

ITALY TO TAKE IMPORTANT PART IN ALLIED CAMPAIGN IN THE BALKANS

KITCHENER AT MEETING OF WAR COUNCIL

Afterwards Attends Cabinet Session—No Announcement of Proceedings Made Public However.

London, Dec. 2.—Earl Kitchener, British secretary of war, did not visit King George today, having paid the customary respects of a cabinet minister, returning from a trip yesterday.

Earl Kitchener today attended a meeting of the war council, and afterwards was present at cabinet meeting, at which he doubtless made a report on his trip to the Near East and to Rome and Paris.

HELPING BRITAIN FINANCE HER WAR ORDERS IN CANADA

Hon. Mr. White and Delegation from 'Bankers' Association Discuss Matter in Conference at Ottawa.

Special to The Standard
Ottawa, Ont., Dec. 2.—At the conference which Hon. W. T. White, Finance Minister, had with the delegation from the Canadian Bankers' Association today regarding the part which Canada could do in helping Great Britain to finance her purchase of shells, munitions and supplies in Canada, it is understood that such methods as the issue of Dominion notes against gold deposited in London acceptance of bills of exchange and advances to manufacturers and others against treasury bills or other securities were discussed. It is thought that the Minister of Finance has in mind a plan which will materially assist in the financing of the purchases in Canada by the imperial government during the next six months or year. It will be remembered that the Minister made certain proposals in New York to the Anglo-French commission in connection with this subject. The matter has been further taken up with the imperial treasury by the minister since the return of the commission.

The suggestion has been put forward frequently since the outbreak of the war that Canada should finance her own war expenditures in their entirety, as well as the purchases of Great Britain and the Allies in Canada. There has not been as yet any official pronouncement with regard to this suggestion, but the following figures show the nature of the problem.

Total of Thousands Millions
Canada's war expenditures from the outbreak of the war until Dec. 31st, 1915, will probably amount to \$400,000,000. The purchase of Great Britain and the Allies of supplies and munitions will probably by that date have exceeded \$600,000,000. The total of Canada's war expenditure and purchases by the Allies will thus be over one thousand million dollars. Up to the outbreak of the war Canada had been, and is still, a borrowing country, depending upon outside money markets for the sale of her Dominion, provincial and municipal securities. As Canada has no international money centre like New York or London where accumulations of capital are available for short-date treasury loans or for the sale of government securities, it is obvious that Canada will not be able to provide funds for the whole, but for only a part of her own war expenditures, and by way of advances, for the expenditure in Canada by the Allies for supplies and munitions. Only by production and saving is it possible to increase the supply of Canadian capital available for this purpose.

CHURCH UNION WINS.
Regina, Sask., Dec. 2.—The returns from the four Presbyterian churches in Regina show that of the total vote, 89.73 per cent. voted in favor of church union. A total of 1,831 votes were polled, 1,195 being yeas and 136 nays.

Italy Sends More Troops to Reinforce Army Now in Albania

Expedition to Take Important Part in Allied Operations in the Balkans—Action Likely to Have Good Effect in Clearing Situation Between Greece and Entente Powers—German Positions in Flanders Bombarded from Land and Sea—British Artillery Damages Enemy's Defences While Germans Lose Two More Aeroplanes.

Paris, Dec. 2.—Detachments of Italian troops were landed at Avlona, Albania, on Tuesday, according to information from a reliable source in Athens, a dispatch to the Temps from the Greek capital today says.

Although Avlona, in southern Albania on the Adriatic, has been under occupation by Italian troops for some months past, the statement that Italy is sending additional forces there may readily be taken to mean that they are intended for use in connection with the allied operation in the Balkans.

Reports that Italy would take part in the Balkan campaign have been current for some time, but no positive announcement that she would do so has been made.

In his address before the Italian parliament, reported from Rome this morning, however, Baron Sonnino, the Italian foreign minister, gave what was thought to be an intimation that an Italian expedition would soon be sent to Albania in his remark regarding the Italian flag waving as soon as possible "from the opposite coast of the Adriatic to help the Serbians."

London, Dec. 2.—Italy, through her foreign minister, Baron Sonnino, has announced her adherence to the Treaty of London, whereby the Allied powers undertake not to conclude a separate peace, and at the same time has declared her intention of sending help to the Serbian army in the Balkans.

This news, the most important for some days, it is believed here will go far to clear the situation, especially in Greece, where negotiations are still proceeding between King Constantine, his cabinet and the ministers of the Quadruple Entente. These negotiations have been protracted owing to Greece's unwillingness to allow the Allies free use of the railways and the right to police Greek waters against submarines.

They are not yet completed, but the latest advices indicate that they are likely to end in complete satisfaction to the Entente Powers, the assurance that Italy, as well as Great Britain,

France and Russia, is to give military support to the Serbians in their efforts to regain their lost territory, making the case for Greek assistance stronger.

Serbian Position at Monastir Hopeless
Otherwise the situation in the Balkans remains unchanged. The Serbians still hold Monastir, but their position is almost hopeless, as the Bulgarians have cut communications between that city and the Greek frontier, and the Serbian troops there must, like the army of the north, retreat into Albania when the pressure becomes too strong.

There is a report that the Russians have crossed the Roumanian border and are marching through that country to Bulgaria. This, however, lacks confirmation, and such a movement is hardly likely to occur unless Roumania gave her permission, which would be tantamount to joining the Allies.

Another report credits the Russians with diverting their Bessarabian army toward Galicia, where a big offensive is to be undertaken. This, likewise, is unconfirmed.

On the other front, Italian, French and Russian, artillery bombardments are the order of the day. The British, French and Belgian guns have been particularly active, also the airmen in Flanders, and the German positions have been given a rather severe battering. British monitors took part in these operations, suggesting that this may be the point where the next offensive will be undertaken.

There is still a good deal of talk in the neutral press about peace, based on reports from Germany of the activity of the Socialists, and from Austria on dissatisfaction there with alleged German attempts to take control of the internal administration, as has been the case in military affairs.

It is considered significant that all the new Austrian members are men with German leanings, which is thought to mean that the German party has been successful.

Will Attempt to Cut Off Retreat of Serbians Along Greek Frontier

Paris, Dec. 2.—Despatches from Saloniki and Florence, Greece, forwarded by way of Athens and Rome, say that arrangements have been made for the surrender of Monastir.

It is said a commission consisting of the Greek consul, the Serbian metropolitan and the mayor of Monastir has been appointed to negotiate terms of surrender with German and Bulgarian representatives.

An Athens despatch to the Havas Agency says that the news from Monastir is contradictory. According to some accounts, the Bulgarians have suspended their march on Monastir, but are making a turning movement so as to cut off the retreat of the Serbian troops along the Greek frontier.

Expect Russian Attack
London, Dec. 2.—Unconfirmed reports from Saloniki to the London morning papers state that the Austro-German forces, which were in possession of the Velez district, have been suddenly deflected toward the Bulgarian-Roumanian frontier, to meet a possible Russian attack. According to these despatches there is a feeling that the Bulgarian army might not fight against the Russians with the same spirit as against the Serbians.

In The West
Paris, Dec. 2.—The following official communication was issued by the war office tonight:

"A lively cannonade has continued in Artois, on both sides in the sectors of Loos the Bois-En-Hache and Arras. An engagement with torpedoes took place to the northwest of Hill 140. To the north of the five roads a German detachment, which attempted to approach our trenches was dispersed by our fire.

"The enemy has thrown about sixty shells on Arras.

"To the south of the Somme, before Fays, we successfully exploded a mine, a small German post was destroyed.

"At Les Eparges we fired a camouflet, which shattered a mine work of the adversary.

The Belgian official communication reads:

"There was slight activity on the part of the enemy last night; a few projectiles were fired to the west of Dixmude. Today reciprocal artillery actions occurred on the Yser and Ypres fronts. The German bombardment our position at Stuyvekenkerke and various villages in our lines, Perseye, Oudecapelle, Saint Jacques Capelle and Nieuw Capelle. Our artillery, in retaliation, shelled the Chateau De Woumen, and the enemy camps at Luyghen and silenced the hostile artillery to the north of Steenstrate."

"Army of the east: The Serbians still occupy Monastir on Dec. 1. On the Cerna there has been an exchange of cannon shots. The Bulgarian artillery has likewise been firing on Krivopal and Vouvan. Calm prevails on the rest of the front.

"Expeditionary corps of the Dardanelles: November 30 and December 1 were marked by activity on the part of both artilleries. Our guns caused important damage to the Turkish works. The temperature, after having been rigorous for several days, has become appreciably milder."

Montenegrins Withdraw Before Superior Numbers
Paris, Dec. 2.—Enforced retreat of the Montenegrin troops in the efforts to defend Pljevlje against the reinforced Austro-German armies, is admitted in an official statement by the Montenegrin war office received at the Montenegrin consulate here today. The statement says:

"The enemy, having received heavy reinforcement, directed his attacks upon Ribovo and Pljevlje on Nov. 30. Our troops were obliged to retire upon their rear positions to defend Pljevlje."

CARVELL MUST MAKE GOOD OR ADMIT HE WAS BLUFFING

Mr. B. F. Smith Renews His Challenge and Gives Carleton County Grit Extra Week to Accept—Stinging Reply to Carvell.

Special to The Standard
East Florenceville, N. B., Dec. 2. The following letter was forwarded by Mr. B. Frank Smith, M. L. A. to Mr. F. B. Carvell, M. P., this afternoon.

Dear Sir—Your favor, dated Woodstock, N. B., Nov. 29th, received Dec. 1st, in answer to my letter of 27th inst., in which I offered to take from you 15,000 tons of loose-haled hay, delivered in shed 14, West St. John, as required by our plant during the months of December, January, February and March. This is the portion of the contract in which you seem to find graft, and that is why I have kindly offered it to you. You have refused to accept it, which consequently ought to prove to the mind of the public that you deliberately attempted to deceive them.

Your objections are as follows: First—"The time, I only gave you forty-eight hours, you claim. In order to overcome that, I wired you this morning as follows: East Florenceville, Dec. 1st, 1915. F. B. Carvell, Esq., Woodstock, N. B.

In my letter, 27th, offering to take 15,000 tons of hay from you, gave you to Dec. 1st to accept. Have your reply of 29th. Note your objections. Will extend date of acceptance to the 7th inst. Confirming by letter. Get busy. B. F. SMITH.

This disposes of objection No. 1. Second—Your second objection is that there are only about 15,000 tons of hay in the upper St. John district and that I have a lot of presses at work and that you would not be able to get the quantity named. It is true that I have a few presses working through the country, but I will leave every farmer open to sell to you or to anyone else where I have pressed his hay and will agree to only charge him the ordinary price charged by every man in the hay business for pressing hay in ordinary bale, and he will be perfectly free to sell to you or to anyone else he likes. If I have contracts which you say I have, I will assign every one of them over to you. This leaves you a free and open field to work in, the same as I have, then we will see whether you can afford to pay farmers more than I am offering them, viz.: \$13.00 per ton loose for hay at their barns. (Continued on page 9)

HAMBURG LINE OFFICIALS GUILTY ON BOTH INDICTMENTS

Charged with Supplying German Cruisers Thereby Violating Laws of U. S. — Two Years in Prison and \$10,000 Fine Maximum Penalty.

New York, Dec. 2.—Three high officials and a subordinate officer of the Hamburg-American Line were found guilty tonight in the federal district court of having violated the laws of the United States in sending coal and other supplies to German cruisers in the south Atlantic in the first few months of the European war. The jury returned a verdict of guilty on each of two indictments.

The specific charge against the defendants was conspiracy to deceive and defraud the United States. The maximum penalty for each indictment is two years imprisonment and \$10,000 fine. Sentence was not imposed tonight, and because of the late hour when the verdict was reached, Judge Howe deferred till tomorrow morning a hearing on the formal motions to set aside the verdict and arrest judgment, which the defence is sure to offer. A date for passing sentence will then be designated.

Case Likely To Be Appealed
The jury was out seven and one-half hours. The four defendants affected by the verdict are Dr. Karl Bueze, managing director of the Hamburg-American line in New York, former German consul general here, former minister to Mexico, and German commissioner in the Venezuelan arbitration proceedings before The Hague Tribunal; Geo. Kottler, general superintendent of the line; Adolph Hachmeister, general purchasing agent, and Joseph Popplhaus, a former officer in the German navy, a present second officer in the Hamburg-American line. A fifth defendant, Felix Seffner, supercargo on one of the neutral steamers, sent to supply the German fleet, was not brought to trial. He was captured by the British while on his errand of relief, and is at the present time a prisoner in a Canadian detention camp.

Defendant counsel was silent as to the verdict, Roger B. Wood, the assistant United States district attorney, who conducted the government's case, had this to say:

"This verdict means only one thing—that the laws of the United States must be observed by citizens of all the belligerent powers; that if our laws are violated by anyone of them and the American government finds it out they will be prosecuted."

An appeal, it seemed certain to be made to the federal court of appeals, and in case the verdict is upheld, to the supreme court of the United States. In the meantime, the defendants probably will remain at liberty on \$5,000 bail.

MAKE-UP OF 3RD CANADIAN DIVISION ANNOUNCED

Total Enlistments to date in Canadian Overseas Army 190,000 and Authorized Total of 250,000 Expected to be Reached Within Short Time.

SHELL ORDERS NOW TOTAL SUM OF \$375,000,000

Special to The Standard.
Ottawa, Dec. 2.—Shell orders received from Great Britain now total the immense sum of \$375,000,000 the number of shells ordered is 20,000,000 of which 3,500,000 have been shipped to England and nearly 100,000 employees are engaged on the manufacture of shells. General Alexander Bertram, of the Imperial Munitions Board, gave these facts today. He stated that the steel required for the industry from now till the end of next year is eight hundred million pounds, which will tax the capacity of the Dominion Steel plants to the utmost. Nearly forty-five million pounds of copper and brass are used and 102,000,000 pounds of lead. This is more than Canada can produce of these metals, and the surplus must be imported. Fifteen hundred thousand pounds of tin and ten million pounds of resin are also required.

Special to The Standard.
Ottawa, Dec. 2.—The total number of enlistments in the Canadian overseas forces to date is over 190,000, of whom 115,000 have gone overseas, according to a statement made by Gen. Sir Sam Hughes today. It is expected that the authorized total of 250,000 will be reached shortly.

It is also announced that the third Canadian Division at the front will be composed of the following:—7th infantry brigade, including the Royal Canadian Regiment, the Princess Patricia's; 42nd of Montreal, 49th of Edmonton, the 8th Mounted Rifle brigade including four regiments of mounted rifles fighting on foot, each of the same establishment as an infantry battalion; the 9th infantry brigade, including four battalions not yet selected, divisional troops, consisting of mounted rifles, cyclist company, divisional artillery, engineers, signal company, machine gun brigade, pioneer battalion, field ambulances, motor ambulances workshop, etc.

There will also be corps troops consisting of the Royal Canadian Dragoons and Lord Strathcona's Horse, hitherto in General Seely's cavalry brigade, two engineer fortress companies and signal units.

Besides these there will be special units including four siege artillery batteries, three tunneling companies and a military construction corps.

In addition there will be the line of communication units, including ammunition parks, casualty clearing stations, field batteries and bakeries' depots for medical, transport, remount, pay, postal services, etc.

It is expected that Brigadier General Lord Brooke, who is in command of one of the brigades of the second division, will be given the command of the front. Lord Brooke is well known in Canada, having been twice at Peta-

JOFFRE CHIEF IN COMMAND OF FRENCH ARMIES

Bulletin, Paris, Dec. 2.—General Joffre has been appointed commander-in-chief of all the French armies, except those in North Africa, including Morocco, and dependent ministry colonies. President Poincaré signed the decree today.

FRANZ JOSEF 67 YEARS AS EMPEROR

Berlin, Dec. 2, via wireless to Sayville.—The sixty-seventh anniversary of the accession of Emperor Franz Joseph to the throne was celebrated throughout the Austro-Hungarian monarchy today with solemn services in the churches, and patriotic meetings for the benefit of relief funds.

SYDNEY BACKS UP HALIFAX PROTEST

Sydney, N. S. W., Dec. 2.—The city council at its regular sitting tonight endorsed the position taken by Halifax regarding the trans-Atlantic mail service. A telegram from the mayor of Halifax was read and after a brief discussion a motion was passed approving the tenor of this message.

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"The whole British nation is determined not to have peace now," said Mr. Shaw, "for that would mean a triumph for German prestige. You may as well put peace entirely out of your heads, for summer skies may come more than once before we see peace again in Europe."

Even if the German Emperor should retire behind his own frontiers and announce that, having shown what the German nation and army could do, he was ready to leave matters to arbitration, we could not accept the situation, but would be bound to fight our way to Berlin to show that we could beat them.

"In fighting the German army we are not fighting a wonderful, infallible organization, but we are fighting a romantic dream, from which it is absolutely necessary that the German peoples should be awakened. We must make up our minds that the war is going on until that dream is destroyed. There is no general desire for peace."

FIGHTING NOT ONLY ARMY OF GERMANY, BUT LONG CHERISHED DREAM

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HON. MR. WHITE'S PLAN SAVED CANADA BIG SUM

Special to The Standard.
Ottawa, Dec. 2.—The cost of flotation of a Dominion loan including underwriting, runs from 2 to 2½ per cent, upon the amount of issue. The expense of flotation of the recent war loan if the usual methods had been adopted would have been over a million dollars for the \$50,000,000 issue and over two million in the event of \$100,000,000 having been underwritten and accepted. It is thought here that the total expenses connected with the flotation of the war loan will be less than one-half of one per cent.