the Fifty-Second Annual Meeting of the Shareholders.

The fifty-second annual meeting of the Shareholders of the Merchants Bank of Canada was held Wednesday, June 2, in the Board Room at the head offices at Montreal. The chair was taken at twelve o'clock noon, by the Viceresident, Mr. K. W. Blackwell, in the absence of the President, Sir H. Montago Amongst others in attendance were:-Messrs. Thos. Long, Alex. Barnet Andrew A. Allan, C. C. Ballantyne, A. J. Dawes, F. Howard Wilson, Farquhar bertson, George L. Cains, Alfred B. Evans, E. F. Hebden, John Patterson, A. Piddington, Alex. D. Fraser, F. Hague, A. Browning, R. Shaw, W. B. Shaw, T. E. Merrett, H. H. Ransom, D. C. Macarow, H. B. Loucks, C. A. Harcourt J. G. Muir and J. M. Kilbourn.

Mr. J. M. Kilbourn was appointed Secretary of the meeting. The minutes of the last meeting were taken as read.

Before presenting the Annual Report the Vice-President said:-

Gentlemen,-I will read the Annual Report, but before doing so I would refer

There are two members of the Board absent today who occupy our thought and hopes. Our President, Sir H. Montagu Allan, is now with Lady Allan in Dublin. She is, I am thankful to say, recovering from the hardships and serious injuries received in the sinking of the S.S. "Lusitania." Our sympathy for the injuries received in the sinking of the S.S. "Lusitania." Our sympathy for the President in the loss of his two younger daughters is a subject I can hardly trust myself to speak of. He certainly has the deepest sympathy of all of us. Our other Director, Mr. F. Orr Lewis, is also recovering from the effects of shock and exposure, and it is a great satisfaction to us to know that he is of shock and exposure, and it is a great satisfaction to us to know that he is now safe at home with his family, and we hope he will soon be well and strong

THE ANNUAL REPORT

I beg to submit the Annual Report of the Directors, the General State-ent of the Bank and the Profit and Loss Statement covering operations for

The net profits for the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to \$995,421.78. It will be observed that the earnings for the past twelve months are con-

siderably below those of the previous fiscal year. They are less by \$223,262.72. A glance at the Balance Sheet will be helpful in affording a reason for this nwhile, with regard to their disposition: We have authorized the writing off of \$250,000, against depreciation in bonds

investments made necessary by the times we are passing through. The donations to the Canadian Patriotic Fund, the Red Cross Society, and Beigian Fund, I am sure, will meet with your approval.

The Government tax on note circulation represents the impost

The balance carried forward is a trifle less than the previous year's. Our public figures, so far as reserves and the balance carried forward are concerned, antially the same. We have not found it feasible or presently desirable to carry out the inten-

tion expressed last year to form a Company controlled by the Bank, and hand over certain Bank Premises, disposing of the bonds received therefor. We have not required the funds to be derived from the sale of the bonds, as will be arent from the Balance Sheet. During the past year we have opened branches at the following points:—
In Quebec: Napierville and Verdun. In Ontario: Ford, Thorold, London East, Lyn, and Dupont and Christie Streets, Toronto.

And not finding the business justified our keeping open, we have closed the owing offices:—
In Saskatchewan: Kelvinhurst, Forres and Eastend. In British Columbia ria North, Elko and Ganges Harbour. In Alberta: Hanna. In Nova Scotia:

New Glasgow. In Quebec: Three Rivers; and in Ontario: St. Catharines.
All the offices of the Bank have been inspected during the year. The Board will today ask the shareholders to appoint Auditors for the coming year, in accordance with the Bank Act.
All of which is respectfully submitted.

K. W. BLACKWELL

ral Manager.

THE FINANCIAL STATEMENT Statement of the Result of the Business of the Bank for the year ending

The Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to	995,431 248 134
Making a total of	.243,566
This has been disposed of as follows:— Dividend No. 108, at the rate of 10 per cent per annum\$175,000.00 Dividend No. 109, at the rate of ten per cent per annum 175,000.00 Dividend No. 110, at the rate of 10 per cent per annum 175,000.00 Dividend No. 111, at the rate of 10 per cent per annum 175,000.00	

Donation to Canadian Patriotic Fund Donation to Canadian Red Cross Society Donation to Belgian Relief Fund
Government War Tax on Note Circulation s on Note Circulation Balance carried forward

K. W. BLACKWELL, Vice-President

STATEMENT OF LIABILITIES AND ASSETS AT 30th APRIL, 1915. LIABILITIES 1. To the Shareholders.

Rest or Reserve Fund Dividends declared and unpaid Balance of Profits as per Profit and Loss Account submitted	7,000,000.00 175,710.00
2. To the Public.	\$14,420,850.70
Notes of the Penk in Change	
Notes of the Bank in Circulation Deposits not bearing interest	\$ 6.204.069 00
Deposits bearing interest (including interest accrued to date	12,692,061.44
Balances due to other Banks to Conste	50,037,101.89
Balances due to Banks and banking correspondents in the Uni	933,204.92
Kingdom and foreign countries	1,207,076.30
Acceptances under letters of credit	*** *********
Liabilities not included in the formation	696,100.26

Comment Cale Las ASSETS.	\$86,190,464.51
Current Coin held (see also deposit in the Central Gold Reserve) Notes of other Banks	\$ 2,693,330.53
Notes of other Banks	12,782,618.75
Cheques on other Banks	564,711.00
Balances due by other Banks in Canada. Balances due by Banks and banking correspondent	2,883,748.30
Canada Canada	
Dominion and Provincial Government securities, not exceeding market	2,232,655.91
Canadian Municipal securities, and British, Foreign and Colonial pub-	583,997.72
Railway and other Bonds, Debentures and Stocks, not exceeding	903,667.02
Call Loans in Canada on Don't	4 000 10" 50
Call Loans elsewhere than in Canada and Stocks	3,606,342.89
Call Loans elsewhere than in Canada	964,193.14
interest)	32,086,571.51
Interest)	47,401,858.68

interest)	enate of
Other Current Loans and Discounts elsewhere than in Car Rebate of Interest)	ada (lese
Rebate of Interest). Liabilities of customers under letters of credit as per contra. Liabilities of customers under letters of credit as per contra. Discourse letters of credit as per contra.	100,240.32 696,100.26 118,816.77 144,721.63 off 4,166,147.94
K W BLACKWAY	\$86,190,464,51

K. W. BLACKWELL Vice-President.

General Manager.

REPORTS OF THE AUDITORS TO THE SHAREHOLDERS OF THE MER-

CHANTS' BANK OF CANADA.

We have checked the cash and verified the securities of the Bank at the April 30th, 1915, and at a different time during the year, and found them to agree year, and checked the cash and verified the securities held at the dates of our with regard thereto.

We have checked the cash and verified the securities held at the dates of our with regard thereto.

We have obtained all the information and explanations we have required to the summary of the Bank at the fine time during the books of the Bank as on the President and Mr. F. Orr Lewis.

On motion of Messrs. John Patterson and A. Piddington, Messrs. Vivian Harattendance, and found them to agree with the entries in the books of the Bank at the possible before the occur, ation of the President and Mr. F. Orr Lewis.

On motion of Messrs. John Patterson and A. Piddington, Messrs. Vivian Harattendance, and found them to agree with the entries in the books of the Bank at the possible before the occur, ation of the President and Mr. F. Orr Lewis.

On motion of Messrs. John Patterson and A. Piddington, Messrs. Vivian Harattendance, and found them to agree with the entries in the books of the Bank at the possible before the occur, tion of the President and Mr. F. Orr Lewis.

On motion of Messrs. John Patterson and A. Piddington, Messrs. Vivian Harattendance, and found them to agree with the entries in the books of the Bank at the President and Mr. F. Orr Lewis.

On motion of Messrs. Vivian Harattendance, and found them to agree with the entries in the books of the Bank at the President and Mr. F. Orr Lewis.

On motion of Messrs. Vivian Harattendance, and found them to agree with the entries in the books of the Bank at the President and Mr. F. Orr Lewis.

On motion of Messrs. John Patterson and A. Piddington, Messrs. Vivian Harattendance, and found them to agree with the entries in the books of the Bank at the President and Mr. F. Orr Lewis.

On motion of Messrs. John Patterson and A. Piddington, Messrs. Vivian Harattendance, and found them to agree with the entries in t

We have obtained all the information and explanations we have required.

In our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank, and the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us

and as shown by	the books of the Bank.	given to us
	VIVIAN HARCOUPT	
· · · · · · · · · · · · · · · · · · ·	of Deloitte, Plender, Griffiths & Co.;	
131	of Macintoch & Trude	Auditors.
Montreal, 25	th May, 1915.	4 408

will notice the Board have again authorized writing off a considerable sum for depreciation in the value of bonds and investments. We should like to think that it has been overdone this time, and that a substantial proportion will be recovered when normal times return. In this connection, it might interest you to know that during the first twelve years of the present century and immediately succeeding the Boer War, London Banks alone wrote off no less a sum than £20,000,000 against depreciation in the value of bonds and securities this prior to any fall in values since the present great war broke out. So that the policy of writing down is sound and well established, and one we could not possibly expect to escape under existing conditions.

Generally speaking, I feel sure the shareholders do not expect a normal re-

Generally speaking, I feel sure the shareholders do not expect a normal return in earnings under conditions so unexampled in the whole financial world. Such earnings could not be attained without undue risk. The field for making good returns will be open to us again later on, when we hope the Bank will be found in a position to take full advantage of it. That will not be tomorrow nor shortly—not until this great war is over and the process of recuperation and reconstruction has been entered upon. Meanwhile, our policy must continue to be one of caution, contenting ourselves with earning our dividend and keeping our assets adjusted to current values—that must be our task until

the clouds break and the financial horizon is clear. the clouds break and the financial horizon is clear.

You will observe that nothing has been written off on account of Bank Premises this year in the Profit and Loss Account. We may tell you that during the year \$125,000 was applied in that direction from rentals at the various points, and therefore no additional provision has been made.

Nothing has been asked of the Board on account of the Officers' Pension Fund on the present occasion. The Board have been most generous towards the staff when the earnings admitted of it. This year they do not justify anything of the kind, and I have had made no request.

Taking up the Balance Sheet, you will observe our much stronger cash position and the decrease in loans and discounts, necessitated by conditions unparalleled in the history of the financial world.

Referring to the liability side first, we have been paying interest for the

Referring to the liability side first, we have been paying interest for th fiscal year on a much larger average sum, amounting to several millions, and we have had nearly a million less on deposit free of interest. On the other side of the account, the main earning power, our average current loans and discounts in Canada for the same time was \$4,000,000 less than for the pre-

vious year. Our average specie and legal tenders held are more than \$8,500,000 in excess of what they were a year ago. Our call loans in New York have for a long time been about \$1,000,000—earning rate being hardly an important factor You will thus see that during the past twelve months the earning power of the Bank has been, necessarily with the times, very much less than for some years back. Two years ago the real estate boom in Canada was giving indication of weakness, and with each succeeding month thereafter the situa tion became more and more pronounced, and eighteen months ago we had a well-defined reaction in full swing, becoming more and more accentuated up to the time of the breaking out of the great war at the beginning of August last, when instantly the business of this country and the whole world underwent a sudden change for the worse. Active trade, as you are aware, is born of confidence, and with this sudden bolt out of the blue, presaging the greatest war in history, a situation was precipitated unparalleled in the annals of financial experience. The Stock Exchanges of the world were closed, moratoria were generally established and business came to a standstill. The measures introduced in Canada by the Finance Minister, in consultation with representatives of the banking community, were happily instantly palliative. Bank notes declared legal tender, all the safeguards surrounding their redemption being continued in force, provision was made for rediscounting by the Government of paper in the hands of the Banks, which privilege was availed of by institutions to their material relief. It so happened that we did not need to take advantage of this provision, but we should not have hesitated to do with two armies, which were to be-

Cabinet was an important factor in allaying anything like apprehension conerning the banking institutions of this country, and as such was a great backen contingencies that might easily have arisen. The action of the London authorities, where the Chancellor of the Exchequer was in consultation with the ablest men of the city, representative of the Bank of England and the Great Joint Stock Banks, of the Stock Exchange, of the Accepting Houses, and in fact, of all interests immediately concerned, was along lines at once broad, courageous and enlightened. Everything appeared thought of, and the handling of the situation was as prompt as it was wonderful. It was as if a magician's wand had been waved and business as

usual was re-established, throughout Great Britain. The measures taken formed

the text of many published articles and are generally currently known. The moratorium declared in London, in force for four months, permitting of payment of bills domiciled there to be deferred, was a great relief, and enabled drawees to rearrange their affairs so that before the extension had expired the bills had been taken up without difficulty. I may say that we did not need to take advantage of this privelege, paying everything on presentation, Well, the war has now been running on for nine months (to 30th April). The man forces which had crossed point immediately aimed at by us in August last and succeeding months the gradual strengthening of our own position by slowly drawing in without embarrassing the business community. The result is reflected in the Balance heet before you, which, may I be permitted the hope, will be found satisfactory

Concerning the general economic condition of the country, throughout which we are represented. I have a great deal of data, but lengthened and diffused remarks here, including statistics, you might find a strain upon your attention, so that I will only say, considering Canada as a whole, trade and business are War orders have, however, greatly stimulated certain special lines. These have meant profit and employment to many. Trade is quiet otherwise and disappointing, even dull, but the scale of living and rentals has com down and a careful economy is being generally practised. We have much to hope for from the crop prospects, which at this date are unusually promising hroughout the Northwest, and no less so in the East. Seeding for the mos part is two weeks earlier, and the rainfall so far has been abundant. When we add to this that the acreage is claimed to be 20 per cent. in excess of last year, we think the outlook at least encouraging for Western interests. The crop last year was a great disappointment in matter of quantity, but it was offset in great degree by the excellent price for grain. The policy of mixed farming continues to be prosecuted more and more in the prairie country, to the substantial advantage and profit of the producers and the enrichment of the

There is one disadvantage we must labor under for the present, and that is the loss of so many young men who have patriotically joined the colors in this great war, where in the field they have won for themselves and Canada the abandon it, but only at the highest highest praise. Their absence must be a temporary hindrance and have its bearing upon the handling of the crop, to say nothing of the unlikelihood of our receiving for some time any important influx of immigrants from the older lands. Meantime, a splendid patriotism has developed. Canada irredenta is a fact in high resolve and act. The ground shakes under the tramp of armed hosts. Canadian bayonets are in the bloody shock. Out of this ordeal of fire Canada's youth will come war-scarred, joint victors in a fight for all that is best worth contending for, ready again to take up a higher, simpler life in the free land of their birth.

That is the heroic side—there is a prose one. There are some serious financial problems to be dealt with as time passes, in a field wherein we have had no extended experience heretofore to guide us. The enormous increase in expenditures of the Federal Government on the war mean growing debt and more taxation. It is the inevitable, every way we look. We are supporting Empire, as we should; we are a part of it, and have an enormous stake in the war. If the inconceivable happened, and the issue went against us, it would be a sad and sorry day for the Dominions—nothing is clearer—and so we are in the war to the death. But the success we reckon upon will cost us much, and the simple life we would hear nothing of a year or two ago, is no sian Przemysl army constituted a longer optional with us, but imperative. People are accommodating themselves sharp wedge cutting into the Gerto more self-denial and more careful spending. They are wise, for when the time of pressure comes the strain will be the less upon them. Our main source attacked from evry side. To deof dependence is from our natural resources. The trade and business end must take its cue mainly from these. If we have a bountiful harvest it will help us quired tremendous forces, and it a long way on our road, but not all the way, the need for careful going will was clearly the desire of the Ger-

with reference, in a general way, to our neighbors to the south, the outstanding feature is their growing favorable trade balance, now approaching a purposes. Consequently, although billion dollars. This has come about by the enormous shipments of food and Przemysl had all the advantages of munition supplies. As a consequence of the immense offering of bills drawn there against, all foreign exchange has dropped to phenomenally low figures, freedom of our operations.

"It is estimated that the proper of the Presental fortness of the Presental fortness." be offering, and the crop outlook is excellent. The great steel industry, the weather vane of good and bad business, is once more setting in the right direction—the indicator of better times so long deferred. Altogether, their present economic position, domestic and foreign, supported by returning confidence and a vastly improved banking system, could hardly be better.

It will do us no harm to be for three thousand miles of frontier alongside as here necessary also to develop the confidence of the Przemysl fortress would have required that the proper defence of the Przemysl fortress would have required the concentration of the former Austrian garrison, namely, 145,000 men. It would have It will do us no harm to be for three thousand miles of frontier alongside so been necessary also to develop prosperous and so friendly a neighbor. Let us hope that the dark shadow their fullest capacity no less falling upon their foreign relations with Germany and Mexico may not prove the destroyed forts which to the presage of war, that there may be one great nation left to show the blessings of peace—no good purpose can be served so far as engaging demented Germany is concerned. The pacification of Mexico, on the other hand, would be a

The members of the staff have performed their duties satisfactorily. The shareholders will be interested in learning that over one hundred of our officers enlisted for active service at the front. I greatly regret to state that the names of some of these young patriots have already appeared in the casualty lists, and I fear that the number must be added to as time goes on.

SYMPATHY WITH THE PRESIDENT.

Mr. John Patterson suggested that a resolution expressing the deep sympathy of the Directors and Shareholders of the Bank be placed on the records of the Bank; and that a copy of this resolution be sent to the President; also little influence on our manoeuvering, in the future it will play no that a similar resolution be adopted expressing sympathy with Mr. F. Orr Lewis, with hopes for his speedy recovery from his sad accident.

"I am sure we all feel very deeply for our President in his terrible affliction." In accordance with the provisions of sub-Sections 19 and 20 of Section 56 of the Bank Act we report to the shareholders as follows:—

We have examined the above Balance Sheet with the Books of Account and the Branches and Agencies.

In accordance with the provisions of sub-Sections 19 and 20 of Section 56 of already done so for myself) their very sincere sympathy with the President in this sore trial. Sir Montagu Allan has always been a good friend and well-the Branches and Agencies.

I would also extend the sympathy of the officers and myself to Mr. F. Orr Lewis in the sufferings occasioned by the possible before the occur, ation of the occur, ation of the officers. said Mr. Patterson. "I personally feel it too deeply for words."

Ine General Manager—I wish to express on behalf of the officers (I have

On motion of Messrs. A. D. Fraser and A. Browning, Messrs. J. Patterson

On motion of Messrs. A. D. Fraser and A. Browning, Messrs. J. Patterson and A. Piddington were appointed Scrutineers for the election of Directors.

Mr. Fred Hague moved, seconded by Mr. A. Browning, that the Scrutineers cast one ballot in favor of the following persons as Directors:—Sir H. Montagu Allan and Messrs. K. W. Blackwell, Thomas Long, A'ex. Barnet, F. Orr Lewis Andrew A. Allan, C. C. Ballantyne, A. J. Dawes, F. Howard Wilson, Farquhar Robertson, George L. Cains, Alfred B. Evans. The motion was unanimously carried, and these Directors were declared

Montreal, 25th May, 1915.

In moving the adoption of the Report, which was seconded by Mr. Thomas Mr. John Patterson inquired as to the exact position regarding the writing. In reply to this the General Manager, Mr. E. F. Hebden, said that these investments had not been realized upon, but that the amount had been written off in order to bring their values down to present quotations. Values had depreciated at a leaser valuation. A careful account was taken of all amounts so written off, and the Management was hopeful that a good deal of it would eventually come back with a return to normal times.

The report was then adopted.

The GENERAL MANAGER'S ADDRESS.

Referring first to the disposition of the earnings for the fiscal year, you

Attempt To Hold It Would Launching Strong Attacks Have Locked Up 145,000 Men.

Town Given Up With Great- Muscovites Leave Przemysl est Possible Loss to the Enemy.

PETROGRAD, June 4.-Via Lonion, 5:15 p.m.—News of the fall of Przemysl apparently has awakwon a "moral victory," but the strategic importance of the fortress, according to the opinion expressed here, had been nullified before the

It is pointed out that the position was weakened on account of the destruction by the Austrians of forts at the time they evacuated it in Furthermore, the fortress, March. projecting in an acute angle into the territory held by the Austro-German forces, was made by them the target for attacks from three sides. Consequently it required more men for defence than the Russian military authorities believed was justified by its strategic importance.

Expert Gives Views. A leading Russian military expert gives the following analysis of the

situation: "Having crossed the River San so had it been necessary, for the proposal was a sound and practical one, and gin operations against the fortress the Banks availing themselves of it were not mendicants in any way, since the Germans found themselves in an they put up for every dollar they withdrew security entirely satisfactory to extremely dangerous and unstable those who sat in judgment upon its sufficiency. The prompt action by the position; being attacked on their left flank they were compelled to shorten the strip of ground they occupied on the right of the San. Any reverse of these armies would have turned the German movement into a catastrophe, since retreat to rear would have been cut off. by the River San and the of the Russian forces at the Russian forces at Sieniawa, on the German left. the Germans were forced to hur their attack against the fortress, throwing forward enormous forces.

"The most convenient directions for attack appeared to be from the north and northwest. These were the weakest sides, and at the same time they were nearest to the Ger-The indefensibility of river. fortress was due to the fact that the Austrians had blown up most important forts upon evacuation of Przemysl, with the configuration of the land. This was unsuitable to a stubborn defence, for the reason that dulations made it possible for the

enemy to hide his approaches.

Not Time for Reconstruction. primary idea in the construction of the Przemysl fortress had been to meet attack from the eastward. There had not been ufficient time to reconstruct the damaged fortress on the west and on the north, and to adapt the posi- Bavarian corps pressing impetu letence against attacks from these directions. To oppose the advance of the Austro-Germans, the Russians sent out long range guns to defend their flank. As this artillery extended considerably beyond the line of the forts, it was the purpossible cost to the enemy. Shooting point blank to the last shell into during Wednesday night. the thick masses of advancing Austro-Germans caused them severe losses, and thus we accomplished

"But with the fall of the flank considerations taken together with those already mentioned. led the Russian military authorities to the decision not to run any special risk, but rather to remove the army from

the fortifications.

Hampered Operations. "Strategic considerations led to this same decision, since the Rus-

been necessary also to develop t their fullest capacity no less than the destroyed forts which, in the short time available, was impossible.

Of Little Importance Now.
"The abandonment of this bloodconquered fortress certainly sad blow, but it is necessary to remember that Przemysl twice annihilated, once by the Austrians and once by us, has today no more importance than any other large in Galicia. If in February the German occupation of Przemysl had ing, in the future it will play no role at all. Like Jaroslau and Tarnov, Przemysl will pass time and again from hand to hand, and it

tary and civil elements in Petrograd. At the same time it is being explained that the abandonment the position had been regarded here for some time past as strategically imperative, and preparations to imperative, and been going on for a leave it had been going on for a month. The released garrison will month. The released sarrison now be available for field operati whereas if an attempt to hold out had been made, between 120,000 and 140,000 men would have been locked up at the mercy of the heavy Aus-

PLANING MILL BURNED.

North Bay, June 4.—At 2:30 this norning the planing mill and offices of Dr. Barker, Second avenue, were totally destroyed by fire. There was no insurance. The dwellings in the vicinity were in danger owing to their close proximity to the mill and to the strong wind blowing. The frame house of Mr. Baxter was badly gutted.

Against Von Mackensen-Using Reserves.

OBJECT IS ACCOMPLISHED ENTIRE FRONT FIGHTING

and Retire East Where They Are Making Stand.

LONDON, June 4.-According to the official statement of the Austrian war office, issued tonight, the last of the ened no apprehension here. It is forts at Przemysl were cleared today of onceded that the Germans have the Russians, who are retreating to the eastward, but admittedly are not finally defeated. The Russians aer making a stand on the heights southwets of Medyka, launching desperate attacks against Von Mackenzen's army, with the aid of new reserves, according to the Austrian army headquarters staff. "At the same time," the statement says, "they are exerting heavy pressure against the troops commanded by Archduke Joseph Ferdinand in the triangle between the River San and the Vistula."

Heavy fighting is in progress along the entire Galician front, and the Teuton allies are looking forward confidently to a decisive victory that will end the campaign in Galicia and leave their armies free to meet the Italians further south, at the same time protecting their extreme eastern frontier against any contemplated attack by the Roumanians.

Austrian Statement. The Austrian official statement to-"Russian war theatre: During the day, Przemysł was cleared of the enemy, who is retreating in an easterly direc-

tion, offering resistance on the heights southwest of Medyka. The allied troops there are attacking. "Meanwhile, the army of the Austrian general, Eduard Von Boehm-Ermolli, has succeeded in breaking through the Russian defensive position from the south and advanced in the direction of Mosciska, within a short distance of which our troops are now standing. In

these engagements we have captured numerous prisoners. "The army under Gen. Alexander Linsingen also has achieved fresh successes and the Russians are in full retreat be fore him

"On the Pruth line, in consequence of the events of the San and the Upper Dniester, further fighting has developed Wherever they attempt an attack, he is repulsed with severe losses. We have captured 900 men. Otherwise the situation on the lower San and in Poland is unchanged." orth Forts First.

Przemysl's recapture by Austrian and Bavarian troops, according to an Austrian report from the front, resulted from the capture of five forts in the northern sector and the simultaneous threatening of the forts on the south and west fronts. With the forts on the north side in the possession of the besiegers, with a through the breach against the city, and with the Austrian Tenth Army

Corps within storming distance of the southern and western forts, which artillery fire already had reduced sufficiently for attack, the Russians decided to evacuate the town and all pose of the Russians eventually to the forts except those on the eastern and southeastern sectors. This movement was executed by the Russians The Bavarians resumed their attack at dawn on Thursday, and entered Przemysl upon the heels of the retir-

ing Russians. defenses, the fighting capacity of the forts, especially No. 7 and No. forts there had been evacuated. An attack now is in progress against the forts still held by the Russians, those positions being with the object of covering the retire ment of the Russians.



WILSON'S MEXICAN NOTE ALREADY HAVING EFFECT

WASHINGTON, D.C., June 4.-Dis-

Wilson's note was received Thursday and is being given great consideration on all sides. Eight thousand sacks of corn will arrive here today, and constitutionalist authorities will sell it at patches to the Carranza agency here from Vera Cruz indicate that Cruz from Vera Cruz indicate that Carranza has begun taking steps to distribute food.

One received today says: "President at minimum price, Carranza making every effort to handle food situation, and so far has successfully done so."

BRANCHES AND CONNECTIONS THROUGHOUT CANADA. James Mason, General Manager.

General Banking Business transacted Full compound interest at highest bank rate paid on savings accounts of one dollar and over. Sales notes discounted and collected. Blank sales notes supplied free on application

LONDON 394 RICHMOND ST. W. J. HILL Manager.

Branches in Middlesex County:

Thorndale, Melbourne

Lawrence Station



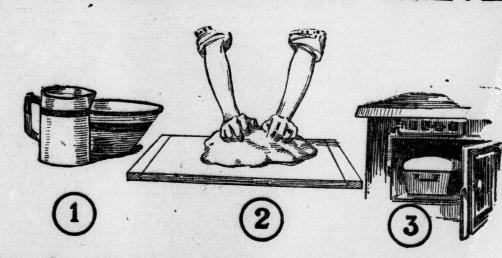
MAYFLOWER TALCUM POWDER

Nyal's Mayflower Talcum is an experience to every first time user. Its touch is soft, soothing and refreshing. Its distinctive Mayflower perfume, delicate, individual, elusive. Ideal for every use to which you can put a Talcum.

Nyal Quality preparations can be obtained only in Nyal Quality Stores. Ask one of them for free copy of Booklet entitled "Your Complexion," giving full particulars of best methods of massage.

NYALS Mayflowe TALCUM POWDER





THE THREE SECRETS OF SUCCESSFUL BREAD

1. The flour mixes evenly with the milk. Every particle is moistened thoroughly. This is due to two facts. One is that it is ground remarkably fine and evenly. The other is that the same grade of wheat is used though-

2. The yeast mixes evenly with the batter made above. When the dough is ready you may count on it rising perfectly. For when the yeast mixes evenly with the other ingredients, the dough is certain to ferment properly and evenly.

3. Once in the stove, such bead is sure to bake evenly. No lumps. No sogginess. Light, white, even-textured bread is the result.

Of all flours Diamond is ground finest and most uniformly. It mixes evenly, ferments evenly and bakes evenly into the best bread a hungry family could fancy.

TRY A SMALL SACK IN YOUR NEXT ORDER.

Hunt's DIAMOND Flour

Means Your Money's Worth.

AT YOUR GROCER'S-ASK HIM.

IN DUSTPROOF SACKS.