French Are Now in Possession of Town Park at Grivesnes.

A despatch from London says: The French on Friday made a notable advance at Grivesnes, five miles northwest of Montdidier, where they took the park of the town, which had been in German hands for three weeks. Almost 300 Germans were taken prisoner. Along the front to the north, there were scattering engagements, notably at Aveluy Wood, north of Albert, where the contending armies were striving for strategic ground. Hostile artillery is active in the Vimy region. There were also small operations in the Kemmel hill front, south of Ypres.

A despatch from the British Army in France says: The operation by which the British regained in a counter-attack the small portion of trench north of Albert which the Germans had captured on Friday, while a small one, was important. The position in question lay on high ground which had been hotly contested

ever since the Germans stormed their way into Albert.

The temporary success of the Germans cost them dearly, for they suffered heavy casualties from the rifle and machine-gun fire which was poured into them as they advanced up the slopes. The operation was undertaken at about daybreak and shortly afterward the enemy attempted to reach the British lines east of Bouzincourt about 2,000 yards to the north. Here also the British were holding defenses on the high ground, which the invaders covered because its occupation to work from for another big attack.

The hostile artillery fire was very heavy on Thursday night south of Arras. The air services on both sides were very active throughout the day, as the conditions were ideal for observation. There was much bombing and many engagements were fought in the air.

ITALIANS WIN DOMINATING POSITION OF MONTE CORNO FROM AUSTRIANS

Brilliant Operation Resulting in Destruction of Elaborate System of Enemy Defences With Capture of War Material and Prisoners.

Italian Army Headquarters, May 12.—After a long period of inactivity, owing to weather conditions, Italian troops on the mountain front executed a brilliant operation Friday night, capturing the dominating position of Monte Corno, destroying an elaborate system of enemy defenses and taking of 100 prisoners, two guns, a number of machine-guns and much war material.

The action was in the Arsa Valley, which leads down from the Lagarina Valley, and is the main line of approach from Trento and Rovereto. It was here that the Austrians attempted to reach the Venetian Plain in the first great offensive. Recently they have erected powerful defenses, with

battery positions built in rock and electrically charged, and with a system of barbed wire entanglements.

The chief effect of the action is to dislodge the Austrians from the dominating height in the centre of the main highway from the mountains and to give the Italians the advantage of that position, with the command it has over the heights and approaches. The result gives great satisfaction, especially as the victory was won on the very spot where Dr. Cesare Battisti, a deputy from Trento who went over to the Italians, and others of his heroic band were captured during the first offensive. Dr. Battisti was put to death by the Austrians on the charge of treason.

ROLL CALL OF LOSSES IN OSTEND RAID

London, May 12.—A Dover despatch says that the British casualties in the raid on Ostend were two officers and six men killed and two officers and eight men missing, supposed to have been killed. Of these, two officers and eight men were on the Vindictive. Five officers and twenty-four men were wounded, of whom one officer and sixteen men were on the Vindictive.

BERLIN WARNS U-BOATS FROM BLOCKED REFUGES

London, May 12.—The Naval correspondent of the Times in discussing the attack against Ostend says that it is reported in Berlin that the German submarines have been warned by wireless not to return to Ostend or Zebrugge and in returning to home waters to choose the route to the ports of the Heligoland Bight. From this report it is believed here that the entrances to Ostend and Zebrugge have been blocked in the British raids.

EXPECTED GERMAN OFFENSIVE MAY NOT BEGIN FOR A FORTNIGHT

Military Authorities of Opinion That the Enemy Has Met With Severe Repulse From Which Recovery Will Take Time.

A despatch from Paris says: Contrary to the belief expressed in despatches from correspondents with the French army, military authorities here do not believe that the next German offensive is as imminent as expected, and agree that the battle may not begin before a fortnight. Many reasons contribute to this delay, the foremost of which is the fact that so severe has been the repulse of the last week, especially on the days of the 29th and 30th, that sufficient time must elapse before the enemy can be able to fill in and reorganize his divisions. On the other hand, allied aviators are working such havoc in the enemy's lines that he is finding it extremely difficult to carry out concentrations. From high military authority it is understood

the allies would be willing to give up Ypres if the enemy was willing to pay to the extent of about 20,000 men for it, and at that would be a good bargain, as tactically Ypres is worth less than 10,000. This authority expressed the belief that in the coming offensive aviation may play the most important role in the whole field of war. The allies are now much superior in the air than the enemy. It has been established recently that the German airplane production averaged from 1,800 to 2,000 machines. While it is not permitted to give the figures of the French and English output, it is not exaggerating to estimate it at more than double, and daily increasing. It is hoped that the allies will be able to give a demonstration of their superiority in the air before many months.

Big Forest Revenue.

Since 1867, the date of Confederation, the Government of the Province of Quebec has derived a total revenue from its forests of more than \$42,000,000. During the year ended June 30, 1917, the revenue from this source was \$1,568,187, of which \$47,505 was from ground rent and \$1,115,682 from stumpage dues. The greatest total forest revenue was during 1914-1915, when the amount collected was \$1,736,605. These revenues form an important item in the support of the civil government.

FIRST RESULT OF PEACE TREATY

Allied Victory Only Hope of Saving Rumania.

A despatch from London says:—It has been learned from well-informed Rumanian circles that the first result of the peace treaty between their country and the Central Powers is that there is not a single pro-German left in Rumania. The fall of Count Cernin, the former Austrian Premier, clearly brought about a hardening of policy toward Rumania. Baron Burian and Dr. von Kuehmann, the German Foreign Secretary, eyed on by pan-Germans, tried to achieve success and they obtained it by force. The majority of Rumanians realize that the only hope of saving their country from becoming a virtual German dependency is an allied victory, of which they are confident.

HIGH-PRICED FULLWOOD.

Has the Effect of Stimulating Settlement in Northern District.

Settlement in the northern portions of both Ontario and Quebec is being stimulated by the higher prices for pulpwood which, a few years ago, was looked upon as a detriment by the settler. Now it is a decided asset, with the result that he is less inclined to set fires indiscriminately or to let them run at large.

This situation, however, contains a real danger for all the provinces of Eastern Canada. There is a possibility that the demand for timber will lead to settlement of areas where the soil is unsuitable for agricultural production. The remedy lies in making a timber and land classification survey followed by proper government control. Already in New Brunswick and in the Trent Watershed of Ontario there are deplorable examples of the results of permitting settlers to try to eke out a living on land on which they should never have been allowed to settle.

INCREASE IN SINKINGS OF U-BOATS.

A despatch from London says: The sinking of enemy submarines has increased steadily, and the sinking of merchant ships has fallen steadily, declared T. J. Macnamara, M.P. for North Camberwell and Parliamentary Secretary to the Admiralty, in a recent speech at Bristol.

Germany has made many mistakes in the course of the war, but never made a greater one than in thinking she could end the war by driving British merchantmen from the seas, declared Vice-Admiral Sir Rosslyn Wemyss, First Sea Lord of the Admiralty, at the annual meeting of the Mercantile Marine Association.

DARING AVIATOR SAILED UNDER BRIDGE AT NIAGARA.

A despatch from Niagara Falls, Ont., says: An unknown aviator from Beamsville Camp circled over the Falls for a few moments on Thursday and then dived at right angles and sailed under the steel arch bridge. Evidently he experienced some difficulty in rising from the gorge as did Beachy some years ago.

The Beamsville cadet, however, after being in the gorge about three minutes, managed to rise on the American side, and after circling round, made off for camp.

BERLIN "SHELLS OUT" DISCARDED WARDROBES.

A despatch from Amsterdam says: The city of Berlin has been ordered to produce forthwith 40,000 complete second-hand suits for war workers, principally those engaged in railway and farming work. It is to be a "voluntary" surrender against a small payment, but warning is given that if the clothes are not forthcoming they will be taken by force. This applies especially to persons whose social position warrants the assumption that their wardrobes are well stocked.

BRITISH TROOPS WITHIN 80 MILES OF MOSUL.

A despatch from London says: British troops on May 7th entered the Turkish town of Kerkuk, 80 miles south-east of Mosul, in Mesopotamia, the British War Office announced. The text of the statement reads: "Mesopotamia—A portion of our troops entered Kerkuk on May 7th without opposition. The Turks, who retired towards the Lesser Zab River, left 600 men in hospital in the town. They also abandoned three damaged airplanes. A heavy rain has fallen."

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