

# THE DAILY NEWS

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## PARLIAMENT DISCUSSES INCOME TAX BILL

### COLLAPSE ON RUSSIAN FRONT—GERMANS MAKE ANOTHER ATTACK ON FRENCH

#### RUSSIAN LOSSES STUPENDOUS IN GALICIAN RETIREMENT

BRITISH AND FRENCH GUNNERS AND AVIATORS COVER THE  
RETREAT OF DISORGANIZED RUSSIANS—BRITISH AR-  
MORED CARS CO-OPERATE WITH THE RUSSIAN  
CAVALRY AND HELD UP ENEMY

(Special to The Daily News.)

London, July 27.—The Russian defeat is regarded here as an appalling blow to the Allies, the more so as the tremendous war strength was massed to make the eastern front impregnable. The collapse of the Russians is deeply disappointing to the officials having the welfare of Russia at heart. The artillery was admirably placed for defence and the losses of the Russians have been stupendous. The seventh and eighth armies have been utterly routed and abandoned. Never during the war had Russia put field such enormous armies, British and French gunners, flying machines, aviators and British armored cars were added to the unprecedented technical strength of the Russians themselves to make this particular front equal to anything.

#### Deserted.

The gun positions are now behind the line of the enemy advanced positions. The British armored cars played a gallant part in covering the Russian retreat in Galicia. The infantry deserted them, hence their stand was unavailing, but the German advance was held up for some time. The commander in chief personally congratulated the British commander. The British casualties were only five wounded. The cars later co-operated with the Russian cavalry in front of Tarnopol.

During an interview, Kerensky said that the fundamental problem of the Provisional Government lay in providing for the immediate safety of the country and the revolution, whatever the cost might be.

The Russian government has adopted the death penalty until the end of military operations.

#### French Front.

Paris, July 27.—German assaults reopened last night along a front of two miles on the Aisne front from a point to the east of Hurlbise to Labouville. At the cost of tremendous losses, the Germans penetrated a certain element of the French front line trenches. In the Champagne, the French troops penetrated into the German trenches.

#### British Front.

London, July 27.—Reports are confined to raids near Armentieres.

#### Urges Action.

Washington, July 27.—The army and naval officials urge action against the German bases. Washington is considering that the toll of the submarines and the apparent military collapse of Russia make more aggressive British and American tactics imperative. There is no discouragement among American officials.

#### A New Invention.

Ottawa, July 27.—Colonel Macklem, the Canadian inventor of a new grenade, received twenty thousand pounds from the British Government. The new weapon is

a boon to the Allies. It saves money and preserves many precious lives.

#### The Balkans.

New York, July 27.—The entire situation in the Balkans has been altered by the collapse of Russia. The tangled skein is now more tangled than ever. The Entente conference in Paris has difficult work ahead.

#### Diplomacy.

London, July 27.—The Hun dream of world conquest is finally dissipated. The belief throughout the Central Empires is that the war must end through diplomacy. Victory on the field is no longer looked for. German prisoners claim that the economic situation in Germany has been exaggerated, and that there is no visible shortage. In Germany, the entry of the United States into the war is not taken seriously.

#### Ships Sunk.

Twenty-one British merchantmen over sixteen hundred tons were sunk last week and three under that tonnage. Not a single French merchant ship and only two Italian were sunk during the same period.

#### SONS OF CANADA

A large and enthusiastic gathering of Canadians met together in the K. P. Hall last evening, when the organization of the new society, "The Sons of Canada," was completed by the election of officers and committees for the incoming six months.

The election resulted as follows:—Hon. President, Lieut.-Col. C. W. Peck, D. S. O.; Hon. vice-president, Lieut.-Col. S. P. McMorris, D. S. O.; president, Mr. S. E. Parker; first vice-pres., Mr. Malcolm McLeod; secretary, Mr. W. D. Vance; treasurer, Mr. R. Seymour Wright. Five members were put on each committee. They are as follows:—House committee Messrs. J. A. Prudhomme, W. G. Barrie, D. McCorkindale, L. A. McLellan and W. Blythe. Membership committee, Messrs. J. R. Beatty, W. E. Thompson, H. F. McRae, Geo. Johnson and Martin O'Reilly. Entertainment committee, Messrs. E. E. La Casse, D. G. McRae, W. Clayton, H. S. Wallace and H. L. Harris. Nominating committee, Messrs. W. W. Wright, Force, Cox, Allison and Morrissey.

The society will meet on the third Friday of each month, although a permanent home has not yet been acquired. There are on the roll at present seventy-two members, and many others have signified their intention of joining. So far as numbers are concerned, the Sons of Canada promises to be a very strong society. The chief object of the society is for the furtherance of Canadian ideals.

#### PUBLIC MEETING

A General Meeting will be held at the City Hall on Friday, the 27th instant, at 8 p.m., to make arrangement for the proper commemoration of the 3rd anniversary of the great war.

All are invited to attend. Dated 24th July—Fred. Peters, City Clerk. 475

Just arrived, 250 tons of lump coal. Phone 116—Albert & McCaffery.



ARMUMENT AD HOMINEM.—"Blowed if I can understand this ere cry of 'back to the land,' sir, can you?"—London Bystander.

#### THE INVESTIGATION RE FISHING REGULATIONS

Before the Royal Commission hearing evidence yesterday forenoon in the matter of the fishery regulations, Captain Rorvik was the second witness. In his opinion the halibut were decreasing in numbers and he advocated strongly a close season during the months of December, January and February, which is the spawning time. He also was in favor of the use of gas boats on the Skeena. Mr. John H. Meaker, of the Halibut Fishermen's Union, also spoke from the fisherman's point of view, and confirmed Capt. Rorvik's argument re the spawning time. At 12:30 p.m. the hearing was adjourned in order to give the commission a chance to see the mode of handling the fish at the wharf.

On meeting again at three o'clock, Mr. T. H. Johnson, of the Canadian Fish and Cold Storage Company, explained the details of this company's business. He insisted that the first market to be secured was for fish in a fresh condition. At the cold storage, they had four options in handling the fish. They could freeze it, can it, smoke it or salt it. He emphasized the advantage of freezing over canning. Where it cost three cents per pounds to can fish, freezing could be done at less than thirty-three per cent of that. It was the most modern method, and the market for frozen fish was growing. Mr. Johnson would be in favor of independent licensees using motor boats, but not for attached licensees. He thought that every cannery should have an equal number of attached licensees in accordance with their capacity, but he was not in favor of an unlimited number of canneries.

Mr. Ed Parsons next spoke as an independent fisherman. In his opinion the removal of the restriction against the use of gas boats for gill netting would encourage the white fishermen. They could live in the boats and keep warm and comfortable. During wet and cold weather, a sail boat is no place for a white man. He explained that even if double the number of licenses were issued, that it would not necessarily mean that double the number of fish would be caught. There are but few places on the Skeena where fishing can be done.

Mr. R. G. Johnston, of Inverness Cannery, was the next witness. So far as the depletion of the fish was concerned, he stated that 1889 was the poorest year on record, while 1910 was the best. Mr. Johnston was not enthusiastic regarding the use of gas boats.

Mr. Charles Edwards spoke as a halibut fisherman and told considerable about the waste of black cod. He was followed by Mr. W. E. Williams, representing The Board of Trade. His contention was for no limit being put upon the number of cannery licenses. (Continued on Page four.)

#### THE QUESTION OF FOOD STORAGE IN COMMONS

Ottawa, July 24.—Hon. T. W. Crothers, Minister of Labor, stated that a further inquiry would be made into the cold storage situation in Canada as a result of the report made by W. F. O'Connor, K. C. Mr. Crothers said that it had not yet been decided what form the investigation should take. Mr. O'Connor himself, he added, had suggested that expert accountants should investigate points upon which he thought there should be more information. Mr. Crothers admitted that he thought it would have been better if the report had not been made public until this further investigation had been secured.

"That is a mild way of saying that you made a grievous mistake," interposed Hon. W. Pugsley.

The question arose in connection with the consideration of Hon. Mr. Crothers estimates. He explained that the cold storage firms in Canada had been asked certain questions. They were asked as to the quantity of bacon in storage on a certain date and the cost of bacon laid down in cold storage, including freight and unloading charges. These questions were answered satisfactorily. They were also asked what were the storage, overhead, and delivery charges. Several firms, including the Davies Company, said they were unable to answer this. Not having this information Mr. O'Connor's report does not profess to deal with net profits, but what in economics are known as margins.

Hon. Mr. Crothers added that a day or two after these reports had been published, this firm discovered the information which they could not previously give.

#### Further Inquiry.

In reply to a question, Mr. Crothers said he did not think it was necessary to have further inquiry by a judge, but he thought further information necessary could be secured by the department. He pointed out that Mr. O'Connor, in his report, had said this information was not complete, and asked for an accountant to finish the inquiry.

A. K. Maclean asked if there was to be a further inquiry into the reports made by Mr. O'Connor on anthracite coal and sugar.

Hon. Mr. Crothers replied that the answers to these inquiries were satisfactory. He added that the inquiries never ceased, as they were getting monthly reports from the coal and sugar dealers.

Hon. Dr. Pugsley said it looked as if Mr. Crothers was unconscious of what was going on. He read a telegram appearing in the press from Sir Robert Borden to the William Davies Company, stating that there would be an inquiry into the whole matter, by a competent judicial officer. He under-



#### PERCY GRAINGER NOW PLAYS FOR U. S. ARMY

Percy Grainger, pianist and composer, shorn of his flowing locks, which once went Padarewski's several better, in his new uniform as a third class musician at \$30 a month, in the band of the United States coast artillery. He had been getting at least \$1,000 for a performance. At one of his recent recitals, he raised \$2,600 for the Red Cross.

stood that meant an inquiry by a judge.

Hon. Mr. Crothers said that the judicial officer would not necessarily be a judge. Hon. Dr. Pugsley asked what was a judicial officer. Hon. Mr. Crothers said he was not in a position to define the term, and this closed the incident.

#### WESTHOLME THEATRE

Tonight there will be shown at the Westholme Theatre a photoplay entitled "The War Bride's Secret." This forms a thrilling story and is a powerful wartime play. Virginia Pearson is the star artiste. She is an actress of great charm and her personality is one with which any audience would fall in love right away. In this play she gets full scope for her great talent, which she utilizes very effectively. The whole five acts hold the house spell-bound.

A splendid comedy will also be screened, and an up-to-date Gazette will be shown as well. The programme for tonight is an all-round one, with which everyone ought to be pleased.

Mr. Jesse Brooks, of the Kitse-las Mountain Copper Company, of U.S., arrived from the south this morning on the Prince Rupert.

For dressed lumber of all kinds—Albert & McCaffery. Phone 116.

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FOR SALE  
Boiler, engine, machinery and stock of the Prince Rupert Sash and Door Factory. Apply W. Angus, Prince Rupert Hotel.  
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#### NEW INCOME TAX BILL NOW IN PARLIAMENT

(Special to The Daily News.)

Ottawa, July 27.—Under the provisions of a new income tax bill introduced into the House today, corporations and joint stock companies are liable to a four per cent. taxation. The bill will exempt incomes of married men up to three thousand dollars, while single men and widowers without children must contribute a tax on all over two thousand.

#### Conscription.

The Military Service Bill will likely be in the Senate tomorrow. Conscription is now within hailing distance of becoming law. It is not necessarily effective when the Royal assent is received, but will come into force after the Government chooses to issue a proclamation.

#### HOW CANADA CAN YET BUILD STEEL SHIPS

The reason, according to one of the Vancouver papers, for the alleged breakdown of the negotiations between the Union Iron works of San Francisco and the G. T. P. for the utilization of the Prince Rupert plant for shipbuilding is the impossibility of securing steel plates.

This is not by any means the first time that the building of steel ships in Canada has been prevented. An article in the Ottawa Citizen of May 25th will be of interest in this connection. It reads as follows:

A trenchant arraignment of the government for its inactivity in providing merchant marine is made by H. H. Blanchet, of Toronto, who is in Ottawa on business.

Mr. Blanchet is the man who started the International Steel Ship Building Corporation of Montreal, which now finds that it cannot secure the steel necessary. What Mr. Blanchet advocates is that the government should give a bonus for the building of wooden ships and says this alone will be a practical solution of the trouble. He has been trying, without success, for over a year to get the government to make a move. In conversation with The Citizen, Mr. Blanchet produced a newspaper report of Lloyd George's speech on May 3rd in which he stated:

"The road to victory, the guarantee of victory, the absolute assurance of victory, is to be found in one word, ships, in a second word, ships, and in a third word, ships. (Cheers.) I see America fully realizes that, and today I observe that they have already made an arrangement to build one thousand 3,000-tonners for the Atlantic." (Cheers.)

#### Steel Ship Building.

On May 9th, said Mr. Blanchet, Hon. Thomas White, according to the newspaper reports, was then in Washington to take up the question of steel shipbuilding in which big business was in prospect. The report stated that steel plate was essential and until the necessary mills could be built in Canada it was hoped that the United States Steel Corporation (Continued on page three.)

The favorite household Coal is Ladysmith Wellington. Phone 15, Prince Rupert Coal Co. Cf.

#### WESTHOLME

##### TONIGHT ONLY

William Fox presents Virginia Pearson in "THE WAR BRIDE'S SECRET" A story that lays bare a mother's heart—a thrilling act.

##### GAZETTE—COMEDY

Admission 10 and 15 cents.

#### LONDON CAFE

##### AND GRILL

##### Third Avenue

Prompt Service of the Best there is to eat at all hours.

##### BOXES FOR LADIES