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POSITION HELD NOW IS STRONG

French War Office Not at All Worried Over Yesterday's Reverse.

Washington, August 25.—The French Embassy announced that telegrams received from the Foreign Office at Paris showed that the action of yesterday, which resulted in a German advance in Belgium, really was an offensive movement by the allies, the possible failure of which was foreseen and that a line of retreat was arranged beforehand.

According to these dispatches the position now held by the French and British is very strong, and in spite of the superior force of the Germans opposing them, the French War Office believes the defence will stand.

The Germans apparently have massed the bulk of their entire army for an attack on the French lines, and this fact, with the comparative weakness of the French fortifications along the Belgian frontier, explains the initial German success.

Paris reports that two French divisions have suffered severely, but that the remainder of the army is in excellent condition.

Muelhausen and Altkirch in Alsace remain in French hands. German losses are reported to be enormous.

BRITISH LOSE 2,000 IN BELGIUM.
 London, August 25.—Premier Asquith announced in House of Commons that Field Marshal Sir John French, commander of the British expeditionary force on the Continent estimates the English loss in battle in Southwest Belgium at 2,000.

ISLAND CONTINGENT COMING.
 Charlottetown, P.E.I., August 25.—Another contingent left the island this morning for Antwerp, there to leave with other contingents for Overseas service. There were nine volunteers from the 26th P. E. I. Light Horse, organized this year at Summerside. They will go to the front as mounted infantry. There were also two men from the Light Horse who volunteered to serve as artillerymen. A large crowd of people assembled on the wharf at Summerside to see them off.

GERMAN CONSUL REMOVED.
 London, August 25.—A News Agency despatch received by way of Amsterdam says the German Consul at Tangier, Morocco, and his suite were forcibly removed to a French cruiser, which is taking them to Palermo. Moroccan Government is giving its support to the French.

FIGHT HAND TO HAND IN CHARLEROI STREETS

Germans Gain Possession of City After Winning and Losing Prize Many Times

FALL OF NAMUR A MYSTERY
 Stronghold Was Thought Sufficiently Well Fortified to Stand a Long Siege—Allies Are Now in a Less Favorable Position Than Before.

(Special to The Journal of Commerce.)
 London, August 25.—The Germans have finally gained a foothold in Charleroi, but only after a desperate hand to hand fight in the streets. One correspondent says the city was taken, lost and re-taken six times.

Lieut.-Colonel Alsager Pollock, the military expert of the Daily Express, expresses the opinion that the Germans were able to capture Namur by means of a grand assault and artillery bombardment made suddenly at night. He says: "The fall of Namur is incomprehensible. Probably night attacks were delivered by overwhelming numbers.

"The country in the direction of Mezieres is very suitable to rear-guard operations. The gap between Toul and Epinal is threatened, but it may be hoped that the line on the Moselle River and elsewhere has been judiciously entrenched.

"It looks as though the wing of the allied forces between Charleroi and Namur found itself in danger of being overwhelmed by superior German forces, directed against this point and fell back to avoid unnecessary loss of life."

Colonel Reppington, the war expert of The Times, gives the opinion that the possession of Namur was vital to the allies but he expresses the hope that the counter offensive movement against the right flank of the Germans has been only postponed and not abandoned entirely. As to the retirement of the allies, Colonel Reppington says: "We must frankly admit that with the loss of Namur and the river lines an offensive movement on the part of allies will take place under less favorable chances for success than heretofore existed. It will be seen from dispatches that our little army (the British forces) was fighting at Mons while unfortunate events were happening further east, and that during Sunday, it retained its position. Our information is that it received the German attack unmoved."

FALL OF NAMUR ANNOUNCED.
 London, August 25.—The fall of Namur has been announced by the British Publicity Bureau.

CATTARO TO SURRENDER.
 Rome, August 25.—An Antivari dispatch to the Corriere d'Italia says that Austrian commander at Cattaro has offered to surrender and is now seeking best possible terms.

RUSSIA'S ADVANCE SWIFT.
 Paris, August 25.—The rapid progress of the Russian invasion of the Austrian province of Galicia was announced officially by the French War Office today. It issued this statement: "Russians continue on the offensive. They have occupied several villages south of Tarnopol on the River Sereth."
 Tarnopol is about 72 miles from Lemberg, the Galician capital.

CONCLAVE TO ELECT POPE MEETS AUG. 31st.
 Rome, August 25.—Official announcement was made at Vatican that the conclave which will elect a successor to Pope Pius X., will be opened on August 31. It is the common law of the Roman Catholic Church that conclaves called together for papal elections, shall open ten days after the death of the Pontiff.

On account of the European war, however, many cardinals may find it impossible to reach Rome by the appointed time. Therefore, the conclave may drag along for some time.

STATEMENT OF FRENCH WAR OFFICE.
 Paris, August 25.—Statement by the French War Office says: "In the north, the Germans appear to have resumed offensive, which had been arrested yesterday. They are engaged with our forces, united with the British troops.

The Belgian army making a sortie from Antwerp, was taken by surprise, and the Germans threw them back past Malines. In Lorraine, following the counter attacks of yesterday, our forces have taken up positions on mountain, which follows course of Meurthe from Luneville to Nancy.

"In Alsace our troops repulsed numerous counterattacks by Germans directed to Colmar. Report of recapture of Muelhausen by Germans denied.

"The theatre of the operations in Alsace is of secondary consideration."

FRENCH HOLD MUELHAUSEN.
 Paris, August 25.—Reports from the war zone indicate that the fighting is still going on at several points of the allied line.

According to the French War Office, the allies will be on the defensive for several days or until such time as they can favorably resume the offensive. The French War Office points out that the allies have fallen back only to the defence line that the allies would have occupied if the German dash through Belgium had not been stopped by the Liege forts, thus enabling the French to come into Belgium and occupy the advanced lines from which they were driven yesterday.

Apparently the allies were driven back in a series of battles which raged along the whole line from Mons to Muelhausen in Alsace. At Muelhausen, where the veteran General Pau is in command, the French appear to be holding their own, although attacked by an overwhelming German force seeking to recapture the city.

DUTCH STEAMER SAILS.
 Hoboken, August 25.—Holland-America Line, Nieuw Amsterdam, sailed early this morning with a record passenger list. Many of the 1,000 steerage passengers were drawn from the crews of German liners, thrown out of work here by the barring of their ships from the seas.

Among the 425 passengers that filled first and second cabin was Henri Evers, a German aviator. It is believed that he will do scouting for the German army.

AIMING AT PARIS THROUGH VERDUN AND VOULZIERES

Part of German Army of Moselle is Acting With the Army of the Meuse About Aamur and Mans.

Paris, August 25.—Presence of three armies in the German left wing indicates that the main assault on France will be made from Luxembourg, Metz and Strassburg. Part of the army of the Moselle is operating with the army of the Meuse about Namur and Mons, but the main force is moving straight south and southwest apparently aiming to strike for Paris between Verdun and Vouziers.

Fierce fighting continues along the Vosges Mountains, where French soldiers are resisting a steadily increasing force of German soldiers. It is impossible to state the position of the French forces or their numbers, but it is permitted to say that the possibility of a massive attack on the northeast frontier had been foreseen and provided for.

That the attack down the Valley of the Meuse and toward Lille was a movement intended to conceal the real aim of the German General Staff, has been suspected here for some time. This suspicion has been practically confirmed by discovery of the fact that the main army of the Moselle is pressing down about Longwy.

On the Lorraine border the War Office asserts the French troops are holding their position. How long they will be able to do so in face of the extensive invasion of Meurthe et Moselle is problematical.

That the fighting is severe is shown by a call received here for 40 more physicians to be sent to the front.



The Russian armies are steadily forcing their way into Prussia and have captured a number of important towns and inflicted severe defeats to the German armies. Berlin is only 150 miles from the Russian border.

AUSTRIANS DEFEATED.
 St. Petersburg, August 25.—The War Office announces division of Austrian troops was routed at Plougoudan, losing two batteries and 200 prisoners to Russians.

FIGHTING NEAR OSTEND.
 London, August 25.—Belgians and Germans are fighting in outskirts of Ostend, according to dispatch received by Daily News.

CONFIRMATION OF SERBIAN VICTORY.
 Athens, August 25.—Official dispatches from Nish confirm destruction of 7th, 28th, 91st, and 102nd Austrian regiments at Shabata. They assert that the rest of the Austrian invaders are demoralized and have abandoned even the field hospitals.

CZAR TAKES COMMAND.
 Rome, August 25.—The Czar has taken field command of the Russian army numbering 8,000,000 men.

GERMANS INVADE ORANGE FREE STATE.
 London, August 25.—It is reported the Germans have invaded Orange Free State, South Africa.

THE FALL OF NAMUR.
 London, August 25.—The fall of Namur, announced by the British Press Bureau early today, has caused much wonderment here owing to the fact that this fortress was much stronger than those at Liege and was expected to hold back the onrush of the German army. The Liege forts continue to hold out against the Germans so far as can be ascertained, yet the stronger Namur works capitulated after a three days' attack.

BRITISH CRUISER SIGHTED.
 Highlands, N.J., August 25.—A British cruiser came in as far as the Ambrose Channel Lightship about 7 o'clock this morning, circled the lightship and headed out to sea again going in an easterly direction. She had three pipes, two masts with two small yards on the foremast. Has high flying bridge close forward of foremast.

ZEPPELIN OVER ANTWERP.
 London, August 25.—A Reuter despatch from Antwerp says that a Zeppelin airship flew over that city and dropped several bombs. Two houses were destroyed and several persons killed and injured.

KAISER'S NEPHEW A PRISONER.
 Paris, August 25.—Count Von Schwerin, nephew of the German Emperor, has been made a French prisoner, according to a dispatch received from Courtrai.

ALLIES BOMBARD CATTARO.
 Rome, August 25.—A dispatch to the Corriere Della Sera says the Allies' fleets are continuing bombardment of Cattaro and that the two exterior forts have been reduced to ruins. In the meantime the Montenegrins are bombarding inland forts.

AUSTRIA MOBILIZING ON ITALIAN BORDER.
 Rome, August 25.—Austria is mobilizing troops on Italian border and has already stationed 70,000 men at Trent and Innsbruck, according to the newspaper Secolo and Secolo, which stated that Austria was taking this action despite its denials of concentrations along Austrian frontier.

FARMERS GOVERN GERMAN EMPIRE

Saying That Farmers Control Prussia And Prussia Controls Germany Were Proven

MOLTKE'S GRIM PROPHECY
 Great Old War Lord Said Empire Would Collapse Without Firing a Shot if Her Agriculture Failed—Numbers are Decreasing 50,000 a Year.

(Number Thirteen of a Series of Short Articles on the German Empire. By Professor W. W. Swasey.)
 It is generally supposed that the population of Germany is chiefly engaged in manufacturing and commerce, but such is far from the truth. However, a striking change has taken place in the economic life of the Empire in the last hundred years. At the beginning of the nineteenth century over 80 per cent. of the population was agricultural; to-day less than 30 per cent. is so occupied. Of the 17,000,000 now reckoned in the agricultural population, rather more than 2,000,000 are landed proprietors, large or small, while less than 150,000 are farmers of leasehold land. There are roughly 100,000 agricultural officials, over 3,000,000 agricultural laborers, and 10,000,000 members of families doing occasional work on the farm, or simply belonging to the families of laborers or occupiers. Counting allotments of laborers, there are nearly 8,000,000 separate agricultural properties.

"The German Empire will collapse without firing a shot when German agriculture collapses." This was the assertion of the German military hero, Moltke, and may be taken as the keynote of the German official attitude toward agriculture. Although only one-third of the population is engaged in agriculture, and only four in every hundred of the population personally own a share in the soil, yet Germany's financial and customs policy, as well as the political arrangements of many of the States, are based on the assumption that the agricultural population is overwhelmingly the most important to the welfare of the individual States and of the whole Empire. The government firmly believes that agriculture must be developed and protected even if industrial and commercial interests must be sacrificed. "The farmers govern Prussia and Prussia governs Germany" is the trite but tolerably accurate summary of the situation as it appears to the workers in the large towns and cities.

It is no doubt due to the honest belief that the agricultural population is the real backbone of Germany that accounts for the political power of organized agriculture in Prussia and some other States. This is the common belief in official circles, notwithstanding the fact that the numbers engaged in agriculture are decreasing at the rate of 50,000 per annum. In part, too, it is due to the fact that the old feudal spirit is still alive, especially in Prussia. In part, finally, it is due to the fact that the German Emperor, who is also King of Prussia, finds support for his royal powers and prerogatives in the great landholders of Prussia.

Politically, it is essential that a government that is not based on the will of the people must find a party upon whose support it can always rely for party votes in the popular chamber. A ninelistic system of government must be represented by an equally ninelistic and conservative majority in the money-voting chamber. This appears to be the essential feature not only of the Prussian constitution, but also of the whole of German policy, so far as Prussia can control it. Now, this ninelistic, non-progressive, conservative support for the permanent government is to be found almost alone in the agricultural system, which has replaced the organization of feudalism. It is clear that the system must be opposed practically and theoretically to the industrial development, and therefore that actual damage done administratively to industrial development is not necessarily regarded by agriculture as an evil; so that where short sightedness obviously prevails it may actually come to be regarded as patriotic.

Moreover, Germany's essential theory of the most favorable position for herself in the world is that of complete self-sufficiency and independence, not that of international interdependence. Her customs tariff was not conceived as a weapon for the opening of foreign markets, but as a wall to defend her home market against foreign aggression. Her support of agriculture is intended to maintain or create independence of foreign countries and foreign products. The German ideal is that Germany should feed and support her own people, and the colonial demand is in reality a part of this general design, namely for the possession of overflow departments, whether she can send her surplus population, that part which her theory of independence makes it impossible for her to support.

This whole theory is bound to break down. There are innumerable signs, as for example, the enormous growth of the Social-Democratic Party, which go to show that the people are weary of the attempt to make the Empire self-sustaining from the agricultural point of view. The workers are demanding better conditions of living, and relief from the intolerable burden of high food prices. The collapse of the German war machine is very apt to be followed by a real revolution of the masses in Germany, which will put these feudal barons and the food-taxers where they belong. The flesh of bounds and horses is a poor exchange for the sacrifice entailed in trying to live up to a false patriotic and economic ideal.

WAR SUMMARY.
 In official statement French War Office admits German victories and says that on order of General Joffre, allied troops withdrew to "covering positions."

French statement indicates French troops have withdrawn entirely from Alsace-Lorraine.

Official Telegraph Agency in Vienna is said to have announced that owing to a Russian advance forcing Austria to gather all her forces, the attack on Serbia will henceforth be looked upon as a punitive expedition and not as a definite war.

Dispatches from Geneva, Switzerland, say that Italian troops are concentrating on Austrian frontier.

Copenhagen despatch says that the death of Emperor Francis Joseph of Austria is only a question of hours.

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DEPRECATE GROWING FEAR

200 Representatives of Cotton Industry Meet To Solve Problems Facing Them.

Washington, August 25.—Two hundred representatives of the cotton industry, Secretary McAdoo, Post Master General Burleson, Secretary Houston and the Federal Reserve Board met to discuss plans for solving problems in the marketing of the cotton crop.

Secretary McAdoo deprecated the growing feeling of hysteria and fear that the whole fabric of credits in this country is to be destroyed. He said that about 4,000,000 bales of cotton, annually exported to Germany and France, will have to be carried over until next year, but suggested that the proposed government purchase of ships ought to increase the demand of South America for cotton goods made in this country and should open up trade in South America formerly held by Germany.

"I am satisfied that the government can aid the banks materially through the new reserve board, which soon will be in operation. I am in hope that notes secured by warehouse receipts may be acceptable, as security for money issued under the Federal Reserve Act. The Federal Reserve Board ought to finance about 4,000,000 bales, or, at \$40 a bale, ought to help the banks to the extent of \$160,000,000."

Senator Ollie James asked: "Will tobacco warehouse receipts be accepted?"
 "All staple products will be included in consideration of commercial paper," was the reply.

FIGHTING AT OSTEND

London, August 25.—The dispatch from Ostend says: "Fierce fighting between the Gendarmes and Uhlans is taking place in the outskirts. 150 Uhlans en route from Snaeskerke to Ostend were met early by 200 Gendarmes from Ostend and Ghent at Liffing, three miles from here. A fierce engagement followed. The Germans were driven back. They lost several men. One officer was wounded. Three Gendarmes were killed and eight wounded."

THE GERMAN VERSION OF BIG BATTLE

Washington, August 25.—The crushing defeat of the French and British troops along the frontiers, with the taking of 10,000 French prisoners from the army of General Joffre and the capture of several generals with great numbers of cannon, ensigns and equipment was reported by the German Foreign Office to the German Embassy in the wireless telegram received through Bayville, L.I. The dispatch announces the advance toward Paris is probable. "The Germans chased the French troops defeated in the battles of August 17th to 21st," dispatch began, "numerous ensigns, over 150 guns, 10,000 prisoners, capture of Luneville army of General Joffre dismembered and no more capable of action."

"The German Crown Prince's army chased the French west of Longwy. Army of the Duke of Wuertemberg marched through Belgium, north of River Semois, completely crushed the advancing French army, numerous guns, ensigns, prisoners and several generals captured.

"German troops advanced west of the River Meuse toward Maubeuge and defeated an English cavalry brigade. Smole, Longwy, greatest part of Belgium, French frontier in German hands. Concentric advance of all German armies toward Paris probable."

Second wireless despatch said: "German marines returned from Scutari and took part of Austrian fighting the Servians. Installed in the first line on mountain 1,000 metres high on the River Drina."

CHALLENGERS WERE BEATEN

Newport, R.I., August 25.—McLoughlin and Bundy doubles champions beat Mathey and Church, challengers for championship, 6-4, 6-2, 6-4. In the third round of the all comers' singles tournament, R. N. Williams second Philadelphia, defeated W. M. Johnston, San Francisco, 6-7, 3-6, 6-3, 6-3.

W. J. Clothier, Philadelphia defeated R. D. Little, New York, 6-0, 6-0, 6-0.
 Sir Edward Grey denies request of London Corn Exchange to ship grain to Dutch ports for fear of German reprisals.

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REPORT
 WASHINGTON 5 P.C. BETTER

For Produce in United States Rules
 Higher Than That Which Prevail.

August 24.—War in Europe and
 ons for crop growth during July
 ural outlook on August 1st in United
 parts of the world less favorable than
 ording to bulletin issued by Depart-
 ure. Composite condition of Ameri-
 1, was 2 per cent below the normal,
 whereas on July 1, prospects were
 ve the average.

aid producers of United States
 decreased about 0.1 per cent dur-
 August last index figure was about
 r than a year ago.

all the automobiles in the world are
 ed States, there being 1,400,000 reg-
 istry. Great Britain is second with
 third with 93,000.

ther, of the National Lacrosse Club,
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ve had a great record this season.
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