

PROVINCIAL LIBRARY VICTORIA, B.C.

WINSTON CHURCHILL IN FIRST ADDRESS AS PRIME MINISTER

Counter - Offensive Due

The Daily News

Tomorrow's Tides

High 0:38 a.m. 23.0 ft. 13:26 p.m. 20.8 p.m. Low 7:15 a.m. 0.9 ft. 19:25 p.m. 5.0 ft.

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

Vol. XXIX, No. 119.

PRINCE RUPERT, B.C., MONDAY, MAY 20, 1940.

PRICE: 5 CENTS

AIR FORCE FACTOR OF IMPORTANCE

Its Activities Proving Highly Embarrassing to Adolf Hitler in His Western Front Blitzkrieg

LONDON, May 20. (CP)—The Royal Air Force continues to play a most important part in the intensive warfare over the western front. German boasts of air supremacy have been already amply repudiated and the British air fighters bid fair to play an important part in turning the tide of war in favor of the Allies.

Urges Britons to be Steeled for Arduous Ordeals

I speak to you for the first time as Prime Minister in this solemn hour in the life of our country, our Empire, our Allies and, above all, in the name of freedom.

A tremendous battle is raging. With remarkable combination of land and tank attack, the enemy has broken through the French lines of the Maginot Line. Strong columns have spread through open country which for a few days was without defences.

The French Army is resisting magnificently with splendid support from the Royal Air Force.

With active fighting forces behind the lines of each, both sides are in an extremely dangerous position.

Your armies are well handled, as I believe they will be, if they remain the genius for recovery and counter attack for which they are famous, and if the British show that dogged courage and determination for which they are famous, there may be a sudden transformation of the scene.

We must not disguise the seriousness of the situation but it is not to lose heart and courage. No army with millions of men which has been preparing as ours have been doing can be overcome in a few days or a few months by a raid of mechanized forces, no matter how powerful.

The Allies look forward with confidence to a stabilization in the present battle. For myself I have invincible confidence in the French Army. Only a small part of that splendid army has been so far heavily engaged. Only a small part of France has been invaded. Only a small part of our forces have been thrown into battle. Yet extremely heavy losses have been inflicted upon the enemy. A great spirit must animate our high command and inspire every fighting man.

In the air our planes have been bringing down three or four enemy planes to every one of our own. The relative air balance is now more favorable to us than it was when the war began.

Already serious damage has been done by our airmen to the enemy's mechanized forces, and to oil refineries. Upon oil resources the enemy directly depend for their attempt to dominate the world.

The attack will be turned upon us but I am sure of the spirit in which all are ready to face, endure and retaliate against that attack, no matter what its extent may be and what ordeals may come. At home we shall feel comfort and pride in being able to share in the trials of our soldiers, sailors and airmen, God bless them, and draw our part of the onslaught.

We must provide our men with all the weapons they need—more tanks, more airplanes, more tanks. There is a serious need for these munitions.

After this battle in France has abated in its force, there will be another battle for our own islands, for all that Britain is, for all that Britain means.

In this supreme emergency we must give our effort in the fight for honor and freedom to which we have bound ourselves.

I have just received assurance from Premier Reynaud of France that whatever may happen, they will fight with us to the end—be it bitter or glorious—and it can only be glorious.

In the new administration, representative of every party and element, that I have formed we are united in the one object—to wage war until victory is won and never to surrender in servitude or in shame, no matter what agony resistance may entail. Side by side with our great dominions, side by side, the British and the French empires shall advance to the rescue not only of Europe but to all mankind and to deliverance from the tyranny which has already broken small nations. That rescue cannot be effected unless we conquer. Conquer we must! Conquer we shall!

All faithful servants of truth and justice must be in readiness to meet that we should perish in battle than that we should look upon the outrage of our nation and our honor in the face of God.

ATTACK ON REFUGEES

Germans Bomb Vessel In Ostend Harbor Laden With Women and Children

LONDON, May 20.—While attacking a steamer in the Belgian harbor of Ostend Saturday, a German bombing plane was shot down. It was a brutal attack carried out by two Nazi bombers on the ship which had on board 700 Belgian refugees. After the one plane had been brought down, the other turned tail for home. The refugee ship proceeded to a British port safely.

REPLY OF MUSSOLINI

Reported to Seek Appeasement From United States in Return For Keeping Peace

WASHINGTON, D.C., May 20.—Italy's reply to United States appeal to keep out of the European war has been delivered to Washington but its contents are being kept secret meantime. One report was that it was inclined to be "uncommunicative but not alarming. Another report was that Premier Benito Mussolini sought the co-operation of President Roosevelt in gaining territorial possessions. Another report still was that intimidation was made Italy would continue a policy of non-belligerence.

Burgomaster Of Brussels Asked To Keep Office

BRUSSELS, May 20.—The burgomaster of Brussels has been invited by the occupying German authorities to continue in office. He has replied that he will carry on only in accordance with Belgian law and Hague international regulations.

AIR RAID ON PARIS

German Bombing Squadron Did Not Reach French Capital

PARIS, May 20.—Sixteen German bombers attempted to reach Paris Saturday night but were unsuccessful although they bombed communication centres outside the French capital. Four were brought down—three by anti-aircraft fire and one by pursuit planes—the remaining twelve then fled for home.

GERMAN DRIVE AGAINST PARIS SLOWS UP WITH SWING TOWARDS COAST

With Violence Now Dwindling And Allied Resistance Strengthening, Suggestion is Made That Blitzkrieg May Fail

The terrific onslaught of the Nazi mechanized army slowed up today around St. Quentin on the upper Somme River, eighty miles from Paris and eighty miles from the English Channel. With the rush towards Paris diminished, a move in the direction of Cambrai indicated that Adolf Hitler had made a decision to concentrate now on a drive towards the coast. While the attack today seemed to lack much of the violence which had characterized its relentless advance since last Wednesday, there were signs that the Allies, after the first shock of encounter with the steel army of unprecedented fierceness, at last were finding a way to combat Hitler's mechanized divisions and meet the combined air and tank attack followed by the heavily armed infantry advances.

New Allied Commander-in-Chief Will Attempt To Sew Nazis Up In Pocket Of Their Own Making

War News

CANADA TO BOOST EFFORT OTTAWA—Prime Minister William Lyon Mackenzie King is expected to announce intensification of Canada's war effort when he speaks in the House of Commons this afternoon. The formulation of a Third Division in the Canadian Active Service Force looms as a strong possibility for the immediate future.

ROTTERDAM HARD HIT PARIS—One third of the Dutch city of Rotterdam was destroyed by German bombing and 100,000 of its citizens killed, according to a statement made here.

GOVERNMENT LEAVES PARIS—The Belgian government is reported to have left Ostend for Etretat, outside of Le-Havre, France, the Royal Family also moving. The move followed week-end bombing of Ostend by the Germans.

LEAVE SWISS FRONTIER BASEL—German forces which have been massed along the Swiss frontier have been moved away. Whether they have been taken to reinforce the northern front or to trick the French from moving out of position in the Swiss area appears uncertain. Meantime Switzerland continues ready for any eventuality.

ITALY WATCHFUL ROME—There have been air raid precautions and black-outs in northern Italy in the vicinity of the French frontier for the first time since the war began.

DESTROYER DAMAGED LONDON—The Admiralty announces that the destroyer Whitley has been damaged by bombs and subsequently beached. There were only four casualties in a normal crew of 130. The ship was launched in 1918 and was re-armed in 1938 as an escort vessel.

SWEDEN IS UNEASY STOCKHOLM—Uneasiness regarding Germany's intentions increased following republication of an article from Berlin newspapers giving Sweden "friendly" advice to strengthen defenses against possible British attack on Kiruna iron mines. There are rumors that Germany has demanded that Sweden allow passage of German troops through Sweden to relieve the beleaguered German forces in central and northern Norway.

CALLS FOR WAR NEW YORK—Bishop James J. Cannon of the Methodist Episcopal Church calls upon President Roosevelt to declare war on Hitler and Mussolini. "Some things are more precious than peace," says Cannon. "War now is justifiable in the interests of righteousness."

HOW ITALY FEELS ROME—Count Ciano, Italian foreign minister and son-in-law of Il Duce, says "Italy cannot remain outside the vicissitudes of European life. We may be called upon at any time to take up new tasks, the nature of which Italians may assume. Only the order of Il Duce is awaited."

Hard Fighting Continues in St. Quentin Area With Outcome Still in Doubt—Holes Being Plugged But Situation Grim, Says British Spokesman

PARIS, May 20: (CP)—The French High Command evening communique said that the German push toward the English Channel had reached a point west of St. Quentin. French military sources announced the loss of Peronne, down the Somme River about eighteen miles northwest of St. Quentin. The communique said that fresh German attacks at Montmedy had been repulsed.

BASEL, Switzerland, May 20: (CP)—General Maxime Weygand, the new Allied commander-in-chief, is reported here to be apparently shaping a powerful pincers counter-offensive from the Valenciennes and Rethel areas. Reports indicate that a powerful British-Belgian force, supported by French motorized units, is massing in the Valenciennes region and a still more powerful French concentration is assembling at Rethel and Rethel. Weygand, who succeeded Marshal Maurice Gamelin yesterday, is said to envisage a counter thrust from these two sides aimed at sewing up the German pocket in northwest France.

To Enlist God's Aid OTTAWA, May 20: (CP)—Sunday, May 26, will, like in England, be a National Day of Prayer in Canada, Prime Minister William Lyon Mackenzie King announced Saturday. Throughout the Dominion there will be special services of invocation for an Allied victory in the war. (Arrangements are already being made for special services in Prince Rupert's churches.)

TWO DECREES FROM HITLER BERLIN, May 20.—Two decrees were issued yesterday by Chancellor Adolf Hitler concerning the taking over of Holland, which is now all in German hands, and a region of France around Aix-la-Chapelle which belonged to Germany before the last war. The latter, said Hitler, is not to be regarded merely as enemy territory taken over temporarily but is to be permanently incorporated in the Reich.

Former Belgian Premier Is Off Home To Fight NEW YORK, May 20.—Indignant over the Nazi invasion of his country, Former Premier Paul van Zeeland of Belgium, who has been on a visit to the United States, sailed Saturday aboard the United States Lines steamer Manhattan for home to take up arms himself in defence of his country. Twenty-two volunteers for the French Army left on the same ship.

GT. BRITAIN GETS READY DEPRIVATION OF ALL ALIENS OF RIGHT TO HAVE FIREARMS IS LATEST MOVE LONDON, May 20: (CP)—Great Britain today deprived all aliens of the right to possess firearms or munitions of any kind as a further precaution against "fifth column" activities behind the home front. Meantime civil volunteer corps continue to grow as people realize the importance of being prepared to deal with possible sabotage and landing of parachute troops. Members of the British Legion and various organizations are rallying to the corps which now reports 500,000 volunteers.

People And Gold From Europe Are On U.S. Steamer GENOA, May 20.—The United States liner Washington sailed from here yesterday for Genoa with 1500 passengers, mostly Americans hastening home as war clouds fall heavier over Europe, as well as gold from Belgium, Holland and Switzerland for safe-keeping.

League Of Nations May Remove From Geneva To States Lesson Read By Vincent Massey

GENEVA, May 20.—In view of the present European situation, a portion of the League of Nations may be moved to the United States. LONDON, May 20.—Hon. Vincent Massey, Canadian High Commissioner, read the lesson at service yesterday in St. Martin's church.

League Of Nations Lesson Read By Vincent Massey

Canadian High Commissioner Takes Part in London Church Service

League Of Nations Lesson Read By Vincent Massey

Canadian High Commissioner Takes Part in London Church Service

League Of Nations Lesson Read By Vincent Massey

Canadian High Commissioner Takes Part in London Church Service



\$1.00 will send 300 Sweet Caps or 1 lb. Old Virginia pipe tobacco to Canadians serving in United Kingdom and France only.



"I'd love to meet her after the show." "No chance — I've just sent her 100 Sweet Caps."

SWEET CAPORAL CIGARETTES

"The purest form in which tobacco can be smoked."

LOCAL NEWS NOTES

James Cole was fined \$2 in city police court this morning for begging and was ordered to leave town.

Gunner David Houston of Kingston, Ontario, is spending a few days at home on leave. He is the guest of his parents, Mr. and Mrs. Vic Houston.

Mrs. A. C. Gillis and two children are leaving on tonight's train for Uak where they will spend two weeks visiting with Mrs. Gillis' parents, Mr. and Mrs. Fred Raekow.

Bombardier A. D. Vance, recently drafted from the 102nd Battery here to Edmonton, arrived home on Saturday night's train for a brief visit. He leaves by this evening's train on his return to Edmonton and will soon be proceeding East.

Prince Rupert Model Yacht Club, general meeting of members and others interested, Tuesday, May 21, 8 p.m. in Harbor Master's office.

Mrs. Elsie Charles, Indian, for drunkenness, was fined \$10, with option of seven days' imprisonment, in city police court this morning.

Inspector C. G. Barber, provincial police, returned to the city on the Catala last night from a brief trip to headquarters in Victoria on official duties.

Miss Betty Borland, daughter of Mr. and Mrs. D. G. Borland, underwent an operation for appendicitis in the Prince Rupert General Hospital this morning and is reported to be doing favorably.

Hon. W. J. Asselstine, minister of mines, will be in the city aboard the Prince George this Wednesday on his way from Victoria to visit his constituents at Stewart and elsewhere in the Portland Canal district. He has accepted an invitation to address the Prince Rupert Gyro Club at its luncheon on Wednesday.

TODAY'S STOCKS

Table listing various stocks and their prices, including Vancouver, Toronto, and Oils.

IS MADE DISTRICT

Police Transfers Announced In Connection With Opening Of New Area On Queen Charlotte Islands

Announcement is made of the creation of a new provincial police district on the Queen Charlotte Islands with headquarters at Queen Charlotte City and Sergeant A. Dunbar, now of Duncan, Vancouver Island, officer in charge.

IN THE SUPREME COURT OF BRITISH COLUMBIA

In the Matter of the Estate of Benjamin Ferguson. TAKE NOTICE that by Order of His Honor Judge Fisher dated May 15th I was appointed Administrator with the Will annexed of the Estate of the late Benjamin Ferguson, deceased, late of the City of Prince Rupert, Province of British Columbia, Merchant, and that all persons indebted to the said Estate are required to pay their claims to me forthwith and that all persons having claims against the said Estate are required to file them properly verified in writing with me on or before the 30th day of June 1940 falling which I shall make distribution of such Estate having regard only to claims due in my hands.

Wheat Prices Are Rallying

WASHINGTON, D. C., May 20: (CP)—Secretary of Agriculture Henry A. Wallace has asked the country's grain futures market to prohibit until further notice all trading in grain futures below today's closing prices. The request, made after prices had declined more than 25c a bushel during the week, was immediately implemented on the Chicago wheat market where prices strengthened 5c and more in opening trading today.

Weather Forecast

General Synopsis—The pressure remains high west of Vancouver Island and relatively high east of the Canadian Rockies. The weather has been warmer over the interior of British Columbia while on the north coast scattered showers have occurred.

WEDDED AT ALDERSHOT

Capt. Fred Kergin Married on May 13 to Mlle. Susanne Speleers of Antwerp

Announcement has been received in the city of the marriage at Aldershot, England, of Mlle. Susanne Speleers, only daughter of M. and Mme. W. M. Speleers of Antwerp, Belgium, to Capt. Frederick G. Kergin, P.R.C.S. (London) of the Royal Canadian Army Medical Corps. The ceremony took place on May 13 and Capt. and Mrs. Kergin are now residing at Aldershot. The groom is the younger son of Dr. and Mrs. W. T. Kergin, formerly of Prince Rupert, and one of this city's best known pioneer boys. He has already distinguished himself in the medical profession. News of the marriage will be received with much interest here.

Advertising is an investment

H. G. Helgerson Limited

216 Sixth Street Prince Rupert, B.C.

We have on our lists the following good buys:

- 5-ROOM HOUSE—Fully modern, 741 1st Avenue West. \$1,500 Cash.
8-ROOM HOUSE—Suitable for rooming house. 703 Fulton Street. \$1800. \$1000 Cash, \$800 terms.
APARTMENT HOUSE—Four flats, 6 rooms each, with bath. \$4000. \$2500 cash, \$750 a year for two years.

Women "Who Care"

Go To Peoples.



FAMOUS "La Linda" GIRDLES AND FOUNDATIONS Now Exclusive At Peoples

In line with our new policy of securing only the "top" lines for you, we have been granted exclusive distributorship for "La Linda" in Prince Rupert.

FOUNDATION GARMENTS, GIRDLES and BRASSIERES that will mould your lines perfectly to conform with your demands. Elastic side-panels mold hips and thighs into graceful, tapering contours. Consult our salesgirls for the model best suited to yourself.

RUPERT PEOPLES STORE

Mail Orders Promptly Filled—Open Saturday Night THIRD AVE. — Next to Heilbroner's — Phone BLUE 907

B. C. Furniture Co.

Big Savings In Furniture

- 30 Inner Spring Filled Mattresses Over 200 tempered springs covered by a layer of cotton and of durable ticking. Regular \$17.50. \$12.95 Now
6 Strongly Constructed Couches Can be made into double bed with a heavy comfortable mattress. Special \$18.75
Bed Springs and Mattress Includes steel bed and good quality cable spring and felt mattress. Size 3-3, 4-0. Special \$20.50
12 Walnut Finished Full Panel Beds With spring filled mattresses and cable springs. Size 3-3, 4-0, 4-6. Special \$37.50
4 Sets of 3-piece Chesterfields In all new colors and styles including brown, rust and one set in red and green. Special \$75.00
One 4-piece Bedroom Suite In waterfall design. Walnut finish consisting of vanity with round mirror, chiffonier, bench and bed. Special \$17.50
6-Piece Bedroom Suite Consisting of vanity, bench, bed, large size chiffonier, spring filled mattress and spring \$118.50
24 Felt Mattresses In all sizes. Special \$6.95

Phone BLACK 324 THIRD AVENUE Next Door to B.C. Clothiers

SOUTH TO VANCOUVER!

calling at OCEAN FALLS and POWELL RIVER Steamer leaves Prince Rupert every THURSDAY, 11.15 p.m. Trains leave Prince Rupert for the East Monday, Wednesday, Friday, 6 p.m. Steamer for Ketchikan and Stewart every WEDNESDAY, 2 p.m. For fares, etc., call or write City Ticket Office, 528 3rd Ave.

UNION STEAMSHIPS LTD.

Steamers Leave Prince Rupert for Vancouver: T.S.S. CATALA EVERY TUESDAY, 1:30 p.m. T.S.S. CARDENA FRIDAY, 10:30 p.m. Due Vancouver, Thurs. p.m. Due Vancouver, Monday a.m. If Convenient, Please Purchase Tickets at Office Further Information Regarding Reservations and Tickets From FRANK J. SKINNER, Prince Rupert Agent, Third Ave. Phone 568

Letter Box

C.C.F. CHIEF IS STRICKEN

J. S. Woodsworth Suffers Stroke—Condition is "Only Fair"

Whispering campaign alluded to in a recent editorial requires more emphasis before the news grow to a shout. There are grave times and Canada is faced with gigantic tasks not as an ally of the British Empire for her own salvation. Canadians are being openly flouted and slighted. The present Prime Minister, a fellow Chamberlain and be trusted by one that can give the necessary confidence and bring overnight, much desired ac-

OTTAWA, May 20: (CP)— Condition of J. S. Woodsworth, C.C.F. leader at Ottawa, was reported to be "as satisfactory as can be expected" following a stroke with which he was seized late Saturday while attending a Parliamentary meeting at Ottawa. He was immediately taken to hospital. Mr. Woodsworth is 65 years of age. M. J. Coldwell M.P. will be C. C. F. house leader during Mr. Woodsworth's absence. He speaks today. If you have something to swap, try a Classified Ad.

HOW MODERN IS YOUR PLUMBING?

Is your bathroom a model of convenience and beauty? Are you showing it to your guests? You can achieve both these aims by having us modernize it with quality fixtures and fittings.

See Our Latest Models of Kitchen Sinks SMITH and ELKINS LIMITED PLUMBING and HEATING P.O. Box 274 Easy Terms Arranged if Required

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ALL FELT MATTRESSES—All sizes. \$7.90 Special
SUMMER KING MATTRESSES—Built for sound refreshing sleep \$28.50
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Manufacturers of ELEPHANT Brand Chemicals and Chemical Fertilizers Ammonium Phosphates, Ammonium Sulphate, Superphosphates, Monocalcium Phosphate Producers and Refiners of TADANAC Brand Metals Gold — Silver — Lead — Zinc — Cadmium — Bismuth Antimony and Zinc Dust—Also Sulphuric Acid and Sulphur General Office and Works Trail, B.C.

Handyman Home Service Painting, Repairing, Gardening Light Deliveries Have that neglected job done now. Phone Green 620 for the Handyman.

If You Want— QUALITY GROCERIES Low Prices—Prompt Delivery Leave a Trial Order With Us Mussallem's Economy Store "Where Dollars Have More Cents"

IDORA Roller Rink Daily Sessions as Follows: Monday and Thursday Pal Nites, 7 to 11 Tuesday, Wednesday, 7 to 11 Friday, 6 to 11 Sat. Children 10 to 12 a.m. 2 to 4:30 p.m.—6 to 8:30 p.m. 8:30 to 11 p.m. Special Arrangements Can Be Made for Private Skating Parties

Announcements

All advertisements in this column will be charged for a full month at 25c a word. United Tea, Mrs. R. G. Large, May 22. Eastern Star Tea, Mrs. Darton's, May 29. Evening Branch W.A. Tea, May 30, Mrs. J. B. Gibson's. Girl Guide Association Tea, Mrs. J. R. Morison's, McBride Street, June 1. Presbyterian Missionary Tea, Mrs. Wm. Lambie, June 5. Hospital Auxiliary Tea, Nurses' Home June 6. P.T.A. Tea and Children's Display, Oddfellows' Hall, Friday, June 7. Lutheran Sewing Circle Tea and Sale, Mrs. Murvold's, June 13. Anglican Tea, Mrs. J. W. Nicholls, June 13.

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CHAS. DODIMEAD—Optometrist in Charge
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JEWELER

THE STORE OF MANY GIFTS

Just Arrived—A Large Shipment of New China and Glassware

Visit Our Basement Floor for China, Cut Glass and Novelties of All Kinds

Missionary From India Here For Sessions Of W.A.

Miss E. C. Kirby, Anglican missionary on furlough from India, arrived in the city on the Catala last night from Vancouver to be here in connection with the twenty-ninth annual sessions of the Caledonia Diocesan Women's Auxiliary which will be held on Wednesday and Thursday of this week with delegations from the interior, Ocean Falls and other district points. Miss Kirby, besides speaking before the Diocesan Women's Auxiliary, will address the Junior Women's Auxiliary tonight and the Girls' Women's Auxiliary Tuesday night.

CANON DIES AT FUNERAL
LINCOLN, Eng., May 20: (CP)—Canon John Kaye of St. Paul's here collapsed and died while preparing for a funeral service, the mourners finding him slumped in a pew.

TO CLOSE HOSPITAL

Church Institution at Port Simpson to Discontinue Next Year—May Lead to Service Here

According to word received in Prince Rupert it is the intention next year to discontinue operation of the hospital which has been conducted for many years at Port Simpson. There is no word, however, as to what provision, if any, it is planned to make for the rendering of medical and hospital service to the natives of the district. The suggestion is that it may lead to the extension of hospital facilities in Prince Rupert. There is no information forthcoming in official quarters on the subject, however.

FOR MEN ON LEAVE
LONDON, May 20: (CP)—Twenty-two day permits for motorists on leave from the fighting forces will be issued without the annual road licence usually required in England.

ELABORATE WESTERN

Marlene Dietrich and James Stewart Head Cast in "Destry Rides Again" at Capitol Theatre

Marlene Dietrich, as a frontier entertainer, and James Stewart, as a shy young deputy sheriff, are co-starred in "Destry Rides Again," said to be one of the season's most unusual pictures, which is the feature offering on the screen of the Capitol Theatre here for the first half of this week.

The picture is a dramatic spectacle of the old west in which hard riding and quick shooting are interspersed with mob scenes such as have filled many pages of history on the American frontier.

It is Stewart's task to bring a new order of civilization into a rough frontier town and, around that task, the action of the piece develops. There are many thrilling adventures and experiences in the job of ridding the town of a well-entrenched gang and making the country safe for honest ranchers and townspeople.

Miss Dietrich is given full scope for her talents of drama, comedy and music and her costumes range from the sketchiest brevities to a highly decorative cowgirl outfit.

An imposing supporting cast includes such luminaries in their own right as Mischa Auer, Charles Winninger, Brian Donlevy, Irene Hervey, Una Merkle, Allan Jenkins, Warren Hymer, Samuel S. Hinds and Billy Gilbert.

Halibut Sales

Summary
American—235,000 pounds, 9.2c and 7.5c.
Canadian—45,000 pounds, 9.6c and 7c to 9.8c and 7c.

American
Northern, 40,000, 9.4c and 7.5c, Atlin.
Majestic, 36,000, 9.2c and 7.5c, Storage.
Arctic, 32,000, 9.4c and 7.5c, Royal.
Atlas, 30,000, 9.8c and 7.5c, Royal.
La Paloma, 33,000, 9.4c and 7.5c, Pacific.
Galveston, 25,000, 9.8c and 7.5c, Booth.
Spencer, 12,500, 9.8c and 7.5c, Booth.
Esther, 5,500, 9.5c and 7.5c, Storage.

Canadian
Joe Baker, 7,500, 9.6c and 7c, Atlin.
Cape Spencer, 14,000, 9.6c and 7c, Booth.
Bug, 24,000, 9.8c and 7c, Storage.
Union steamer Catala, Capt. James Findlay, arrived in port at 11 o'clock last night from the south and sailed at midnight for Stewart and other northern points whence she will return here tomorrow afternoon southbound.

Five thousand Prince Rupert people read the Daily News It says to let them know what you have to sell

"Build B.C. Payrolls"

An Excellent Drink



"Diluted with water Pacific Milk makes an excellent drink. Added to that after dinner cup of coffee it gives the rich, creamy flavor that so improves good coffee."—Mrs. R. J., from a letter.

PACIFIC MILK
Irradiated and Vacuum Packed

CENTRAL HOTEL
STEAM BATHS
Make Appointments
200 Rooms, 50c and up
Hot and Cold Water, Shower Baths
Mrs. C. E. Black, Proprietress

MUNICIPAL REFORMING

Commission Fails To Find Excessive Real Estate Taxation

OTTAWA, May 20: (CP)—An immediate benefit of \$20,000,000 a year, or eight percent of the real estate tax, would result to municipalities from the financial recommendations of the Royal Commission on Dominion-Provincial Relations, but the greatest benefit would come through the municipal reform which would then be possible.

"Appropriate adjustment of municipal administrative units to modern conditions, and greater equalization of the chief municipal burdens, are, of course, entirely a matter of provincial jurisdiction and discretion," the commission said today in its report.

It claimed, however, that its financial plan would put all provincial governments in improved and more stable financial position, making possible "reorganization and reforms along lines which would remove important sources of some differences and inequalities which threaten national unity and welfare today."

The required standard of efficiency in municipal administration "cannot be achieved when five or 10 separate governments operate in a single integrated urban area among people who are economically interdependent," the commission asserted.

In metropolitan areas large blocks of poorer citizens were "arbitrarily segregated into separate municipalities," while in neighboring municipalities—part of the same economic unit—sheltered groups took advantage of depression to "reduce costs and cultivate a smugly superior attitude towards their less fortunate neighbors."

The commission noted that municipalities raised 31 percent of combined Canadian governmental revenues in 1937 and "in no field is local knowledge and responsibility more important for successful administration."

Real Estate Taxation
The logic of pooling resources in the common interest was more directly evident in the variation of road standards in rich and poor municipalities than in welfare and education services, the commission observed. The traditional administrative unit was too small and limited to perform these functions efficiently or distribute their costs equitably.

The commission stated that while the cry arises on all sides that taxation of real property is too high, "this is an opinion which cannot in most cases be proved or disproved by any objectively-determined scientific data." However, while appropriate statistics could not be produced, it felt there was "great weight" in the general contentions that failure of the construction industry to revive was indicative of excessive real estate taxation; that real estate taxation was too rigid for a country like Canada already burdened with high overhead; that municipalities lacked adequate taxing powers to finance their responsibilities.

The commission recommended that crown property used for normal commercial purposes, such as electric power distribution, if taxable in private hands, or if used in a profit-making enterprise like a provincial liquor store, "should be subject to taxation on the same terms as that of private enterprise."

Regarding other crown property, especially military property as at Halifax or Esquimalt, B. C., the commission recommended that the senior governments make payment

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A new magnetic MARLENE as a dancing, singing, fighting siren of the wildest West . . . Dynamic JIMMY STEWART . . . topping his most famous performances!

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MARLENE DIETRICH - STEWART

AS YOU'VE NEVER SEEN HER BEFORE! YOU'LL LIKE HIM BETTER THAN EVER!

"Destry Rides Again"

with Charles WINNINGER
Mischa AUER · Brian DONLEVY



TONIGHT
TUES. and WED.
CAPITOL

2 Shows Nightly, 7:00 & 9:45
Feature at 7:30 and 9:35



ADDED
Cartoon
"A Haunting We Will Go"
"Pound Foolish"
(Crime Doesn't Pay Series)

KILLED IN TANDEM

ST. HELIER, May 20: (CP) — Frank Houssel of the Royal Mar-

ines and his fiancée Blanche were killed when their tandem cycle collided with a motorcar this Channel Island town.

Municipal Debt

Provincial governments should be specifically empowered to legislate regarding all municipal debt, the commission recommended. It felt there was an even stronger case for a province to stand behind the credit of local government bodies than for the Dominion to stand behind the credit of the provinces, as recommended in the commission's finance plan.

Provinces could supervise closely municipal borrowings, municipal budgeting, accounting, and administrative practices. They could also provide conditions under which "an adequately paid, professionally trained and politically independent" municipal civil service could develop.

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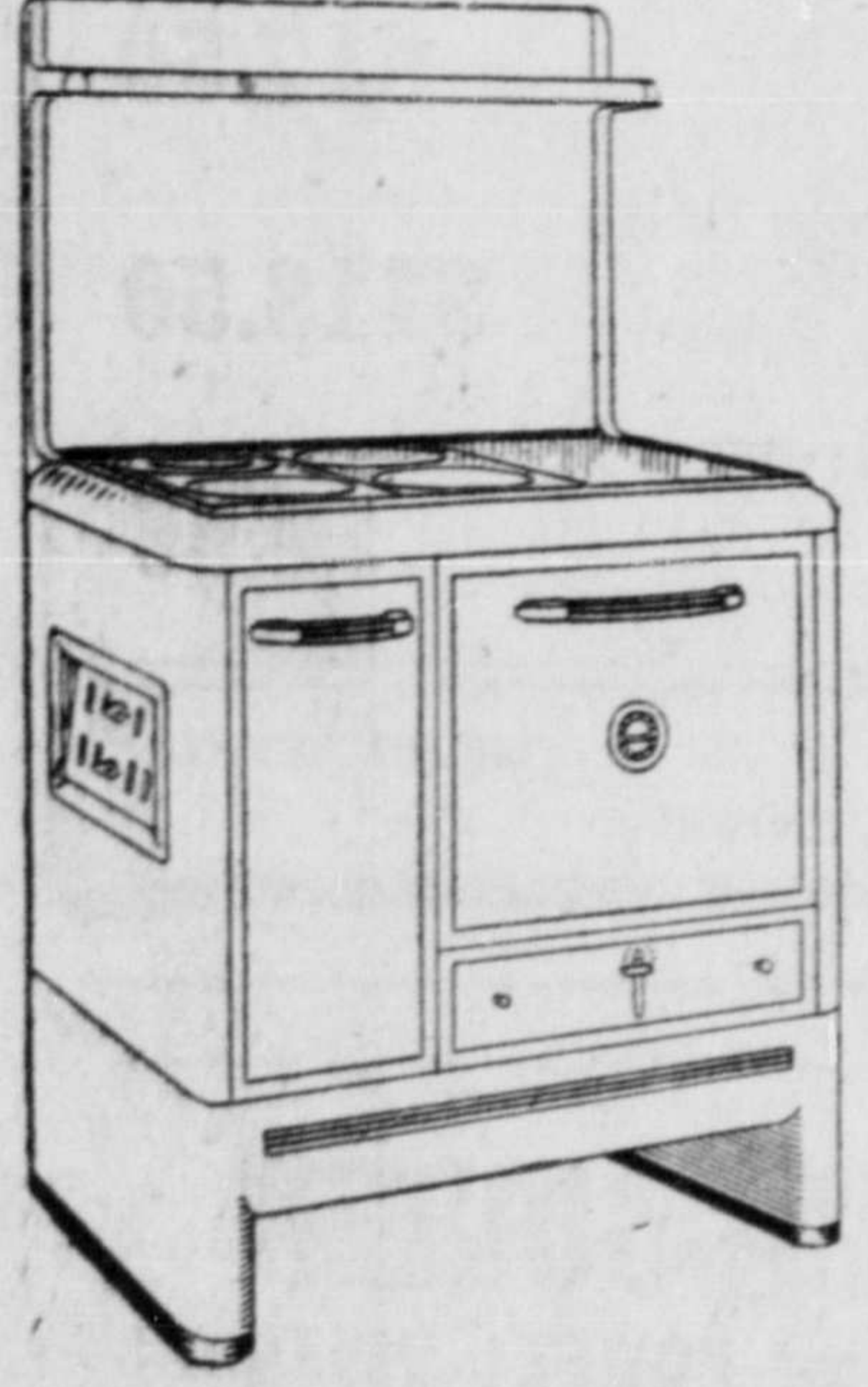
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