

The Herald

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Canada's Trade

Canada's trade is increasing at the present time at a most prodigious rate and this year will see all records shattered and the high water mark of Canadian commercial achievement. The figures for the twelve months ending September recently issued show a total of over two billion dollars. This includes shipments of coin and bullion, but even after subtracting these the total is \$1,738,204,256 against \$935,254,443 for the same twelve months of 1915 and \$1,000,063,499 for 1914, the largest previous figure.

The growth in business since 1911 is astonishing. In 1911 the total trade was \$769,443,905. The total trade only a decade ago was less than a third of Canada's foreign business this year, being \$550,872,645 in 1906.

The most encouraging feature for this is that for the first time since 1901 the trade balance is favorable to Canada. During the ten years prior to 1911 Canada kept steadily year by year purchasing more abroad than was sold to foreign countries, creating an unfavorable trade balance which in 1911 was actually three hundred million dollars.

This year Canada will have a balance on the right side of the ledger in the trade account of nearly three hundred and fifty million dollars. The total imports for the twelve months ending September amounted to \$585,278,605, against exports of \$1,052,923,551. The greatest increase in exports for twelve months were in shipments of agricultural produce and manufactured articles. Shipments of agricultural products for the twelve months, was \$396,455,537 and of manufactured articles \$361,381,419, in both cases an increase for the year of nearly three hundred per cent.

The Truth about Nickel

An article in the Providence Journal alleging that the German submarine Deutschland is taking back to Germany a cargo of Canadian nickel purchased from the International Nickel Company, New Jersey, has revived the agitation in Opposition news-papers against the Government's nickel policy. Authoritative assurances from Mr. Bonar Law, Colonial Secretary, and Lord Cecil, British Minister of War Trade, that no Canadian nickel is reaching the enemy is disregarded, and a jumble of guesses and vague assertions in an American newspaper accepted without question.

The Government's position on the nickel question has been many times made clear, but the facts have been so blurred and misrepresented by its critics that a reiteration of the truth is desirable. Briefly, it is this: When war broke out from 70 to 80 per cent of the nickel used in the world, including the supply of Britain and her allies, came from the Sudbury district. This was not due to the fact that Canada possessed this proportion of the world's nickel, but to the quality of the ore and to the economical process used by the International Nickel Company in its refinement. The problem confronting the Government on the declaration of war, undoubtedly, was to adopt such a course as would see that the Empire and our allies continued to get our nickel; that the United States got what it needed to make munitions for us, but got nothing for the enemy, and that

Germany and her allies were stripped of their supply. How was this to be achieved? To have merely stopped the export of nickel to the United States then, or at any time since, would have involved: (1) Denying to Great Britain, France and Russia our nickel for their munition factories. There was nowhere else to refine it. (2) Paralysis of the United States as a munition supply base for the Allies, a vital matter in the first and second year of the war. (3) Destruction for many months at least of the Sudbury nickel industry and the throwing out of employment of several thousand men. (4) Very probable international complications with the United States. Canada has marked advantages over the United States in nickel supply, but the United States has an even greater advantage in the supply of other materials vital to our industries. The first reason alone was sufficient. It ended discussion with reasonable men. Clearly prohibition of export was outside common sense.

To have them expropriated the nickel mines, as some urged, and operated them as a national enterprise, would have involved a delay of at least a year to establish a Canadian refining plant, which would mean that in the meantime Britain and her allies would be wholly or partially cut off from a nickel supply—manifestly an invitation to defeat and disaster.

The last alternative was to continue export of nickel to the United States, but to surround it with such restrictions that the necessary end of supplying the Allies and starving their enemies would be achieved. A right decision was vital to the Empire, and before taking any steps the Government took counsel with the Imperial authorities. The result was the policy that has been steadfastly and successfully followed from the beginning of the war to the present time. Under that policy, the details of which, for obvious reasons, cannot be made public, not a pound of nickel that leaves Canada for the United States is lost sight of by the British or Dominion Government until it reaches its destination. Every ounce of it is supervised and traced from the Canadian mines to the refining plant of the International Nickel Company, and thence to its final destination and use.

This policy, or system, may not satisfy those who would use the great problems imposed by the war for the purposes of party. It may not satisfy the brand of editorial wisdom that is chiefly infallible after the event. It does satisfy Mr. Bonar Law, Secretary for the Colonies. It does satisfy the chiefs of the British Admiralty. And it does satisfy Lord Robert Cecil, Minister of Blockade. About three weeks ago the Canadian Associated Press carried the following cable:

London, Oct. 23.—I have been granted an interview by Lord Robert Cecil, Minister of War Trade, in regard to an interview given the American press, in which he is said to have stated that certain amounts of nickel emanating from allied territory which were despatched to the United States, ultimately found their way to Germany on board the submarine Deutschland.

Lord Robert assured me that this in no way referred to nickel from Canada, and that he had no intention whatever of criticizing the arrangements for controlling Canadian nickel or suggesting that any Canadian nickel reaches the enemy. The British Government is perfectly satisfied with the precautions taken and the arrangements made by the Canadian Government with regard to nickel. This from the British Minister of War Trade who knows the system of supervision in force, who knows its every detail, who

knows that system covers all war orders and that it embraces everything humanly possible to achieve the end desired. Shall the Canadian people accept the specific assurances of Lord Robert Cecil, Minister of War Trade, or the indefinite generalizations of the Providence Journal?

The article of the Providence Journal disclosed nothing of value to the Dominion Government. Some of its statements were true and some of them were not. But the statements which were true weren't new, and the statements which were new weren't true. The Government will be able to prove, when the proper time comes, that every claim made by it in respect to its nickel policy was based upon absolute fact. Meanwhile it should not be forgotten that Canadian nickel is not the only nickel procurable in the United States. Considerable quantities are mined annually as by products of American copper mines; and there is no possible way which the British or Canadian Government can control its destination. Then there is New Caledonia. One Canadian so-called independent newspaper, notoriously hostile to fact, stated the other day as a crowning argument against the policy of the Dominion Government that the nickel mines of New Caledonia had been nationalized by France. The truth is exactly the opposite. Nickel from New Caledonia has been entering the United States since the beginning of the war, without the slightest restriction, and is being refined in considerable quantities at New Brunswick, New Jersey, by the United States Nickel Refining Company. Moreover, the International Nickel Company is also a larger holder of interests in connection with the New Caledonia mines. Over this nickel neither Britain nor Canada has the slightest control.

But, even supposing that the Deutschland carried a dozen cargoes of nickel to Germany, what would they avail? Before the war Germany was importing 12,000,000 pounds of nickel a year. Since the war it is reasonable to assume that her requirements have been three or four times as great. Yet all the nickel that the Deutschland can carry—despite frequent boasts to the contrary—is about 70 tons. So that if Captain Koenig made a daily voyage to Germany with a cargo of nickel for six solid months the enemy would still be far from obtaining the amount he requires.

Summing up the situation the case resolves itself into this: that while laying the foundations for the refining of our own nickel in our own country, the Dominion Government has been able to carry out a policy which, without interfering with the steady supply of this vital material to the Empire and her allies, has, at the same time, starved the Germanic Alliance. The Deutschland may take a second cargo to Germany, she may take more, but that possibility, as Hon. Arthur Meighen so powerfully put it in Montreal the other day, is no more a reflection on the efficiency of the nickel policy of the Dominion Government than is the presence of submarines in the North Sea a reflection on the efficiency of the naval policy of the British Government.

Progress Of The War.

London, Nov. 22.—Apart from Western Roumania few changes of great importance have taken place on any of the battle fronts. In the Somme region of France the armies of both sides are almost inactive, except for the artillery wings which are bombing intermittently on various sectors. Skirmishes and artillery duels continue on both the Austro-Italian and Russian fronts. In the Wallachian region of Roumania the Austrians and Germans everywhere are keep-

ing up their pressure against the Roumanians and there have been forthcoming no despatches either official or unofficial, which would indicate that the perilous position of the Roumanians has been ameliorated. Petrograd reports that in the Jiu Valley the Roumanians are still in retreat toward Craiova, but this report probably antedates the announcement of the Germans and Austrians of the capture of this railroad junction by forces of the Central Powers. A retreat upon Craiova would surely throw the Roumanians into the hands of their antagonists.

Bucharest, Nov. 22, via London.—The Roumanian troops in the Jiu Valley, in western Wallachia have been withdrawn and now occupy their old positions, the War Office announced today. In the Alt Valley, the statement reports, the Roumanians have maintained their positions. The text of the statement follows: "Northern and north-western fronts: On the Western Moldavian frontier, and the Buzeu Valley, there have been no changes. At Bratocca and Predelus there were minor infantry actions. In the valley of Praheva there were artillery bombardments and light infantry actions. "In Oldrie our troops were withdrawn from the Valley of the Jiu, and now occupy their old positions."

London Nov. 23.—It is for Hindenburg to decide whether the gains of the German army in Roumania pay for the losses sustained on the other fronts by the withdrawal of divisions to operate there," said Major-General F. B. Maurice, chief director of military operations of the war office, in discussing today with an Associated Press correspondent the latest military developments. "It is impossible and foolish to prophesy the outcome of the German campaign in Roumania," continued General Maurice, "but I can say the first efforts to cut through by the way of Predelus Pass have been a failure. Since that time the Germans have had to go a long way around, thereby giving the Roumanians' line which they need."

Seemingly the forces of the Central Powers are endeavoring to drive on Bucharest, the Roumania capital from three directions. To the west the troops of Gen. Von Falkenhayn have reached the Alt river; to the north, the Germans and Austro-Hungarians are pressing southward from the Predelus and Torzburg passes, and somewhere along the Danube, either to the south or southeast, the forces of Field Marshal Von Mackensen are crossing the river. Western Wallachia apparently is entirely in the hands of the Teutonic Allies, as both Berlin and Vienna report that the line of the Alt has been reached. Some Roumanians remain in the rear around Orsova, but that town, as well as Turan-Severin, has been occupied by the Teutonic troops and the Roumanians doubtless have fled into the mountains northward. The pressure of the German and Austro-Hungarian troops continues north and northwest of Bucharest.

London, Nov. 24.—The British official communication issued this evening says: "During the day hostile artillery has been active against our front in the neighborhood of Lesboufs and Beaucourt, and on both sides of La Bassee Canal. Enemy infantry south of Puisieux was dispersed by our artillery fire. "Yesterday much successful work was accomplished by our aircraft. Twelve of our machines encountered an enemy formation of twenty airplanes. As a result of a fight the hostile formation was dispersed. One of the enemy machines was destroyed, and several others were driven down damaged. All our machines returned safely. "In other fights in the air four of the enemy's airplanes were destroyed. Three of our machines are missing."

Bucharest, Nov. 24, via London.—The Roumanian statement follows: "On the Moldavian front there was no change. In the region of Dragoalevele there was a lively artillery bombardment. In the Alt Valley also artillery fighting occurred on our right

wing and centre. On the left the enemy made violent attack. "In the Oltenie Valley our troops, under pressure of superior enemy forces, have withdrawn on the left bank of the Oltetz river. "Along the Danube infantry firing occurred, with active artillery operations. In the neighborhood of Zimnita there was a violent artillery bombardment. "In Dobrudja we advanced on the whole front, especially in the centre and on the left wing, where we occupied Gelengie, Bazarlia, Ester, Palazulnic and Tachail."

Paris, Nov. 24 The war office communication issued tonight says: "Quiet prevailed today on the whole front. A long range gun fired three heavy calibre shells in the direction of Nancy. "Aviation: Yesterday the 23rd instant, in the afternoon our anti-aircraft guns brought down a German airplane. The machine fell to the north of Berry-As-Bac. The same day Quarter-master Viallet brought down his sixth airplane near Moislains, in the Somme region. "Belgian communication: "In the forenoon of the 24th a violent duel between field and trench artillery took place in the region of Dixmude. Our batteries gained the upper hand, and the engagement terminated toward noon."

London, Nov. 25.—A raid by six German torpedo boat destroyers on the English coast, which took place on Thursday night, was announced officially today. The raid was ineffective, according to the statement, which declares that the six German destroyers participating in it steamed away quickly after firing a dozen rounds, one shell striking a small vessel, but causing little damage, and no injury to the crew. Apparently the readers were operating in the vicinity of Ramsgate, on the coast, about fifteen miles north of Dover.

Bucharest, Nov. 26, via London.—The Roumanian forces are holding fast to the line of the Alt river, across Western Roumania, to a point south of Slatina, some forty-five miles from the Danube, the war office announced today, and also are maintaining their ground along the Roumanian northern front. The statement follows: "The enemy troops which crossed the Danube at Simnizta, have advanced as far as the region south of Soimo station. "Southern front: There has been an artillery bombardment and infantry fire all along the Danube. In Dobrudja our artillery bombarded enemy positions."

London, Nov. 26.—The situation in Roumania, as described in today's news, shows that General Von Falkenhayn's forces, having gained the railway at Craiova, have rapidly pushed to the southeast, and are, according to German official accounts, already in touch with Field Marshal Von Mackensen's forces, which crossed the Danube at Zimnita, and are now before Alexandria. The German reports do not state where the two forces joined hands, but says that the roads leading eastward from the Alt river are encumbered with fleeing Roumanian supply columns, and marked by burning villages. The Roumanians' official communication, to a large extent, corroborates this news by reporting an engagement with an enemy column advancing towards Boshiori De Vede, on the railway a little north of Alexandria. Thus the central forces are now within forty miles of Bucharest, which is threatened from the west, north and south.

The German communication also brings the interesting news that Field Marshal Von Mackensen is personally commanding the movement across the Danube. There is no indication yet, however, as to what strength he has been able to put into this sector, but his movement seems to confirm the impression previously formed that his latest withdrawal into Dobrudja was voluntary in order to assemble forces for the Danube crossing. Neither is anything definite known as to whether General Von Falkenhayn has transferred any considerable portion of the forces lately engaged in forcing the Red Tower and other Transylvanian passes to the operations through the



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(Continued from page two) Vulcan Pass. Should Rouman be driven to defend the line running north and south from mountains between Red Toerzburg passes, to the Danu in order to protect Buchar military cities here consider ther position would be extrem critical. It is hoped howev that Russia has been able send sufficient reinforcements relieve Roumania of the nece sity of devoting large forces the defense of her northern Dobrudja frontiers, and that will have sufficiently stro forces to carry on an effect fight in the Wallachian Plain.

London, Nov. 26.—The w less despatch received last evening from Petrograd that Roumanians have succeeded extricating themselves from enveloping movement in extreme west, the most encouraging news from the thoo of war, on which the eyes of world are focused, to reach L don in several days. If this, well as the additional inf mation that the Roumanians their retirement were about destroy large quantities of cerea oves to be true, it mea that they have placed a wed between Orsova and Craiova, perhaps rejoined forces on t Alt. Optimists here expect strong counter-offensive at t right moment by the stee Russo-Roumanian force know to be in the Alt Valley.

New Minister of Militia

Hon. A. E. Kemp has been appointed Minister of Militia and Defence in succession to Sir Sa Hughes, resigned. He was sworn in at Rideau Hall last Thursday afternoon. Hon. Mr. Kemp has been minister without portfolio of the Forlen Government since 1911; but during the last eighteen months he has been active chairman of the war purchasing commission. He represents the Toronto in the House of Commons and is one of the leading business men of Canada. Hon. Albert Edward Kemp was born in Clarendville, Que., Aug. 1, 1858, the son of Robert and Sara A. Kemp. He was educated at Clarendville Academy and L'colle Academy. He entered the metal trade in Toronto and eventually became president of the Sheet Metal Products, Ltd. In 1900 he entered politics and became Conservative candidate for the House of Commons in the East Division of Toronto. He was elected again in 1903 but was defeated in 1908. He was triumphantly returned in 1911 and on the resignation of Sir Wilfrid Laurier's Government following the disastrous defeat that administration because of pro-American trade policy a popular dissatisfaction, was appointed minister without portfolio in the cabinet of Sir Robert Lair Borden and became a member of the Privy Council. His assumption of office necessitates an election. Nomination for this will be on Dec. 20th, and polling, any, on the 27th.

Austrian Emperor Dead

Emperor Francis Joseph of Austria died at the Royal Cas of Schoenbrun, at Vienna, 9 o'clock on the night of the 21st. The deceased Emperor was years of age, and had reigned years. He is succeeded by grand nephew Archduke Charles Francis. The death of Emperor Francis Joseph of Austria-Hungary brings to a close one of the long reigns of modern times, and that cannot be compared in achievements with any other save that of Queen Victoria. The dead ruler was a typical Hapsburg, power-loving, aristocratic. He was born in 1830 and when only 18 found himself master of an empire. His uncle, the Emperor Ferdinand, abdicated when affairs in his domain no longer believe it could not be long. But young as he was, Franz Josef was resolute. From December 2, 1848, when he became a many-titled emperor, until 1866, he managed to keep the parts of country together. The Hungarians had been gaining new strength in their war for separation from the dual monarchy. The diet proclaimed Hungary a republic with Kosuth as governor, in 1848. A year