

Britain Will Make a Token Payment or Go Into Default

A Note Drafted for United States Government on Subject of War Debts—Was Submitted to the French Authorities—The Debt Issue Now Up To Roosevelt.

LONDON, June 1—Great Britain has given the United States Government the choice of accepting a token debt payment or declaring Great Britain in default.

A note was drafted for the United States and submitted to the French government for its information offering the token—or default alternative and suggesting a re-funding conference.

Then, after the contents of the note were disclosed in substance both here and in Paris, the Cabinet held it up in the apparent hope that President Roosevelt would use his knowledge of it to offer negotiations to the United State's \$11,000,000,000 debtors.

The note seemed to leave the debt issue, and the responsibility of making a definite statement regarding default, entirely to the President.

It was drafted carefully so that a new case would be presented. The token payment offered is to be larger—in the diplomatic sense, as the amount will not be greater—than the token payment made last December, which was \$7,500,000 paid in silver. The payment would clear Britain of a default charge pending a re-funding conference which it asked.

BANKS PROTEST LIST OF GOLD PREMIUMS

Transfer to the Bank of Canada At Less Than Market Value Will Be Severe Blow.

OTTAWA, May 31—Strenuous protest against those provisions of the Bank of Canada Act, under which the chartered banks must transfer their gold holdings to the new institution and sacrifice the premium in so doing, was made to the House of Commons banking committee today.

S. H. Logan, general manager of the Canadian Bank of Commerce, laid before the committee the protest and argument of the Canadian Bankers' Association.

"I protest strongly against the transfer of gold from the chartered banks at a figure far below that at which it is valued in the world markets, instead of at a price reflecting the ruling premium," declared the banker after citing his reasons.

If the government considers this gold is necessary for the successful operation of the Bank of Canada, the Government should buy it at its fair market value, as is done in the case of gold from our mines, and dispose of it to the Central Bank on such terms as it may arrange."

Hon. Mr. Rhodes

The other side of the case was put by Hon. E. N. Rhodes, Finance Minister, and Dr. W. C. Clark, deputy minister of the department. In 1931 the Dominion Government had prohibited gold export and, at the same time, stopped redeeming Dominion notes in specie. Had they not done this, the gold reserves of the banks would have been completely wiped out, they claimed.

The second argument was that when Canada refused to redeem her notes in gold, the people generally and not the banks had suffered through depreciation of the Dominion's currency abroad. In view of this fact, it appeared reasonable that the Canadian people should be the beneficiaries through the rise in the value of gold

DROP IN REVENUE COLLECTIONS FOR MONTH OF MAY

Receipts at the Port of Fredericton Totalled \$35,398.42 for May

The monthly statement prepared by Fred P. Colter, collector of national revenue for the port of Fredericton shows that the customs import duty for the month of May just ended totalled the sum of \$10,897.80 with collections from excise duties being considerably better at \$15,057.42. Total collections for the month of April amounted to \$35,398.42. The excise duty collections are \$3,660.72 less than for the preceding month but other collections showed considerable increase. The total revenue for the month of May 1933 was \$44,536.98, a decrease for the month of \$9,188.56 as compared with May 1933.

The statement is as follows:—
Customs Import Duty\$10,897.80
Customs Sales Tax 2,979.67
Customs Excise Tax 2,001.12
Excise Tax (Domestic) 4,462.41
Excise Duty 15,057.42

\$35,398.42

UP AND AROUND

Friends will be pleased to learn that J. J. Winslow, K.C., is improving daily and is now able to sit up at his home.

and the consequent premium earned, they said.
The bill provides that the gold in the chartered banks held in connection with their domestic business shall be taken over by the Central Bank at the par rate of \$20.67 per ounce whereas the market value is around \$35.00. The gold held by the chartered banks against their outside business will be left with them. Any profits made by the Central Bank in the sale of gold at a premium goes to the Dominion treasury. Of the gold reserves of the banks about \$40,000,000 is held against domestic liabilities and about \$11,000,000 against outside liabilities.

OLD COUNTRY CAPITALISTS TURN TO CANADA

A Group of Them Now on a Visit to Canadian Metropolis

ON WAY TO WEST

Say That Business Is On the Upgrade in the Old Country

Montreal, June 1—British capitalists, finding that they can get a bare 3 per cent interest on the bonds of the United Kingdom, are now looking for safe investments at higher rates of interest in Canada according to Lord Southborough, prominent jurist, public servant and unofficial leader of a party of British investors comprising directors of the British Pacific Trust and the Iveagh Trust, who today are in the Ritz-Carlton Hotel.

The party is bound for British Columbia, where most of the Canadian financial interests of the two organizations lie. The Iveagh Trust is that established by the late Lord Iveagh, maker of Guinness's stout, and is said to have assets in excess of \$100,000,000.

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Ottawa Not Keen On Increasing Value of Silver

Canadian Government Not Likely To Co-operate With President Roosevelt In An Effort To Demonitize the White Metal—Federal Officials Watching Developments at Washington.

OTTAWA, June 1—Reliable information from cabinet sources is to the effect that the Canadian Government will not co-operate with President Roosevelt in any international effort to monetize silver or to increase its value substantially higher than was agreed to in the silver convention entered into last summer at the London World Conference.

Federal officials have been close observers of recent silver developments at Washington and are of the opinion that President Roosevelt's recent decision to purchase silver for monetary purposes is more of a gesture than a real effort to advance the silver cause in a world sense.

As Ottawa sees the silver question, several important hypotheses put forward by bimetalists are untrue. For example, it is frequently argued that if the price of silver was increased the Far East, chiefly China, would experience a great improvement in purchasing power and be able to buy more generously from the industrialized nations of this and the European continent.

TO ABANDON SOME BRANCHES OF THE C.N.R.

Proposed To Drop Many Lines of An Unproductive Nature, Says Hon. C. P. Fullerton.

Ottawa, May 31—The trustees of the Canadian National Railways contemplate abandonments of many lines of an unproductive nature, C. P. Fullerton, chairman of the board, told the House of Commons railway committee here today. He did not specify which lines it was proposed to abandon but said the trustees would shortly make application to the Board of Railway Commissioners for authority to proceed with that policy.

Line abandonments would take place only where there was duplication of services with the Canadian Pacific Railway, Mr. Fullerton said. Residents in the areas affected would be given prior notice of the intention of the trustees and they would be given opportunity to appear before the Board of Railway Commissioners in order to present their own case. Mr. Fullerton told the committee that considerable economies had already been effected and this year there had been an increase of 22 per cent in the gross business of the C. N. R. in the first three months. He estimated gross revenues for the current year at \$165,000,000.

The trustees had worked out a general pension scheme of a contributory character which would embrace all employees, said Mr. Fullerton.

Answering questions, the chairman of the board of trustees said that wherever possible, men on reaching the age of 65 years were retained by the railway, provided they were fully competent. This was done in order to avoid paying pensions to these men while, at the same time, paying wages to those who would get their jobs.

Miss Elizabeth McLellan, daughter of R. W. McLellan, city, returned yesterday from Montreal where she spent the winter months with her brother, Douglas McLellan.

FOREST FIRES WERE DUE TO CARELESSNESS

Augusta, Me., June 1—More than 20,000 acres of Maine forest land having been destroyed by fire over the past week and Forest Commissioner Neil L. Violette said today that unless conditions improved he would ask Governor Louis L. Brann to ban all stream fishing.

The greatest hazard was in the northern part of the state, he said, although some fire cropped out yesterday in other sections of the state.

All were caused by someone's carelessness, Violette said.

No word was learned today of the missing child, Howard Cole, four years of age, who disappeared on May 24th from his home in Saunders street. Today was the ninth day of his disappearance.

DAMAGE TO N. B. FORESTS BY FIRE ALREADY APPROXIMATES A RECORD

Estimated Loss Discloses Startling Comparisons of Years 1923 and 1934—Five Hundred Acres Already Burned—Hazard Greater Today

As the New Brunswick forest fire situation grew more hazardous today the startling opinion emanated from the forestry department here that the present year bids fair to surpass all records from point of forest fire damage in this province.

In 1923 provincial forest wealth amounting to 640 acres, went up in smoke. Already this year with June only just commencing 500 acres have been seared by fire. In Restigouche county alone, it was learned this morning, 300 acres have been burned.

Today more than twenty fires were in progress throughout the province. The flames, and more than 2,000 men were engaged in fighting the fires.

Nine Day Period

Most of the damage so far this year has been done over the past nine day period.

Every facility and every available service has been chartered to fight the fire danger. Men, pumps, and equipment of all strength has been commandeered. The latest facility to be brought into action has been a plane of the Royal Canadian Air Force, piloted by Flying Officer J. A. MacInnis, who took off from Fredericton this morning and will attempt to locate boundaries of the huge fire which is raging in Restigouche County. The plane will make its base at Campbellton, on the outskirts of the fire region.

Emergency Cases

At Oliver Settlement where the village was burned out, emergency accommodation for the women and children who were left stranded in the church, has been supplied. Five box cars have been placed on a siding there by the C. N. R. for this purpose. Food too has been supplied.

Continued low humidity and fresh northwest winds prevailed today continuing the fire hazard. This afternoon there seemed little likelihood of a letup in the danger though rains were predicted for tonight and on Saturday.

It was intimated this morning by G. L. Miller chief forester that information will be laid within the next few days in connection with suspects of incendiarism.

Forbidden Forest Travel

The government has forbidden all forest travel until further notice and this

will definitely hold over the June 3rd holiday. No permits are being issued by the Department of Lands and Mines.

The latest report today on the conflagration at Blackville was that the fire had spread across the river there and was being fought today by a crew of men with four pumps. At Pineville a short distance north several buildings were burned including a schoolhouse and an outbuilding.

Picture of New Brunswick's worst forest fire situation will be snapped from the R. C. A. F. plane today and tomorrow.

From the Tobique area today the report came through that more equipment has been rushed to that area by motor truck. This morning pulp workers of the Fraser interests were put on the fire and were fighting valiantly this afternoon in an endeavor to stem the blaze.

The list of fires in New Brunswick over the past several days, according to reports given on the chief forester, G. L. Miller, includes the following districts:

Restigouche County

Gillis Gulch, Oliver Settlement, Chisholm Brook and Kedgwick fire—one huge fire covering practically the entire burn in Restigouche County left by the 1923 fire—being fought by hundreds of men. According to the only observations which were possible it was thought that the blaze had not infringed on green timber. It had traversed ten miles during the day in the old burn and had reached the Upsalquitch at Two Brooks, below the fork of the Upsalquitch, and was reported within three miles of Upsalquitch Village, although this report could not be verified. The fire had spread south and east and was also within ten miles of McCormack look-out tower.

Chenters Brook fire—This blaze is fought along the Restigouche River, and kept from crossing to the west of the Stewart Highway.

St. Quentin, Range 7 and 8 fire—This fire, which was started by Settler, burning without a permit, was controlled by the quick action of the forest service with a pump. Had it not been controlled, St. Quentin would have been endangered.

Mitchell Settlement fire—Although

this fire blazed up it was under control, according to a report.

St. Arthur Settlement—A small fire being fought by 50 men.

Gloucester County

Alcida Settlement and Free Grant Settlement fires—These were held in check and the pumps used there have been shipped to be used in fighting the Blackville fire.

Tilley Road fire—Under control.

Northumberland County

Blackville and Renous fires—These fires crossed the main Southwest Miramichi River and burned several buildings at Gray Rapids Settlement on the opposite side of the river from Blackville and below it. A school house was reported to be included in this group. Details at the fire were lacking but it was said to be within 16 miles of Rogersville.

Victoria County

Salmon River fire—Came through an old 1923 burn to the Tobique River destroyed two houses, four barns and a horse at Everett. It is hoped to hold it with 100 men.

Crombie Settlement—Small fire started but was quickly extinguished.

Madawaska County

Quisibis fire was held with a crew of 200 men. Reports are encouraging.

On the Stewart Highway east of St. Leonard a small fire was extinguished.

A fire at St. Andre at 4 P. M., Thursday was being taken care of by a ranger and councillors.

Baker Brook fire—Worked around crossing into Quebec, but did not spread far. Believed to be well under control.

St. Joseph, Range 7 and 8—Was held with an enlarged crew of men.

Harrison Brook fire—Only a comparatively small blaze, which was practically out.

Trout Brook Settlement, back of St. Jacques—This was the only new fire reported in Madawaska County. Few details available.

York County

White Head Settlement fire—Under control, 10 miles from McAdam.

Saint John County

Loch Lomond fire a large fire being fought by municipal authorities, owners and residents.

Kings County

Marr's Corner fire—Under control (Continued on page four)