

LLOYD GEORGE BECOMES BRITISH PRIME MINISTER

Mr. Bonar Law, Who Declined to Undertake Formation of a New Ministry, Will Act in Co-operation With Lloyd George.

A despatch from London says: David Lloyd George has overthrown the Asquith Cabinet and will become Prime Minister himself. The new Government will be coalition, like the old one, but probably without the same measure of harmonious support which attended the formation of the first coalition Government, because its birth has created additional factional differences.

There was a prospect on Wednesday afternoon that the personal offices of the King might solve the situation. The King called the party leaders to Buckingham Palace and conferred with them for more than an hour. Mr. Asquith and Mr. Lloyd George, of the Liberals, Mr. Bonar Law and Mr. Balfour of the Unionists, and Mr. Henderson of the Labor party were with the Sovereign. It is many years since a British ruler assembled the representatives of the different factions face to face when they had shown themselves unable to settle their differences. But no such serious

crisis has arisen before to require such action by the King.

Whatever passed in council is held secret, but the inference that the King tried to arrange a reconciliation appears a most natural one. The five statesmen departed separately, four in their motor cars, and the working-men's spokesman afoot.

Afterwards the King gave an audience to Mr. Bonar Law, who declined to undertake the formation of a new Ministry, and then to Mr. Lloyd George, who accepted the responsibility, as everyone anticipated he would if the opportunity came to him.

The official announcement that Mr. Lloyd George had undertaken the task, with the co-operation of Mr. Bonar Law, was a notification that the new Government would be coalition. Any party Government would be impossible because neither the Unionists nor the Liberals have a majority in the House of Commons; either one must attach the Irish Nationalists or the Laborites to itself to command a majority.

MADE RETREAT IN GOOD ORDER

All of the Rumanian Armies Escaped the Teuton Pincers.

A despatch from London says: The Rumanian army at last reports was still falling back all along the line east of Bucharest from the Transylvanian Alps to the Danube. Just where it will stop and face about, and with its Russian allies, make a stand against the Teutonic allies has not yet become apparent. On the Moldavian west front and farther north along the Bukovina border the Russian attacks against the Austro-German forces have failed to make any impression. It is officially announced that the Rumanians evacuated Bucharest in good order, saving their army. The Rumanian rear guard was forced to fight strenuously to cover the retreat.

Thursday's Petrograd War Office statement admits the evacuation of Bucharest, and adds that the Rumanian forces to the south of the capital also have retired. In Wallachia the Rumanians are retreating towards the east under hostile pressure, and holding the Teuton forces by rearguard actions.

The defeated Rumanians are retreating along the whole front, the Berlin War Office announces. The Teutonic troops have captured Campino, on the railroad between Kronstadt and Ploechti. In Wednesday's fighting more than 9,000 Rumanians were captured.

An official communication from Berlin says Bucharest was captured without any fighting, except by the Rumanian infantry north and west of the capital. This resistance was quickly overcome, it is stated, and the invaders entered the town from all sides. The city is absolutely undamaged, not a single shot having been fired by the big guns. On Tuesday an officer of Mackensen's staff was sent into Bucharest demanding its surrender within 24 hours or bombardment would be opened. The officer returned with the reply that Bucharest was not a fortress, but an open town, and there was no intention of defending the place. Wednesday morning the German cavalry pushed forward and took possession of the west and northern forts without resistance, and the southern Danube army then entered the city without opposition.

RUMORS OF AIRCRAFT TO OUTDO THE ALLIES.

A despatch from Ottawa says: Earl W. Farrow, an Ottawa boy who has been with the Royal Flying Corps on the Somme front, and who has been granted leave of absence after having one leg injured, arrived in the capital on Thursday. He said that while it is true that the allies have control of the air, "there are rumors of a new German machine which will outdo us."

GERMAN U-BOATS AT MADEIRA SINK GUNBOAT AND SHELL CITY

The Steamers Kangaroo and Dacia Were Also Torpedoed and a Number of Sailors Drowned.

A despatch from London says: German submarines visited the island of Madeira on Sunday and bombarded Funchal, the capital of the island. Fifty shells were fired, 34 persons being killed. The remainder of the population fled, and only returned when the submarine departed under an intense fire from the fortress. The sub-

"SPEED UP" WAR PARIS DEMAND

Momentous Changes in Policy Expected in France—"Knockouts" Busy.

A despatch from Paris says: Following the example of Great Britain changes of moment can be foreseen also in France. In fact, the coming to a head of the British situation has only hastened in France developments which were before practically certain.

The secret session of the Chamber of Deputies, at which the demands of the French "knockout" group are being urged, has now almost reached its end. It probably would have lasted several days longer, and there is little reason to doubt that the result would have been the same, but after the British action further discussion has become practically impossible. The resolution presented by the "knockouts" for the consideration of the Chamber reads as follows:

"In the interests of national defence, it is urgent that the secret session of the Chamber of Deputies end as soon as possible, and that in a precise memorandum the people's representatives point out to the Government the demand of the country."

There is no doubt as to what this means, and there is no doubt as to what will be the result. A complete change of policy, probable shift in the personnel of the high command, and a few minor changes in the Government are almost certain. The Ministry, however, is likely to remain as it is constituted.

LLOYD GEORGE HAILED BY HIS COUNTRYMEN

British Empire Union Denounces Those Urging Peace Negotiations.

A despatch from London says: As "the first Welshman to occupy the distinguished post of Prime Minister," a meeting of the British Empire Union to condemn false peace agitators has sent the following telegram to Mr. Lloyd George: "The world has already recognized your value in the great strain we have gone through. With confidence we look to you to carry on the great fight for the success of British arms, and we are with you. On behalf of the citizens of Merthyr," C. B. Stanton, Labor member of Parliament for Merthyr Tydvil, who proposed the telegram, made a speech denouncing those who are urging peace negotiations and declaring that the enemies of the allies can only be defeated by force.

FROM THE FACTORIES TO THE FIRING LINE.

A despatch from London says: The release for military service of all possible semi-skilled and skilled men who are now engaged in the manufacture of munitions, has been agreed upon by the Admiralty, the Ministry of Munitions and the Army Council.

Markets of the World

Breadstuffs.

Toronto, Dec. 12.—Manitoba wheat—New No. 1 Northern, \$1.56; No. 2, do, \$1.54; No. 3, do, \$1.51; No. 4, do, \$1.48; track, Bay ports. Old crop trading 4c above new crop.

Manitoba oats—No. 1 C.W., 65c; No. 2, do, 64c; track, Bay ports. American corn—No. 3 yellow, new, \$1.08; track, Toronto. December shipments subject to embargo.

Ontario oats—No. 2 white, 63 to 65c, nominal; No. 2 do, 62 to 64c, nominal, according to freight outside.

Ontario wheat—New No. 2 Winter, per car lot, \$1.72 to \$1.74; No. 2 do, \$1.70 to \$1.72, according to freight outside.

Barley—Maltster, \$1.13 to \$1.20, according to freight outside.

Butter—Fresh dairy, choice, 41 to 43c; creamery prints, 45 to 48c; solids, 44 to 46c.

Eggs—No. 1 storage, 41 to 42c; storage select, 44 to 45c; new laid, in cartons, 47 to 48c; ducks, 12 to 15c; turkeys, 25 to 28c; geese, Spring, 14 to 15c.

Provisions—Wholesale.

Smoked meats—Hams, medium, 24 to 26c; do, heavy, 22 to 23c; cooked, 32 to 34c.

Montreal Markets.

Corn—American No. 2, \$1.15 to \$1.18; Oats—Canadian Western No. 1, \$1.05; extra No. 1, \$1.07; Barley—Manitoba feed, \$1.02; maltster, \$1.30; Flour—No. 1, \$2.00; No. 2, \$1.95; No. 3, \$1.90; No. 4, \$1.85; No. 5, \$1.80; No. 6, \$1.75; No. 7, \$1.70; No. 8, \$1.65; No. 9, \$1.60; No. 10, \$1.55; No. 11, \$1.50; No. 12, \$1.45; No. 13, \$1.40; No. 14, \$1.35; No. 15, \$1.30; No. 16, \$1.25; No. 17, \$1.20; No. 18, \$1.15; No. 19, \$1.10; No. 20, \$1.05; No. 21, \$1.00; No. 22, \$0.95; No. 23, \$0.90; No. 24, \$0.85; No. 25, \$0.80; No. 26, \$0.75; No. 27, \$0.70; No. 28, \$0.65; No. 29, \$0.60; No. 30, \$0.55; No. 31, \$0.50; No. 32, \$0.45; No. 33, \$0.40; No. 34, \$0.35; No. 35, \$0.30; No. 36, \$0.25; No. 37, \$0.20; No. 38, \$0.15; No. 39, \$0.10; No. 40, \$0.05.

United States Markets.

Minneapolis, Dec. 12.—Wheat—December, \$1.74; May, \$1.84; \$1.83; \$1.82; \$1.81; \$1.80; \$1.79; \$1.78; \$1.77; \$1.76; \$1.75; \$1.74; \$1.73; \$1.72; \$1.71; \$1.70; \$1.69; \$1.68; \$1.67; \$1.66; \$1.65; \$1.64; \$1.63; \$1.62; \$1.61; \$1.60; \$1.59; \$1.58; \$1.57; \$1.56; \$1.55; \$1.54; \$1.53; \$1.52; \$1.51; \$1.50; \$1.49; \$1.48; \$1.47; \$1.46; \$1.45; \$1.44; \$1.43; \$1.42; \$1.41; \$1.40; \$1.39; \$1.38; \$1.37; \$1.36; \$1.35; \$1.34; \$1.33; \$1.32; \$1.31; \$1.30; \$1.29; \$1.28; \$1.27; \$1.26; \$1.25; \$1.24; \$1.23; \$1.22; \$1.21; \$1.20; \$1.19; \$1.18; \$1.17; \$1.16; \$1.15; \$1.14; \$1.13; \$1.12; \$1.11; \$1.10; \$1.09; \$1.08; \$1.07; \$1.06; \$1.05; \$1.04; \$1.03; \$1.02; \$1.01; \$1.00; \$0.99; \$0.98; \$0.97; \$0.96; \$0.95; \$0.94; \$0.93; \$0.92; \$0.91; \$0.90; \$0.89; \$0.88; \$0.87; \$0.86; \$0.85; \$0.84; \$0.83; \$0.82; \$0.81; \$0.80; \$0.79; \$0.78; \$0.77; \$0.76; \$0.75; \$0.74; \$0.73; \$0.72; \$0.71; \$0.70; \$0.69; \$0.68; \$0.67; \$0.66; \$0.65; \$0.64; \$0.63; \$0.62; \$0.61; \$0.60; \$0.59; \$0.58; \$0.57; \$0.56; \$0.55; \$0.54; \$0.53; \$0.52; \$0.51; \$0.50; \$0.49; \$0.48; \$0.47; \$0.46; \$0.45; \$0.44; \$0.43; \$0.42; \$0.41; \$0.40; \$0.39; \$0.38; \$0.37; \$0.36; \$0.35; \$0.34; \$0.33; \$0.32; \$0.31; \$0.30; \$0.29; \$0.28; \$0.27; \$0.26; \$0.25; \$0.24; \$0.23; \$0.22; \$0.21; \$0.20; \$0.19; \$0.18; \$0.17; \$0.16; \$0.15; \$0.14; \$0.13; \$0.12; \$0.11; \$0.10; \$0.09; \$0.08; \$0.07; \$0.06; \$0.05; \$0.04; \$0.03; \$0.02; \$0.01; \$0.00.

Winnipeg Grain.

Winnipeg, Dec. 12.—Wheat—No. 1 Northern, \$1.85; No. 2 Northern, \$1.82; No. 3 Northern, \$1.78; No. 4, \$1.64; No. 5, \$1.53; feed, 9c; Oats—No. 2 C.W., \$1.35; No. 1 feed, 5c; extra No. 1 feed, 5c; Barley—No. 3, \$1.11; No. 4, 95c; rejected, 82c; Feed, 8c; Flax—No. 1, N.W.C., \$2.63; No. 2, C.W., \$2.00.

Live Stock Markets.

Toronto, Dec. 12.—Heavy steers, choice, \$8.35 to \$9; choice butcher, \$7.75 to \$8.50; do, good, \$7.10 to \$7.50; do, medium, \$6.50 to \$7.00; do, light, \$5.75 to \$6.25; do, cull, \$5.25 to \$5.75; hogs, good to choice, \$7.25 to \$7.50; do, medium, \$6.25 to \$7; do, light, \$5.50 to \$6; do, cull, \$4.75 to \$5.25; butchers' calves, \$5.25 to \$5.75; do, good, \$5.50 to \$6; do, medium, \$5 to \$5.50; feeders, \$4.50 to \$5; do, good, \$4.75 to \$5.25; do, medium, \$4.25 to \$4.75; do, light, \$3.50 to \$4; do, cull, \$2.75 to \$3.25; sheep, \$4.50 to \$5.25; do, good, \$4.75 to \$5.50; do, medium, \$4 to \$4.75; do, light, \$3.50 to \$4; do, cull, \$2.75 to \$3.25; Spring lambs, \$10.75 to \$12.50; do, good, \$8 to \$12; hogs, fed and watered, \$11.75; do, weighed off cars, \$12; do, f.o.b., \$10.75 to \$11.

Montreal, Dec. 12.—Choice heavy steers, \$8.50 to \$9.75 per one hundred pounds. Good to choice, \$7.50 to \$8.25; medium, \$6.50 to \$7; and common at \$5.50 to \$6; while butchers' cows sold at \$5 to \$5.50; and bulls at \$6.25 to \$6.75 per one hundred pounds. Cattle, \$11.75 to \$12; and Quebec stock at \$11.25 to \$11.50; sheep \$7 to \$7.75 per from 4 to 6c per pound. Live weights. Selected lots of hogs \$12.25 to \$12.50 off cars.

CARDINAL MERCIER AGAIN IMPRISONED.

A despatch from Amsterdam says: Cardinal Mercier, Primate of Belgium, is confined to his palace by the German authorities, according to the frontier correspondent of The Telegraph, who says he hears this on good authority. The reason given is the action taken by the Cardinal against the deportation of Belgians.

GERMANS SEIZE FISH FROM DUTCH TRAWLERS.

A Reuter despatch from Amsterdam to London says that from a number of Dutch steam trawlers towed into Cuxhaven, the German authorities took 35 per cent. of their fish, on the ground of contraband, as that proportion of the total Dutch catch had been assigned to England.

THE RUMANIAN CAPITAL IS IN GERMAN HANDS

No Attempt Was Made to Defend Bucharest, The Actions Fought Being Only of a Delaying Nature.

A despatch from London says: Bucharest, the capital of Rumania, is in the hands of the Central Powers.

Exactly one hundred days after the declaration of war by Rumania against them finds the Teutonic allies in control of about 50,000 square miles of Rumanian territory—virtually one-half of the kingdom—running from the Transylvanian Alps north-west of the capital to the Danube south of it, and a large part of Dobruja; and probably still on the heels of the retreating Russian and Rumanian armies, which have been endeavoring to hold them back.

Simultaneously with the announcement of the fall of Bucharest came the news of the capture of the important railroad junction of Ploechti, north of the capital, the conquest of which places in the hands of the invaders the last railroad in the west and gives to them the head of the line running northward to Jassy, where the capital of Rumania is now situated.

The fall of Ploechti, perhaps, is of even greater importance than that of Bucharest. Ploechti is the centre of the great oil districts of Prahova Valley. Unless the Rumanians have been able to destroy, or disable the oil wells, machinery and stores of oil the Germans will get a much-needed prize. Moreover, in the Prahova valley they are on the line of retreat of a portion of the Rumanian second army.

No details have as yet come through concerning the climax to the drive of the armies of General von Falkenhayn and Field Marshal von Mackensen, or whether the Rumanians and Russians succeeded entirely in making their escape behind the Bucharest line. But it is believed here that King Ferdinand's armies are practically intact.

It is thought that the Rumanians will be compelled to retire until they can secure a shorter line between the Carpathians and the lower Danube, which will be within easier reach of Russian reinforcements.

With the fall of Bucharest the Teutonic allies are now in possession of four capitals of Entente allied States, the others being Brussels, Belgrade and Cetinje.

AN AIRMAN'S SENSATIONS.

Most Striking Thing Under Gun Fire In An Aeroplane.

"The most striking thing to me about being under gunfire in an aeroplane is the unreality of it," said a British aviator who has been flying in Flanders since the outbreak of the war, to a writer for Popular Mechanics Magazine. "The roar of the guns on the earth, and even the detonations of the shells which do not burst very close at hand are rarely heard. Shrapnel bullets fly in a broad cone straight ahead—that is, in the same direction as that in which the shell itself is moving—so that practically the only shell that ever does any harm to you is the one which bursts directly beneath your machine, and which, therefore, you do not see explode. The little puff-balls of smoke which blossom out around you are perfectly harmless. At the worst a few of their spent bullets may shower back upon you, sometimes so gently that you can see, and even reach a hand and catch them. A shell bursting even immediately over you is not dangerous in itself, but rather ominous, as indicating the fact that the 'Archies' have you well ranged. The back kick from the shell casing might sting you if it hit you on the head, but the chance of that is almost negligible."

"Ordinary heavy artillery is rarely used against air-craft, but occasionally one's work takes him into an air zone in which some of the big shells are traveling. This is one of the most remarkable experiences that can fall to the lot of an aviator; in fact, the weirdest sensations of my whole flying experience are connected with the occasion on which I blundered into the road of a passing '42."

"As you doubtless know, the Germans have used their 17-inch guns for the intermittent bombardment of Dunkirk, and other points 15 or 20 miles behind the lines, right down to the present time. Well, I was at an altitude of about 6,000 feet one day, and climbing higher at an easy angle when one of these big fellows, almost at the end of its long flight, came plowing along in the opposite direction. First a dark little blur appeared in the air ahead, and at an angle of about 35 degrees—a little steeper than the one at which I was climbing, above me. At first it seemed to be coming right at me, and I swerved to the left in an instinctive effort to dodge the threatened blow. Then a sort of droning hum became audible, even above the roar of my engine, and this sound increased during the two or three seconds that elapsed before the big missile came even with and swept by me. It was probably several hundred yards away, at its nearest, but the distance seemed less."

"A few faint stirrings of air began to rock my machine even before the shell went by, but the full force of the 'air wash' was not felt for a fraction of a second later. Then almost solid wall of air nearly threw me on my beam ends, and I was really hard put to get the reeling machine back on an 'even keel.' For the next mile or two the air was like the water in the wake of a big side-wheel—all chopped to pieces—and the machine rocked like a springless motor lorry going over cobbles. The air was disturbed for some seconds after a big roar astern told me the '42' had come to earth."

IT STAYS THERE.

One day a keeper was out walking with a number of harmless inmates of an insane asylum, and the party met a pedestrian not far from the railway tracks. With a nod toward the tracks the traveler asked one of the lunatics, "Where does this railway go to?"

The lunatic surveyed him scornfully for a moment, and then replied: "Nowhere." "We keep it here to run trains on."

BOMBS RAPIDLY REPLACING RIFLES

Only Sure Method of Clearing Trench, Says Canadian Officer.

A despatch from London says: Canadian officers recently returned from the front remark generally on the development of bombing operations. One even declares the rifle stands a fair chance of becoming obsolete. Bombing is the only sure method of clearing a trench. Give me a live party with full aprons and I will go anywhere. One man will carry as many as 16 bombs, and they can accomplish much in wonderful time. Early in the war we lost many men because the German was so deep in the dugout, but he is up to our methods of bombing him out, so he does not hide low down as formerly. One man taken in the last little bunch of prisoners declared on the way to the cage that he simply held up his hands in taking his usual morning Swedish drill. Believe me, they are not so fat as they used to be. They fairly lick our hands when we give them some of our food, which continues of the best.

BRUSSLOFF THE BRUSQUE.

Something About the Famous Russian General.

General Brussloff, the Russian leader who has played so great a part on the Eastern Front, was one of the first to appreciate the value of technique in this great conflict.

"This in an engineers' war," was a comment of his.

Like many other successful men, he is a stern disciplinarian and rather brusque in manner. But, despite this, his men adore him because they know that he demands he makes upon them are quite so severe as those which he imposes on himself.

Such a hard worker is Brussloff that he hasn't seen one member of his family since war broke out, except his wife, and he only saw her because she obtained permission, with several other officers' wives, to visit her husband.

Brussloff has never asked for leave, or taken a single day off, from the army during the whole period of his command!

And yet the Austrians and their arrogant associates in Germany wonder why the Russian Bear has such sharp claws!

BRITISH EXPORT TRADE IS AGAIN EXPANDING.

November Shows Increase Over October of About \$35,000,000.

A despatch from London says: The British Board of Trade figures for November show increases in imports of £17,300,000 and increase in exports of £6,849,000 over the import and export figures of October. The principal increases in imports were food £7,000,000, and raw material £11,000,000. The raw material included cotton from America £6,000,000, and cotton from Egypt £1,500,000. The principal increase in exports was in manufactured articles of which cotton textiles were represented by £2,500,000.

True to Life.

Photographer (to young man)—It will make a better picture if you put your hand on your father's shoulder. Father—H'm! It would make a more natural picture if he put his hand into my pocket.

Crude.

That young man is out to make a name for himself. "What's the matter? Ain't he satisfied with the one his father gave him?"



ITALY PREPARED FOR VIGOROUS WORK

Has 2,100 Factories Making Munitions for Carrying on the War.

A despatch from Rome says: The allies do not desire to force Greece into war nor do they support any anti-dynastic movement in Greece, asserted Premier Boselli in his report on the war delivered before the Chamber of Deputies on Wednesday. Premier Boselli reiterated the demand of Italy to maintain the war with her allies until the restoration of Belgium, Serbia and Montenegro was accomplished. He termed this "the noble and essential object of the war." At the close of his speech he sent a message of greeting to "our valorous Latin sister, Rumania," trusting for her final success. As a proof that Italy was prepared to push her operations vigorously, the Premier announced that there were now 2,100 factories working on war material, the workers being one-fifth women, whose participation both in industries and agriculture was increasing daily.

FOE WANTS BACK ALL HIS COLONIES.

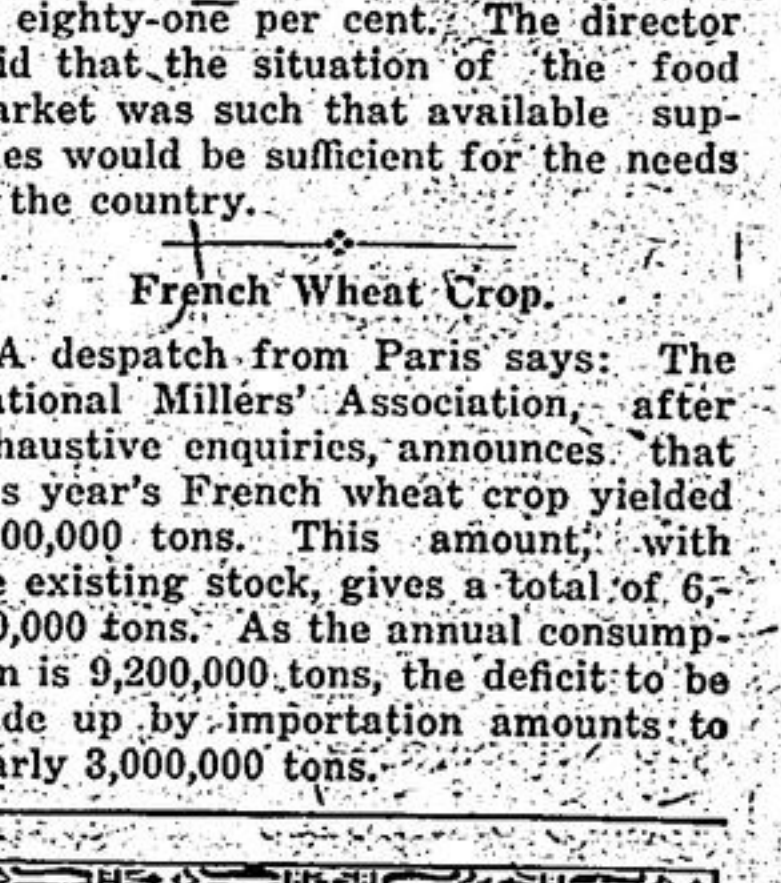
A Berlin despatch to Amsterdam says that the war aims of the German Radicals have been set forth by Prof. Karl Doormann, leader of the Radical party in the Reichstag, as follows: "We don't reject annexations if our rulers believe them necessary from a military or economic point of view. We cannot permit the Entente to declare an economic war against us after the present war. We must get back all our colonies. Germany must be assured of her right to exist independently and develop as she chooses."

POTATOLESS BREAD FOR GERMAN PEOPLE SOON.

A despatch from Amsterdam says: The Berlin Lokal Anzeiger notes M. Stegerwald, one of the Directors of the War Fooding Board, as saying in a speech at Recklinghausen that from January 1st no more potatoes must be used for bread. They will be placed by a more thorough grinding of the grain, namely, ninety-three instead of eighty-one per cent. The director said that the situation of the food market was such that available supplies would be sufficient for the needs of the country.

French Wheat Crop.

A despatch from Paris says: The National Millers' Association, after exhaustive enquiries, announces that this year's French wheat crop yielded 5,700,000 tons. This amount, with the existing stock, gives a total of 6,400,000 tons. As the annual consumption is 9,200,000 tons, the deficit to be made up by importation amounts to nearly 3,000,000 tons.



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