

# THE DAILY NEWS

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## RUSSIANS MAY HAVE TAKEN CZERNOWITZ

### AUSTRIANS FAIL TO STEM ADVANCE -- THE ITALIANS MAKE PROGRESS IN TYROL

#### RUSSIANS ARE STILL GAINING ON GALICIAN FRONT

Czernowitz May Now be in Russian Hands—Austrians Fail to Stem the Advance—Germans May Attack Riga.

(Special to The Daily News)

Petrograd, June 13.—There is a rumor that the Russians have occupied Czernowitz, the capital of the Austrian crown land of Bukovina. Color is given to the rumor by the capture by the Russians of Dobronovitz, a commanding point ten miles to the northeast of Czernowitz. The Russian line now extends to Okna. From both points the roads lead direct to Czernowitz.

#### Advance Continues.

The Russian successes continue, according to today's official report. Their success is surprising as the Austrians, after the first shock of the Russian advance appeared to have rallied their forces and to have offered a stubborn resistance.

On the Volhynian front, furious counter attacks have characterized the last 40 hours fighting but without the Austrians being able to more than momentarily check the force of the Russian advance.

It is believed that the Germans are not sending many troops to aid the Austrians in stemming the Russian offensive. It is pointed out by the military critics that only in one instance during the spectacular Russian campaign in the Carpathians, in the early stages of the war, did Germany send a large number of men to relieve the Austrians. Instead, it has been the German practice to undertake an offensive movement at some other part of the line in an endeavor to draw off the Russians.

#### Northern Front.

It is believed that the Germans will attempt an offensive along the northern section of the Russian front rather than risk weakening their lines by detaching any large number of men from other fronts to support the Austrian defence.

The number of prisoners now taken by the Russians in this big forward movement is seventeen hundred officers and one hundred and thirteen thousand men.

#### RUSSIANS AND ITALIANS ARE CO-OPERATING

Austrians May be Caught—Aeroplane Attack in Egypt—Germans Again repelled on Verdun Front.

(Special to The Daily News.)

Rome, June 13.—It is officially announced by the war office that the Italians continue to advance in the Arsa Valley; in the Pasubio sector, and along the Posina-Asstico line in the southern Tyrol.

The Austrians have withdrawn 45,000 men and several batteries of heavy guns from the Italian front to try and stem the Russian advance in Volhynia.

The Rupert Hotel bulletin says that the Austrians are caught in a huge trap between the Italian and Russian fronts, and that the new Italian attack was begun simultaneously with the new Russian offensive.

#### Air Attack on Egypt.

London, June 13.—German aeroplanes bombarded the Egyptian town of Katara, thirty miles south of Port Said on the Suez Canal and fired on Romani with machine guns. The enemy planes were driven off by British aircraft.

#### Verdun Front.

Paris, June 13.—The German infantry attacks on the French positions west of Fort Vaux on the Verdun front last night failed entirely. There are heavy German bombardments north of Souville and Tavantes, while the artillery attacks west of the Meuse continue.

#### British Front.

London, June 13.—There has been a twenty-four hours lull on the British lines, there being no infantry attacks. Operations were confined to artillery and mining. The most notable occurrence on this portion of the front is a heavy mutual bombardment between Hill 60 and Hooge.

#### Rumanian Frontier Closed.

A Reuter despatch from Bukharest, the Rumanian capital, says that the Rumanian-Bulgarian frontier will be temporarily closed against passenger and merchandise traffic. It is believed that this step has been taken in order to make an important troop movement.

#### RED CROSS THANKS

The Red Cross Society wish to acknowledge receipt of the sum of \$19.50 from the school children's picnic, \$10.00 being from "Major" Gibson's boat, the Nancy Jane, and \$9.50 from Dr. Tremayne's Evelyn and H. F. McRae's Kermac.

The society also wishes to thank Gracy Carroll and Nina Christian, two little girls, for \$8.60 earned by the sale of flowers.

**SAFETY FIRST—USE NEW WELLINGTON COAL. PHONE 116.**



QUEEN ALEXANDRA AT WESTMINSTER ABBEY

Queen Alexandra arriving at Westminster Abbey, where she is being received by Dr. Ryle, Dean of Westminster. The occasion is the distribution of Maundy Money to the poor.

#### ENORMOUS SAVING IN CITY ADMINISTRATION

Mayor McCaffery announced at the council meeting last evening that the estimates for the year had been prepared and that the figures showed a reduction of over \$38,000 in the administration expenses for the year, as compared with last year, while the saving in the operation of utilities would be \$7,500, making a total saving of over \$46,000 for the year.

As a consequence of the saving effected, it was anticipated that the tax rate would be 10 mills gross, or about 8 1/2 mills net. This would be the lowest rate in the history of the city.

He thought it was an opportune time to congratulate the council upon the work accomplished during six months in office. In effecting such a saving to the ratepayers and in the completing of the bond sale he felt that the members of the council had done their work well.

#### PUBLIC MEETING

A public meeting will be held in the City Hall tonight at 8:30 to discuss the Order in Council from Ottawa now enforced, which prevents American fish buyers operating in Prince Rupert.

Every merchant and others interested are earnestly requested to attend, as drastic measures must be taken immediately to prevent the loss of the fishing industry to this city.

#### CASE DISMISSED

Magistrate Carss dismissed the case against George P. McColl, who was charged with contravention of the Shops Act. The magistrate held that there had been no breach of the bylaw. Even if the time stated by the complainant were correct, Mr. McColl had done all in his power to live up to the spirit of the law.

#### FRANCE AND BRITAIN AGREE ON TACTICS

(Courtesy Hotel Rupert.)

General Joffre attended the Allied conference in London, when the French and British agreed upon the tactics to be followed during the remainder of the war. The meeting was marked by the most absolute understanding between the military leaders of the two nations.

#### Bulgaria Bombarded.

The Allied fleets are bombarding the Bulgarian coast in the Aegean Sea.

#### HOTEL-KEEPERS WANT LICENSE FEE REDUCED

A petition from the hotel-keepers of the city was presented to the council last evening asking that, in view of the curtailed hours in which they could sell liquor and the fact that so many men had left the district, that the liquor license for the ensuing half-year be reduced to \$150. The petition was signed by all the city hotel-keepers.

A. J. Prudhomme, speaking to the petition, said that he thought that the petition made the request quite clear. The present fees had been fixed at a time when there was a large amount of business being done and when the city felt entitled to charge the maximum rate. He felt that present conditions called for the minimum rate, especially in view of the fact that the city was now so situated financially that the council contemplated a big reduction in taxes. He pointed out that, so long as the city was in financial difficulties, the hotel-keepers had paid the big fees without a murmur, but he felt that now that things had been improved that they were entitled to serious consideration. The matter was referred to the finance committee for report.

#### MAYOR MCCAFFERY EFFECTED LARGE SAVING IN BOND ISSUE.

OVER SIX THOUSAND DOLLARS SAVED IN EXCHANGE, EXPRESS, INSURANCE AND DUTY BY CLOSING THE DEAL IN NEW YORK—DETAILED REPORT OF TRANSACTION

At the council last night, Mayor McCaffery gave a full report of his visit to Vancouver, Victoria, Toledo and New York, in connection with the placing of the city's bond issue. Accompanying the report were letters from Spitzer, Horick & Co., relating to the deal and expressing satisfaction in the manner in which the business had been carried out.

The mayor expressed surprise that some had criticised the necessity of his going to New York. Under the agreement entered into he had to deliver the bonds in New York, and he was never absolutely sure that the money was the city's until the deal was completed in New York. Incidentally, there had been a saving effected of \$6,131 because of his being on the market in New York instead of in Prince Rupert. The expenses of the trip had been far more than covered by the saving made. The following is his report:

Dear Sirs:—I beg to submit for your consideration the result of our mission to New York, to bring about the consummation of this transaction.

We signed and delivered \$1,616,000.00 (1 to 30 years) Serial Debentures, also \$800,000.00 3-year notes. \$816,000.00 of these debentures were delivered as per contract with Messrs. Spitzer, Horick & Company at the purchase price of 87 1/2 cents, the proceeds of which realized \$714,000.00, the secured interest, \$6,528.00, making a total of \$720,528.00. The remaining \$800,000.00 were deposited in escrow with the Bank of Montreal, New York, pending surrender of three-year temporary notes, issued against these debentures, the purchase price of which was 95 cents, the proceeds of which amounted to \$760,000.00, and accrued interest \$2,266.67, making a total of \$762,266.67; making the total proceeds of this sale and accrued interest \$1,462,794.67.—This amount was disposed of as follows:

To liquidate the treasury certificate debt of £203,250, or \$989,150.00, in London. We purchased exchange on May 19th for \$4.67 1/2 for payment in London on May 29th, depositing \$968,740.31, making a profit of \$20,409.69. This exchange was purchased at 2 points below market quotations, through the Equitable Trust Co.

To liquidate our indebtedness to the Bank of Montreal in Prince Rupert we remitted on May 19th \$425,600.00, for which amount we purchased exchange at 3.16, this also being 2 points below market quotation, and depositing \$424,802.00, making a profit of \$798.00.

Again, on May 20th we remitted to Prince Rupert \$29,252.36 at same rate of exchange, making also a profit of \$54.84 on exchange. This amount represents

the saving on exchange and accrued interest received on sale of debentures and temporary notes. This leaves a balance on total proceeds of \$60,000.00, and represents the extra price for \$800,000.00 temporary notes which were sold at 95, pending the permanent sale of a like amount of debentures placed in escrow with the Bank of Montreal, New York. This amount was placed on deposit in Spitzer, Horick Bank, bearing interest at 4 per cent, computed on minimum monthly balance, to be paid back to Spitzer, Horick & Company as they take the debentures now in escrow, for which they pay 87 1/2, requiring, therefore, \$75.00 for each \$1,000 debentures to reimburse the extra price now paid for temporary notes. The interest earned while this money is on deposit will be a clear saving to the city, and is brought about as follows:

Our total debenture issue was \$1,616,000.00, which, under the contract dated April 12th, was to be finally sold at 87 1/2. This would yield in cash \$1,414,000.00. To facilitate the sale it was agreed that part should be issued in temporary notes for which the bond dealers were to pay 95, and on the permanent sale of the debentures they take them up at 87 1/2, consequently, the city would have to pay the bond dealer a further discount of \$7.50 for each \$100.00. This \$60,000.00, therefore, represents the total discount to be paid when the \$800,000.00 now in escrow in New York is finally sold. It does not mean that the city is paying interest on this amount, it simply means that instead of getting \$875.00 for each \$1,000.00 bond, we are getting \$950.00. Until final sale of the debentures any interest received while this is on deposit in the city account means reduction in discount.—The interest on \$60,000.00 computed monthly, will amount to \$2,500.00 per year. Assuming this stays on deposit for life of temporary notes, namely three years, the city would have reduced this amount \$7,500.00. It was suggested by the bond dealers that more permanent debentures were taken up and less temporary notes. Seeing that this would be a loss to the city we decided to issue the full amount of \$800,000.00 temporary notes and take advantage of the interest on additional price. An escrow agreement was entered into with the Bank of Montreal, and \$800,000.00 (Continued on Page Two)

#### WESTHOLME

OPERA HOUSE

TONIGHT ONLY

Jesse L. Lasky presents a notable All-Star Caste in a picturization of "THE CHORUS LADY" By James Forbes.

An episode in the Hazards of Helen Holmes in "THE FATE OF NO. 1"

A really good picture—Flora Finch in "A MISTAKE IN TYPESETTING" By W. A. Tremayne.

Thursday is the first of our National Concert nights—June 23rd, Chaplin's first picture with his new company, "THE FLOOR WALKER"

GO TO LONDON CAFE FOR THE BEST MEALS STRICTLY UNION HOUSE Hart Bld. Third Ave. BOXES FOR LADIES