

"VICTORY FLOWS IN OUR DIRECTION," SAYS DAVID LLOYD GEORGE

Entente Allies Take the Initiative, Never to Be Lost to the Few Again.

A despatch from London says: David Lloyd George, British Minister of War, presiding on Thursday at an allied conference on equipment, declared that the combined offensive of the allies had wrenched the initiative from the Germans, never to be trusted, to return.

"We have crossed the watershed," he said, "and now victory is beginning to flow in our direction. This change is due to the improvement in our equipment."

The conference was held at the War Office and was participated in by Albert Thomas, French Minister of Munitions; General Brieffe, Assistant Minister of War of Russia; General Adal Olio, member of the Italian Ministry of War, and the new British Minister of Munitions, Edwin E. Montague.

Russians Terrify Teutons.

"Since our last munitions conference," said Mr. Lloyd George, "there has been a considerable change in the fortunes of the allies. On that date the great Champagne offensive in the west had just failed to attain its objective, and the French and British armies had sustained heavy losses without the achievement of any particular success. In the east the enemy had pressed the gallant armies of Russia back several hundred miles, and the Balkans had just been overrun by the Central powers."

"The overwhelming victories won by the valiant soldiers of Russia have struck terror into the hearts of our foes, and these, coupled with the immortal defence of Verdun by our indomitable French comrades, and the heroic resistance of the Italians against overwhelming odds in the southern Alps, have changed the whole complexion of the landscape. Now the combined offensive in the east and west has wrenched out of the hands of the enemy—never, trust, to return to his grasp. We have crossed the watershed, and now victory is beginning to flow in our direction.

"More ammunition means more victories and fewer casualties."

BRITISH MAKE MORE PROGRESS

Especially Advance Their Line
At Various Points.

A despatch from London says: The British made another advance north of the Somme, according to a report received on Thursday from General Haig. With Cambrai and the entire German first line of defense in their hands the British troops are still pushing to the eastward against Connaught and Longueval. Longueval is a junction point on the high road system, and the heights of Martinpuich, two and a half miles northeast of Cambrai, which command the battlefield for miles around, are the immediate objects of their campaign.

MAN FORCE CHLOROFORM USE.

French Likely to Make it Compulsory
in Army Surgery.

The French Academy of Medicine is considering the advisability of recommending the Government to make the use of chloroform compulsory in the army, not only in serious operations but also in all cases where the treatment is painful.

At present French soldiers are obliged to submit to vaccination against smallpox and typhoid fever, but they cannot be compelled to accept chloroform against their will.

A committee has been formed to study the question as well as that of rendering compulsory the injection of serums in all cases where the latter are declared to be necessary by the doctor.

BRITISH ADVANCE TO A DEPTH OF THREE MILES

Take Bazentin and Longueval. Also the Whole of Trones Wood. Germans Surrendered Freely.

A despatch from London says: General Haig struck a blow at dawn on Friday. The British front has been advanced three miles to the eastward. It rests on a line from Bazentin le Petit to Longueval. Both villages are in British hands. Beyond the latter place the British troops are fighting forward in the wooded section in desperate hand-to-hand engagements with the Germans. The British advance at its deepest point on Friday night approximated three miles.

Friday's advance is one of the greatest blows yet struck the Germans in the Picardy offensive. It brings the British southward on an even line with the French at Hardecourt and puts the British in good position to drive a wedge be-

tween Thialmont and Peronne, the two main German bases on this front. Longueval was the junction point of several important highways, which rioting at Kavala, when 500 Greek soldiers stormed a train on which they had been refused transportation. The railroads are controlled by the Anglo-French army. Pickets fired upon the Greek soldiers and drove them off.

They are now within two miles of this crest, the capture of which would give them artillery control of the neighborhood, and serve as a serious menace to Bapaume.

A despatch from Berlin says: An official statement issued on Wednesday night says: "In the month of June sixty-one of the enemy's merchantmen measuring about 101,000 tons were sunk by German and Austrian submarines or by mines."

Markets of the World

Broadstreet.
Toronto, July 18.—Manitoba Wheat
No. 1 Northern, \$1.23; No. 2 do., \$1.22;
No. 3 do., \$1.19, on track Bay ports.
Manitoba Oats—No. 2 W. 3c.; No. 3
W. 3c.; No. 4 feed, 50¢c.; No. 2 feed
48¢c. on track Bay ports.
Alberta—No. 3 yellow, 88¢c. on
track. Toronto.
Ontario oats—No. 2 white, 47 to 48c
according to freight outside.

"The British navy until recently has absorbed more than half the metal workers of this country. The task of building new ships, and repairing the old ones for the gigantic navy, and fitting and equipping them, occupies the energies of a million men. Most of our new factories are now complete; most of the machinery has been set up. Hundreds of thousands of men and women, hitherto accustomed to metal and chemical work, have been trained for munitions making.

Steadily Increasing Output.

"Every month we are turning out hundreds of guns and howitzers, light, medium and heavy. Our heavy guns are rolling in at a great rate and we are turning out nearly twice as much ammunition in a single week—and, what is more, nearly three times as much heavy shell—as we fired in the great offensive in September, although the ammunition we expended in that battle was the result of many weary weeks' accumulation. The new factories and workshops we set up have not yet attained one-third of their full capacity, but their output is now increasing with great rapidity. Our main difficulties in organization, construction, equipment, labor supply and readjustment have been solved. If officials, employers and workmen keep at it with the same zeal and assiduity as they have hitherto employed, our supplies will soon be overwhelmed.

"I cannot help thinking that the improvement in the Russian ammunition has been one of the greatest and most unpleasant surprises the enemy has sustained. Still, our task is but half accomplished. Every great battle furnishes additional proof that this is a war of equipment. More ammunition means more victories and fewer casualties."

JAIL FOR REFUSING TO MAKE MUNITIONS.

War Prisoner Writes of Ottawa Man's Plight.

A despatch from Ottawa says: Canadian prisoners in Germany were sentenced to a year in jail by the Germans for refusing to make war munitions, according to a letter received from Corporal Inn A. Simons, formerly a prisoner in Germany, and now transferred to the internment camp in Switzerland. He writes that Corporal Harry Hogarth, of Ottawa, is one of those who refused to make munitions, and it is expected he will have to serve the year's sentence which has already been imposed upon him. Steps have been taken to bring it before the authorities, so that it can be investigated, as, according to The Hague tribunal, prisoners of war are not called upon to make munitions.

BRITISH HOLDING ON THE TIGRIS RIVER.

Cen. Luke's Troops Are at Sammaya, Fifteen Miles Below Kut.

A despatch from London says: The British expedition in Mesopotamia is still at Sammaya, about fifteen miles below Kut-el-Amara on the Tigris, according to an official statement issued on Thursday. The statement says that the British forces have been subjected to an ineffectual artillery attack.

EIGHTY GERMAN MERCHANT SHIPS?

A despatch from Copenhagen says: German newspapers state that eighty new submarines of the same type as the Deutschland will be built at Kiel and Bremen. Twelve are expected to be completed by August.

CANADA'S SAVINGS GROW DURING WAR

During Past Twenty Months
Have Increased Over
\$100,000,000.

A despatch from Ottawa says:

The consolidated revenue of Canada for the three months of the fiscal year ending June 30 was \$50,772,903.92, and the expenditure was \$37,055,289. The revenue from all sources amounted to \$56,000,000. Of this expenditure only \$10,528,445 comes under consolidated fund account while \$26,527,243 is under capital and \$22,173,031 of this is war outlay.

During the month of June the war expenditure was \$12,439,187.83. During the three months' period the expenditure on both capital and revenue accounts outside of the capital outlay on war has decreased substantially, due to the policy of rigid economy adhered to by the spending departments of the government.

The June revenue increased from \$11,433,970 to \$17,000,149, the increase being found in nearly all branches including \$4,000,000 in customs.

The buoyancy of the Dominion's financial situation is shown through the statement. The total assets of the Dominion on June 30 were \$12,439,187.83 against \$25,943,948 a year ago. The net debt increased from \$450,287,421 to \$593,910,637, but the increase for the month was \$1,103,946.05, or nearly \$2,000,000 less than a year ago.

The credit Canada has extorted to the British Government now totals \$150,000,000. Munition orders to this amount have been placed in Canada by the Imperial Government.

Canadian deposits on savings account total over \$70,000,000, having increased a little over \$100,000,000 during the 20 months of the war.

Provisions.

Bacon, long, clear, 18 to 24c per lb.
Hams—Medium, 24 to 24c; do., heavy,
18c.; extra, 24 to 24c; do., bacon,
27c.; boneless backs, 24 to 30c.

Lard—Pure lard, 17c.; to 17c.; compound, 14 to 14c.

Country Produce.

Butter—Fresh dairy, choice, 25 to 25c.
Lard, 23 to 24c.; creamy, prints, 25c.
Eggs—New-laid, 29 to 30c.; do.,
cartons, 31 to 33c.

Meat—Pork, 45c. to \$5.00, the latter, for
hundreidweight.

Cheese, New, large, 18c.; twins, 18c.;
triplets, 18c.

Pork—Pork, steady, at
\$1.40 to \$1.50 per hundredweight.

Dressed poultry—Chickens, 25 to 27c.;
turkey, 23 to 25c.

Fowl—Pork, New Brunswick quoted at
\$2.00 per bar.

Montreal Markets.

Montreal, July 18.—Corn—American
No. 1 yellow, \$0.22 to 22c.; do.,
Canadian white, No. 64, 54¢; No. 63,
53 to 54c.; No. 1 feed, 53 to 54c.; No.
2 white, 51c.; No. 3 do., 51c.; No.
4 feed, 51c.; No. 5 C.W. 44c.; extra, 50c.

Feed, 51c.; barley, No. 3, 75c.; No. 4,
71c.; No. 5, 73c.; No. 6, 75c.

Winnipeg Grain.

Winnipeg, July 18.—Corn—American
No. 1 Northern, \$1.16; No. 2 Northern,
\$1.14; No. 3 Northern, \$1.13; No. 4
Northern, \$1.12; No. 5 Northern, \$1.11;

No. 6 Northern, \$1.10; No. 7 Northern,
\$1.09; No. 8 Northern, \$1.08.

United States Markets.

Minneapolis, July 18.—Wheat—No. 1
Northern, \$1.21; No. 2 Northern, \$1.18;
No. 3 Northern, \$1.12; No. 4 Northern,
\$1.09; No. 5 Northern, \$1.08; No. 6
Northern, \$1.07; No. 7 Northern, \$1.06.

Flour—Wheat, \$1.12; bran, \$1.02; rye,
\$1.02; barley, \$1.02; oats, \$1.02; corn,
\$1.02; buckwheat, \$1.02; rye, \$1.02.

Livestock Markets.

Toronto, July 18.—Choice, heavy steers,
18 to 24c.; good, heavy steers, 18 to 24c.;
medium, 18 to 24c.; do., good, 18 to 24c.;
medium, 18 to 24c.; do., common, 18 to 24c.;
medium, 18 to 24c.; butchers' bulls, choice,
18 to 24c.; do., good, 18 to 24c.; do., medium,
18 to 24c.; do., rough bulls, \$1.75 to 18c.;
butchers' cows, choice, \$1.75 to 18c.; do.,
good, \$1.75 to 18c.; do., medium, \$1.75 to 18c.

Live Stock Markets.

Toronto, July 18.—Choice, heavy steers,
18 to 24c.; good, heavy steers, 18 to 24c.;
medium, 18 to 24c.; do., good, 18 to 24c.;
medium, 18 to 24c.; butchers' bulls, choice,
18 to 24c.; do., good, 18 to 24c.; do., medium,
18 to 24c.; do., rough bulls, \$1.75 to 18c.;
butchers' cows, choice, \$1.75 to 18c.; do.,
good, \$1.75 to 18c.; do., medium, \$1.75 to 18c.

London Morning Post has ad-

vice from Budapest which say that the losses of the Austro-Hungarian army during the last six weeks were the subject of discussion in the lobby of the Hungarian Parliament. The despatch says:

"Members who returned from the different fronts where they took part in the offensive against Italy, also in the tremendous fighting on the Russian front, all agreed that the losses must exceed \$60,000 since the beginning of the offensive against Italy.

The bitterness against the leaders of the army is very great, and at the next sitting of the House of Representatives party will again demand that those responsible for the situation shall be brought to account, these being the two Archdukes and Gen. Conrad von Hötzendorf.

It is more likely that the House will be dissolved rather than that these high personalities should be made the subjects of derisionous criticism."

A despatch from Bucharest to the

Telegraph says: "Public feeling has been deeply stirred by the general offensive of the allies. Owing to an appreciable lack of meat here the Government has prohibited eating of it on three days of the week."

People who know the least are apt to assume the most."

It's the easiest thing in the world to be brave when there is no danger.

Even the man who has not had

appendix removed can find some fun in telling of his visits to the dentist.

There is no harm in the young

generation reading the books they

provided that they do not let

parents get hold of them.

A French wedge in foe line,

Huns admit crisis area.

Joffre's Forces Close to Peronne, and Germans are Making Desperate Counter-Attacks.

A special cable to the Chicago Daily

News from Oswald F. Schmitt, in Ber-

lin, says: The French have opened the

third week of their offensive by driv-

ing within a mile of Peronne a wedge

into the German lines. The Ger-

man authorities make nothing pub-

lic except dry statements of the gen-

eral staff, and reports of German re-

spondents at German headquar-

ters little.

Neither German nor Ger-

man correspondents are now allow-

ed anywhere on any of the fronts.

The third week promises even

more bloodshed than last week, for

from the front the sun runs red and

the horror of this fearful slate blue.

The German press is still force-

ful upon the British, but the Ger-

man press is silent.

A specialist in military history