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VICTORIA, B.C.

Weather Forecast

Prince Rupert and Queen Charlotte Islands—Strong east winds reaching gale force tonight. Cloudy and mild with rain.

The Daily News

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

Tomorrow's Tides

High 3:40 a.m. 21.9 ft.
15:46 p.m. 21.2 ft.
Low 9:51 a.m. 4.7 ft.
22:10 p.m. 2.8 ft.

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PRINCE RUPERT, B.C., SATURDAY, JANUARY 27, 1940.

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Getting Ready For Political Fight

CHURCHILL NOT FEARFUL; REICH NOT SUCH STRONG ENEMY AS IN LAST WAR

First Lord of Admiralty Warns Britons, However, to be Ready for Anything—Confident of Real and Lasting Victory

MANCHESTER, England, January 27: (CP)—Speaking here today, Rt. Hon. Winston Churchill, First Lord of the Admiralty, termed Germany a stronger enemy than the present Nazi Germany. He said that he doubted the ability of Germany to withstand reverses as she did in the last war. Mr. Churchill had no idea how much the war would cost but he believed that France and England, in man power, could and would outlast the enemy. The British must bear in mind, Mr. Churchill said, that "we shall have to pay a relentless toll for sea mastery."

S. AFRICA IS LOYAL

Resolution of General Hertzog Thrown Out by Vote of 81 to 59

CAPETOWN, January 27 (Canadian Press)—The South African House of Assembly today rejected by a vote of 81 to 59 the resolution of Former Premier J. B. M. Hertzog demanding a separate peace between South Africa and Germany.

A Labor Party speaker declared that the proposal was intended as propaganda to suggest the disintegration of the British Commonwealth and that Oswald Pirow, who was Hertzog's defence minister, "inherited every German characteristic except the ability to organize an army."

Hertzog was succeeded as premier by General Jan Christian Smuts on September 6 after the outbreak of war.

CITY OF FLINT HOME

BALTIMORE—After her hectic voyage which began from New York October 3, the freighter City of Flint is at last home, steaming into Baltimore harbor at 11 o'clock this morning. She was to have been away six weeks but the voyage lasted 113 days.

Two Ships Perish And One In Difficulty In Orient Storm; Crew Of Norway Ship Missing

TOKYO, January 27: (CP)—One member of the crew of the Philippine liner President Quezon was reported lost overboard from a lifeboat after the 8,341-ton ship ran aground and sank off Tanegashima Island in southern Japan yesterday. All others aboard are safe, said the Japanese steamship Ukishima Maru which answered the "S.O.S." call. The Quezon sank eight hours after the stranding. There was a severe storm and raging sea at the time of the stranding and throughout the carrying out of rescue operations. Fortunately, the stranding occurred on a sand bank. The engine room soon filled and there was believed for a time to be no immediate danger but, in the storm, she shifted and sank. She grounded stern first.

BIG ORDERS FOR TIMBER

Great Britain Contracts for \$17,000,000 Worth of Lumber

LONDON, Jan. 27: (CP)—Great Britain is depending heavily upon Canada and other Dominions to meet war-swollen timber demands. A. J. Harris, controller of timber, said. The government has contracted for overseas timber at \$17,000,000, Harris said.

Weather Forecast

General Synopsis—A deep depression is centered west of the Queen Charlotte Islands and has caused strong winds with rain on the coast. It is unsettled and mild over the interior of British Columbia.

West Coast of Vancouver Island—Strong southeast to south winds or moderate gales, unsettled and mild with rain.

Formerly the President Madison operating between Seattle and the Orient, the President Quezon had left San Diego for Shanghai on January 6 to be taken over by new purchasers. She had on board a crew of 114 and twelve passengers. C. A. Anderson, San Francisco shipping executive, was among those on board.

Meantime there were other marine casualties in the same storm including the Norwegian steamer Finquang, the fate of whose crew of forty-three is uncertain. The vessel was found stranded with her back broken. The crew had, evidently, taken to lifeboats but they were not as yet located. The President Taft, San Francisco to Hong Kong, reported that she had lost her tailshaft and was proceeding with difficulty in the storm.

AIR STILL UNSETTLED

Japan Says British Reply to Protest Over Asama Incident Unsatisfactory

TOKYO, January 27: (CP)—The Foreign Office indicates that it does not consider the British reply to the Japanese protest against the seizure of twenty-one Germans from the Japanese liner Asama Maru as satisfactory. Foreign Minister Arita demands reconsideration of "legalistic expositions" in the reply. No agreement has been reached but the conversations will be continued.

The controversy reached new bitterness with an official describing the incident as "very serious." A Japanese Foreign Office spokesman said, "National feelings are rising very high."

Earlier it had been suggested that, as a result of negotiations between Foreign Minister Arita and British Ambassador Sir Robert Craigie, the two countries appeared to be moving toward a compromise over the Asama incident.

The British not in reply defended the incident but added that Great Britain had no desire to interfere with Japanese shipping.

Hong Kong dispatches said that the British coastal steamship Wingsang had been stopped by two blank shots from a Japanese warship as a Japanese retaliatory measure.

Bulletins

KILLED IN AIR CRASH
LONDON—Hon. Drogo Montagu, Royal Air Force instructor and son-in-law of Lord Beaverbrook, was killed in an airplane accident over Great Britain.

TREATY HAS EXPIRED
WASHINGTON—The Japanese-American commercial treaty expired at midnight last night, placing commercial relations between the two countries on a day-to-day basis and opening the way for an embargo on raw material shipments to Japan. Japan is hopeful of some sort of a renewal but the United States appears to be none too anxious.

LANCASHIRE EXPLOSION
LONDON—A terrific explosion at the power station at Irlam, Lancashire, caused power to be shut off in the townships of Irlam and Cadishead and stopped operations in Lancashire Steel Corporation plant. There is no suspicion of sabotage.

DAYLIGHT SAVING
LONDON—Daylight saving will come into effect in England two months earlier than usual this year on February 25, Sir John Anderson, Home Secretary, announces. Shopping hours are also being extended for the benefit of workers.

HEPBURN CRISIS
TORONTO—A crisis in the Hepburn government, arising out of the attitude towards the federal administration, is foreseen by political observers. Some go so far as to suggest it may lead to the ousting of Premier Mitchell Hepburn.

TORONTO—Most Rev. J. C. Wilbur, 81, former Bishop of Columbia at Victoria before 1915 when he was made Archbishop of Ottawa, since retiring, is dead here.

WESTMINSTER HALL BURNS
NEW WESTMINSTER—St. Patrick's Hall here was destroyed by fire last night while a card party was in progress. Fifty guests escaped safely. Damage is estimated at \$12,000.

Russians Sustain Another Crushing Defeat; Hundreds Of Dead Left; Arms As Well

HELSINGFORS, January 27: (CP)—A crushing Russian defeat northeast of Lake Ladoga with capture of huge quantities of tanks and other war materials by the Finns is reported by unofficial Finnish sources. Reports said that the Russians had abandoned one hundred tanks as well as armored cars, motorized equipment, anti-aircraft guns and other artillery.

Company after company of the Red Army were cut to pieces, hundreds of dead being left in the field. In the Salla sector to the north the Russians also continue in retreat.

Continued Soviet assault on the Mannerheim Line is proving ineffectual.

SEAWAY LIVES AGAIN AS TALKS REOPEN ON CANADA-U.S. SCHEME

Dominion's War Needs For Power Factor in Progress of Discussions Initiated Nearly 40 Years Ago

By R. K. CARNEGIE
Canadian Press Staff Writer

OTTAWA, Ont. Jan. 27: (CP)—Since almost the beginning of the century governments at Ottawa and Washington have been moving in the general direction of a St. Lawrence development which would enable ocean-going ships to steam to the head of Lake Superior and provide for development of enormous additional electrical power

to report on the feasibility of making the St. Lawrence from Montreal to Lake Ontario navigable for ocean-going traffic and to apportion the cost of such a project as between the United States and Canada.

In 1921 Col. W. P. Wooten for the United States and W. A. Bowden for Canada made a report on the project to the Commission. The same year the Commission recommended the United States and Canada enter into a treaty combining the St. Lawrence development and the new Welland Canal.

In 1923 United States secretary of state notified Canada of his country's readiness to enter into negotiations for a treaty based on the report. Canada replied, agreeing to start the negotiations by having a more thorough study made of the

Costs of the proposition to be borne by Canada amount to about \$271,000,000 but \$132,000,000 of this is represented in the already built Welland Canal. Ontario as a province would pay for a large part of the power construction sections and the Dominion's share, still to be paid, would be \$44,000,000. Costs assess the United States total \$272,751,000.

The history of the St. Lawrence waterways negotiations dates back to 1902 when Congress asked the United States President to invite Great Britain to join in an international commission to report on levels, water diversion, navigation and improvement of lakes on the boundary and the St. Lawrence. The invitation was accepted in 1903.

The first international commission on the subject was finally completed in 1905 and was occupied with study of upper lake problems until it was succeeded by an international joint committee set up under a treaty between the United States and the United Kingdom in 1909.

Early in 1914 the International Joint Commission was instructed to report on the advantageous use of the boundary waters from the head of the lakes to the Atlantic Ocean.

The First Great War intervened and in 1920 the International Joint Commission was further instructed

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Final Say As To Date Depends On Report Chief Polling Officer

Local Situation is Centre of Interest—Olof Hanson Expected to Run—Weaver, C.C.F., Due Soon—No Word From Conservatives

Prime Minister W. L. Mackenzie King, at Ottawa this afternoon, definitely announced March 26 as election day. March 11 will be nomination day. A military vote will be taken overseas and in Canada.

OTTAWA, January 27: (CP)—The major political parties are rapidly girding themselves for the coming federal election contest. Yesterday the Liberal caucus approved the action of Prime Minister William Lyon Mackenzie King in calling the early election. The Conservative caucus just as emphatically condemned it.

The Conservative leader, Hon. Dr. R. J. Manion, is expected to conduct a transCanada campaign but Prime Minister King will stay close to Ottawa in view of war duties.

Premier King said that, while it was likely the election would be held March 26, the date would not be definitely set until there was a final report from the chief electoral officer.

If his government was returned to power, Mr. King said there would be a session early in April. The people would know before they voted, he said, who would be his ministers in carrying on the war.

The local federal political situation is, naturally, being much discussed. The Liberals have not yet formally nominated but there appears to be no reason to suppose but that Olof Hanson, the sitting member, will be renominated and will accept. The C.C.F. have as their candidate George Weaver of Vancouver and, if they mean to go through with the fight, it is to be expected that Mr. Weaver will soon be here for the campaign. What, if anything, the Conservatives intend to do is uncertain. Up to this morning, there had been no move toward calling a convention.

G. W. Nickerson has been much discussed in connection with the political situation. Asked this morning as to his intentions, if any, he replied: "I have nothing to say at this time."

YOUTH SHOT BY POLICE
One Lad in Vancouver in Hospital—Another Under Arrest

VANCOUVER, Jan. 27: (CP)—A twenty-two-year-old youth sustained minor injuries Thursday night from police bullets in a chase following a \$30 drug store hold-up. An alleged companion, Frank Cavanaugh, aged 21, was arrested and charged with robbery with violence.

MEASLES EPIDEMIC
VANCOUVER—There is an epidemic of measles in Vancouver and the medical health officer has issued special warning.

BORAH'S SUCCESSOR
WASHINGTON—John Thomas, Idaho banker, has been appointed to succeed the late Senator W. E. Borah. Like Borah, he is a conservative Republican and an isolationist.

DEUTSCHLAND DAMAGED
LONDON—A News-Chronicle dispatch from Oslo says the reason for the Deutschland returning to Germany is that she was badly damaged when attacked by the British submarine Salmon and had to go home for repairs. Survivors of a Norwegian ship landed on the west coast after their ship was torpedoed declare that they saw the attacking submarine later sunk by a British destroyer.

HALF OF TANKS LOST
HELSINGFORS—Of 1000 tanks sent by Russia to Finland since the start of the war half have been either destroyed or captured by the Finns, it is claimed.

TURKEY'S WARNING
LONDON—The Premier of Tur-

KEY GAVE A blunt warning today to Germany to keep her hands off the Balkans, a dispatch from Bucharest to the Daily Express says. This was in reply to threats of the Reich against Roumania if she fails to make required oil available.

ATTACK ON TRUCK LINE
German Plane Aims at French Transport Machines for First Time in War

PARIS, Jan. 27: (CP)—A German plane attacked a column of French trucks for the first time in the war, militarists said today, adding that no damage had been done.

Cold weather today limited action on the Western Front largely to artillery fire in the vicinity of the Vosges Mountains and the Moselle River.

Heavy Nazi troop movements and feverish work on erection of new fortifications indicate that the Reich plans a major offensive as soon as weather is more favorable. "Nothing of importance to report," said a French communique.

Today's Exchange
United States funds—Buying, spot, 10 percent premium; selling, spot, 11 percent premium.
Sterling funds—Buying, spot, \$4.43; selling, spot, \$4.47.