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GERMANS RENEW DRIVE AGAINST BRITISH AND FRENCH

Extend Active Battlefront East of Rheims

Also Strike Heavily Between Loire and Voormeezele

Active Feature is the Attack Between Soissons and Combs, in Sector Which Has Been Quiet Since Last Fall; Heavy Bombardment Precedes Infantry Movement

London, May 27.—Strong German attacks developed early this morning against the British and French positions between Rheims and Soissons. The attacks were preceded by heavy bombardment.

The Germans also attacked this morning in Flanders, between Loire and Voormeezele, the northern side of the salient.

Paris, May 27.—Over the front between the Forest of Pinon and Rheims the Germans launched an attack this morning. The French and British troops are resisting with habitual valiance.

By their attack of today the Germans have extended the active battle front as far east as Rheims, taking in a new salient, which has been quiet since last fall. The thrust between Loire and Voormeezele is along the northern leg of the salient, on a sector measuring about eight miles, where the Germans met with one of the bloodiest defeats of the war, when their drive for the channel ports was halted last month.

The attack between Soissons and Combs, however, is the distinctive feature of the new German operations.

Little Progress. The British Army in France, May 27.—(By the Associated Press)—The reports show that the Germans have made some small progress in places. The German in the sector northwest of Kemmel appeared to be held against the ground captured by the French on May 20.

ISM STATEMENT. London, May 27.—The text of the British statement reads:—Strong hostile attacks preceded by a bombardment of great intensity, directed early this morning on a wide front against the British and French positions in the Forest of Pinon and Rheims, and against French troops between Loire and Voormeezele.

There was considerable hostile artillery activity yesterday and last night on the British front.

French Report. Paris, May 27.—The official French statement follows:—The latter part of the night the Germans opened a very heavy bombardment on the front between the Forest of Pinon and Rheims. This bombardment was in progress along a very extended front between two points.

The battle is continuing. The French took prisoners. The front of the Germans attack is along the sector usually referred to as the Aisne front. The present battle line runs along the Ailette river, north of the line of the French having advanced their lines. The front of attack is forty miles, which is about five miles shorter than the line of the original German attack on March 21.

In turning to a new sector to strike their blow the Germans have taken a course contrary to that generally predicted by military commentators. The usually expressed opinion was that the Germans were committed to heavily in their campaign in Picardy and Flanders and were occupying such dangerously exposed positions that they were under the necessity of striking there when they resumed. The German strategy may contemplate a surprise attack in sufficient strength to weaken the French to withdraw troops from the north in the hope of involving the Allies sufficiently on the Aisne front to weaken their lines in Picardy and Flanders.

If the Germans counted on the element of surprise in the new attack they probably have miscalculated. It is evident from the official British statement that new dispositions of troops have been made along the Aisne front. Before the March offensive the British line ran to the Oise River south of St. Quentin. Going to the assistance of the British, the French took over a sector extending to a point east of Amiens. There has been no previous intimation of the presence of British troops in this part of the line except for last night's German official statement. In this statement it was said that in the region of the Aisne, northeast of La Neuville, British were taken prisoners.

The front between Soissons and Rheims is a difficult one, offering the Allies excellent facilities for defence. The country is hilly, with a series of strong natural positions to the rear of the Allied lines. The Germans already have sustained two severe defeats on this front. Last July they undertook what is usually referred to as "the Crown Prince's offensive," which met with the same fate as all the other military ventures of the heir to the German throne. He carried on the attack for several weeks and met with a costly failure. In last October the French launched an attack and won a brilliant success, taking 7,500 prisoners on the first day.

The enemy was driven out of the Aisne Valley and the line was advanced to the Ailette, the Germans losing all the long disputed ridge of the Chemin Des Dunes.

Increased Gun Fire. British Headquarters in France, May 27.—(via Reuter's Ottawa Agency)—

BIG PROFITS OF BIG MILLERS

Minister of Labor's Statement Shows Large Gain in War-time Business

Ottawa, May 27.—A survey of big war-time profits by large Canadian milling companies is revealed in a report issued today by the Minister of Labor. It shows that in 1917, as compared with 1916, large milling companies heavily increased their net profits even after allowance had been made for the war tax. It indicates further that the limitation of profits to twenty-five cents a barrel of flour does not effect the purpose for which it was intended, in that "with increased production, even were the profit per barrel of flour limited to ten cents, still ample dividends might be paid and reserves not added."

It is clear from the report, however, that the only way to reach the profit of the milling companies is to increase the tax on the net profits on total investment.

"Increased production and increase in turn-over in 1917 were two to three times that of 1916."

The report states that smaller companies produced less than 100,000 barrels a year, would find difficulty in surviving with a profit of twenty-five cents a barrel. Companies producing between 100,000 and 200,000 barrels a year would probably make a moderate revenue on a limitation.

The increased profits have been disposed of in various ways. In the case of the Maple Leaf Milling Company, dividends have been paid on common stock. In other cases, already substantial dividends have been increased as in the case of the Ogilvie Flour Mills Company. The regular dividend on common stock of this company up to 1916 was eight per cent. In 1916, they were increased to ten per cent, and in 1917 to twenty-five per cent.

The surplus profits account of the St. Lawrence Flour Mills Company, the report stated, increased from a debit of \$22,000 in 1916 to a credit of \$188,000 in 1917. The surplus profits account of the Robin Hood Milling Company in 1916 was \$27,000. In 1917, it was \$177,000.

The surplus profits account of the Ogilvie Flour Mills Company in 1916 was approximately \$670,000. In 1917, it was \$2,000,000. In addition to the immense reserves of \$880,000 for war tax in 1916, and of \$750,000 for war tax in 1917.

The surplus profits account of the Lake of the Woods Milling Company has materially increased. In 1916 this account was \$558,000. In 1917, it was \$891,000.

The surplus profits account of the Keewatin Flour Mills Company, which the Lake of the Woods Company is now operating, in 1916 was approximately \$670,000. In 1917, it was \$2,000,000. In addition to the immense reserves of \$880,000 for war tax in 1916, and of \$750,000 for war tax in 1917.

It is significant that the long range bombardment of Paris, which had been suspended for a considerable interval, has been resumed just as the Germans are renewing their offensive in the west. The original bombardment was opened on March 23, almost coincident with the start of the great offensive in Picardy.

At least two of the mammoth pieces were destroyed or badly damaged some time ago by the French artillery.

Three Pieces of News Affect Wall Street. New York, May 27.—Three important news items which have affected the stock market this morning and unsettled sentiment and prices. At the opening of the market, the price of the director general fixing increased freight and passenger rates. Then came the war bulletin indicating a fresh German offensive on the western front, and industrial and speculative pessimism.

Highly irregular price movements occurred in the early stages. Liberty bonds were steady.

Noon Report. The gains among rails were replaced by material losses before eleven o'clock, the selling becoming more extensive. The advice concerning the German drive continued to exert a more unfavorable effect on the industrial list. Steels, equipments, coppers and active specialties were one to six points under last week's final quotations. Trading was in moderate volume, but many speculative commitments suffered in the decline.

Since last evening the enemy's artillery fire has increased in a marked manner at various places. Villers-Bretonneux, the Scarpe Valley, Suchoyevillers, Rogelbeler, Mailly, Maillet and Martinell have been bombarded with gas and high explosive shells. There have also been prolonged outbursts of intense gunfire from Festubert to the Yser. During the afternoon the uproar lulled. There is no reason to assume that the bombardments heralded an imminent resumption of the offensive.

None of the enemy raiders has been successful in the main purpose, getting prisoners and identifications. A diary found on a prisoner reveals the loss our airmen are inflicting on the enemy. It mentioned, among other things, "two non-commissioned officers and fourteen soldiers killed by an English bomb near Lestrat."

Incensed attacks with machine guns by our airmen on roads along which the enemy's troops and transports have to move have also proved most deadly.

Russian Hatred Being Aroused

Germans Persistently Violating The Treaty

Moscow, May 27.—(By the Associated Press)—Germans' persistent violation of the provision of the Brest-Litovsk treaty in the Ukraine, Finland, Livonia, the Black Sea, the Baltic Sea and other occupied territory has aroused Russian hatred against the Teutonic empire and is causing much suffering and death every day. The Russian commercial fleet and even a hospital ship in the Black Sea have been attacked by the Germans while Russian sailing ships in the Baltic and Arctic have been unable to leave their ports because of the same menace, according to a statement sent today by Foreign Minister Tchitcherin to Ambassador Joffe in Berlin.

Attempts to Disarm Polish Troops Meet With Stout Resistance—British Government Does Not Recognize Present Russian Administration

Moscow, Sunday, May 19.—(By the Associated Press)—The German attempt to disarm the Polish troops in the Ukraine and Minsk governments are meeting with fierce resistance. The second Polish corps under General Makowski, stationed near Kani, defied the German ultimatum to disarm within twenty-four hours, whereupon the Germans opened fire, capturing one village. The Poles entrenched and battled against 15,000 Germans, causing considerable losses among the enemy, but themselves suffering heavily. The fight continued for several days, when the Germans were driven back, losing a few pieces of artillery.

The first Polish corps near Rogatchef up to the present has escaped disarmament by agreeing not to join the second corps, but a fight is expected to take place as, in accordance with an order of Prince Leopold of Bavaria, all Polish troops must be disarmed. The Germans also are disarming Ukrainian troops loyal to the Rada, who are resisting. These troops, as well as Poles, are supported by the peasants.

Amsterdam, May 27.—A sign of the strained situation in Bohemia is seen in the action of the Stadtholder in threatening to dissolve communal organizations if they repeat their protests against the suspension of the Narodny Listy, the chief Czech newspaper. A despatch from Prague says that similar warnings have been addressed to various associations and other organizations.

Moscow, May 27.—(By the Associated Press)—Apparent for the purpose of terrifying the city, German airships have appeared over Novorossiysk and German submarines in the harbor.

The Trans-Caucasian government has refused to cede the city of Turkey, in accordance with new demands made by Turkey in the peace conference at Batoum which is now dissolved.

Novorossiysk, which is 200 miles northwest of Batoum, and these two cities are the most important ports on the Black Sea coast of the Caucasus.

London, May 27.—Lord Robert Cecil says the British government has no intention of recognizing the present Russian government. The British government is not at all satisfied that the Russian government is free from German influences. It can hardly be considered a government friendly to the British. Its organs are still full of denunciation of the British.

Moscow, May 27.—(By the Associated Press)—Count Von Mirbach, German ambassador, has advised the Soviet government that Finland announces her willingness to enter into peace negotiations with Russia. A representative of Germany will participate. The peace conference between Russia and the Ukraine is to begin on Wednesday.

Washington, May 27.—Reflection on all treaties not approved by the people is the feature of principles adopted at a political conference at Prague on May 17, attended by representatives of the Czechs, Jugoslavs, Polish, Italian and Rumanian societies.

Frederick, May 27.—Police Magistrate Linnock this morning fined the holder of a beer license \$10 for permitting card playing on his licensed premises. The accused said his license was for amusement only.

The provincial department of agriculture has been informed by the federal deputy minister of agriculture that the commission on land settlement for returned soldiers will not be able to visit reduction this week.

Freight Rates Up 25 Per Cent; Fares Also Higher on Railroads in States

Washington, May 27.—To meet wage increases and higher costs of coal and other supplies, Director-General McAdoo today ordered freight rates in the United States raised 25 per cent and passenger fares increased to three cents a mile from the present basis of about 2 1/2 cents.

It is estimated that the programme will bring between \$800,000,000 and \$900,000,000 more revenue to the railroads within the next year. The new freight rates will become effective on June 25, passenger increase June 10.

Premier Clemenceau visited the French army on Sunday and conferred with General Foch. The excellent impression gained on former visits to the French army was confirmed.

SON BEFORE CONGRESS ON WAR TAX MATTERS

Washington, May 27.—President Wilson personally took charge of the war tax legislation today and, appearing unexpectedly before a joint session of Congress, declared it was necessary to meet immediately with new war tax measures which might have delayed the war, but which involved a working agreement by both parties to have the president told the legislation and there was no way to meet the demands of financing the war but to have taxes remain in session and go ahead as usual.

There need be no hesitancy in taxing the country, the president told Congress, were taxed justly. He appealed to Congress to approach the great task of selfishness or fear of political equities.

"Every man and every action in the part of war that is now upon the line," said the president. He concluded an appeal to Congress to do its work judiciously and said he could not guarantee a proper administration of the war unless the question were settled now.

ETROPOLITAN HANDICAP. New York, May 27.—The twenty-fifth of the Metropolitan handicap at the Belmont race track today. Twelve horses started as probable starters.

London Stock Market. London, May 27.—The stock market quietly firm today awaiting developments in France.

The banks have commenced reduction of high fixed deposit rates in order to divert funds into national war bonds. Banks are also receiving orders from the Treasury to re-invest June dividends in bonds.

Australia takes a pronounced stand at withdrawal from the Pacific.

LONG RANGE GUN ALSO IS AT WORK

Paris, May 27.—After a long interval the Germans again began to bombard Paris with long range guns at 8.30 o'clock this morning.

The first shell was followed at fairly regular intervals, making it more than one gun was in action.

It is significant that the long range bombardment of Paris, which had been suspended for a considerable interval, has been resumed just as the Germans are renewing their offensive in the west. The original bombardment was opened on March 23, almost coincident with the start of the great offensive in Picardy.

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WEATHER REPORT. Issued by Authority of the Department of Marine and Fisheries, St. J. N. B. Particulars of the day's weather, and of the general state of the atmosphere, and of the prevailing winds, and of the amount of precipitation.

Synopsis.—Since Saturday thunder storms have been general in Ontario, while in the west the weather has remained very wet attended by a few light scattered showers of snow or rain.

Forecasts. Lakes and Georgian Bay—Moderate variable winds, cloudy today and on Tuesday with some showers and local thunder storms.

Ottawa and St. Lawrence Valley.—Moderate variable winds, cloudy today and on Tuesday with some showers and local thunder storms.

Gulf and North Shore.—Moderate southeast to southwest winds, showers tonight and on Tuesday.

St. John's.—Moderate southeast to southwest winds, partly fair today and on Tuesday, with some local showers or thunder storms.

Superior.—Moderate northerly winds, a few local showers but mostly fair and cool today and on Tuesday.

All West.—Fair today and on Tuesday with gradually rising temperature. New England.—Showers tonight; Tuesday partly cloudy; gentle to moderate south winds, becoming variable.