

THE GERMANS ALMOST HAD CLEMENCEAU

Paris, May 30.—Premier Clemenceau had the narrowest possible escape from falling into German hands yesterday, according to the Petit Journal. He left a certain point on the front only a few minutes before the arrival of a patrol of forty Uhlans.

When the Germans entered the little town the Premier had just left. They cornered a few of the French who had remained, including a general who was examining positions with a field glass, the newspaper adds. The general was killed in the encounter.

What has become of the old-fashioned farmer who bought green goods? He is a bank director now and knows all about money.

WELL SATISFIED WITH BABY'S OWN TABLETS

Mrs. Edmond Gagne, Tikuape, Que., writes:—"I am well satisfied with Baby's Own Tablets. They are absolutely necessary in homes where there are little children. They cured my baby of constipation and I would not be without them." Thousands of mothers always keep a box of Baby's Own Tablets on hand as a safeguard against constipation, colic, colds, simple fevers or any other of the minor ills of little ones. The tablets are sold by medicine dealers or by mail at 25 cents a box from The Dr. Williams' Medicine Co., Brockville, Ont.

BILLY SUNDAY'S LAST SERMON AT CHICAGO

Sheds Coat and Collar and Gets Hoarse in Effort to be Heard Above Thunder—Trail Hitters, 47,609.

Chicago, May 27.—The rain battered upon the roof of the tabernacle last evening. The Rev. William A. Sunday's voice grew hoarse as he competed with the storm, and he pulled off his coat and threw it on the floor. A clap of thunder made the whole structure vibrate and drowned the end of a sentence. Setting his teeth, the revivalist jerked off his collar and threw it after the coat, tore his shirt open at the throat and, making a megaphone of his hands, threw his whole strength into the effort to be heard in his last sermon in Chicago.

Face crimson, neck veins swollen, sweat trickling down his cheeks and his silk shirt clinging to his reeking shoulders in damp folds, he fought the uproar as if it were a living enemy, and came off victorious.

Trail Hit by 47,609.

It was the revivalist's 133d sermon in the tabernacle, and at its close he shook hands with 1,002 trail hitters. At the two other services yesterday 958 responded, making the total number for the campaign 47,609. This is

considerably below the record of some cities, notably New York, where 98,000 are said to have "hit the trail."

The freewill offering amounted last night to \$56,000 and it was expected to finally reach \$60,000. Sunday turned the entire offering over to the Pacific Garden Mission, where he was converted thirty-one years ago. He divided the New York offering among Red Cross and Y. M. C. A. war work.

The tabernacle was well filled last night in spite of the storm. On calling the members of his party to the platform to say good-bye, Mr. Sunday added with a grin:

"Now I want you to meet somebody else—the man who did more to help me to success than any other one man—Capt. A. C. Anson, of the old Chicago White Sox."

The baseball player-preacher and his old captain stood side by side in the pulpit for a moment, while the audience gave a bleacher roar.

Ninth Inning Repentance.

The revivalist's last sermon was on the text: "And he said, 'Tomorrow.'"

"At lot of you put off your decision about Christ until the last half of the ninth inning, with three balls and two strikes called on you," he asserted, shouting to make himself heard above

THE TWO OPPOSING STRATEGIES

(Winnipeg Journal)

General Foch is the highest representative of what may be called the Napoleonic school of strategy as opposed to the Prussian school, which may be called the Hannibalic. The Battle of Cannae is the masterpiece of the ages, according to the Prussian theorists, and to such a climax all the efforts of a Prussian campaign are directed. Whereas the French theory relies upon the employment of a reserve—the mass of maneuver—at the proper moment upon the decisive point.

Clausewitz, the teacher, and Moltke and Hindenburg, the expositors of Prussian strategy, strive always to achieve an envelopment. Moltke's ideal performance was Sedan, as Hindenburg's is Tanneberg. It was a larger Sedan, an immense Sedan, that was undertaken in France in 1914, and that was frustrated by Foch at the Marshes of St. Gond and lost by Kluck in his vain endeavor to do two opposites at once. It was a greater Tanneberg that Hindenburg essayed in Poland in 1915, and out of which the Russians at Vilma just escaped.

The German strategy suits Germany's military condition. But it presupposes superiority in numbers or equipment, munitions, organizations, discipline. Such superiority enabled Hannibal to win Cannae, and Hindenburg to win Tanneberg. As a strategy it neither consults the French psychology nor considers the French relative inferiority. Hence the French military students after 1871 were correct in not assimilating the military theory of their conquerors, but in discovering one of their own. The French sought their salvation in the history of France, and found it in the strategy which Napoleon invented, which answered his needs and which has now answered the needs of France a century after him.

Napoleon established contact and by fighting fixed the enemy. He retained a mass of maneuver in reserve, which he swung at the appropriate moment upon the decisive point. Upon that point, after it had been disclosed by the process of battle, he massed everything he had—cannon, infantry, cavalry. He broke the opponent's line, and either routed the enemy or forced him to flee the field. And all his campaign maneuvers had in eye such a battle, just as all battles movements contemplated such a final crisis.

It was not flanks so much as weakness that the Napoleonic strategy was concerned for, whereas the Hannibalic strategy was concerned for, whereas the Hannibalic strategy aims to reach or to develop flanks. In this war the Germans have not been able to find flanks, although their march through Belgium was no more than a grand flanking operation. As flanks cannot be reached, they strive again and again to develop them. Kemmel Hill was their substitute for an out-flanking movement. But their near four years in the West have demonstrated the futility of striving after flanks that in this war do not exist and are almost impossible to develop.

Hence the propriety of the reliance upon the Napoleonic strategy, which the Generalissimo of the Allies is now exemplifying. He is not after flanks, does not aspire to complete envelopment of his enemy. He holds contact with the foe, resists assaults, awaits the moment of disclosure that will enable him to direct his reserves upon the point of weakness, thereby inflicting defeat upon his opponent and achieving victory for himself.

One of Princess Mary's most prized possessions is a collection of framed portraits of most of the great English French and American military aviators.

the pelting of the rain that caused umbrellas to be raised at several parts of the house where the roof leaked.

"I've never preached anywhere that the people have seemed more appreciative or susceptible than here in Chicago, but too many have hesitated. Now, never mind the rain—just listen to me. The devil thinks if he can only get you past this meeting, by distracting your mind by the rain for something, he won't have to worry. Some of you have no more thought of God than you have of whether your automobile is getting wet and whether you turned over the cushion before you came in."

Mr. Sunday's closing prayer ended with a thought of the war. "Lord bless England, bless France, bless Italy, and bless Russia," he cried, grasping his pulpit and jumping up and down with his eyes closed, "and O Lord, damn Turkey, damn Bulgaria and damn Austria!"

Baron Shaughnessy on the C.P.R.

A Fascinating, Historical and Political Record

Lord Shaughnessy's report to shareholders at the annual meeting of the Canadian Pacific Railway Company, embodied a review of the salient features of the company's financial policy and progress leading up to its present stable position. It is shown that under the terms of the contract dated October 21st, 1880, between the Government and the C.P.R. the Government undertook to give, by way of subsidy, to assist in the completion of certain western sections of the system then in process of construction under government auspices, \$25,000,000 in cash and 25,000,000 acres of land suitable for settlement. Subsequently the cash subsidy was increased by \$10,000,000 and as an offset the land subsidy was decreased by 6,700,000 acres.

In view of the present high credit of the railway it is interesting to note that the company's desire in the early days to finance with capital stock instead of bonds, was demonstrated to be an impossibility, and as a consequence Parliament authorized the issue of \$35,000,000, 5 p.c. bonds and \$65,000,000 common stock.

Unfriendly influences at home and abroad so prejudiced the international money markets that the original \$65,000,000 stock only yielded an average of less than 46 p.c. of its face value. The unwillingness of investors to pay a higher figure for the stock in those days need not be considered extraordinary, however, when it is known that as late as 1895, when the railway had been in operation for over nine years, the stock was offered in the market as low as 33 p.c. with but few takers. In 1885 Baring Bros. of London were induced to find purchasers for the \$35,000,000 first mortgage bonds, and by this means the company was enabled to repay the loans from the Government, and to meet its floating debt.

The review goes on to describe the linking up of eastern Canada with the company's system which served thousands of miles of territory that was practically uninhabited. The eastern connection was imperative if the unremunerative territory was to be successfully developed.

The history of capital expenditure is an interesting chapter, not only in the history of the C.P.R. but also in that of the Dominion itself. After 1899, so rapid was the traffic development, it was necessary to provide substantial additions to traffic facilities of every description. From 1902 to 1914 inclusive, the records show expenditures for second tracks, reduction of gradients, terminals, work-shops, etc., of \$206,300,000; and for cars, locomotives, and other equipment \$130,000,000. To meet this expenditure of \$336,300,000 the directors appealed, successfully, to the ordinary shareholders of the company. In the thirteen years mentioned, the shareholders were offered and accepted \$195,000,000 par value of common stock for which they paid the company no less a sum than \$262,100,000. Out of this \$33,750,000 of bonds were paid off and retired, and \$26,200,000 was used to pay the cost of railway lines acquired or constructed, and of additional steamships, on which no bonds or debentures were sold. The remaining sum of \$202,150,000 was supplemented by the sale of preferred stock and equipment notes bringing in \$56,500,000 and making a total of \$258,650,000 to apply against expenditures of \$336,300,000. The difference of \$77,650,000 was provided from the surplus revenue of the company being a further contribution by the shareholders of that amount from surplus or "undivided profits."

This remarkable financing, made possible only by the faith and cour-

age of shareholders, put the company in a position efficiently and economically to deal with a large and ever-increasing volume of traffic, at the same time enabling the directors substantially to reduce the bonded debt. Notwithstanding the low price at which the original \$65,000,000 common stock was sold (\$46.00 a share) the entire \$260,000,000 of this common stock now outstanding has yielded to the Company's Treasury in cash an average of \$112 for each \$100 of stock, and if the sums provided for capital out of surplus earnings are considered (a quite proper calculation, as those earnings were at all times applicable for dividends) the shareholders paid an average of \$143 for each \$100 of stock that they hold.

The explanation of the company's extraordinary success in face of the above record, is to be found in the company's policy of keeping down the annual fixed charges, while extending its rails into new productive territory as opportunity offered; also in the economies attending the long haul of traffic over one huge system, eliminating heavy tolls for switching and other kindred services between connecting companies.

A brief reference to the Ocean and Coastal Steamship branches is to the effect that this property is secured by a comparatively small demand on capital account, and has a present market value in excess of \$65,000,000. Other properties and assets of the company were purchased or developed by the surplus income held in trust for the shareholders.

Something About the Land Grant.

The company's Land Grant, "which is a source of serious anxiety to financial doctrinaires who have only half studied the subject," is treated at considerable length in the review. As late as 1888, when the railway had been in operation for some time, the Dominion Government consented, as a consideration for some concessions under the Charter to guarantee the interest on \$15,000,000 Land Grant Bonds, but would in no circumstances guarantee the payment of the principal which would have given the security increased market value, although the bonds had fifty years to run and only represented a value equal to 75c. per acre. This did not reflect much confidence on the part of the Government towards Land Grant values, and there is no doubt that at that time the Government could have recovered the whole Land subsidy at the price per acre just mentioned, i.e., 75c. For many years this Land Grant was a drag on the Company's development. Interest had to be met on the Land Grant bonds, whose proceeds had been devoted to the purposes of the railway, and although considerable sums were spent on immigration propaganda, land sales were disappointing and unsatisfactory, the prices yielding the company only from \$1.50 to \$2.50 per acre, after selling expenses had been paid. It was not until 1898 that agricultural lands in Western Canada attracted buyers in any numbers, and even in that year when 348,000 acres were sold, and in the three subsequent years, the net return was only \$2.80 per acre.

Shortly after the C.P.R. contract was made, the Federal Parliament commenced to vote grants of land in very large areas by way of subsidy for the construction of railway lines in western Canada, to many companies incorporated for that purpose. Most of these companies never materialized, though much good land was bespoken by them, thus necessitating the C.P.R. going further afield

to satisfy the last 3,000,000 acres of its Grant. The company was compelled to accept lands along the line west of Medicine Hat, in the "semi-arid" district, where there was little or no water, which made the lands practically valueless. To recover this tract it was decided to adopt a plan of irrigation, and an expenditure of \$15,000,000 was made in the construction of works and ditches comprising an area of 2,240,000 acres. Of this area, not previously worth five cents an acre for practical purposes, portions now served by the ditches command high prices.

The company has expended approximately \$17,000,000 in the encouragement of immigration, and to forward the sale of such lands as it had received. Branch lines of railway were also constructed to open up the territory for prospective settlers.

Of the original Land Grant 14,000,000 acres have been sold to date, yielding approximately \$94,000,000, or an average of \$6.72 per acre, from which, however, must be deducted the expenditures during thirty years for immigration propaganda, agencies, commissions, etc., together with irrigation costs, making the net return less than \$5.00 per acre. On the 14,000,000 acres thus far sold, taxes to the amount of \$20,000,000 have been paid into the Public Treasury.

The "Ten Per Cent Clause."

In regard to the much discussed "Ten per cent clause," the review states that the suggestion made in some quarters that the spirit and intent of this Clause was to limit the company's dividend to ten per cent is entirely out of harmony with the clear, unquestionable language of the instrument. The Clause had no more relation, direct or indirect, to the C.P.R. dividends than it had to the dividends of any other railway company, or of any commercial or industrial corporation. Seventeen per cent instead of ten per cent per annum might properly have been distributed from the average earnings of the railway had the directors not been convinced that a prudent and conservative policy was in the best interest of the property.

The total capital of the C.P.R. is \$623,000,000 which contrasts with the actual cost of the company of \$637,000,000 exclusive of \$31,000,000 of railway constructed by the Government and handed over to the Company. It is also exclusive of \$131,000,000 provided from surplus earnings, land sales, etc., expended on the property and written off without being capitalized, so that based upon cost, the transportation system represents an outlay of \$318,000,000 or about \$61,000 per mile.

The conservative financial policy of the directors cannot be better illustrated than by the fact that the net earnings per mile required to meet annual interest charges on the G. T. R., C. N. R., G. T. P., and the N. T. R. would suffice to cover the annual interest charges, dividends on the preference stock, and seven per cent dividend on the common stock of the C.P.R.

Extraneous investments, including steamship lines, railway companies outside Canada, Government securities and loans, money set aside for investment, unsold lands, amounts payable on lands already sold, coal mining and other properties, are appraised at \$253,000,000 which is substantially below the market value. Many of these properties and resources had little or no value when they came into possession of the company, but were developed and safeguarded until they became profitable.

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PUBLIC NOTICE

For the purpose of conserving coal, electric light and power will be shut off on Sundays from daylight to dark until further notice. It is not anticipated that this curtailment of electric service will continue for more than two months, probably not so long. By order of the Directors of Fred ericton Gas Light Co.

HARRY D. WHITE,
51ns Manager.