LLOYD GEORGE OPTIMISTS ON VICTORY LOAN

Says Allies Look On Britain as the Strong Tower of Entente.

THE CHANCELLOR

Some Additional Information On the Loan He Put Forth.

London Cable.——Premier Lloyd George, speaking in the Guildhall this afternoon before a great crowd on the occasion of the launching of the "victory loan," said Emperor William had told his people that the Entente allies had rejected his peace offer. The Emperor did so, he said, to drug those whom he could no longer dragoon. "We had rejected no peace terms," the Premier said, and added:

"We were not offered terms, but a trap baited with fine words. It would suit Germany to have peace now on her own terms. We all want peace, but it must be a real one."

Premier Lloyd George spoke as follows:

"My Lord Mayor, my Lords, Ladies and Gentlemen: The Chancellor of the Exchequer in his extremely lucid and impressive speech has placed before you the business side of this proposal, and I think you will agree with me, after hearing his explanation of his scheme, that he has offered for subscription a loan which possesses all the essential ingredients of an attractive investment. They are the most generous terms that the Government can offer without injury to the taxpayer. I agree that the Chancellor was right in offering such liberal terms, because it is important that we should secure a big loan now not merely in order to enable us to finance the war effectively, but as a demonstration of the continued resolve of this country to prosecute the war—(loud cheers)— and it is upon that aspect of the question that I should like to say a few words.

"The German Kaiser a few days ago sent a message to his people that the allies had rejected his peace offers. He did so in order to drug those whom he could no longer dragoon. (Laughter and cheers.) Where are those offers? We have asked for them; we have never seen them. We were not offered terms; we were offered a trap baited with fair words. They tempted us once, but the lion has his eyes open. (Loud cheers.) We have rejected no terms that we have ever seen. Of course, it would suit them to have peace at the present moment on their terms. We all want peace, but when we get it it must be a real peace. (Cheers.)

"The allied powers, separately and in council together, have come to the same conclusion. (Cheers.) Knowing what war means, knowing especially what this war means in suffering, in burdens, in horrors, they have still decided that even war is better than peace at the Prussian price of domination over Europe. We made it clear in our reply to Germany; we made it still clearer in our reply to the United States.

"Before we attempt to rebuild the temple of peace we must see now that the foundations are solid. They were built upon the shifting sands of Prussian faith; henceforth, when the time for rebuilding comes, it must be on the rock of vindicated justice. (Applause.)

NO DOUBTS ABOUT RESULTS.

"I have just returned from a council of war of the four great allied countries upon whose shoulders most of this terrible war falls. I cannot give you its conclusions—(laughter)—they might be information to the enemy. (Renewed laughter.) There were no delusions as to the magnitude of our task; neither were there any doubts about the results.

"I think I can say what was the feeling of every man there. It was one of the most businesslike conferences I ever attended. We faced the whole situation, probed it thoroughly, and looked its difficulties in the face, and made arrangements to deal with them. (Laughter and applause.) We separated feeling more confident than ever. (Renewed applause.) All felt that if victory were difficult, defeat was impossible. (Applause.) There was no flinching, no wavering, no faint-heartedness, no infirmity of purpose.

"There was a grim resolution at all costs that we must achieve the high aim with which we accepted the challenge of the Prussian military caste and rid Europe and the world forever of her menace. (Renewed applause.) No country could have refused the challenge without the loss of honor. None could have rejected it without impairing national security. No one would have failed to take it up without forfeiting something which is of greater value to every free and self-respecting people than life itself. Those nations did not embark on this enterprise without knowing what it really meant. They were not enticed by the prospects of immediate victory.

"Take this country. The millions of our men who enlisted in the army enlisted after the German victories of August, 1914, when they knew the accumulated and concentrated power of the German military machine. That was when they placed their lives at the disposal of the country. (Cheers.) What about the other lands? They knew what they were encountering; that they were fighting an organization which had been perfected for generations by the best brains of Prussia—perfected with one purpose, the subjugation of Europe. (Applause.)

WHY THEY FIGHT.

"Why did they do it? I passed through hundreds of miles of the beautiful land of France and of Italy, and as I did so I asked myself this question: Why did the peasants leave by myriads these sunny vineyards and cornfields in France? Why did they quit these enchanting valleys, with their comfort, their security, their charm, in order to face the grim and wild horrors of the battlefield? They did it for one purpose, and one purpose only. They were not driven to the slaughter of kings. These are great democratic countries. No Government would have lasted twenty-four hours that had forced them into an abhorrent war against their own free will. They embarked upon it because they knew the fundamental issue had been raised which no country could shirk without imperilling all that has been won in the centuries of the past and all that remains to be won in the ages of the future.

"That is why, as the war proceeds and the German purpose becomes more manifest, the conviction is becoming deeper in the minds of those people that they must work their way through to victory in order to save Europe from an unspeakable despotism. (Cheers.) That was the spirit that animated the allied conference in Europe last week (Renewed cheers.)

BRITAIN THE GREAT TOWER.

"But I tell you one thing that struck me, and strikes me more and more each time that I attend these conferences and visit the continent: the increasing extent to which the allied peoples are looking to Great Britain. (Loud cheers.) They are trusting her rugged strength and great resources more and more. (Renewed cheers.) She is to them like a great tower in the deep. She is becoming more and more the hope of the oppressed and the despair of the oppressor; and I feel more and more confident that we shall not fail the people who put their trust in us.

"But when that arrogant Prussian caste flung the signatures of Britain in the treaty in the waste-paper basket as if it were of no account, they knew not the pride of the land they were treating with such insolent disdain. They know it now. (Cheers.) Our soldiers and our sailors have taught them to respect it. You had an eloquent account from my colleague, the Chancellor of the Exchequer, of the achievements of our soldiers; our sailors—(loud cheers)—are gallantly defending the honor of our country on the high seas. They have strangled the enemy's commerce ;they will continue to do so in spite of all the piratical devices of the foe.

"In 1914 and 1915, for two years, a small, ill-equipped army held up the veterans of Prussia, with the best equipment in Europe; in 1916 hurling them back, and delivering a blow from which they are reeling. In 1917 the armies of Britain will be more formidable than ever in training, in efficiency, in equipment; and you may depend upon it, if you give them the necessary support they will cleave a road to victory through the dangers and perils of the next few months. (Loud cheers).

BASIS OF NEW LOAN.

Mr. Bonar Law outlined the terms of the new war loan approximately as had been forecast. The bulk of the issue will be five per cent. bonds sold at 95, thus yielding approximately 5¼ per cent.

"We are giving the option to those who prefer security to anything else." said Mr. Bonar Law, "of having a tax-compounded loan. That loan will be at the rate of four per cent. It will be issued at par and redeemable at the option of the State at the end of twelve years, but enduring for twenty-five years.

"Well, gentlemen, every one knows that from the viewpoint of financial security it is not a good thing for the Chancellor of the Exchequer to give away the right of taxation in the future. But I do think that if there is anyone wanting to be quite sure that during the period of the loan he will not have to pay a higher income tax than five shillings, we ought to give him that option if it is desired."

The prospectus of the new war loan, which was issued to-night, adds a little information to that given in the speech to-day of Andrew Bonar Law, Chancellor of the Exchequer. It says that on the four per cent. loan "the dividends will be exempt from liability to assessment and to the British income tax, other than the super-tax," and specifically announces that the new loan does not carry the right of coversation into any future issue which the Government may make.

The five per cents. will be issued for a period of thirty years, with the option of redemption after twelve years. The fours will run for twenty-five years, with the same option.

Five per cent. of the subscription must be paid with the application, and the remainder will be payable in equal installments before May 30. The previous war loan may be converted into the new loan at par. A similar provision is made for conversion of various types of short-term paper issued in the last few months. Foreign holders of the new loan will not be liable to the British income tax.

The sinking fund provision outlined by Mr. Bonar Law was the most striking innovation in connection with the new loan. This is the first time that a British loan has been issued with a sinking fund provision. The Government agrees to set aside monthly one-eighth of one per cent. of the total amount of issue. This sum, representing an annual sinking fund appropriation of 1½ per cent., will be allowed to accumulate until a fund of £10,000,000 is in hand, which will then be used for purchasing bonds in the open market whenever they fall below the issue price.

NO HIGHER INTEREST RATE.

The bonds will be issued in denominations of £50 and multiples thereof, while through the postoffice subscriptions as low as £5 will be received.

Mr. Bonar Law at one point in his speech aimed his words at investors who might be tempted to withhold their money for possible later issues at a higher rate of interest.

"As far as the present Government can control the future," he said, "a higher rate of interest will not be paid at any time. As long as there is money in the country we will not allow lack of it to hamper the conduct of the war. There is a limit to the rate of interest the Government will pay for money. If this loan should fail—but it will not— there are other methods which can be applied, and the rate of interest in such case will not be five and one-quarter per cent.

"Shall it ever be said of this country that it is willing to give its sons, but not its money? One supreme effort now and the goal will be reached. The military position does not represent the true position of the war, for the great German military machine is resting on an internal foundation which is crumbling irresistibly before our eyes."

GREEKS HEDGE ON SUBMISSION

Reply to Allies' Ultimatum Not Satisfactory.

Complies On the Entente Main Demands.

Athens Cable.——The acceptance by the Greek Government of the ultimatum of the Entente Powers makes certain reservations. According to the Greek reply control by the Entente allies will be re-established for the security of the Entente allied armies only, without participating in the administration of the country of interfering with local communications. Adherents of ex-Premier Venizelos who have been imprisoned will be released in a manner to be mutually agreed upon between Greece and the Entente nations. The indemnities demand for property destroyed will be regulated according to the laws of the country.

Moral satisfaction for the events of December 1 and the latest demands for the transfer of Greek troops were unreservedly accepted.

WILL NOT BE TOLERATED.

London Special Cable says—Under the heading "Evasive Greek Reply," the Times says:

"The reply of Constantine's Government to the allied ultimatum is not entirely satisfactory, on the main points it complies or suggests compliance with the allied demands, but on some apparently minor issues it equivocates. The allied ultimatum, it is understood required unconditional acceptance of the demands. How far the Greek royalist reply approximates unconditional acceptance can only be determined when the full text of the ultimatum and reply is known. The decision of this question may perhaps let the commander of the allied forces, General Sarrail, who now is understood to be in complete control enjoy great freed of action. He is scarcely likely to tolerate equivocation or evasive tactics on the part of Constantine or royalists.

EXPERTS GIVE GOOD ADVICE ON FARMING

At Annual Meeting of the Ontario Experimental Union.

THE NEW OFFICERS

Warning Against the Decrease in Province's Live Stock.

Guelph Report.—— "Co-operative Experiments in Apriculture," was the subject of an interesting address by Morley Pettit, provincial apiarist, at the afternoon session of the Ontario Experimental Union. He pointed out beekeepers are annually confronted with problems peculiar to that particular year. For these reasons the experiments to be of real value must be extended over a series of years, so as to gain cumulative evidence. The season of 1916 was particularly favorable for the production of honey, because of a combination of circumstances, particularly the frequent rains during the early part of the season. The clover plant bears honey in the second year of its life, a superabundance of moisture during the growing period of the first year, a favorable winter, much more moisture, the second year right up to the blooming period, then heat and fine weather while honey is yielding; these are the conditions of clover honey production and were experienced in Ontario leading up to the large crop of 1913 and again 1916.

Reports of experiments made during the year were presented, which were summarized by stating that the season and shortage of farm help had more to do with the failure of many to report. The reports, however, were encouraging and the effect on the production of honey, of this work, which has now been carried on for some years is very marked.

"The Home Vegetable Garden" was the subject of an exceedingly instructive address by M. A. H. McLennan. of the Horticultural Department of the O. A. C.

COST OF TILLING.

Prof. James Murray, of Macdonald College, Quebec, spoke at the Wednesday afternoon session on "Cultivation of the Soil." He gave a most interesting resume of the various implements that had been used from the earliest days of which there is any record up to the time of the steam tractor. Speaking of the different kinds of plows and cultivators and their relative value in preparing soil, Prof. Murray gave some interesting figures in regard to the costs of the operations, based on experiments and observations covering a prolonged period. Discing one acre with small disc (three cuts necessary), 90 cents; discing one acre with large disc (two cuts necessary), 80 cents; discing one acre with cutaway disc (one cut necessary), 45 cents; cultivating roots, once over with single cultivator, 62 cents; once over with double cultivator, 45 cents; plowing one acre with single plow, $2; plowing one acre with two-furrow gang plow, $1.25; cost of seeding—seeding one acre, two-horse seeder, cost 22 cents; seeding one acre, three-horse seeder, cost 18 cents. Prof. Murray was not very committal in regard to the use of the steam tractor for the Eastern farms, claiming that the small fields had much to do with making that form of cultivation unprofitable. He gave many figures gathered from observation in Western Canada which showed that the cost per acre for a steam tractor was $2.17, and for a gasoline outfit it amounted to $2.37. He mentioned several cases in the East where farmers had combined to get a tractor outfit, scarcity of labor forcing them to do this.

In the evening, before a crowded audience, H. G. Bell, of Chicago, agronomist of the soil improvement committee, gave a very interesting illustrated lecture in science and the soil in the manufacture and use of fertilizers.

MORNING SESSION.

In an address this morning Prof. Geo. E. Day, in speaking on "Production in Ontario of Animal Foodstuffs," referred to the alarming decrease in the number of farm animals in this province, and hoisted "a danger signal in the way of a train of happenings which seems to have got upon the wrong track and is likely to end in disaster if not checked."

The decrease in livestock, he pointed out in an address full of excellent hints to the farmers, has been going on for a number of years, but this year promises a larger decrease than its predecessors. Prof. Day thought a careful consideration of the questions submitted should convince them that they will be acting in their own best interests, if they, at this critical time, hold on to as many of their animals as they possibly can, striving to the best of their ability to maintain their herds and flocks at their normal level. There is no occasion for panic, and the Canadian farmer has every reason to regard the future with confidence if his farm is carrying its normal complement of livestock.

ELECTION OF OFFICERS.

The first business of the morning meeting was the election of officers, which resulted as follows: President, H. Siret, Brighton, Ont.; Vice-President, H. B. Webster, St. Mary's, Ont.; Secretary, Dr. C. A. Zavitz, O. A. C., Guelph; Assistant Secretary, Prof. W. J. Squirrell, O. A. C., Guelph; Treasurer, A. W. Mason, O.A.C., Guelph. Directors: Dr. G. C. Creelman, O.A.C.; Hon. Nelson Monteith, Stratford; P. S. McLaren, Perth: A. H. McKenney, Amherstburg; Norman James, representing the O.A.C. body. Auditors: S. O. Gandier and R. R. Graham, O.A.C.

The reports of the treasurer and auditors were presented, showing that the receipts during the year were: Government grant, $2,750; balance from 1915, $1,515.67; membership fees, $112; interest, $66.78. There was a total expenditure of $2,538, leaving a balance on hand of $1,906.

Dr. Zavitz presented a lengthy statement of the result of co-operative experiments with various kinds of fertilizers on potatoes, mangolds and rape.

One of the most interesting addresses of the meeting was that of Henry B. Bell, B. S. A., of Chicago, a former graduate of the O.A.C. Mr. Bell dealt with the management of soil fertility, and he used a small laboratory and many charts in his explanation of the many methods employed in order to make the soil suitable for the growing of grains and other farm products. His address was one which was listened to very carefully, but the audience had to thoroughly understand the various charts presented in order to fully appreciate it. Mr. Bell is considered an expert on this class of work and his explanations were intricate and interesting. He answered a few questions in a very satisfactory manner.

HEAVY SMASH BY BRITISH

Took German Trench On Three-Quarter Mile Front

To Northeast of Beaumont-Hamel.

London Cable.——The British official communication issued to-night says: "A number of minor enterprises were undertaken last night with excellent results. South of the Ancre we entered the enemy trenches at two places in the neighborhood of Grandcourt, and took prisoners. Early this morning a local operation on a large scale northeast of Beaumont-Hamel was completely successful. Our troops carried an enemy trench on a front of three-quarters of a mile and established our position. An enemy counter-attack this afternoon was caught in the open by our artillery, and broken up with loss. One hundred and seventy-six prisoners, including four officers, were taken in the course of the operations in this area.

"Enemy trenches also were raided last night east of Armentieres and northeast of Ypres. Many casualties were inflicted on the enemy.

"The Berlin report says: "North of Ypres a hostile attack was repulsed, and the enemy's losses were heavy. The English, who had entered a narrow place, were driven back by a counter-thrust. South of Ypres and advance of stronger hostile patrols also was without success. Near Beaumont, the enemy succeeded in occupying a salient trench section of our position. Our aeroplanes shot down two English captive balloons, which fell down burning."

HUNS THROW WAR'S BLAME ON ENTENTE

Note to Neutrals Claims Their Peace Offer Was Sincere.

CHARGE VIOLATION

Of Laws of War, in Justification of Course in Belgium.

Berlin Cable.——Germany to-day handed neutral Governments a note concerning the reply of the Entente to the German peace proposals, the Overseas News Agency announces. It is first stated, says the news agency announcement, that the German Government has received the reply of the Entente to the note of Dec. 12, containing a proposition to enter at once into peace negotiations. The note then continues:

"Our adversaries declined this proposition, giving as the reason that it is a proposition without sincerity and without importance. The form in which they clothe their communication excludes an answer to them, but the Imperial Government considers it important to point out to the Governments of neutral powers its opinion regarding the situation.

"The central powers have no reason to enter into any discussion regarding the origin of the world war. History will judge upon whom the immense guilt of the war shall fall. History's verdict will as little pass over the encircling policy of England, the revengeful policy of France, and the endeavor of Russia to gain Constantinople as over the instigation of the Serbian assassination in Sarajevo and the complete mobilization of Russia, which meant war against Germany.

"Germany and her allies, who had to take up arms for defense of their liberty and their existence, consider this, their aim of war, as obtained.

"On the other hand, the hostile powers always went further away from the realization of their plans, which, according to the declarations of their responsible statesmen, were among others, directed towards the conquest of Alsace-Lorraine and several Russian provinces, the humiliation and diminution of the Austro-Hungarian monarchy, the partition of Turkey and the mutilation of Bulgaria.

ASSERT THEIR SINCERITY.

"In the face of such war aims, the demand for restitution, reparation and guarantee in the mouth of our adversaries produces a surprising effect.

"Our adversaries call the proposal of the four allied (Teutonic) powers a war manoeuvre. Germany and her allies must protest in the most energetic fashion against such a characterization of their motives, which were frankly explained. They were persuaded that a peace which was just and acceptable to all the belligerents was possible, that it could be brought about by an immediate, spoken exchange of views and that therefore the responsibility for further bloodshed could not be taken.

"Their readiness was affirmed without reservation to make known their peace conditions when negotiations were entered into, which refutes every doubt as to their sincerity.

"Our adversaries, who had it in their hands to examine the proposition as to its contents, neither attempted an examination nor made counter proposals. Instead, they declared that peace was impossible so long as the re-establishment of violated rights and liberties, the recognition of the principle of nationalities and the free existence of small states were not guaranteed.

"The sincerity, which our adversaries deny to the proposals of the four allied powers, will not be conceded by the world to these demands if the world holds before its eyes the fate of the Irish people, the destruction of the liberty and independence of the Boer Republic, the subjugation of Northern Africa by England, France and Italy, the suppression of Russian alien nations, and also the violation of Greece, which is without precedent in history.

CONDITION OF LAWLESSNESS.

"Against the pretended violations of the laws of nations by the four allies (Teutonic), these powers are not entitled to complain, which from the beginning of the war trampled on justice and tore to pieces the treaties upon which it is built. England already during the first weeks of the war, repudiated the London declaration, the content of which had been recognized by its own delegates as a valid law of nations, and in the further course of the war violated in the most severe fashion also the Paris declaration so that, by her arbitrary measures for warfare, a condition of lawlessness has been created.

"The war of starvation against Germany and the pressure exercised in England's interest against neutrals, are not less scandalously conflicting with the rules of the laws of nations as with the commands of humanity.

"Likewise, contrary to the laws of nations and incompatible with the usages of civilization, are the use of colored troops in Europe and the extension of the war into Africa, which was done by a breach of existing treaties and which undermine the prestige of the white race on that continent. The barbarous treatment of prisoners, especially in Africa and Russia, and the deportation of the civilian population from Eastern Prussia, Alsace-Lorraine, Galicia and Bukowina, are further proof of how our adversaries respect justice and civilization.

"At the end of their note of December 30th, our adversaries point out the special situation of Belgium. The Imperial Government is unable to acknowledge that the Belgian Government has always observed the duties which were enjoined upon her by her neutrality. Already before the war Belgium, under England's influence, sought support in military fashion from England and France, and thus herself violated the spirit (of the treaty), which she had to guarantee her independence and neutrality.

"Twice the Imperial Government declared to the Belgian Government that it did not come as an enemy to Belgium, and asked it to spare to the country the terrors of war. Germany offered to guarantee the integrity and independence of the kingdom to the full extent and compensate for all damages which might be caused by the passage of German troops. It is known that the Royal British Government in 1887 was resolved not to oppose the use of the right of way through Belgium under those conditions. "The Belgian Government declined the repeated offer of the Imperial Government. Upon her and those powers which instigated her to this attitude falls the responsibility for the fate which befell Belgium.

"The accusations about the German warfare in Belgium and the measures taken there in the interest of military safety have been repeatedly refuted by the Imperial Government as untrue. Germany again offers energetic protest against these calumnies.

"Germany and her allies have made an honest attempt to terminate the war and open the road for an understanding among the belligerents. The Imperial Government asserts the fact that it merely depended upon the decision of our adversaries whether the road towards peace should be entered upon or not. The hostile Governments declined to accept this road. Upon them falls the full responsibility for the continuation of the bloodshed.

"Our allied powers, however. shall continue the struggle in quiet confidence and with firm trust in their right, until peace is gained which guarantees to their nations honorable existence and liberty of development, and which to all the nations of the European continent gives the blessing to co-operate in mutual respect and under equal rights together for the solution of the great problems of civilization."

BRITISH FACE THEIR SHARE

As Many Huns On Their Front as On the French.

Operations Against Trenches More Successful.

London Cable.——In discussing with the Associated Press to-day the new line which the British have taken over in France, Major-General F. B. Maurice, chief director of military operations at the War Office, replied to the frequently-uttered criticism based on the fact that Great Britain with her great new army holds only a comparatively small portion of the western front. He stated that the 90 miles held by the British has as many Germans along its front as the 230 miles extending from the Swiss border to Rheims.

"Besides the numbers facing us," General Maurice continued, "it must be remembered that both climatic and ground conditions along our front are much worse than in any other section in the west. Just now we feel this acutely, as the water is always near the surface in Flanders, and, besides the churned-up ground on the Somme front, we must contend with adverse weather.

"With the numbers facing us, which equal all the Germans on the line between the Swiss border and Rheims, we are bearing our own weight. As you noted in the morning papers, we continue to make successful trench raids, and these operations are becoming increasingly easier. For example, in the Beaumont Hamel raid reported this morning, 100 of our men took the 140 prisoners mentioned in the official communication. Reports just received show we are again raiding with equal success, one such position, being attacked, resulting in the capture of 159 men.

"On the Roumanian front, in the marshes of the Sereth and Pruth Rivers, weather conditions are interfering with operations. The Germans probably are finding the obstacles to their advance a little more serious than they expected.

"The action on the Riga front is only a local affair, but is encouraging as showing the growing Russian superiority over the Germans. However, such an operation is not in the same category as Gen. Brussiloff's big offensive last year. Information from captured German prisoners shows that while the rations served to their army are sufficient, they are by no means as ample as during the early part of the war, while men who have been home on leave tell stories of the utmost privations."

GERMAN LOSS NOW 4,010,160

London Cable.——The total German casualties since the beginning of the war were placed at 4,010,160 in an official summary issued by the British Government to-day which reads:

"A summary of the German casualties reported in official German casualties lists published during December gives a total of 88,291, which added to those previously reported, brings the total German casualties to 4,010,160. The naval and colonial casualties are excluded."

DRS. SOPER

DRS. SOPER

Please Mention

THE
FOR

ROBER

62 KING ST. E.