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RUSSIANS CONTINUE TREMENDOUS BLOWS WHILE ALLIES IN WEST CONSOLIDATE GROUND GAINED

BRITISH MAINTAIN PRESSURE ON ENEMY AND ADVANCE LINES ON VARIOUS POINTS ON THE BATTLE-FRONT

German Howitzers Captured and Will be Turned Against Former Owners—Fierce Battles Raging on Eastern Front With Both Sides Hurling Huge Reinforcements of Men and Guns Into the Struggle.

Two Thousand More Prisoners Taken by the Czar's Armies —Bombardment at Verdun Goes On.

The most violent fighting in the great Allied offensive is on the eastern front where General Brussiloff's tremendous blows are being continued without apparent lull or hesitation. Temporarily at least the Austro-Germans appear to have halted the Russian advance along the Stokhod. Both sides are reported to be hurling huge reinforcements of men and guns into this titanic struggle, the price of which is the immensely important strategic town of Kovel.

Further to the south a battle of almost equal intensity is raging on the Lower Stripa where the Russians are striking north in an effort to crush General Von Bothmer and flank the entire Austro-German line. The Austrians admit that the Russians penetrated Von Bothmer's front at some points, but assert they were driven out again in counter-attacks. The Russians claim to have taken 2,000 prisoners but make no mention of a gain in territory.

The British have held their gains on their portion of the Somme front and have appreciably advanced at some points. The usual period of consolidation and the pushing forward of the big artillery is presumed to be taking place. The British have also captured some German howitzers with a quantity of ammunition, which "will be used against the enemy at a suitable opportunity."

A similar situation exists on the French line and a remarkably brief French official statement of Thursday night simply records the continuance of the bombardment at Fort Souville, in the Verdun region.

Vienna Report.

Vienna, via London, July 13.—The official statement from general headquarters, issued today reads:

"West and northwest of Buczacz the enemy again attacked General Von Bothmer's allied armies with strong forces. While part of the attacking columns collapsed before our obstacles, other parts succeeded in penetrating a section of our positions. But they were speedily ejected by a swift counter-attack. We took many prisoners.

"On the Stokhod, astride the Kovel-Sarny railroad, we repulsed Russian attacks.

"On the Italian front we have repulsed further heavy attacks in our Monte Rasta sector."

Russians Take 2,000 More Prisoners.

Petrograd, via London, July 13—The capture of more than 2,000 prisoners by the Russians, in desperate fighting to the west of the Lower Stripa, in Galicia, is announced by the war office in today's official statement. On the Stokhod in Volhynia there has been an artillery duel. The statement says:

"On the Dvina, above and below Friedrichstadt we carried out successful reconnaissances.

"On the Stokhod there has been an artillery duel. Some squadrons of enemy aircraft flew behind our lines, dropping bombs and firing machine guns.

"In Galicia, in the region west of the Lower Stripa, desperate fighting has occurred in many places, the enemy launching energetic counter-attacks. We took more than 2,000 men prisoner, and captured a gun and some machine guns.

"On Tuesday our torpedo craft in the western part of the Black Sea captured a Turkish steamer with a cargo of petroleum and barley, and brought it into port. Other torpedo craft on Wednesday destroyed at the mouth of the River Mellen, west of Ergheli, another steamer in tow of two tugs.

"Caucasus front: West of the Erzerum line we carried out a successful offensive. The Turks vainly attempted to launch counter-attacks."

Russians Driven Back, Berlin Says.

Berlin, July 13, via London, 4.55 p. m.—German troops, under command of General Count Von Bothmer, by an encircling attack have driven back the Russian forces which had pushed forward in the region northwest of Buczacz, in Galicia, says the German official statement issued today. The Germans took 400 Russian prisoners.

In the section of today's German official report dealing with the operations in the western theatre it was announced that British forces had established themselves in the town of Contalmaison, between the Ancre and Somme rivers.

The statement says:

"Artillery fire continued with great intensity. Yesterday, south of the Somme, the French met with no success in attacks which they several times began on both sides of Barleux and near and west of Estrees. They were compelled to turn back under our curtain of fire, suffering the most severe, sanguinary losses.

"The British have established themselves in Contalmaison.

"East of the Meuse artillery fighting continues active. Infantry positions won have been consolidated. The number of prisoners has increased by 17 officers and 243 men, and now stands at 56 officers and 2,349 men.

"Near Freilingheim, on La Bassee Canal, on La Fille Morte height, east of Badonvillers, and near Hierzbach, German patrol engagements were successful."

British Advance Their Line.

London, July 13—The British official statement issued tonight reads:

"The artillery on both sides has been active throughout the day. As a result of sharp infantry fighting we are not only maintaining our pressure on the enemy, but have appreciably advanced our line at various points on the battlefront.

"In one section of the front we captured some German howitzers with a quantity of ammunition. These will be used against the enemy at a suitable opportunity."

No Important Event on French Front.

Paris, July 13—The official communication issued by the war office tonight reads:

"Except for a somewhat spirited bombardment in the sector of Souville, on the right bank of the Meuse, there is no event of importance to report on the front."

COMMISSION TO STUDY RAILWAY PROBLEM NAMED

Alfred H. Smith, President of the N. Y. Central Lines, Sir Henry Drayton and Sir George Paish—Scope of the Inquiry Very Broad, Taking in C. P. R., G. T. R. and Branch Lines.

Special to The Standard.

Ottawa, Ont., July 13—Alfred H. Smith, president of the New York Central lines; Sir Henry Drayton, chairman of the Board of Railway Commissioners for Canada, and Sir George Paish, the British financial authority, are the members of the board of inquiry into the railway situation in Canada. Mr. Smith is chairman. The official announcement of the appointment states that they will give their attention to the general problem of transportation in Canada, the status of the C. P. R., the G. T. R. including the Grand Trunk Pacific and the C. N. R., the service which each road is capable of performing in the general scheme of transportation, the branch lines and feeders, the connections in the United States, the steamship connections, the capitalization fixed charges and earnings and probable future development.

Further, the commissioners will report to the government upon the reorganization of any of these transcontinental railway systems, "or the acquisition thereof by the state, and in the latter case the most effective system of operation whether in connection with the Intercolonial Railway or otherwise."

During recent years the railway situation in Canada has become serious and the time seems to be at hand when the state must acquire the opposing lines to lessen the burden upon the people. It was not thought at first that the C. P. R., because of its success as an enterprise, would be considered in connection with a scheme of nationalization, but it has been considered unfair that in the event of the state taking over two transcontinental systems the third should have to compete against government-owned and operated lines.

The Members of the Commission.

Mr. Smith, says the official memorandum, "began at the bottom of the ladder in the railroad service of the United States, during the past thirty years has worked up to the important position which he now holds. In his present position he has been called upon to reorganize in large measure one of the greatest railroads in the United States and his great success is admitted on all sides."

Talking of Sir Henry Drayton, the memorandum says: "His record, his ability, firmness and impartiality in his present position are a certain guarantee of the good service which he will render as a member of the proposed board."

Of Sir George Paish, it says: "He is an eminent financial authority in Great Britain, and he has always taken a keen interest in Canadian affairs. He has travelled extensively through this country and has closely studied Canadian financial conditions."

The scope of the inquiry is sufficiently wide to insure a full consideration of all questions which present themselves for determination by the government.

FRENCH GOV'T TO FLOAT LOAN IN NEW YORK

Groups of Bankers Headed by Morgans and Browns to Organize the American Foreign Securities Companies to Handle the Loan.

New York, July 13.—A corporation, to be known as the American Foreign Securities Company, will be organized by a group of bankers, headed by J. P. Morgan & Company, and Brown Brothers & Company, to loan $100,000,000 to the French government, it was formally announced here tonight. The company will have a paid up capital of $10,000,000, and will issue three year five per cent. notes to the amount of $95,000,000 in this market.

The notes are to be secured with a margin of 20 per cent. by obligations of the governments of Argentina, Sweden, Norway, Denmark, Switzerland, Holland, Uruguay, Egypt, Brazil, Spain, Province of Quebec; shares of the Seuz Canal Company and bonds and shares of American corporations. Applications to list these notes on the New York Stock Exchange soon will be made. Robt. Bacon, former ambassador to France, and a former partner in the Morgan banking house, is to be president of the company.

Premier Borden's Tribute to France on National Fete Day

Special to The Standard.

Ottawa, July 13.—Sir Robert Borden, in response to a request, has sent the following message to France, on the occasion of the National Fete Day:

"The anniversary of the National Fete Day of France brings with it the undying memory of all that the French nation has endured and accomplished during the past two years. No words of appreciation are needed, because all the world knows that glorious record. A year ago I was in France and had the opportunity of learning at first hand something of the spirit and the achievements of her people. It would be impossible to describe in measured terms the indelible impression made upon me by the serious courage, the resolute patience and the strong self-control of the French nation. The ordinary activities of the national life were carried on chiefly by the old men, the women and the children. At the front or in reserve the whole manhood of the nation was mobilized to do each his appointed task in aiding to repel the invader. In that wonderful organization of a great democracy to defend and preserve its independence and its very existence, the highest and the humblest met on equal terms. For each the supreme test was efficiency and the prime duty self-sacrifice. The heroic deeds of the French armies around Verdun and elsewhere have since aroused the admiration of the world. I am convinced that this struggle to maintain inviolate the liberties of France and of the world has brought into conspicuous relief the highest qualities of the French nation. Magnificent courage, unfaltering confidence, indomitable determination, a splendid self-control, thus would I describe the spirit of the French people as it impressed me. The French armies, with those of our own Empire, are pressing with success the attack on the western front. With them is an army corps from this Dominion which has abundantly proved that Canadians are not unworthy to fight in the Empire's armies and beside those of France in the same great cause.

"Canada hails the recurrence of this anniversary with warmest admiration for the valor, the spirit and the achievements of France, with renewed and inflexible determination to do her own part in the conflict and with supreme confidence that victory will crown the cause which France and Britain maintain."

WATERSHED CROSSED VICTORY BEGINNING TO FLOW IN OUR DIRECTION, LLOYD GEORGE SAYS

Change Due to Improvement of Equipment, War Secretary Declares— Turning Out Twice as Much Ammunition in Single Week as was Used in Drive Last September, but Task is Only Half Accomplished— More Ammunition Means More Victories and and Fewer Casualties.

London, July 13—David Lloyd George, British minister of war, presiding today at an Allied conference on equipment, declared that the combined offensive of the Allies had wrenched the initiative from the Germans never, he trusted to return.

"We have crossed the watershed," he said, "and now victory is beginning to flow in our direction. This change is due to the improvement in our equipment."

The conference was held at the war office, and was participated in by Albert Thomas, French minister of munitions; General Beliaeff, assistant minister of war of Russia; General A. Dall'Olio, member of the Italian ministry of war, and the new British minister of munitions, Edwin S. Montagu.

"Since our last munitions conference," said Mr. Lloyd George, "there has been a considerable change in the fortunes of the Allies. On that date the great Champagne offensive in the west had just failed to attain its objective, and the French and British armies had sustained heavy losses, without the achievement of any particular success. In the east the enemy had pressed the gallant armies of Russia back some 100 miles, and the Balkans had just been overrun by the Central Powers.

Russia Terror To Huns.

"The overwhelming victories won by the valiant soldiers of Russia have struck terror into the hearts of our foes, and these, coupled with the immortal defence of Verdun by our indomitable French comrades, and the brave resistance of the Italians against overwhelming odds in the southern Alps, have changed the whole complexion of the landscape.

"Now, the combined offensive in the east and west has wrenched the initiative out of the hands of the enemy,—never, I trust, to return to his grasp. We have crossed the watershed, and now victory is beginning to flow in our direction.

"Why have our prospects improved? The answer is, the equipment of our armies has improved enormously and is continuing to improve.

"The British navy, until recently, had absorbed more than half the metal workers of this country. The task of building new ships and repairing the old ones for the gigantic navy, and fitting and equipping them, occupies the energies of a million men. Most of our new factories are now complete; most of the machinery has been set up. Hundreds of thousands of men and women, hitherto unaccustomed to metal and chemical work, have been trained for munitions making.

"Every month we are turning out hundreds of guns and howitzers, light, medium and heavy. Our heavy guns are rolling in at a greater rate, and we are turning out nearly twice as much ammunition in a single week —and what, is more nearly three times as much heavy shells—as we fired in the great offensive in September, although the ammunition we expended in that battle was the result of many weary weeks accumulation. The new factories and workshops we set up have not yet attained one-third their full capacity, but their output is now increasing with great rapidity. Our main difficulties in organization, constructon, equipment, labor supply and readjustment have been solved. If officials, employers and workmen continue at it with the same zeal and assiduity as they have hitherto employed our supplies will soon be overwhelming.

"I cannot help thinking that the improvement in the Russian ammunition has been one of the greatest and most unpleasant surprises the enemy has sustained. Still our task is but half accomplished. Every great battle furnishes additional proof that this is a war of equipment. More ammunition means more victories, and fewer casualties."

LANDSDOWNE REPLIES TO REDMOND

Declares His Speech of Tuesday Made After Consultation With Premier and Others of Government.

London, July 13.—The Marquis of Lansdowne, replying in a written statement today to John Redmond's charge that his speech in the House of Lords on Tuesday was a declaration of war against Ireland, announced that his speech was made after consultation with Premier Asquith and other members of the government.

"In making my statement," he writes, "as to the permanent character of certain provisions of the amending bill, I did not intend to go, and I do not consider that I did go, beyond the declaration made by the prime minister in the House of Commons that the union of six counties with the rest of Ireland could only be brought about with, and could never be brought about without the free will and consent of the excluded areas.

"My statement, with regard to the government of Ireland during the interval which must elapse between the present moment and the passing of the amending bill represented what I believe to be the views of the government, and were made after consultation with the prime minister and others of my colleagues."

In Lord Lansdowne's speech on Tuesday he declared that the amending bill would make structural alterations in the home rule act of 1914, while other provisions were merely temporary. This statement evoked a passionate protest from Mr. Redmond, who declared that it indicated a gross breach of faith, and was a gross insult to Ireland. Mr. Redmond asserted that "if this speech be taken as representing the attitude and spirit of the government toward Ireland, here is an end to all hopes of a settlement."

PRESS OF GERMANY WANTS SUBMARINE WARFARE CONTINUED

Berlin, via London, July 13—The agitation in favor of unrestricted submarine warfare continues to be conducted energetically by the press of the extreme right. The Kreuz Zeitung which is increasingly active in the propaganda of this sort, publishes an article which is plainly not only an editorial statement of the paper's vfilew, but at the same time must be taken as a manifesto of the Conservatives, but at the same time must be "that the German government, in respect to the war of submarines against commerce, make use of the freedom of the decision which it reserved for itself in the note of May 4, and which has actually been conceded in a manner which amounts to a direct insult by America's answer and by our enemies abrogating the declaration of London."

The article declares that the campaign proposed "is a proper and indispensable means for the rapid and victorious ending of the war."

LONDON STOCK MARKET

London, July 13.—Money and discount rates here were adjusted to the higher bank rate, although three months bills at 5¾ per cent. were nominal, awaiting treasury bill quotations tomorrow. Interest on treasury deposits was raised to 4 per cent.

The stock market was dull and easier on the bank rate. Most departments recorded moderate declines and rubber stocks were additionally affected by weakness in the commodity. Consols, after many fluctuations, closed half a point down, while shipping and oil shares were steady. In the American section Canadian Pacific was weak and the other issues were dull at about the opening level.

INFANTILE PARALYSIS BREAKS OUT IN ONTARIO TOWN

Toronto, July 13.—Dr. J. W. S. McCullough, provincial chief officer of health, today issued a warning bulletin, urging citizens throughout Ontario to guard against the possibility of an outbreak in Ontario of the epidemic of infantile paralysis, which is raging in some cities in the United States. Dr. McCullough stated that in one town in Ontario—the name of which he did not care to disclose—several cases had been reported, while others are suspected.

"While the cause of the disease is as yet unknown," said Dr. McCullough, "it is believed that infantile paralysis is spread from one child to another by means of the secretions of nose and mouth by direct transfer. It is possible also that it is spread by flies which have been in contact with intestinal discharges. It may become widespread in country as well as in crowded city districts, and persons who have been in contact with cases of the disease may harbor the contagion and give it to others without contracting the disease themselves. That is, they are carriers."

MARTIAL LAW PROCLAIMED IN SPAIN

Bulletin—Madrid, via Paris, July 13.—In view of the railroad strike the government has suspended the constitutional guarantees, and martial law was proclaimed throughout Spain tonight. King Alfonso has arrived at Madrid from La Granja. A general strike is announced for July 16.

The city and province of Madrid were declared by the government in a state of siege on Thursday. This step was taken on account of the strike of railroad employees which has disorganized the transportation system of the country and has resulted in serious disturbances.

The strike began on the Northern Railway on June 11, and is reported to have spread not merely to the other railroads of Spain but to the industries in the great industrial centres of Barcelona, Madrid, Valencia, Bilbao and Oviedo.

The primary cause of the strike was the refusal of the Northern Railways Company to increase wages, but there has been growing unrest and serious disturbances in most of the provinces of Spain as a result of the increased cost of food, caused by the war.

MR. GUTELIUS ON WAY TO RECOVERY.

Montreal, July 13.—The report from the Western hospital here tonight on the condition of Mr. F. P. Gutelius, general manager of the Government Railways, who was operated upon yesterday for appendicitis, was that he had had a good day, and the doctors in attendance considerad his progress very satisfactory.

TROOPS FIGHT BUSH FIRE AT VALCARTIER

Caused by Clearing Gang but Did Not Touch the Camp Buildings.

Valcartier, Que., July 13—Valcartier Camp was in no wise touched by a fire which raged here today, though there was some excitement occasioned by its proximity to some of the camp buildings. The fire was of the bush variety, and was caused by a clearing gang. Troops were called out to fight it, and succeeded in smothering it during the afternoon.

MEREDITH-DUFF REPORT READY NEXT WEEK

Special to The Standard.

Ottawa, July 13.—It was officially announced today that the Meredith-Duff commission will not report before next week. The printing of the findings of judges and the evidence is not yet finished. When it is the report will be placed in the hands of the government, which will decide when it is to be made public.