

The Herald

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Canada's Financial Position

In a review of Canada's excellent financial position at the present time, coupled with a note or two of caution for the future, Sir Thomas White, Canada's Finance Minister, sets forth that our country is earning at home the money she is spending for war, and, owing to our agricultural and other natural resources skillfully worked and ably directed, has been able as a nation not only to earn the entire cost of the war to date, but also to make a very large national increase in wealth. The Finance Minister further points out that, probably before the next big war loan is issued for subscription, securities of the last Victory Loan issue will stand well above the original cost.

Reviewing the unprecedented success of the Victory Loan of last November, Sir Thomas points out that this success was followed by an anxious period, as to the market prices which would obtain for the new securities. It would have been a most serious matter, he says, if the price on our exchanges had declined several points, as seemed not improbable, if so large a volume of securities as four hundred million dollars had been placed on our narrow market, without provision for support or fresh distribution. Such a decline, he points out, would especially have discouraged new and inexperienced investors, many of whom, without full appreciation of technical market conditions would have drawn erroneous conclusions as to the cause of the decline, and become discouraged as to further investment in Dominion issues. The loss also to those who, from time to time, would find it necessary to realize their securities would have been heavy.

To meet these contingencies, as the Finance Minister shows, a plan of stabilization was arranged for in January of the present year, and this has worked out most successfully. Five millions of Victory Loan securities have been traded in since then, and now any investor can without delay realize for his Victory Loans what he paid for them, and probably before the next issue can obtain a margin above the original cost. The Finance Minister goes on to show that, in liquidating the Victory Loan bond is almost equal to the Dominion's currency.

Sir Thomas refers to a rather serious situation, confronting some of the Provinces and municipalities of Canada at the beginning of this year. This was in consequence of the considerable amount of short term financing which had been followed in the first and second year of the war, in the hope and expectation that the war would end before any of these loans matured. A number of these loans were carried in New York, whose markets had now closed to all outside issues. It is estimated that about the first of January last, Canadian provincial governments and municipalities were face to face with loans of this character, maturing within 6 months, amounting to no less than sixty million dollars. All these were most anxious to get upon the Canadian market as soon as possible, and the result of an in-

discriminate and uncontrolled offering of securities upon a market over burdened by the new four hundred million Victory Loan issues, would have been most serious if not disastrous. It therefore became necessary for the government to take action to regulate and control these issues. To use the Finance Minister's own words: "The sheep were, so to speak, huddled at the gate and all eager to get out. They could get out safely if only allowed through one by one." Accordingly the Federal government met the difficulty by passing an order-in-council prohibiting all issues of securities in Canada, without the consent of the Minister of Finance. The government further arranged to make loans to the provincial governments, to the extent that it might not be advisable or profitable for them to market their issues, and thus pay unduly high rates of interest. As for the municipalities, arrangements were made, whereby the banks carried the securities of the larger cities and towns until conditions permitted their sale. The result of these wise regulations on the part of the Federal Government has been that, in the past seven months, the Canadian market has gradually absorbed all these provincial and municipal issues, without confusion or excessive penalty in the way of interest rates. The sheep have all got through the gate. No better evidence exists of the stability of our financial conditions today, than the success which has attended the marketing of the congested mass of securities which at the beginning of the year threatened to almost swamp the Canadian investment market. Comparing 1916 with the present year, Sir Thomas points out that, in the former year not less than 85 p. c. of the 65 million dollars of our provincial and municipal securities sold were placed in the United States, while this year, of a similar amount of like securities, only 24 p. c. were sold in that country.

After reviewing at length the different phases of the financial situation, and looking forward with the brightest hope for success in future national loans, the Finance Minister shows that in order to continue to finance successfully as in the past, we must depend upon the willingness of our people to save their money and lend it to the government in exchange for its war loan issues. The proceeds of which are at this time the real working capital of Canadian export trade, and for a large proportion of our domestic business as well. The maintenance and better still, the increase of the working capital is at this juncture one of the most supreme national duties of the Canadian people.

Viewed From Without.

The New York Outlook, reviewing public matters in Canada, among other remarks makes these observations: "Canada's Union Government was extricated the other day, by a decision of the Supreme Court, from a position of peculiar difficulty. Had the decision gone the other way, the Dominion's war efforts might have been thrown into almost hopeless confusion, and a special session of Parliament would have been necessary to repair the damage. The trouble was of a kind to recall to Americans some of Lincoln's difficulties during the Civil War. Just as Lincoln suspended writs of habeas corpus by executive power in order that the larger liberties of the American Nation might not be hampered in its efforts to preserve the Nation's very existence, so for a million dollars. All these were most anxious to get upon the Canadian market as soon as possible, and the result of an in-

vincial courts of Alberta, Ontario and Quebec. . . . When President Lincoln suspended writs of habeas corpus by executive power, a Chief Justice warmly denounced him, saying that "the people are no longer living under a Government of laws; but every citizen holds life, liberty and property at the will and pleasure of the army officer, in whose military district he may be found." Passion was excited then, as it has been excited recently in Canada. But then, as now, the really important thing was to get on with the war. Democracy must sacrifice for the moment some of those rights which it wisely guards with extreme jealousy care in times of peace. It must do so or it cannot prevail in its struggle against highly organized autocracy.

The award of the Board of Arbitrators to the Canadian Northern Railway will be paid on the 24th of the present month. The award was for \$10,800,000, but under an agreement entered into between the Government on the one hand and Mackenzie and Mann and the Canadian Bank of Commerce on the other, the amount to be paid will not exceed \$10,000,000.

Replying to Mr. Lees Smith in the British House of Commons the other day, Mr. Bonar Law, Chancellor of the Exchequer, said that he did not in the leastwise admit that the policy of imperial preference was fatal to a league of nations. Replying to further questions, Mr. Bonar Law said there would be no opportunity of carrying out the policy in war time, but the Imperial Government had put itself in line with the Dominions' Governments by accepting the principle. (Cheers.) Mr. Outhwaite—"Has the Government a mandate to commit the country?" Mr. Bonar Law—"No; but the Government has always a mandate to commit itself."

Since the United States entered the war its Government and people have been giving a great deal of study to the question of how to best promote the welfare of returned wounded soldiers. It may surprise some chronic kickers in this country to learn that American investigators, who have thoroughly inquired into the subject, are unanimous in the conclusion that Canada has made the most progress and developed the best system of any of the belligerent nations. Writing in the August issue of "The World's Work," Mr. Thomas Gregory, after analyzing the systems of all the warring nations, concludes: "Canada has come nearest to working out a complete and unified scheme for the care of the war cripple than has any of the other countries engaged in fighting Germany. Canada's conclusion as to the war cripple therefore, should be the best lamp-post for our guidance."

"Having served 18 months with the Canadians and seen some of the desperately heavy fighting last year at Vimy Ridge, Hill 70, and Passchendaele, I would like to say that in my opinion there is no more formidable fighting force in all Europe at the present day than the Canadian Army Corps," said his Royal Highness Prince Arthur of Connaught in an interview. "I was on the staff of No. 4 divisional headquarters and saw much of the fighting," he continued. "I had to admire the peculiarly aggressive temperament of the Canadians, which showed itself particularly in trench raids and such enterprises, and from my point of view I was delighted to observe that wonderful spirit of fellowship which exists between the Canadian soldiers and their British comrades. Fighting side by side the British soldiers formed an opinion of admiration for the Canadians which must have far-reaching results." "Canada has every reason in the world to be proud of her soldiers, and as one who fought with them," he said, "I know whereof I speak."

Progress of the War

London, Aug. 14.—North and south of the Somme the Germans have lost further important ground. In the former region they have evacuated their positions over a five mile front to the British north of Albert, while in the latter they have been beaten back in the hill and wooded districts just north of the Oise river by the French. German front line trenches at Beaumont Hamel, Serre, Puisieux-Au-Mont and Beuquoy have been found untenable by the enemy in the face of the recent activity by the British all along the line from Albert to Arras, while the French have persevered in their violent attack against the Germans on the sector which dominates the lower Picardy plain and the Oise Valley and have encroached further south, having captured the important town of Ribecourt. Unofficial reports have announced the capture of Lassigny by the French and all the German positions between the western outskirts of Bray-Sur-Somme and Etichem by the Australians. There is however, no official confirmation of them.

London, Aug. 15.—The Canadians have taken the villages of Damery and Parvillers, a short distance northwest of Roye, according to Field Marshal Haig's official communication issued this evening. The British line south-east of Proyart, just south of the Somme has been advanced a short distance.

Paris, Aug. 15.—Further gains have been made by the French in the wooded region between the Malz and Oise river and just north of the Oise and Ribecourt, according to the French official communication issued this evening. For the most part however, the operations have been of a minor character.

London, Aug. 15.—The proportion of the German losses to those of the Allies since August 8, is greater than at any other period of the war, it was announced here tonight. It is said that the total Allied casualties probably will not be as large as the number of Germans taken prisoners.

The situation in Russia again is looming large. With the Soviet leaders having fled from Moscow, the Bolshevik capital to Kronstadt, the Soviet troops now are declared to have begun the evacuation of Moscow. American troops have begun to disembark at Vladivostok to aid the Czech-Slovak army in its campaign in Siberia; an Allied force is chasing the enemy more than a hundred miles south of Archangel on the railroad, further allied troops have made a landing southwest of Archangel and are endeavoring to cut off the retreat of the Soviets while British troops have arrived at Baku in the Caucasus, on the Caspian Sea, to assist the Armenians in defending this important seaport against the Turks, to whom it was given by the Brest-Litovsk treaty.

London, Aug. 16.—Any large German offensive at this time seems out of the question. In fact, everything points to a definite policy. Another deep withdrawal about the Arras-Givry pocket is reported, and there are signs that the enemy intends to retire by easy stages until he gets back to his original ground. Ludendorff is between the devil and the deep sea. He fears surprise attacks on his present positions, and also the moral effect of withdrawals at this stage. Foch has the complete initiative, and can strike or wait, as he pleases. The rapidity with which the American army is being organized means that the Allied chiefs do not intend to let Ludendorff dig himself in.

Evidently it is not in the plans of the Entente Allies to leave the Germans secure in their possession of the line they are now holding in the region between the Somme and the Oise. Although the front from the south of the Somme past Chaules and running through Roye to Noyon has been studded with fresh reinforcements and

innumerable guns in order to keep back the Allied troops, the Germans nevertheless again have been forced to give ground and at points where seemingly their defence soon must crumble and the retreat eastward be resumed. French and Canadian troops Friday night between Goyencourt and Laucourt, on a front of about three miles, had fought their way west of Roye until they were virtually knocking at the door of the town, which is one of the key positions of the German defence in Picardy, while to the immediate north British troops fighting alone were still in possession of Damery and Parvillers following heavy counter-attacks made by the Germans to dislodge them. West of Roye the Allied line is now only a scant mile and a quarter distant.

London, Aug. 18.—The British troops west of Arras have advanced their line to a depth of 1,000 to 2,000 yards on a four mile front between Vieux-Berquin and Bailleul, and also made progress southwest of Merville, according to the official statement issued this evening. The village of Outtersteun and 400 prisoners were captured. An advance has also been made between Chilly and Fransart, lying north of Roye.

Paris, Aug. 18.—Field Marshal Sir Douglas Haig was decorated by Premier Clemenceau with the French Military Medal at headquarters in the field today. The award was made on the recommendation of Marshal Foch.

Paris, Aug. 18.—There has been spirited artillery fighting in the region between Canny-Sur-Matz and Beaurains, says the French official communication issued this evening. South of the Ancre River in today's fighting the French took 400 prisoners. The text of the statement says: Artillery fighting continued very spirited during the day, especially in the region of Canny-Sur-Matz and Beaurains. Local actions south of the Avre enabled us to take more than 400 prisoners. Aviation, Aug. 17.—Eight enemy airplanes have been downed or put out of action, and three captive balloons set afire. Our bombing machines on the night of August 17-18 dropped seven tons of explosives on the railroad stations at Bazancourt and Amagne. It is confirmed that on August 8 Second Lieutenant Boyan downed his thirtieth enemy plane.

Paris, Aug. 17.—The old French cruiser Dupetit Thouars has been sunk by a German submarine, it was officially announced today. Thirteen of the crew are missing. American destroyers rescued the remainder.

Beaufort, N. C., Aug. 17.—The British tank steamer Miro was torpedoed by a German submarine off Cape Hatteras last night, and according to reports reaching here today nine members of her crew were drowned. All the other members of her crew were saved by coastguards and have been brought safely to shore. The surface of the sea for five miles around was covered with burning gasoline.

London, August 19.—French troops penetrated into the village of Lehameidon, and the hills west of the Oise and northwest Ribecourt today, according to advices from the front. During the fighting today the French were on the aggressive and made some slight headway against the determined German resistance between Lassigny and the Oise.

Ottawa, August 19.—The following despatch from overseas was received here tonight: One hour and forty minutes after noon the Canadian field guns had dashed forward and were in action two miles beyond the German front line. The dash and gallantry of the Canadian infantry in overcoming the perfect sleet of machine gun fire is universally praised. The Canadian cavalry unit captured an enemy troop train containing twenty-seven officers and 500 men just as they were retreating. Reports of the spectacular courage of individual officers and men are being recounted by hundreds.

"To Help Our Cause."

Dr. Beland, M. P., who had been Postmaster General in the Laurier Government, and of whose long imprisonment in Germany our readers are aware, is now home in Quebec, and is warmly received by his friends. Writing of the Dr. just before leaving London about the 1st of this month, a correspondent of the press has this, among other things, to say of him: "I am looking forward to seeing my old mother again and my boy," said Hon. Dr. H. S. Beland, who recently reached here after three years imprisonment in Germany, as I bade him farewell on ship-board just before his departure for Canada. "My mother is 84 years old and her great fear during my imprisonment was lest she should die while I was far away and I would never see her again, but she's waiting for me. 'We soon will meet, my boy. He was ten when I left, and now he is fourteen.'"

Dr. Beland had a busy time here while waiting for a vessel where he could be accompanied by his daughter. He was specially delighted at the bearing of the Quebec recruits and marked the success of the visit of the French-Canadian troops and the Canadian editors. "The chief thing that struck me about England after being in Germany was the great prosperity of the coun-

try and the great abundance of everything. The people lack practically nothing. Things are dear, but everyone is earning good money, and they have all they want to eat. After what I was told in Germany it is amazing."

I asked him his political plans, and he replied: "I have no plans. My one purpose is to do my share as best I can to help our cause. I will help everything that promotes the unity of Canada, for I am convinced that only in the unity of Canada can the destiny of our people be fulfilled. Some of our own people in the rural parts of Quebec have been misinformed and had their judgment prejudiced by the misstatements of extremists, like Bourassa, and may be I can do something to help them realize how this great struggle is so vital that even naturally peace-loving men may as well put peace at home aside and take their part. No man has a right to complain about his work and suffering today." "You, at least, have never complained," I said, for Dr. Beland's absence of bitterness even towards his captors has been remarked here by everyone. "I tried not to," he replied simply. Dr. Beland has left behind him in England memories of a gracious, kindly, generous personality, who rose above all suffering, refused to be embittered, and kept the serenity of his soul even in the darkest hour.

Shipbuilding in Canada.

Additional contracts for Canadian shipbuilding yards, involving on to 50,000 tons, are reported, Wm. Lyall and J.N. Greenshields, K. C., of the Wm. Lyall Shipbuilding Company, returned on Thursday from New York with orders for eighteen 1,500-ton wooden vessels for the French Government. The boats are of a type similar to ones now being built at the Lyall Company's yards at Vancouver. The first of these boats was launched on July 1st, following the successful completion of an order for another type from the Imperial Munitions Board. The 1,500-ton boats for the French Government are to be schooner rigged, with auxiliary engines. From Ottawa it was reported that contracts for seven new steel vessels, of a tonnage varying between 3,400 tons and 5,100 tons, had been distributed among the Davie Company, Lewis, the British American Co., Welland, the Port Arthur Shipbuilding Co., and the Collingwood Shipbuilding Co.

On a per capita basis Canadian contributions to the Red Cross were the greatest in the world, according to London advices. The total is \$12,000,000 in cash and \$15,000,000 in supplies. For an estimated population of 7,500,000 this averages \$3.60 for every man, woman and child in the country. Canadians can give as well as fight.

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Ladies' Shantung Silk Suits \$42.00.....	28.00
Ladies' Taffeta Silk Suits in Copen and Navy \$22.00.....	15.00
Ladies' Taffeta Silk Suits in Brown and Navy \$28.00.....	18.75
Ladies' Taffeta Silk Suits in Green and Navy \$32.00.....	20.00
Ladies' Satin Suits in Taupe, Navy and Black \$38.00.....	26.00
Ladies' Taffeta Suits in Navy \$55.00.....	36.21



August 7, 1918.

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Ladies' Black and White Check Coats \$9.00 for..	6.75
Ladies' Colored Tweed Coats \$16.00 for.....	12.00
Ladies' Covert Cloth Coat \$24.00 for.....	18.00
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