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The Toronto World

FRIDAY MORNING JULY 26 1918

VOL. XXXVIII.—No. 13,771 TWO CENTS

DRIVEN INTO SALIENT

Allies Have Reduced Width of Pocket to Twenty-one Miles and Long Range Artillery is Sweeping Entire Area—Anglo-French Troops Make Advance of Two Miles and Are Approaching Important Railway Junction.

FREIGHT RATES RAISED ABOUT TWENTY PER CENT.

Order-in-Council Passed to Meet Increased Operating Expenses Caused by the New Wage Schedule.

Ottawa, July 25.—Acting on a report prepared by the board of railway commissioners an order-in-council has been passed increasing freight rates to an amount sufficient to meet the increased operating cost imposed on the railways by the new wage schedule. The increase will average about 20 per cent.

American increase brings about a different increase in Canadian territory in the east and west. In the American eastern territory advances have been made by the interstate commerce commission, in the so-called 15 per cent. case. Advances were also made in Canadian eastern territory by the board of railway commissioners in both eastern and western Canada, but no advances were granted in American territory on the lines of the Northern Pacific and Great Northern Railways in territory immediately contiguous to the Canadian west. In applying the increases, therefore, in eastern territory the McAdoo increases are calculated upon the rates as advanced by the board, following the action which has been taken in American eastern territory, while in western territory the advances granted by the board of railway commissioners are struck out and the McAdoo increases calculated upon the former rates. This per centage of increased rate will not, however, be actually effective. On the short hauls where the total freight bill does not constitute a large per centage of the value of the article carried, somewhat higher increases could be instituted but on the longer hauls on most of the important commodities rates are held down to a maximum increase and in other cases by flat increases which cannot be extended no matter how long the haul may be.

By order-in-council passed under the War Measures Act the government after considering a report prepared by the board of railway commissioners of the rate situation in Canada, has practically adopted the McAdoo increases. There are certain exceptions made in cases where it was found that the adoption of the scale would unduly limit or interfere with Canadian commerce. The export and import rates system in Canadian territory where rates were not increased, continue to stand and can only be increased subject to a maximum of the lowest rate or rates in American territory to or from the seaboard ports. In like manner the low value of ore in the Kootenay district, which could not well stand the American increase, is held down to the stone and rubber commodity basis. The effect of the application of the

will not exceed 20 per cent. It is impossible to tell what the exact percentages of increase will be that the railroads will obtain under the McAdoo order. In all probability, the increase granted cannot add anything to the net revenues of the companies. The important effect of the order will be to bring the western and eastern scale of rates more in line and remove the grounds for complaint of the westerner that he is more heavily taxed for the operation of Canadian railways than is the easterner. In this connection it may be noted that one of the first judgments of the present chairman of the railway commissioners was to reduce the tariff of the Grand Trunk and the Canadian Northern, so that if it is found that any increase is unnecessary it may be promptly reduced to the proper figure. The board is also ordered to make a monthly report to the cabinet covering the operation of the new tariff. One important effect of the order will be to bring the western and eastern scale of rates more in line and remove the grounds for complaint of the westerner that he is more heavily taxed for the operation of Canadian railways than is the easterner. In this connection it may be noted that one of the first judgments of the present chairman of the railway commissioners was to reduce the tariff of the Grand Trunk and the Canadian Northern, so that if it is found that any increase is unnecessary it may be promptly reduced to the proper figure. The board is also ordered to make a monthly report to the cabinet covering the operation of the new tariff.

FOCH'S Pincer PRESSES NECK OF BIG CURVE

Jaws Take Further Large Bite Out of Germans Near Rheims. BOTTLING UP ENEMY Four Hundred Thousand Troops of Crown Prince Face Cutting Off.

General Foch has taken a leaf out of the book of German military strategy and ordered the use by the allied armies of the pincer system of offensive in the Soissons-Rheims salient. Both jaws of the pincer are moving smoothly, with the pivot along the Marne working in unison, and the process of attempting to capture many of the nearly half a million Germans in the big pocket is well on the way to what at present seems like possible success. The Germans, however, evidently do not intend to permit themselves to be entrapped without fighting. Having thrown thousands of reinforcements into the already congested salient, they have started a counter-attack of great violence all along the semi-circular front from the Ourcq River to the region immediately southwest of Rheims, and their men are said to have orders to stem the allied tide of advance at all costs. Nevertheless at least accounts the British, French, American and Italian troops, themselves well reinforced to meet the new German thrust, were steadily pressing forward at nearly all points on the battle line in Rheims, while east of the cathedral city a Polish contingent—the first of the Poles to enter the combat—is declared to have carried out successfully an enterprise against the enemy in which more than 200 Germans were made prisoner.

BRITISH ADVANCE NEAR RHEIMS FRENCH MAKE TWO-MILE GAIN

HEAVY EXPLOSIONS WITH FIRES RESULT FROM ALLIED AIR ATTACKS Franco-British Airmen Carry Out Many Expeditions Beyond Battle Zone, Bombing Five Stations in German Possession.

Paris, July 25.—A French official communication on aviation says: "On July 24 Franco-British airmen brought down nine German machines and set fire to three captive balloons. Our bombing machines carried out numerous expeditions behind the battle zone. The station and depot at Amfontaine, the stations and railroads at Bazoches, Courladrion, Fismes and Cugnacourt, were copiously bombed. A total of thirty tons of projectiles was used with good results. Fires and heavy explosions were observed at Courladrion and Fismes."

BIGGEST BATTLE SINCE WAR OPENED

Allies Take Twenty-Five Thousand Prisoners in Battle, With Five Hundred Guns. With the French Army in France July 25.—Up to the present 70 German divisions have been identified in the present fighting zone, and the battle therefore may be regarded as the biggest since the beginning of the war. The prisoners taken number over 25,000 and more than 500 cannon and thousands of machine-guns have been captured. Of the prisoners 14 per cent. belong to the 1918 class, showing that nearly all these boys already have been incorporated in fighting units. If all of them have been utilized they would form from 17 to 18 per cent of the German strength.

GERMANY'S GAMBLE BIGGEST IN HISTORY

Lloyd George Declares No Fear Exists That Submarines Will Starve Allies. London, July 25.—The government gave a dinner this evening in honor of Herbert C. Hoover, the American food administrator; Victor Boret, French minister of provisions; and Dr. Silvio Crespi, Italian food minister. J. R. Clines, the British food controller, who presided, said that owing to assistance from the United States, bacon and ham hereafter would be sold without coupons. Premier Lloyd George, proposing the health of the guests, paid a glowing tribute to Mr. Hoover. He said that through him America had achieved a great triumph in rescuing a large number of people in Europe from want and starvation. There was now no fear whatever, he declared, that the allies would be starved out. Germany, continued the premier, had made the greatest gamble in her history; she had pitted her whole destiny upon the success of the submarine campaign, and it had failed.

BOLSHEVIK THREATEN WAR AGAINST ALLIES

Amsterdam, July 25.—The Russian Bolshevik government, says a despatch from Moscow to The Lokal Anzeiger of Berlin, considers the action taken by the entente powers in landing troops on the Murman coast as tantamount to a declaration of war. The Bolshevik government, in the newspaper despatch adds, has announced that it will take counter measures accordingly.

A Bank Paternity.

Outside of the appreciations that centered on Sir Edmund Walker at the Bank of Commerce dinner in honor of his fifty years of service, were the tributes paid to the organization and loyalty of the staff to that nation-wide institution. The Commerce seems to have three men in training for the next post up. This remarkable pride in and willingness to serve the bank may be due to the friendly concern and liberal treatment accorded by the management to those in the service. There is a lot of the paternal and the filial in it all.

BIG SALES OF STRAW AND PANAMA HATS AT DINEEN'S, YONGE ST.

The backward spring compelled us two weeks ago to reduce our whole stock of Men's Panamas and Straws to exactly half price. The rush that followed was phenomenal and has continued to the present time. Thousands of hats were sold. The Dineen Co. now announce that the sale will continue until all the stock is sold. This list tells the story: \$5.00 Panamas for..... \$2.50 \$8.00 " "..... \$4.00 \$10.00 " "..... \$5.00 \$12.00 " "..... \$6.00 \$15.00 " "..... \$7.50 \$20.00 Straws for..... \$10.00 \$25.00 " "..... \$12.50 \$30.00 " "..... \$15.00 \$40.00 " "..... \$20.00 \$50.00 " "..... \$25.00 \$60.00 " "..... \$30.00 This sale is, without exception, the best offering of high class Panamas and Straws ever shown by the W. & D. Dineen Co., Ltd., 140 Yonge St.

Capture of Mery-Premecy Brings Neck of Aisne Salient Entirely Under Fire of Allies—Big Drive Between Ourcq and Marne Forces Germans Back on Wide Front.

London, July 25.—British and French troops have advanced to Gueux and Mery-Premecy, in the battle sector just west of Rheims, according to information received here this afternoon from the battle front. The new line shows an advance of about two miles toward Fismes. This gain, when seen on the map, is of evident importance, for it greatly narrows the salient created by the Germans in their drive of last May. It no longer is proper to speak of the pocket as running from Soissons to Rheims, for the newest advance of the entente allies has pulled the eastern edge of the pocket eight miles to the westward, making Mery-Premecy the market for the eastern rim. The mouth of the pocket is now only 21 miles wide and the whole district between the two sides is under the range of entente allied guns. Franco-American Advance. Paris, July 25.—Franco-American troops today made an advance of nearly two miles at certain points on the Aisne-Marne front, notably in the Dormans region, says the war office announcement tonight. Additional gains are recorded, showing that the progress of the allies in this salient is steadily going on. The text of the statement reads: "On the Ourcq front the fighting today met with the same success as on preceding days. "North of the river we occupy Ouchy-la-Ville. South of the river, Franco-American troops made an advance which reached three kilometres at certain points, despite stern resistance, especially in the region of Dormans. "Southwest of Armentieres we occupy Hill 141 and have crossed the Nanteuil stream. Further to the south, we captured the Village of Coligny and the greater part of Tournelle wood. We extended our progress in the forest of Fere as far as the general line of Beauvillers-le-Charmel. "Our advance continued under favorable conditions in the Ris forest and north of Dormans. "Southwest of Rheims the enemy continued his violent attacks against our positions between Vigny and St. Euphrase and succeeded in gaining a foothold on Hill 240. Our troops soon reconquered this height, taking about 100 prisoners." French Attacks. London, July 25.—The French are continuing their attacks between the River Ourcq and the River Marne. They advanced last night for a distance of a mile, capturing the southern part of Fere forest and they now occupy a farm on the main road from Fere-en-Tardenois to Jaulgonne. The Town of Fere-en-Tardenois is now within 8000 yards of the French lines. The French last night also pushed well forward along the south bank of the River Ourcq, but this morning they found they were in an isolated position and they were compelled to fall back. East of Rheims a Polish contingent, attached to the French, made a successful enterprise and captured 213 prisoners. On the western side of the pocket the Franco-American troops have straightened out their lines at the expense of the Germans during the past 24 hours, this involving a loss to the enemy of about 40 square miles of territory between Armentieres and Vincelles. The line in the lower western part of the pocket now runs straight southeast from Armentieres, and along this line the Germans have been compelled to give up all the little angles and corners which they had been holding on to as observation posts or strong points. Military Nerve Centre. The German military nerve centre at Fere-en-Tardenois, which, as the junction of several great roads, was the most important storehouse and distributing point of the Germans, is now under the cross fire from the French and American artillery and must be well nigh untenable. In fact, no place of the whole pocket is a very comfortable position with the allied long range artillery sweeping back and forth, with balloons and airplanes directing the fire. Possible evidence of a further withdrawal by the Germans is seen on the western flank of the pocket in the fact that the German artillery fire has grown much lighter all thru this sector and the guns appear to be firing from greater distances behind the lines, as if being pulled back to places of safety. Fierce German Resistance. French Headquarters, July 25.—The Germans have strengthened their line and are counter-attacking determinedly on the whole front of the salient from the Ourcq to Vigny, thus attacking towards the west, south and east. Apparently they have decided to refuse to accept defeat and are making a further stand for the salient and a footing north of the Marne. The enemy south of the Ourcq is attacking in a southeasterly direction against Bois de la Tournelle and the line of Beauvillers-le-Charmel. Further south attack and counter-attack are alternating in rapid succession and the fighting is of the most violent description. The enemy on the eastern wing of the salient has attacked the new British salient enclosing the woods west of Vigny. We are vigorously counter-attacking.

Elite of Enemy Reserves Brought Up to Face British

Paris, July 25.—A special correspondent with the British army describes the joy displayed by the British soldiers on learning that they were to participate in the battle to the southwest of Rheims, where, he says, "the splendid exploits of our polus had already gained their brotherly admiration and friendly envy." "Consequently," continues the correspondent, "the British troops attacked on July 29 with extraordinary daring and keenness, advancing their line very considerably in Courton Wood, at Marfaux and in the direction of the forest of Rheims. The Tommies were called upon to demonstrate that they possessed the bump of locality in the highest degree, for they were completely unfamiliar with the ground over which the chances of war and the creation of one front had decided their attack. "The British had to sustain extremely heavy fighting, for the enemy had certainly got wind of the attack in this sector and had consequently brought up the elite of his reserves with orders to hold the positions at all costs. The morale of the British soldiers was magnificent."

ITALIAN GUNS REPLY TO HARASSING FIRE

Rome, July 25.—The war office communication issued today says: "On a portion of the mountain front from Valarsa to the Brenta valley and along the Piave River between Can-delo and Zenson our batteries have replied effectively to the harassing fire by the enemy and have destroyed enemy trenches and damaged artillery emplacements. "Enemy patrols have been driven back at Stelvio, near Mori and Mont Stabellia and on the left bank of the Brenta. "Two hostile airplanes have been downed."

LONDONERS CARRY OUT RAID IN ALBERT ZONE

London, July 25.—Field Marshal Haig's report this evening from British headquarters in France, says: "Early this morning the enemy attacked four of our posts south of Albert, after heavy artillery and trench mortar preparation. He was repulsed, suffering many casualties; we captured a few prisoners. "London troops today carried out a successful daylight raid southwest of Albert and brought back 17 prisoners and four machine guns. A few prisoners were also secured on other parts of the front."

GREAT TIME IN STORE FOR ARMIES OF BRITAIN

Paris, July 25.—The Journal's correspondent at the front telegraphs today as follows: "Foch is master of the situation, and the British troops are not attacking now, in order to relieve the pressure on the French, it is in accordance with the commander-in-chief's orders. The last lips not yet been heard of the German reserves and the possibilities along the Flanders coast. The three years I have passed among our allies enable me to know how they are retaining at the front, awaiting the order to advance. Let us be patient. A great time is in store for the armies of the British Empire."

KAISER IGNORES QUERY ABOUT LOSING SONS

Geneva, July 25.—"How many sons has your majesty lost? How many have been wounded or mutilated?" These questions, incorporated in a telegram sent to the German emperor yesterday by Pastor Dryander, founder of the new Liberal German-American paper, Friedensruf (Peace Call) of Zurich, were answered: "In the event that there have been no casualties in the imperial family," the telegram continues, "we demand an immediate explanation." Emperor William has not replied.

Germany Has Expressed Regrets For Sinking of Spanish Ship

Berne, Switzerland, July 25.—Negotiations concerning the sinking by a German submarine last February, of the Spanish steamship, Sardinero, loaded with American grain for Switzerland, have been concluded. The German government has expressed its regrets and has promised full restitution for the damage done by the submarine.