

WEATHER:
Fair and Milder

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MUCH GRAFT AND FRAUD

Fifth of a Series of Articles on "The Audacious War" by C. W. Barron, President of the Wall Street Journal.

(Exclusive Leased Wire to Journal of Commerce.)

New York, January 6.—The position of France to-day cannot be compared with that of any other country in the war. The French people have a distinctive genius all their own. They are still the greatest people in art in the world. Nothing in sculpture or painting in the outside world yet rivals the art of France. Politically the French are training children, vibrating between empires and republics, and following only the rule of success. In finance they were accounted great a generation ago. In savings they have been credited as world leaders.

Yet today French political life is of doubtful character. When the stern reality of military necessity suddenly confronted France five months ago it was the same old story of graft, fraud, and a deceived people.

An Iron Hand.

But the military authorities have gripped France with an iron hand. The military traitors and grafters are in jail. The weaklings in the official line have been cashiered. The politically undesirable have been given foreign missions.

There was political as well as military wisdom in the return of the government, from Bordeaux to Paris. The French people were shocked when they heard that the boasted military defences of Paris embracing 120 square miles were unprovoked and indefensible, that the government had fled and that there was no army to save France.

Paris Offered in Sacrifice.

Indeed the authorities had determined to sacrifice Paris to save France. General Joffre had no men to spare to be bottled up in that city. He determined that his armies should be kept free on the field.

You may ask anywhere in France, Belgium or England why the French did not come to the relief of Belgium, why Paris was undefended and what saved it after Von Kluck had led seven armies of 1,000,000 men down to its very gates and you will get no satisfactory answer.

But when you have studied the situation and the record you will see that no simple answer can be readily given. A brief one would be French mobilization plans were imperfect and, therefore, Belgium could not be defended by the French; but motor buses did what the railroads were unprepared to do and finally saved Paris and France.

Faulty Mobilization.

The French had been warned many months publicly and privately that their mobilization plans would be found faulty with any sudden hostilities. Her railroads moved perishable goods at the rate of 20 miles a day while German and Austrian railroads bore military trains at the rate of 30 miles an hour. So fully prepared were the French mobilization plans that they actually summoned to arms the men who were to man the railroads. The citizens responded.

(Continued on Page 5).

ALLIES VICTORIOUS ON THREE FRONTIERS

Heroic Belgian Primate, Cardinal Mercier Arrested by Germans; Austrians and Turks Badly Beaten

FIGHTING IN DARDANELLES

Hold of Germans on Banks of Meuse Broken—French Gain Natural Fortress in Gallant Night Attack—Forces in Alsace May Soon See Rhine.

(Special Cable to Journal of Commerce.)

London, January 6.—On three battle fronts, the Allies have dealt heavy blows to the Austro-German forces and their Moslem Allies. In France they have taken an important step toward the expulsion of the Germans from the Meuse Valley, by occupying one of the strongest positions of the enemy, less than three miles from St. Mihiel. On the Caucasian borders the Russians have routed two Turkish columns offered in part by Germans. Against the Austrians the Russians have won another stable victory by driving the enemy through the Carpathians.

In Belgium progress has been made along the coast. The Germans in Belgium have arrested Cardinal Mercier, the heroic primate of the country, his arrest being the sequel to a pastoral letter read on Sunday in all Belgian churches, in which he told the Belgians they owed no esteem, no loyalty and no obedience to the enemy.

The Russians in the east have defeated the Austrians in the Uzak Pass, while the army of the Caucasus has smashed the Turks at Ardahan and Sari Kamish, the battle of the latter place resulting in a Turkish debacle. Here the ninth Turkish corps was annihilated, its commander Iskhani Pasha, the commanders of the seventeenth, twenty-eighth and twenty-ninth divisions, and more than a hundred other officers being taken prisoners. The tenth Turkish corps which was with the ninth, is being pursued. Large quantities of war stores and artillery were taken by the Russians. An official despatch to Petrograd says that Izzet Pasha, formerly Turkish War Minister, also has been taken prisoner.

A wireless despatch from Berlin states that it is reported from Athens that the Dardanelles fortresses have opened fire on the Anglo-French blockading fleet, and that a torpedo boat has been damaged. The advance of the French toward St. Mihiel has given them such advantage that the hold of the Germans on the banks of the Meuse is about to be broken. In a desperate night attack the French captured the natural fortress afforded by a quarry to the Germans. This fortress was situated at the crossing of the road from Bouvois to St. Mihiel, and that from Maizey to St. Mihiel, Maizey being only five kilometres from St. Mihiel. The loss of life among the Germans who held the quarry was great, and the attackers also suffered heavily, both in the final charge which carried them into the quarry, and in the hand to hand fighting in the pits and passages of the quarry.

The victories of the French have carried them to a point where a little more progress will give them a sight of the waters of the Rhine from the Alsatian heights. The hold on Alsace which the French have won is shown by the fact that more than forty towns and villages in Alsace are now under French administration.

The German official report declares that an attack east of Stenbach has been repulsed, but the French reports show persistent progress everywhere on this part of the front.

Artillery duels and mining operations are being pursued along the great part of the line in France, while in Flanders the Allies report progress near the coast. Just north of Arras there has been heavy fighting, the Germans reporting they have succeeded in blowing up 200 yards of a French trench at that point.

DISEASE AT SALISBURY.

St. John, N.B., January 6.—The Earl of Ashburnham, who is in Fredericton, N.B., gives out a cable sent him in reply to a message asking about rumors that Canadian troops at Salisbury Plains are suffering from meningitis epidemic, and are without necessary drugs and attendants.

The cable is from his brother-in-law, Lord Knutsford, president of the London Hospital. It states that there is no shortage of drugs or medicines at Salisbury. The meningitis started among the Canadians at Valcartier. There were 11 cases before embarkation, 2 more during the voyage, and 2 since, with ten deaths.

Canadians have their own hospital and doctors, and the best Canadian and English bacteriologists are fighting the disease.

HORSE NEGLECTED—FROZE TO DEATH.

The S. P. C. A. to-day received a telephone message regarding a sick horse in the stable at 721 St. Lawrence Street. On investigation, Mr. Innes, Secretary of the Society, and Inspectors Walker and Kearns, found the animal to be frozen to death. The stable was lacking in windows, or other ventilation. The owner of the stable claims he merely rented the horse, while the other party claims Burger owned the animal. A prosecution may follow, as the misuse of horses is found to be altogether too common.



MR. JOHN GALT,
President, Union Bank of Canada. Mr. Galt presided at the annual meeting held to-day at Winnipeg.

GERMANS ATTEMPT TO REGAIN GROUND TAKEN BY THE ALLIES

Paris, January 6.—German troops in Flanders are attempting to regain the ground taken by the Allies in sand dunes along the coast and southeast of St. Georges, but two attacks have been repulsed according to the afternoon official announcement. Along the Aisne and around Rheims, the French artillery has silenced the German batteries. French troops have advanced 100 yards to the northwest of Rheims. In the Argonne the French have retaken 300 yards of trenches. In the Argonne region the French have blown up 800 yards of German trenches, and have occupied half of them.

Near Pont au Mousson the French continue to gain ground, and in the region of Thion, in Alsace, they have maintained their positions, despite the bombardment by the Germans.

GERMANS PREPARE TO RETREAT.

Petrograd, January 6.—Telegraphing from Warsaw, the correspondent of the Bourse Gazette states that the Germans along the Bzura and Pilica Rivers in Poland are preparing to retreat.

Men in the Day's News

Major-General Sam Steele, who has just celebrated his sixty-sixth birthday, was born in the County of Simcoe, Ont., the son of English parents. He has had an extensive military experience, serving through the Fenian Raid in 1866 and in the Red River Rebellion in 1870. Later he joined the Royal North West Mounted Police and took part in the Indian troubles of 1885. He is best known, however, through his connection with the Strathcona Horse which he commanded in the Boer War. He was recently promoted to the rank of Major-General.

Recorder R. S. Weir, who is to deliver an address this evening on "The Municipal System of the Province of Quebec with Some Reference to the Governance of the City of Montreal" was born in Hamilton, Ont., in 1856, educated at McGill University and McGill University and was called to the Bar in 1881. He has written extensively on legal subjects and takes an unusually keen interest in all educational movements. He has a decided musical and poetic bent and among other works has written the words for the song "O Canada." He has been Recorder of the City of Montreal for a number of years.

Mr. John Galt, who presided at the annual meeting of the Union Bank of Canada held to-day at Winnipeg, is a son of the late Sir A. T. Galt. He was born in Montreal in 1856, educated at the High School, Montreal, and at Dr. Barron's School, Erie Lake, finishing at Gotha, Germany. After some years spent in the Bank of Montreal, he removed in 1882 to Winnipeg where he has been in partnership with his cousin, G. F. Galt, in the wholesale grocery business. He is president of the Union Bank of Canada, a director of the Canada Fire Insurance Company and of the Alberta Railway and Irrigation Company. He is regarded as one of the most progressive citizens of the Western Metropolis.

Mr. J. C. Eaton, who has contributed \$100,000 towards the supplying of fifteen armored motor cars for the Second Contingent, is the greatest motorist prince in Canada. He succeeded to the presidency of the T. Eaton Company of Toronto and Winnipeg on the death of his father, which took place in 1907. J. C. Eaton was born in Toronto in 1875 and educated at the Toronto Model School. As a young boy he entered his father's store and was trained under him to take up the duties connected with the business. In addition to the big departmental stores which he directs in Toronto and Winnipeg and factories in many parts of the country, he is a director of the Dominion Bank and a number of other financial and industrial concerns. He has given a quarter of a million dollars to the new Toronto General Hospital and also is a generous contributor to religious and educational institutions. He is keenly interested in motoring and yachting.

Sir William Van Horne, who has reached New York on his return from his annual inspection of the Cuba Railway, of which he is president, is one of the best known men in the Dominion. He was born at Joliet, Ill., in 1842, educated at the local schools and entered railway service as a telegraph operator at the age of fourteen. He worked his way up through various departments in American roads until he became general superintendent of the Chicago, Milwaukee and St. Paul Railway in 1880, from which he came two years later to Canada as general manager of the Canadian Pacific Railway. He became vice-president of the C. P. R., then president and later chairman of the Board of Directors, and at the present time is a director of the company. He is president of Laurentide Limited and a director of a score of other concerns. He was created a K. C. M. G. in 1894. In addition to his railway activities he owns several model farms and is also an art critic and painter of more than ordinary ability. He is in every sense of the word a self-made man.

LORD KITCHENER QUITE CONFIDENT

German Army Narrowly Extricated Itself From a Difficult Position

FRENCH MAKE PROGRESS

Tide of Battle Has Ebbcd and Flowed With Varying Success For Britain and For Her Allies.

(Special Cable to The Journal of Commerce.)

London, January 6.—Supreme confidence as to the outcome of the war was shown by Lord Kitchener in speaking for the British Government before the House of Lords.

The War Secretary said that the successes won during the last six weeks in the Eastern and Western theatres of war had been marked.

Members of the Commons flocked to the meeting to hear the War Secretary's version of the military situation.

After a review of the events of the last six weeks, Lord Kitchener said:

"During December the Allied forces made progress at various points. The tide of battle has ebbed and flowed with varying success for us and for our Allies.

"Despite the unfavorable weather, the French army has made noteworthy progress east of Rheims and also in Southern Alsace."

"Turning to the Eastern theatre, Lord Kitchener praised the Russian and Serbian armies for their exploits against the Germans, Turks and Austrians.

"German aspirations in Poland have suffered a severe check," he said. "There is evidence that the Germans have realized the infinite difficulty of winter operations in Russia."

"We received news last night of a Russian victory in the Caucasus which should have far-reaching influence on all the Turkish operations."

"One of the brightest spots in the military operations of December has been the extraordinary achievements of the gallant Serbian army."

The War Secretary was referring to the terrific defeat inflicted on the Austrians by the Serbians.

Referring to the manner in which the Germans in Poland had saved themselves from almost certain disaster, he said: "In the Eastern theatre at the end of November the German army, reinforced by troops from the Western theatre were able to extricate themselves from a difficult position."

Regarding the Egyptian, South African and domestic situation, he said:

"The much-talked-of advance of the Turkish forces against Egypt has failed to materialize."

"The situation in South Africa has undergone a most welcome change. General Botha held the situation in a masterly manner and stamped out rebellion led by seditious agents there. The result gave great confidence for the future success in any operations that General Botha might undertake."

IS FEDERAL RESERVE SYSTEM DOMINATED BY "MONEY TRUST"?

Washington, January 6.—A resolution charging that the Federal Reserve System and the Federal Reserve Board is dominated by the "money trust," and demanding the appointment of a special house committee "to inquire into the influences that have been exercised by the money trust in the organization of the Federal Reserve Banks" was introduced by Rep. Lindbergh, Minnesota, Republican, and a member of the Banking and Currency Committee.

Rep. Lindbergh said he is contemplating introducing a resolution for the investigation of George M. Reynolds and James B. Fugan, as directors of the Chicago Reserve Bank.

The resolution says that the "Money Trust Managers and Agents were selected to control the Federal Reserve Banks and because of their mutuality of interests they formed a natural and legalized trust of which the small banks are forced to become part."

It also declares that the new Federal Reserve act has taken away none of the advantages held by the banks under the old system.

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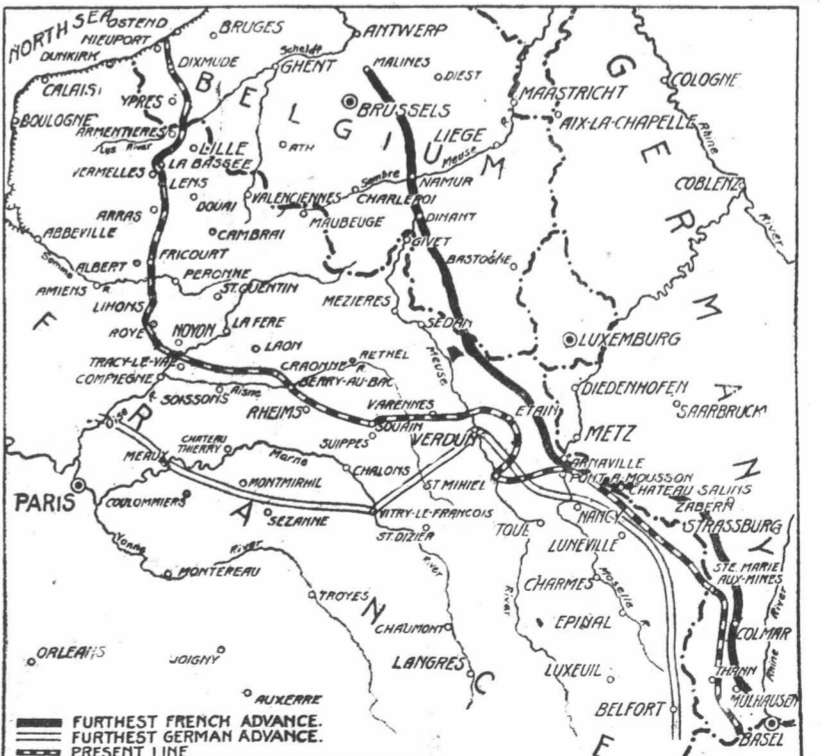
Irving P. Rexford, Manager

TERRIFIC BATTLE IN PROGRESS.

Berlin, by wireless, January 6. A terrific battle is being fought by the French and the German troops for possession of the heights of Semblin, Cernay, in Alsace.

An official afternoon statement says that yesterday the French again gained a foothold on the heights, but were driven off by Germans at the point of the bayonet.

The Germans have captured several trenches in the Argonne region, taking two officers and 200 men, and in Poland they are continuing their progress, taking several of the Russian points of support, with 1,400 prisoners and 9 machine guns.



Five months of war have brought many changes. The above map shows at a glance the furthest French advance into Germany, the furthest German advances into France, and the present position of the two armies.

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