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VICTORIA, B.C.

Tomorrow's Tides
High 0:43 a.m. 22.5 ft.
13:09 p.m. 22.6 ft.
Low 7:03 a.m. 1.9 ft.
19:24 p.m. 2.5 ft.

The Daily News

Weather Forecast

Prince Rupert and Queen Charlotte Islands—Moderate to fresh northwest winds, mostly fair and moderately warm.

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

PRINCE RUPERT, B.C., TUESDAY, SEPTEMBER 12, 1939.

PRICE: 5 CENTS

WAR BUDGET IS PRESENTED

"Pay As You Go" Policy Will Be Followed If Possible By Canada In Conflict Finance

Every Citizen to Share Cost on Basis of Ability to Pay—May Be Guarded Measure of Credit Expansion—Tax Increases Announced

OTTAWA, September 12: (CP)—A "Pay as You Go" policy will be followed as far as practicable in financing Canadian war costs, Hon. J. L. Ilsley, minister of national revenue, told the House of Commons today when he presented the war budget on behalf of Hon. J. L. Ralston, minister of finance, who has no seat in the House as yet.

NO WORLD OF NAZISM

No Peace Until This Is Accomplished, Declares Anthony Eden

LONDON, September 12: (CP)—Anthony Eden, Secretary of State for the Dominions, in a broadcast, said that there can be no peace until Nazism is banished from the earth.

PATTULLO DEFINITE IN VIEWS

Conscription Of Everything—United States Cannot Stay Out

VICTORIA, Sept. 12: (CP)—Speaking at a Pacific Northwest League Club district convention last night with many American delegates in attendance, Senator T. D. Pattullo declared that if Canada and United States sent two million men overseas, the war would soon end. Pattullo said he favored conscription of man and wealth. "There should be conscription of everything—every man, woman and child," he said.

"The freedom and liberty of the Canadian people is jeopardized, the place to fight is on Canadian soil," said Mr. Pattullo. He recalled the pronouncement of President Franklin D. Roosevelt of the United States that United States would stand idly by and see the foreign invasion of Canada. Mr. Pattullo added: "We are now at war and liable to attack. What we wait or carry out the presidential policy. If they carry out that policy as I believe they will, if Canada is warring, so is the United States."

SHOOTING IN DAWSON

John Sipkus, Veteran Wood Dealer, Is Victim—Another Man Near Death

DAWSON, Sept. 12: (CP)—John Sipkus, pioneer Dawson wood dealer, was shot down yesterday as he wandered in the street here with a Royal Canadian Mounted Police officer. The shot is believed to have come from the window of a building where J. P. McPhee was found with a gun in his hands. McPhee is in hospital in serious condition.

War News

OTTAWA—Prime Minister William Lyon Mackenzie King announced in the House of Commons today creation of a "voluntary registration bureau."

COPENHAGEN—Fourteen were killed when the Finnish bark Olive Bank was blown up, apparently by a mine about one hundred miles south of Esbjerg, southwest of Denmark.

MOSCOW—"Liquidation" of six violators of the Soviet frontier is reported by the newspaper Red Star.

WASHINGTON—Senator W. E. Borah, Idaho, the veteran isolationist, yesterday expressed his unalterable opposition to the removal of the arms embargo clause to belligerent nations from the neutrality act. He said to remove the embargo clause would surely involve United States in the war. He would resist any "gang rule" of the Senate.

VOTE DOWN C.C.F. MOVE

Socialists And French Canadians Opposed to Anything In Way Of Expeditionary Force

OTTAWA, September 12: (CP)—Co-operative Commonwealth Federation and ten Quebec members endeavoured in the House of Commons yesterday to forestall the sending of a Canadian expeditionary force to France but the move was voted down 151 to 16. Prime Minister William Lyon Mackenzie King said that no such force was contemplated at this time but, if such a resolution as was proposed were adopted, it would stop the sending of airmen as was contemplated.

How War Cost Will Be Paid

The wartime budget disclosed that an excess profits tax will be levied by the government on business and additional taxes will be placed on incomes, all alcoholic and aerated beverages, tea, coffee and tobacco to meet war costs. The plan is to meet a larger portion of war cost out of increased taxes on luxuries and excess profits.

All businesses, whether incorporated or not, will pay taxes ranging from 10 to 20 per cent.

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German Foreign Policy Is Bankrupt; Britain Will Not Deal Further With Hitler

LONDON, September 12: (CP)—The message of Vice-Chancellor Herman Goering of Germany is taken in official circles here as revealing bankruptcy in German foreign policy says a statement by the Ministry of Information. Now that she is at war, Great Britain will continue to fight until there is a return to decency in international dealings.

"Great Britain does not want another Versailles or a collapse of Germany but a lasting peace with any honorable German government," says the communique.

Referring to the broken promises of Hitler, the statement says that Great Britain can have no confidence in any further undertakings he may give.

"Great Britain is ready to negotiate an honorable peace at any time not with Hitler but only with a German government that can be trusted."

In regard to persistent reports from Germany that peace may be expected after the conquest of Poland has been completed, it is pointed out here that, under the terms of the mutual assistance pact, Poland must consult with Great Britain and France before it can make peace.

Battle Progress On Two Fronts

POLES IN TRAP NOW

So Say Germans in Regard to Position of Warsaw's Defenders

Bloody Battle

Poles Still Offering Resistance in Face of Advancing Nazi Hordes

BERLIN, Sept. 12: (CP)—The Polish army, fighting in and before Warsaw, especially at Modlin fortress on the northwest, is considered by the German military to be hopelessly trapped. All roads leading to Warsaw are claimed to be in German hands. General advances in other sections of the Polish campaign are claimed.

The bloodiest battle since the fighting in Poland began is now reported to be under way a few miles north of Lodz and about sixty miles from Warsaw. Three German divisions launched a counter-offensive against the retreating Poles who are evidently endeavouring to establish a position on the east bank of the Vistula for the purpose of offering real resistance.

A Warsaw dispatch said last night that the Polish defenders had driven back two German drives and that the Nazi lines had been broken.

The Poles are still holding the port of Gdynia near Danzig. This was one of the first German objectives when the invasion of Poland commenced.

German Consul Leaves Canada

Switzerland To Look After Reich Interests In Western Canada

WINNIPEG, September 12: (CP)—The acting German consul here is leaving for Chicago following Canada's declaration of war against Germany. The Swiss consular service will look after German interests in the four western provinces.

AMERICAN SHIP HELD

Vessel Stopped Off Irish Coast by German Submarine and Searched for Contraband

NEW YORK, Sept. 12.—The American freighter Wakesha was stopped by a German submarine yesterday off the coast of Ireland and searched for contraband. After being held up for a few hours, the ship was permitted to proceed.

GOVT TO BE READY

British Administration Has No Intention Of Being Caught Napping Should War Come Close To London

LONDON—September 12: (CP)—The government announces that it is taking steps to remove seven or eight thousand members of the staffs of government departments from London but stressed that the government itself is not leaving the capital. The government will not leave if it can possibly remain without loss of efficiency. The plan is described as a sectional one prompted by a desire for some degree of decentralization.

POLES ARE STILL BATTLING STUBBORNLY; ALLIES KEEP UP OFFENSIVE IN GERMANY

GERMANS CLAIM COLLAPSE OF WARSAW IMMINENT—ALLIES DRIVE WEDGE INTO ADVANCE FORTIFICATIONS OF WEST WALL

Europe's war continues with Germany still throwing its main might into the effort to completely subjugate Poland while the Allied forces on the western front keep up their assault well across the German frontier against the advance fortifications of the Siegfried Line.

A Polish general staff communique broadcast today declared that stout Polish resistance had brought German plane, tank and artillery to at least a temporary stalemate throughout a widespread battle zone. The communique announced that severe fighting was continuing along the Bug River without major change, the Germans throwing vast numbers of tanks into the struggle. Polish Army headquarters asserted that Warsaw's besiegers had been pushed back far into the capital's outskirts.

Meantime headquarters of the German Army west of Warsaw announced that German forces had launched a three front offensive which was expected to be the final push to break Polish resistance. One front is given as east of Radom, north of Lodz and northeast of Warsaw, where four Polish divisions are fighting with their backs to the Vistula River and reportedly beginning to surrender. The Germans also say there is a bitter struggle north of Lodz which appears to be ending with heavy Polish losses. On the third front the Germans are reported to be at the gates of Warsaw.

ON WESTERN FRONT

Meantime French dispatches reported that French advance guards had driven a wedge into the advance fortifications of Germany's West Wall east of Sarrbrücken. One section of attacking forces is said to have slightly turned the defences of the great industrial city of the Saar. Artillery is pounding the German lines surrounding the city.

These reports of French activity followed a war ministry morning communique saying merely that there had been a calm night along the front.

THINK OF FIRE BUG

Possibility of Incendiarism Seen In Warehouse Blaze at Vancouver

VANCOUVER, Sept. 12: (CP)—Possibility of incendiarism is being checked by fire officials and police following the \$200,000 blaze which seriously damaged a four-story warehouse here and sent to firemen to hospital with cuts and shock with others slightly injured. Meantime a man is being held on a charge of assault following a scuffle with Fireman Richard Cloke at the scene of the fire.

Weather Forecast

General Synopsis—Pressure is high west of Vancouver Island and a moderate depression is centred over Washington. The weather has been fair and moderately warm on the coast with scattered showers over the interior. West Coast of Vancouver Island—Fresh north to northwest winds, partly cloudy and moderately warm, probably showers at night.

STILL ON ADVANCE

Allies Moving Forward Along Western Front Despite Strong Resistance

Best Day Yet

British Fighting Alone Is French And Siegfried Line Is Seriously Threatened

PARIS, Sept. 12: (CP)—Despite strong resistance, French troops on the Maginot-West Wall line made important advances along a twelve mile front east of the Saar River, a French Army communique announced last night. The advances for the day were the greatest for any single day since fighting on the western front began.

More than six hundred square miles of German territory has fallen into allied hands to as great a depth as thirteen miles at certain points. The Siegfried line is in imminent danger of being broken through in the direction of such important cities as Mannheim and Coblenz.

It was revealed last night that British troops were now fighting alongside the French on the western front giving infinitely better support than they were able to at the start of the war in 1914.

Four small German towns are reported to have been captured by the Allies. German counter-attacks were thrust back with the opposing forces coming together with hand to hand bayonet fighting.

French troops are moving up to the lines in a steady stream and air observers report roads from the other side almost a solid mass of German troops in reinforcement.

Observers believe a major battle to be impending.

Two French planes were reported to have been shot down by the Germans near Saarbrücken yesterday.

SUB MENACE PAST WORST

Eighteen Is Toll Of British Shipping To Date By German Submarines

LONDON, September 12: (CP)—Eighteen British ships have so far been sunk by German submarines, yesterday adding three to the list.

The steamer Firby, near the New Hebrides, was a victim yesterday. An American vessel rescued the crew.

Today the Ministry of Information announced that the tanker Inverliffy had been sunk.

The German U-boat "sink on sight" campaign against British merchantment is reaching a turning point in the opinion of naval experts after ten days of warfare, the odds winging definitely in favour of the navy surface craft.

War Declaration Pleases Britain

French Press Also Enthusiastic About Canada Formally Entering Fight

LONDON, Sept. 12: (CP)—Canada's declaration of war against Germany was greeted officially here as an "event of the greatest importance." A Ministry of Education communique described it as "another example of the solidarity of the Empire." In France the press greeted it enthusiastically.