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War News.

Messages Received Previous to 9 A. M.

LITTLE WAR IN BRITISH PARLIAMENT.

LONDON, Aug. 14. A day of great political excitement in London concluded to-night with the announcement that George Nicholas, Minister of Pensions, had been appointed to replace Arthur Henderson as Labor member of the War Cabinet. The appointment, according to a semi-official statement, has the approval of all other Labor members of the Government. Thus the crisis which seemed to threaten the existence of the Government has been at least temporarily solved and unless unexpected developments occur there will be no appeal to the country.

The Government announced in Parliament to-day that the Ministers had decided not to grant passports to delegates to the Stockholm International Socialist Congress, thereby falling in line with other allied governments in this respect. It is not doubted this decision will be accepted by the major section of the country and by the newspapers.

Mr. Henderson, in the Commons to-day, made an impassioned defence of his position in the conflict that has arisen between himself and Prime Minister Lloyd George. He entered into great detail on the recent events, but still left much mystery regarding his relations with the Premier since his return from Russia. Henderson's supporters contend that the entire misunderstanding has arisen through the Government having previously failed to take decisive action on the Stockholm Conference. They say that had their decision announced to-day been formulated a week ago the entire crisis would have been avoided. Henderson impressed the House considerably by showing that the question of his visit to Paris was the subject of a special Cabinet meeting, and much sympathy was aroused on his behalf by his having been kept waiting for an hour outside the doors of the Cabinet meeting and by the fact that he first learned through the columns of an evening newspaper that his resignation had been accepted. The debate in the Commons did nothing to reconcile the conflict of evidence between Lloyd George and Henderson, as to the line Henderson intended to take at last Friday's Labor Conference. Lloyd George maintains that the Ministers had received the impression that Henderson intended to turn down the Stockholm Conference, while Henderson denied that he ever had hinted that he would

take any other course than that he had followed. He said that he had been asked to state the Government's position at Friday's Conference he would have had no alternative but to resign. He spoke with great bitterness of what he characterized as the most shameful treatment he had suffered at the hands of the Premier.

Henderson, opening his address in defence of his position, complained of the "unprecedented press campaign against myself and the difficulty, if not impossibility, of finding a precedent in history for the conduct pursued by the Premier and his colleagues in regard to my case. The press campaign," Henderson continued, "was so perfected that the first I knew that my resignation had been accepted was through the Ball Mail Gazette. After the decision of the Labor Conference on Friday, I interviewed the Prime Minister, who made it clear that my retaining the Secretaryship of the Labor Party was incompatible with my remaining in the War Council. When I came to a choice, only one course was mine. If the full story in regard to the Stockholm Conference must be told in the national interest it should not be told now, and I am content to join the list of ex-Ministers who are waiting an opportunity to state the full facts of their cases with prejudice to the national interest. On my return from Russia, I proposed to visit France, which was under consideration at a special meeting of the War Cabinet, twenty-four hours before my leaving, and which Premier Lloyd George did not attend. It being the decision of the Labor Party that I should go, I wired the Prime Minister, informing him of my position and I could make this statement that the Prime Minister and his colleagues who issued the document to the press charging me with withholding information about the Conference, have been convicted before the whole House of Intimating that the whole arrangements for the trip to Paris were made without their knowledge.

Premier Lloyd George interrupted Mr. Henderson at this point by saying, "I would like to ask my honorable friend what he means by saying that he sent a wire to me at Paris stating his position? Does he mean to suggest that he wired me that the decision had been taken and that he was coming to Paris with four Russian delegates. There was nothing of the decision of the Labor Party."

Henderson insisted his statement was in strict harmony with his position. "After the decision had been taken with regard to my visit to Paris," he said, "I intimated that to the Prime Minister and that was the subject of a special Cabinet meeting."

Mr. Bonar Law, Chancellor of the Exchequer, interrupted the speaker, saying: "I really must put the fact before the House. The Prime Minister was absent and his colleagues here had no knowledge whatever from Mr. Henderson of his intention to go

to Paris with Mr. James Ramsay MacDonald. We discovered it first from this telegram which was circulated to us and we summoned the Cabinet to deal with it. We clearly expressed to Mr. Henderson our disapproval, but he intimated that it was decided upon and he must go. In these circumstances I was not able further to interfere with him."

Mr. Henderson accepted Bonar Law's statement, but said that it did not clear Mr. Bonar Law or the Cabinet from the fact that they had intimated in the House that all the arrangements were made without the Cabinet's knowledge. The speaker added that he informed the War Cabinet of his recommendations to the Labor Party Executive to accept the invitation to the Stockholm Conference, if the Conference were made consultative instead of mandatory. There was a sharp division within the Cabinet and he offered to resign. Continuing, Henderson said, "Returning from Paris I gave the Prime Minister a full and faithful statement of my personal position and my reasons for advocating my attendance at the Conference. At the close of the convention Mr. Lloyd George asked me to attend a special meeting of the Cabinet, but when I arrived I was told to wait, which I did for an hour." Henderson dealt exhaustively with the charge that he had broken faith in failing to give the Conference the telegram of M. Kerensky, the Russian Premier. He pointed out that he could not, when speaking as the Secretary of the Labor Party, quote a Government telegram, but said he had told the Government that the new Russian Government had modified its position. His least intention, he asserted, was to withhold any information he was legally entitled to give. He urged the House not to debate the subject in view of the evidence of unrest in the country and the difficulties he believed the Government would have to face before the Stockholm question was finally disposed of. He had endeavored ever since the war began, occasionally at great risk in the ranks of his own movement, to do only what he thought would lead to a victory for the Allied cause and for a lasting, honorable, and he hoped, people's peace.

Premier Lloyd George was received with cheering when he said that whatever anyone might think about the major part of Mr. Henderson's speech, they would respond to his appeal for unity in securing the peace. He was not sure, he added, that it was necessary to say more than to repeat the statement he (the Premier) had made in the press. Each member of the Cabinet had told him that Mr. Henderson had left the impression on their minds that he intended to use his whole influence to down the Stockholm Conference at the Labor Conference.

Mr. Henderson here interrupted the speaker by asking if he had not suggested to Mr. Lloyd George that if the Labor Conference decided to favor the Stockholm Conference, delegates should go, but not a member of the Government.

Lloyd George replied that he had said he would not consent to Mr. Henderson or any delegates representing Great Britain, to attend the Stockholm Conference.

PEACE PROPOSALS.

LONDON, Aug. 14. The outline of the Vatican's peace proposals received here demands the restoration of German colonies to Germany. Summed up the proposals are the restoration of the status quo ante bellum with all questions as to readjustment of frontiers to be left to subsequent negotiations.

Rome, Aug. 14.—Peace proposals made by Pope Benedict have been delivered to all belligerent Governments. The Pope suggests the restoration of Belgium, Serbia and Roumania and a peaceful solution of the problems of Alsace-Lorraine, Trieste and Poland. According to reports received from Vatican sources it is expected the proposals will be published to-day by the Vatican.

CHINA DECLARES WAR.

LONDON, Aug. 14. Reuter's Limited has been officially informed that China has declared war upon Germany and Austria-Hungary, the declaration dating from 10 o'clock this morning.

KILLED AND INJURED BY BOMBS.

LONDON, Aug. 14. Thirty-two persons were killed and forty-three injured by bombs dropped by German raiders on southeastern coast towns yesterday, says an official statement. Ten men, thirteen women and nine children were killed; thirteen men, eighteen women and twelve children injured.

RUSSIAN CAPTURES.

Petrograd, Aug. 13 (British Admiralty per Wireless Press).—In repulsing a Teuton attack in the valley of the River Slonika, in Western Moldavia, the Russians yesterday captured more than 200 prisoners and four machine guns, according to an official announcement issued to-day. In the region of Ocna the Russians and Rou-

manians drove the Austro-Germans from a series of heights. In the fighting around Fokshani the Russians and Roumanians captured 500 Austrians but were compelled to retire slightly.

ENTENTE AIRPLANE DROP BOMBS.

AMSTERDAM, Aug. 14. An entente airplane on Sunday passed over Frankfurt-on-the-Main and dropped several bombs in the crowded streets. According to a despatch received here to-day from Germany, four persons were killed and several others wounded. On Saturday Frankfurt was raided by a number of Entente airplanes who dropped bombs. No one was killed, but a few inmates of a hospital were slightly injured. One of the aviators dropped five bombs in a wood to the east of Frankfurt without causing any damage. An official statement issued by the French war department on Sunday said two French aviators flew to Frankfurt-on-the-Main on Saturday and dropped bombs on the city. The statement added that the raid was made in retaliation for German bombardment of Nancy and the region north of Paris.

INTRIGUE IN SWITZERLAND.

NEW YORK, Aug. 14. A Washington despatch to the Sun says, "Indications that Germany, backed by pro-German elements in Switzerland, has launched a campaign to intimidate the Swiss Government and Swiss people into actively assisting the Teuton cause, are embodied in the latest official reports to the State Department. Secretary Lansing announced to-day that the police of Berne had raided the plant of the Freie Zeitung, a Swiss semi-weekly, because it had endorsed President Wilson's stand in the war. The belief here is that German pressure forced the Berne authorities to take this action. Should it develop that the Swiss Government openly condones this action of the Berne police, there may be immediate diplomatic complications because it is well known that a number of Swiss newspapers are now openly supporting Germany's cause, more outwardly than the Freie Zeitung supported the Entente and the United States. The neutrality of the Swiss Government would naturally come under question if all pro-German newspapers are to be allowed carte blanche while papers favorable to the Entente Allies are suppressed."

GERMAN SUBS DAMAGED.

LONDON, Aug. 14. A German submarine of the largest and latest type has been towed into Zeebrugge, Belgium, by two torpedo boats, according to a despatch from Amsterdam. The submarine is said to have been rammed in the North Sea and damaged severely, resulting in the loss of three lives.

BRITISH DESTROYER MINED.

LONDON, Aug. 14. A British destroyer has been sunk by a mine in the North Sea. The captain, two officers and 43 men were saved.

LOSS IN SEAMEN.

LONDON, Aug. 14. It was announced to-day in the Commons that 9,748 lives were lost on the British merchantmen from the opening of the war to June 30th, 1917, as a result of enemy action. Of these 3,828 were passengers, the remainder being officers or seamen.

Oporto Market.

The latest condition of the fish market at Oporto:—

	Past Week.	Prev. Week.
Stocks (Nfld.)	5,875	10,575
Consumption	4,700	6,110

A CHANGE IN CITY CRICKET TEAM.—Messrs. A. Donnelly and W. Mews who were to play on the city cricket team will not be able to appear. Their places will be taken by Capt. Riley, M.C., and Mr. Alex. Winter, both well known batters.

WOMAN MEETS ACCIDENT.—A woman named Churchill of the South Side, had a deep cut inflicted in her arm while engaged at her household duties. She was attended by Dr. Campbell and later conveyed to the General Hospital in the ambulance for treatment.

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CURES ALL KIDNEY DISEASES
BRILLIANTLY CURES
RHEUMATISM, GRAVEL, DIABETES, BACKACHE, NEURALGIA, MIGRAINE, ETC.

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B-H "ENGLISH" PAINT 70% Pure White Lead 30% Pure White Zinc 100% Pure Paint

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Canada's Persecution Of Capital.

And What It May Lead to in Future World Competition for Funds.

(By H. Kelly Dickinson.)

Those newspapers and politicians who are demanding an excess profits tax in addition to the income tax on corporations, would, if permitted, bring the whole business fabric about our ears. It seems to be impossible to impress the dull minds of some of these critics with the fact that the only way in which Canada can climb out of the deep hole of indebtedness is by intensive productivity, and that any restriction of industrial efforts, beyond reasonable taxation, will reduce our national income and prevent capital from further participating in the development and sale of our natural resources.

Canada's net debt will soon be one billion dollars, if it has not already reached that sum, and the only means we have to pay interest on that sum, and in course of time to redeem the principle, is by increasing our production of raw and finished commodities. We can do this only by encouraging capital. We certainly cannot accomplish it by treating capital as we would treat a virulent epidemic. Money, in the form of capital, is the root of national prosperity. When capital talks it is accompanied by the cheerful whirr of machinery in

the lumber mill, the textile factory, the machine shop, and the mine. A million dollars of capital goes into a coal mine and ten million dollars of coal is produced, but capital gets its 5 or 6 per cent. return (perhaps not that for years) and the balance goes into pay roll, and into the purchase of material from the lumber mill, the machine shop, and so forth. If we prevent the million dollar capital from going into the enterprise of coal mining, we lose the ten million dollar output; and the lumber mill and the machine shop, and the pay roll will suffer accordingly.

Whence Come the Objections?

Whence comes this agitation against capital? This relentless persecution of vested interests? What is the reason for it? Capital has had a sorry enough time in Canada in all conscience. It is probable, for instance, that British investments in the industries of Canada have not averaged two per cent. per annum for the past twenty years. It may not be too much to say that capital investments in Canada have, on the average been actually impaired to the extent of 25 to 50 per cent. But this capital has been spent in the country, returned or no, return on the investment. Therefore, capital is not such a deep-dyed villain, after all.

Surely Not Labour.

Then, whence comes the agitation? It cannot be on account of labour? Not that, surely! Labour has always been well paid in Canada, and has exercised a complete monopoly of its product (as shown in the exclusion of British workmen) never even dreamed of by the providers and operators of capital. Labour to-day has no complaint and when it has, a mere request for shorter hours or increased pay is immediately gratified. Therefore the persecution of capital cannot be excused on the score of oppression of labour.

Why, then, are we entertained by members of parliament with tirades against capital, as represented by industry? We have eliminated all pos-

sible causes, except one. That is, Demagoguery! A Demagogue, we learn on reliable authority, is a leader or orator who panders to popular prejudices and passions. The country is full of these gentry to-day, just as Russia is full of them, and their influence will be quite as demoralizing to Canada's economic future as it has been to the present military status of Russia.

Much Sanity Needed.

It will take much sanity, much more than we appear at the moment to have at Ottawa, to offset the teachings of those who "pander to popular prejudices and passions," but we must have it, if we are to come out of this war solvent. We have less than eight million people in Canada to-day. How are we going to provide employment for the millions of new-comers we confidently hope for in the next decade or two if we drive our surplus capital and European and American capital to other fields of investment?

Capital is cosmopolitan, English especially so, and the peoples of Russia, Japan, India, Egypt, Persia and the Balkans will realize their opportunities after the war, and will know how to treat British and American capitalists who seek to develop the untold resources of their countries.

Our present disposition towards capital and industry bids fair to put Canada in the last place in the race of nations for trade supremacy. There will be keen competition for the world's capital when war is ended, and the people who respect capital, and appreciate the risks involved, will get the money. Canada does not respect capital. Canada reviles it.

Kerensky's Health Causes Worry.

Friends Fear He Will Collapse Under Strain.

LONDON, Aug. 7.—The health of Alexander F. Kerensky, Russia's man of the hour, is a matter of grave concern to his friends and associates, according to members of an English delegation which has just returned from Petrograd. Premier Kerensky's health was none too good when he took office, and the strain since has been not only constant, but probably heavier than on any other statesman in the world to-day.

Illustrative of his weakness it is stated that even during the first weeks of the revolution every public speech he made was followed by a period of faintness. His friends say that only his tremendous will power and nervous energy have kept him going so long.

Those who have seen the brilliant Russian leader in the last few weeks describe his face as being haggard and drawn, his figure emaciated, his voice still strong and vibrant, but speech marred by frequent coughing, and his eyes brilliant, but not with the brilliance of ruddy health.

The Premier's whole appearance unmistakably shows the effect of the enormous work required of him every twenty-four hours and the heavy responsibility and constant drain on his slender physical resources. "If Kerensky can only hold out," is the phrase more and more frequently heard among his friends and admirers, indicating their dread of his physical collapse and what it would mean to the destinies of free Russia.

A Model Prisoner.

London Daily Chronicle: It was rather surprising to find women writing of Princess Mary as "old-fashioned" in her dress, and as "needing advice," if you please. She was more than modern this week when she had an aeroplane escort for her train to Southampton. But what her critics mean comes simply to this: this beautiful girl wears costumes which reach the ankle and the neck; she scores the knee-protectors which answer for skirts and the waist-belts yoked to shoulder-straps which are called blouses. She is not old-fashioned; she is high priestess of a cult largely forgotten—dress which combines grace and beauty with modest dignity.

Household Notes.

Mincd olives added to the potato salad give a good flavor.
Rice and raisins, cooked together, makes a good simple dessert.
Split pea soup is a nourishing winter dish and not expensive.
If the end of a can of vegetables bulges, the contents are spoiled.
Sweet red peppers have a finer flavor than the sweet green ones.
When making bread with milk be sure the latter has been scalded.
Good tea is made in a pot that is heated before the tea leaves are put in.
Date bread may be made just as raisin bread is and is equally wholesome.
An apple or two backed inside of a duck will absorb any rank or oily taste.
Apple turnovers for the children's luncheons are sure to be welcomed.

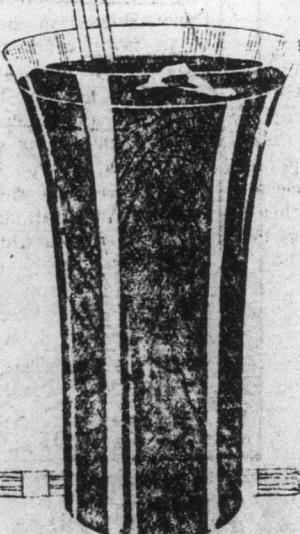
You appreciate an iced drink during the warm days of summer!

Why not let it be healthful as well as refreshing?

Try
Iced Postum

Prepare Postum in the usual way; then cool with ice—adding sugar, and a little lemon or cream as preferred.

Makes a Dandy
Nourishing Drink



Yours truly,
PATRIOT.
August 15th, 1917.

Fishery

Munn has received the message:—

Harbor alone reported for and quintals of fish. Fifty killed for home loaded, and are there, nearly finished Labrador stop."

LINIMENT CURE DIPHTHERIA.