FOE FOUNDATION IS CRUMBLING KAISER IS DRUGGING HIS PEOPLE

Bonar Law Announces Victory Loan - Premier Lloyd George Says Trap, Not Peace Terms, Rejected.

Defeat is Impossible.

was difficult, defeat was impossible

IN PALESTINE

Turk Position At

Rafa.

A despatch from London says:-The War Office reports:
"On Tuesday our troops captured

a strong enemy position consisting of

covering Rafa, 30 miles north-east of

of the enemy.'

The Rome conference was under no

A despatch from London says: The new "victory loan" will be an issue at five per cent., at the price of 95, the period to be 30 years, but with an option of redemption in twelve years. Bonar Law, Chancellor of the Exchequer, made the announcement at the Guildhall on Thursday, where British financial leaders assembled to launch the loan. The meeting was under the chairmanship of the Lord Mayor, and Lloyd George and his Finter and the said, to drug those whom he could no longer dragoon. "We had rejected no' peace terms," the Premier said, and added: "We were not offered terms, but a trap baited with fine words. It would suit Germany to have peace now on her own terms. We all want peace, but it must be a real one."

The Premier said the alies were of the opinion that war was preferable to Prussian domination over Europe. der the chairmanship of the Lord of the opinion that war was preferable to Prussian domination over Europe.

The Fremier said the allies were the principal to Prussian domination over Europe.

The allies had made that clear, he allies had made that clear, he

Mayor, and Lloyd George and many and ance Minister were the principal speakers.

Interest in the Premier's speech was whetted by his recent visit to Rome, which was expected to color his remarks and afford a keynote for the country-wide war loan campaign of the next few weeks.

The allies had made that clear, said, in their reply to Germany, to the grim resolution of the Ent Allies at the conference in Rome that at all costs they must act the high aim which was before twhen they accepted the challenge when they accepted the challenge the "Prussian military caste" to

Foundation Crumbling.

Bonar Law said that if the loan should fail-and it would not, he declared—there were other methods which could be applied, and the rate then would not be five and onequarter per cent.

The military position, the Chancel-lor said in his address, did not repre-sent the true position of affairs. The as to the results. or said in his address, did not represent the true position of affairs. The ast of the allies, but felt no doubts sent the true position of affairs. The ast of the allies, but felt no doubts as to the results. The whole situation was resting on an internal foundation which was "crumbling ir-lies felt, he declared, that if victory

resistibly before our eyes."

Bonar Law said that investment in the loan would be on better terms than would be offered in the future. There was no limit to the rate of interest the Government would pay for money, he declared, but so far as he could forecast the future a higher rates of interest than the present would not be paid.

A Trap, Not An Offer.

Premier Lloyd George said Emture, Mr. Lloyd George said, would be peror William had told his people obtained when nations banded themthat the Entente allies had rejected selves together to punish the peace his peace offer. The Emperor did breakers.

BELT PULLED TIGHT

diate Solution of Food

Problem. despatch from Amsterdam says:

A despatch from Amsterdam says: Dr. Michaelis, German Under-Secre-tary of the Interior, contributes to the Volks Zeitung of Cologne an article warning Germany that peace will not

also will oblige Germany to import as little as possible."

Pointing out that the German harvest, even when a full yield is obtained, can be made to suffice only if rationed, Dr. Michaelis says:

"Thus even after peace it will be necessary to keep, the belt pulled tight and there must be further sharp ra-

inner basis. Of this we must remain conscious and not cry for peace on account of the scarcity from which we

OF GERMAN LOSSES

The yearning cry, 'Give us Give us more bread,' has 'no

food problem. He says:

GERMANY MUST KEEP BRITISH WIN

Peace Will Not Bring an Imme- Angac Mounted Troops Destroy

warning Germany that peace will not bring an immediate solution of the main redoubts and a central keep,

"We must expect for a considerable time, perhaps for many years, further force, composed of Anzac mounted

NOTE IS CLEAR AND POSITIVE

The grim resolution of the Entente Allies at the conference in Rome was that at all costs they must achieve the high aim which was before them when they accepted the challenge of they picked out of the Fresheath note in order to curtly refuse the information which he asked. They made in o'avowal of their views as to the terms on which the war might be concluded, and told him in substance he was on a mistaken road to peace. The allies do not pretend in the present position to state all their war aims in detail, but declare the general objects with more amplitude and precision than in any statement they have yet made to their own countrymen."

The Only Terms.

The Times then ennumerates the terms of the afflies, viz: The restoration of Belgium, of Serbia and Monter the "Prussian military caste" to rid the world "forever of its menace, and save Europe from unspeakable desdelusions, Mr. Lloyd George con-tinued, as to the magnitude of the

Victory This Year.

The Premier said the nustrangled the commerce of the strain's enemies and would continue to do so despite "all piratical devices of the commer." With proper support at hand, he continued, the armies would cleave

the road to victory during 1917.

The best security for peace in future, Mr. Lloyd George said, would be viously severed from allied nations by force or contrary to the wishes of

confident the excellent impression which the allies' reply to Germany created must be confirmed and intensified by the more ample answer we make at the suggestion of the Presi-

WONDERFUL BRAVERY

OF FRENCH OFFICER

"We must expect the street time, perhaps for many years, further limitation of consumption and rationing as regards the most important foodstuffs. Germany in the coming years of peace will have recourse almost exclusively to such foodstuffs as most exclusively to such foodstuffs.

"After the engagement a Turkish slight force was located, advancing and the Imperiation of the position commenced at 7 as most exclusively to such foodstuffs."

"After the engagement a Turkish slight force was located, advancing and the Imperiation of the position commenced at 7 as most exclusively to such foodstuffs."

the orders of the day recording the death of Lieut.-Col. Patrice Mahon. It

A despatch from London says:

Telegraphing from Amsterdam, Reuter's correspondent says: "According to Les Nouvelles, Baron von Huehne, interim Governor-General of Belgium, has published a decree announcing will be possible for every citizen in large the result of the court-matrial Raylin to have one egg between January and the says the result of the court-matrial Raylin to have one egg between January and the says the result of the court-matrial Raylin to have one egg between January and the says the result of the court-matrial Raylin to have one egg between January and the says the result of the court-matrial Raylin to have one egg between January and the says the result of the court-matrial Raylin to have one egg between January and the says the result of the court-matrial Raylin to have one egg between January and the says the result of the court-matrial Raylin to have one egg between January and the says the result of the says the says and the says Berlin to have one egg between January 12 and January 31, but that noth ing at present can be said regarding the supply of eggs after this time.

Instead of Worrying

about the high cost of living, just buy a pack-

Grape-Nuts

-still hold at the same fair price.

Enjoy a morning dish of this delicious food, and smile over the fact that you've had a good reakfast and

Saved Mon

Isn't that a fair start for any day?

force or contrary to the wishes of their populations.

The liberation of Italians, Slavs, Form foreign domination.

The retirement of the Turkish Empire from Europe.

The expression "they must provide restoration of the provinces torn from the allies by force against the wish of the inhabitants" is a clear reference, says the Times, to Alsace-Lorraine.

The editorial concludes: "We feel confident the excellent impression which the allies' reply to Germany which the allies' reply to Germany with the state of the inhabitants of the impression which the allies' reply to Germany which the allies' reply to Germany with the state of the inhabitants of the impression which the allies' reply to Germany which the allies' reply to Germany with the state of the wishes of the impression which the allies' reply to Germany with the state of the impression with the state of the wishes of the impression where the wishes of the impression which the allies' reply to Germany with the state of the wishes of the impression when the wishes of the impression where the wishes of the impression when the wishes of the wish of the wishes of the wishes of the wishes of the wishes of the

Winnipeg Grain.

Winnipeg Jan. 16.—Wheat No. 1
Northern, \$1.81½; No. 2 Northern, \$1.78½.
No. 3 Northern, \$1.74½.
Oats—No. 2
C.W., 56½; No. 3 C.W., 54½; extra No. 1
feed, 54½; No. 1 feed, 52½; No. 2 feed,
51½c. Harley—No. 3, \$1; No. 4, 94c; rejected, 78c; feed, 78c. Flax—No. 1
N.W.C., \$2.58½; No. 2 C.W., \$2.55½.

United States Markets.

OF FRENCH OFFICER,
Allows Himself to be Killed the Give

Example and Prevent Retreat,
A despatch from Paris says: "Allowing himself to be killed resting on his cannon to give an example and prevent a precipitate retreat," reads the orders of the day recording the

a.m. Idesday. The fighting lasted until 5 p.m., when the position was finally carried.

"After the engagement a Turkish relief force was located, advancing from Shalal, 16 miles east of Rafa. This force was engaged at a point about four miles from the Rafa position, and was entirely destroyed.

"Up to the present we have taken 1.600 unwounded prisoners and four mountain guns. The enemy killed and wounded in our hands amount to 600."

BELGIAN CIVILIANS
IMPRISONED FOR LIFE, Attempted to Escape Into Holland—First Sentenced to Death.

A despatch from London says:
Telegraphing from Amsterdam, Reu-Live Stook Markets.

FOE PRISONERS ON ISLE

shorter periods, and plan to seek fresh fields. Two years of imprison-ment has a sobering effect on the most frivolous, and the frame of mind of the internment camp prisoner is almost uniformly serious. Some are learning new trades, others mastering new languages, others studying the course of the war in map and law book with a view to being on the spot for post-war developments of business and commerce. Most of this preparation for peace is being done by the prisoners themselves.

LEADING MARKETS GIGANTIC MUNITIONS SMASH IN CANADIAN CAR CO.'S PLANT

running near it was very slight.

Police Prevent Casualties.

Consequently, as the flames reached each case of shells, and exploded the charges, the projectile shot high into the air—often several hundred feet. But as it descended without the fuse, which alone could explode the charge, its fall was only that of so much metal. Even so, the fact that not one of the thousands of people in the neighborhood was hurt, so far as could be learned, was due principally to the prompt police measures in clearing out the houses in the endangered districts near by.

dangered districts near by.

The munition plant lies in the Jerbuilding turned and fled without desey Meadows, seven miles west of the lay.

FIVE LIVES LOST IN MONTREAL FIRE

Attempt To Save Children.

ROME CONFERENCE

A despatch from London says: The than five per cent. A despatch from London says: The than five per cent.

Times in an editorial on Wednesday regarding the recent War Council held in Rome, says: "The conference just to concluded in Rome may well prove one of the turning points in the war. More than one vital decision was reached months, but within twenty-four months, at \$22.25, and after twenty-four months, at \$22.25, and after twenty-four months, but within thirty-six to the months. with complete harmony. The road to four months, but within thirty-six victory, though it may be long, is now months, at \$23.25 for every \$21.50 running straight to the appointed originally leaned. Consequently the

Why He Supported the Fund.

Patriotic Fund is not all serious work. savings towards winning the war OF MAN READY FOR PEACE.

It is illumined here and there by flashes of humor, and everywhere there that add zest to the work.

A despatch from Douglas, Isle of Man, says: They are busily engaged.

Patriotic Fund is not all serious work.

It is illumined here and there by flashes of humor, and everywhere there that add zest to the work. Take the case of a Quebec county councillor.

The new war-savings towards winning the war, as well as promoting at the same time individual thrift and economy throughout the Dominion.

The new war-savings covariance will be advertised generally throughout Canada next week. A despatch from Douglas, Isle of Man, says: They are busily engaged in preparing for peace in the prison camps on the Isle of Man. Here are nearly 25,000 German and Austrian civilian prisoners. Many of these have been residents of the British Isles for ten or fifteen years, and explect to go back to their civilian employment as soon as peace comes. Others have been in England for much Others have been in England for much of the said: "All right of the cyclic for the grant. I find that it will cost me eight dollars,—but I'd rather pay even twenty dollars than out Canada next week.

Secondary (\$663,000 For Province.

\$663,000 For Province.

\$663,000 For Province.

\$500 Succession duties of the \$4,000,000 estate of Edward Chandler Walker, former head of Hiram Walker & Sons, distillers, will amount to \$668,-100 for Province.

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\$500 Succession duties of the \$4,000,000 estate of Edward Chandler Walker, former head of Hiram Walker & Sons, distillers, will amount to \$668,-100 for Province.

\$663,000 For Province. rather pay even twenty dollars than the largest amount paid into the Ongo to the war!"

HELP TO WIN WAR **AND SAVE MONEY**

Maid Perished While Making Dominion Government Issues Certificates to Assist the Thrift Campaign.

A despatch from Montreal says:—
Fire claimed five victims in the destraction of the Idealograph Moving Picture Theatre, at 1691 Notre Dame Street west, at 2 o'clock Thursday morning. The victims were the children and maid of Dr. and Mrs. J. H. Leblanc, a dentist, at 1689 Notre Dame Street west, who were in the family's living quarters on the third floor. Dr. and Mrs. Leblanc were out spending the evening with friends, and had left their four children in charge of the maid and an elderly servant, Mme. Bouchard.

Thrift Campaign.

A despatch from Ottawa says: The Minister of Finance, Sir Thomas White, has announced some of the details of the coming issue of war-savings certificates in connection with the campaign for national wartime saving and further co-operation by the public generally toward war financing. The war-savings certificates will be issued in denominations of \$25, \$50, and \$100, maturing in three years. They will be obtainable from any bank or postoffice throughout the Dominion. The issue prices will be \$21.50, \$43 and \$86 respectively. Thus for every \$21.0 now loaned to the for every \$21. 3 now loaned to the Government \$25 will be returned at ONFERENCE
TURNING POINT IN WAR. of three dollars and a half constitutes an interest return of a little more

Provision is made whereby the longer the certificates are held the higher the rate of interest return.

The opportunity thus constantly af-forded of investing small amounts with the Government will enable the The task of raising the Canadian general public to contribute by their

CEREALS ARE TO BE GROWN IN LONDON ROYAL PARKS

To Stimulate Private Land Owners to Similar Activity - Has Sanction of King George.

A despatch from London says: Fod-der and cereals are to be grown in Richmond and Bushy Parks as the first step in the new food campaign. London's parks are royal property, as gargegating 113,000-tons, last year, of which 100 were torpedoed, with the loss of 27 lives. This report comes from Stockholm, and adds that during the same period Sweden built 81 ships, aggregating 47,000 tons.

A despatch from London says: Fod-dire and cereals are to be grown in Richmond and Bushy Parks as the first step in the new food campaign. London's parks are royal property, and the step has the sanction of king described and stimulate private land owners to similar activity as a means of increasing food supplies.

Richmond and Bushy Parks lie near to be grown in Richmond and Bushy Parks as the first step in the new food campaign. London's parks are royal property, and the step has the sanction of king forested and where to be grown in Richmond and Bushy Parks as the favorite summer resort, being frequented by crowds of pedestrians, motorists and horseback fiders. Charles Lie in 1637 had the park enclored and used it as a hunting ground.

Bushy Park contains about 1,000 acres. It has numerous whitethorn and horse chestnut trees, many of the Thames in the fashionable south-

ON FRONT OF NEARLY A MILE Several Raids Also Resulted in the Bagging of Large Numbers of Prisoners.

BRITISH CAPTURE POSITIONS

A despatch from Berlin says: Of that as the result of the court-martial

the total number of officers and men of a number of Belgian civilians for in the German army who were wound- attempting by force of arms to cross

ed during the second year of the war the frontier into Holland on December 70 per cent. fully recovered and went 6th, thirty of them were condemned back to the trenches, according to of- to death, but that, out of considera-

back to the trenches, according to of-ficial figures published by the German Government. Only 6.4 per cent. of the wounded were completely unfit for military service, and the other wound-ed were able to do military duty at home. Twelve hundred and fifty sol-diers went blind during the war.

A despatch from London says:—
The British official communication issued on Thursday night says: "A number of minor enteprises were undertaken last night with excellent results. South of the Ancre we entered the enemy trenches at two places in the neighborhood of Grandcourt, and took prisoners. Early this morning a local operation on a large scale north-east of Beaumont-Hamel was completely successful. Our troops carried an enemy trench on a front of three-quarters of a mile, and established our position. An enemy counter-attack this afternoon was caught in the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the operations in this area. "Enemy trenches also was caught in the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the operations in this area. "Enemy trenche our position. An enemy counter-attack this afternoon was caught in the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the operations of the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, and broken up with los