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The Toronto World

THURSDAY MORNING AUGUST 2 1917—FOURTEEN PAGES

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VOL. XXXVII.—No. 13,413 PRICE—TWO CENTS.

ALLIES MAKE ADVANCES ON FLANKS

ALLIED Troops Consolidate Positions on Flanders Battlefield—British Advance Near Zillebeke-Zandevorde Road, and French Along Yser Canal—Foe Regains One Village and Part of Another, But Loses Fight for High Ground Dominated By British.

WHITE ANNOUNCES NATIONALIZATION OF CANADIAN NORTHERN RAILWAY HUGE RAILWAY SYSTEM FOR PEOPLE OF CANADA

Nationalization of C.N.R., By Gaining Possession of Entire Stock Issue, Announced By Finance Minister—Loan of Seven and One-Half Millions to Grand Trunk Pacific.

By a Staff Reporter.
Ottawa, Aug. 1.—Sir Thomas White electrified the house of commons this afternoon by announcing the immediate nationalization of the Canadian Northern system. This will add nearly ten thousand miles to the government system of railways in Canada, and in connection with the Intercolonial and National Transcontinental, will establish a great national highway serving every province in Canada. The acquisition of the Canadian Northern involves the control of many subsidiary companies, including hotels, steamship and express companies, elevators and telegraph lines.

The government obtains possession of the road by acquiring all its capital stock. Forty per cent. of the capital stock was acquired in 1914. Of the sixty per cent. outstanding, five-sixths will be delivered on demand to the government, this giving it a ninety per cent. interest. The remaining ten per cent. by act of parliament, will be deemed to be the property of his majesty. The owners of the stock will be paid its value, to be determined by arbitration.

Others to Follow.
In his speech outlining the government's plan Sir Thomas intimated that the Grand Trunk Pacific would soon become part of the government railway system and possibly also the Grand Trunk. The Grand Trunk, at any rate, will not be released from its commitments in respect to the Grand Trunk Pacific. For the present, however, a loan of \$7,500,000 is to be made to the Grand Trunk Pacific to tide it over the coming year.

The 10,000 miles of railway thus acquired, together with the main trunk lines and subsidiary companies and services, will not be operated under a minister of the crown, like the Intercolonial. Nor will it be placed under an irresponsible and self-perpetuating body like that recommended by the Drayton-Acworth report. The corporate entity of the Canadian Northern Railway system will be preserved. A board of directors will be selected annually by the stockholders, but as all stock is owned by the King the government of the day will appoint the directors. The road, however, will be run free from all partisan interference.

The government's bold step toward general nationalization of the railways of Canada met with hearty approval from all its supporters in the house, and carried something like consternation to the Liberal camp. The Liberals in 1914 went on record as demanding the immediate nationalization of the Canadian Northern. Today they were aghast at such nationalization, an accomplished fact. Nevertheless, they objected more or less vigorously to the policy of the government.

Judge McKenna (North Cape Breton) declared himself an outspoken foe of public ownership, and Hon. Frank Oliver favored continuing to give financial assistance to both the Canadian Northern and the Grand Trunk Pacific, which, he said, were efficiently and economically operated. Hon. Rodolphe Lemieux thought the financial undertaking was too great, and Hon. George P. Graham hinted, also he did not charge, that the design of the government was to turn over the newly acquired Canadian

What Government Gets By Taking Over C.N.R.

About 9,513 miles of railway.
Lake Superior terminals, with five elevators at Port Arthur with a capacity of ten million bushels.
Steamship lines on lake and ocean.
The Canadian Northern and Great Northwestern Telegraph Companies, with 1,500 offices in Canada, and direct connection with the Western Union and the big cable companies.
Thirty underlying railway companies.
Great terminals in all the cities of Canada, including the Mount Royal tunnel.

With the government-owned railways it forms a big national system serving every province in Canada, with stations and terminals in nearly every city of the Dominion.
The government will now control a complete railway, telegraph and express service from ocean to ocean.

Public Ownership of Railways in Earnest

The World believes that the Borden government has started Canada on the venture of public ownership of railways. It is taking over the Canadian Northern and its liabilities, and will leave the compensation therefor to be settled by arbitration hereafter. It is also helping out the Grand Trunk Pacific by a further loan and holding it and (we believe) the old Grand Trunk to all their undertakings of the past. It can be taken later if the people so determine. The Canadian Pacific is not dealt with.

As The World sizes it up Canada and the Canadian Government will control in one more or less consolidated system.
The Intercolonial and Prince Edward Island of over 2,000 miles.
The Transcontinental from Moncton to Winnipeg, with the branch to Port Arthur.

The Canadian Northern of over 9,500 miles; in all more than 15,000 miles of railway.
The door, we believe, is left open to take over the old Grand Trunk of 2,956 miles and the Grand Trunk Pacific of 2,778 miles, all in Canada. But the Grand Trunk and the Grand Trunk Pacific are separated by the distance between North Bay and Winnipeg. This great consolidated government system will take in all the ports, cities and towns of the maritime provinces, including the steamship terminals at St. John and Halifax.
Most of the towns and cities of Quebec, including the steamship terminals and stations at Montreal, Three Rivers and Quebec, including the great and costly Quebec bridge. It includes the Mount Royal tunnel and terminal at Montreal. It will put the Intercolonial in Ottawa and in Toronto.
It will start off in Ontario with the lines of the Canadian Northern and its terminals at Toronto, including Ottawa, Kingston, Brockville, Smith's Falls, Deseronto, Trenton, Picton, Cobourg, Oshawa, Whitby, etc. From Toronto it gets probably the best grade from here to Winnipeg and takes in Perry Sound, Sudbury, Nipigon, Port Arthur, Fort William and Fort Frances, with a line from Fort William to Superior Junction on the National Transcontinental. By building a line of 25 miles on the Canadian Northern this side of Nipigon it can run due north to the National Transcontinental and then into Winnipeg, making the shortest and best line between Winnipeg and Toronto. No one has any knowledge of the country and the value of its resources that is opened up by this line of the Canadian Northern in Northern Ontario. There is also a direct line of the Canadian Northern from Ottawa to Capreol near Sudbury.

Many are the changes which destiny brings about that do not come to pass. And things not looked for the gods find a way to bring about!

Another portion of Canada that will not be served by the consolidation is the section from Edmonton to Prince Rupert, which still remains a monopoly of the Grand Trunk Pacific.

But otherwise all Canada is to be networked by a national railway system.

Our readers can therefore get some idea of the magnitude and consolidation thus effected and what may follow thereafter; but they, like The World, must await further details and for the development of public sentiment in Canada for complete public ownership to assert itself. But a great beginning appears to be made.

The advance is something no one would have contemplated five years ago, nor three years ago; now it is more or less an accomplished fact, and at this stage we must leave it to the morning with the old wind-up of the Greek plays.

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SAVE 546 SOLDIERS FROM SINKING SHIP

Big Steamer Wrecked Off Canada's Atlantic Coast, But Returned Wounded Men Are Taken Off With Crew.

A Canadian Atlantic Port, Aug. 1.—Wrapped in a dense fog which has been closing around the coast for several days, a ship from overseas went ashore today and is still on the rocks.

In her present position the steamer is approximately 75 feet from the immense reddish grey boulders which at this point comprise all the shore line. The steamer appears to be in a serious position, and at high tide tonight there was 28 feet of water in number two hold and about 10 feet in number one.

The big boat had 546 returned wounded soldiers, besides the crew. Half a dozen steamers and tugs promptly responded to the call for aid and all on board were taken off in safety, the cot cases being removed first. The weather was mild and the sea calm, so that the patients suffered no great inconvenience. The vessel registers 6000 tons.

Fewer Vessels Sunk

London, Aug. 1.—Some falling off in the loss of British merchantmen by submarines is noted in the official summary issued this evening. Eighteen British vessels of more than 1,600 tons were sunk by submarines or mines last week. Three vessels under 1,600 tons were sunk, while no fishing vessels were lost.

According to the admiralty report of the previous week the losses were twenty-one British vessels of more than 1,600 tons each, three of less than 1,600 tons, and one fishing vessel.

BRITISH RETIRE FRONT AT EXTREME POINTS

Action Creates Wider No Man's Land on Flanders Battlefield—Soldiers Pray for Improved Weather.

London, Aug. 1.—(via Reuters' Ottawa agency).—The correspondent of Reuters at British headquarters in Flanders, telegraphs today: "Heavy rains continue with pitiless insistence. The ground over which the main fighting is taking place is not good at the best, but at present, under a weeping sky, with visibility shrouded to about 1,000 yards, it is all but impracticable for open campaigning. The Germans are attempting some counter-attacks, particularly in the neighborhood of La Bassée, where the position at the moment is indefinite.

"Last evening there was an outburst of intense shelling from a position of the line further north. In the ensuing dusk the enemy was seen massing for an attack. Our batteries opened upon them and the field of grey melted away. The wind and heavy atmosphere being suitable, we tossed large instalments of gas near Flourmains, with good results.

"Our casualties yesterday were light considering the magnitude of the

fight. What we pray for now is an improvement in the weather. The rain has all but ceased as I write, the sky is growing perceptibly lighter, and the guns are beginning to bark in greater volume.

At 5 o'clock this afternoon Reuters' correspondent telegraphed: "A period of quiet has succeeded yesterday's Anglo-French advance against long-prepared enemy positions. Even our tremendous bombardment still left in many places a few men from extreme points, there by creating a wide No Man's Land. Meanwhile the consolidation of captured positions is proceeding despite the heavy rain. Prisoners agree that our prolonged bombardment inflicted tremendous casualties; also that our battery work was wonderfully effective, knocking out many guns, which is probably the reason for the alleged inadequate artillery support. The activity of our artillery has not relaxed despite the bad visibility.

"The latest news from the battlefield is: 'Situation unchanged.'

"The British official communication of tonight says:

Rain continued to fall throughout the day. By a successful operation today on our new battle front our line was advanced slightly in the neighborhood of the Zillebeke-Zandevorde road. On the left flank of our attack, our allies gained further ground on the east bank of the Yser Canal.

"During the night our new positions east and northeast of Ypres, between Westhoek and St. Julien, were heavily counter-attacked by strong forces of the enemy. Our troops successfully repelled the enemy's repeated attempts to drive us from the important positions on high ground captured yesterday in this neighborhood, but under the weight of his assault and after stubborn fighting, we were compelled to withdraw our advanced troops from the Village of St. Julien.

"The fighting was particularly fierce for possession of the Village of Westhoek, of which we now hold the western outskirts.

"This afternoon the enemy again attacked in the neighborhood of the Ypres-Roulers railway and at the same time succeeded in entering our advanced positions on a narrow front. The fighting continues.

"The number of prisoners the British captured in yesterday's operations is now known to exceed 5,000, including 95 officers. A few guns and a number of machine guns and trench mortars were also taken; the exact figure has not been ascertained."

"This afternoon's British official statement says:

"South of the Ypres-Comines Canal British minor operations during the night resulted in an improvement of our new line.

"Hostile counter-attacks yesterday afternoon and evening against our new positions at La Basséeville and immediately north of the Ypres-Comines Canal were successfully repulsed.

"Further north in the neighborhood of the Ypres-Roulers railway another German counter-attack was crushed during the night by our artillery.

"The weather continues unfavorable for operations. Heavy rain has been falling since early yesterday afternoon.

"We made a successful raid last night east of Bois Grenier."

"The official communication issued by the French war office tonight reads: "In Belgium, under a persistent rain, our troops continued to organize the positions gained."

"North of the Aisne the activity of both armies was chiefly noticeable in the sector of Chaonne-Hutereaue. West of Cerny the Germans attacked on various occasions, but everywhere we repulsed them, taking thirty additional prisoners."

"On the left bank of the Meuse in the region of Avocourt Wood and Hill 304 the enemy did not renew his at-

British Take Five Thousand Prisoners—German Counter-Attacks Fail at Many Points—Fierce Fighting Proceeds on Ypres-Roulers Railway—Enemy Fails to Regain High Ground, But Entering Part of Westhoek.

London, Aug. 1.—Both British and French gained further ground in the fighting in the Ypres sector today, but the Germans by heavy counter-attacks succeeded in recapturing the Village of St. Julien and part of the Village of Westhoek. According to the official report from British headquarters tonight the number of Germans made prisoner exceeds 5,000.

A torrential rain and the resultant turning of the battlefield—already a head of negotiation at many points—into a veritable quagmire, almost halted during Wednesday, the great allied offensive against the Germans in Flanders.

For the most part the day was spent by the British and French troops in consolidating positions won in Tuesday's spectacular drive or in putting down strong German counter-attacks, made in endeavors to wrest from their antagonists the former positions. At two points near Ypres, the Germans, using great masses of men, were successful in their counter-attacks against the British, but this advantage was offset in the Zillebeke and Yser Canal sectors, where respectively, the British and French troops advanced their lines.

BOMBARDMENTS CONTINUE.
Meanwhile the guns of the belligerents are continuing to roar all along the entire front in reciprocal bombardments preparatory to the recommencement of the infantry battle when the clouds lift and the rainfall ceases.

The losses of the Germans in the fighting thus far have been extremely heavy, the ground at various points being covered with their dead—some of the killed are mere school boys and seemingly unfitted physically for the arduous trials the soldier in the present war must undergo. Four thousand of them, the British alone have taken more than 5,000 prisoners—four thousand of them on the Ypres salient.

On the southern end of the front, in the region of the Aisne and on the Verdun sector, the Germans continue to carry out offensive operations against General Petain's armies. Despite their heavy bombardment along the entire Aisne region, however, the French in a vigorous counter-attack, east of Cerny again have made progress and taken prisoners. On the other hand the Germans northwest of Verdun in an attack were able to penetrate French first line trench elements in the region between the Avocourt Wood and Hill 304.

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"On the left bank of the Meuse in the region of Avocourt Wood and Hill 304 the enemy did not renew his at-

tacks in the morning; on the right bank there was artillery action, but no infantry action.

"Belgian communication: There was less artillery activity. The Germans launched several projectiles against Furnes."

"Eastern theatre, July 31: There was moderate artillery activity along the whole front. Patrol encounters occurred in the Struma zone. Bulgarian detachments who essayed to reach our lines near Staravina were repulsed."

Welsh Crush Kaiser's Guards.
An early crush from R. T. Small says:

Welsh troops yesterday added a new star in their crown, for it fell to one of their regiments to administer a crushing defeat to the Kaiser's great offensive, on the Third Battalion of Infantry Guards, which was Emperor William's crack body of troops.

The terrain in this new battle zone presented tremendous difficulties for the attacking armies. Between Dixmude and the point where the Ypres-Comines Canal crosses the lines on the lower part of the Ypres salient, two great forces had been imbedded for three years, and this portion of the line has come to be looked upon as impenetrable for either side.

The present battle between Dixmude and Lisserne was "No Man's Land" within whose borders lay marshes and morasses which in winter months are impassable. This formidable natural barrier was rendered still stronger by the inundation of large areas by the release of waters from the canals. The Germans and allies alike seeking bits of dry land for a footing, swung so far apart in some places that the distance between the lines was nearly three miles.

Foe on High Ground.
Below this section opposing lines followed either bank of the Yser Canal and then went on to the Ypres salient, face to face, but with the Germans holding the dominating high land about the salient. The Dixmude-Lisserne section of the front is a wilderness of partly inundated and deserted farms dotted with pools of brackish water and cut into strange shapes by drainage ditches. There are but few remaining civilian habitations in this "No

(Continued on Page 2, Col. 5).

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Hats for traveling by train, boat or motor. Before going on your vacation make sure you are provided with a comfortable, dainty hat that will make you feel at home in either sun or wind. Dineen's for hats of every description. Dineen's, 144 Yonge street.

(Continued on Page 2, Col. 5).

Artillery Fire Increases On Flanders Battlefield

Berlin, via London, Aug. 1.—The supplementary statement issued by the war office this evening says: "On the battlefield of Flanders, after a quiet forenoon, the artillery battle increased in violence."