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Weather: Snow and rain tonight; cold with snow tomorrow

DRASTIC CHANGES ANNOUNCED IN GREAT BRITAIN'S WAR POLICY

R. A. F. Fleet To Number 10,000 Airplanes in Year

Britain Building to Equal Combined Strength Of Germany, Italy and Japan; Younger Men Given Six Important Positions in High Command

BIG RESERVE STRENGTH

Reports Of Lagging, Muddling, Red Tape, Are Misleading

LONDON, Jan. 13—Drastic changes have come about in Great Britain's war policy. The older men are going and new ones who have seen active service and have won distinction in the World War are being put in their places all having one distinction in service for gallantry. The new appointees are all young.

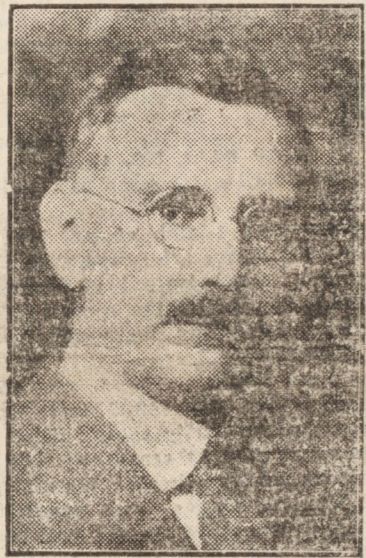
Within one year Great Britain expects to have a fleet of 10,000 military airplanes. It was asserted today on high authority, more than equal to the combined air strength of Italy, Germany and Japan on the basis of available estimates.

Not only that, but within a year the Government expects the Royal Air Force to be backed up by a manufacturing organization capable of turning out bombing and fighting planes at a rate never before equalled, even in the Great War.

This information was given today as the Army in the second big shake-up within six weeks named six officers of the younger school to key posts in the High Command at the expense of older men.

An investigation was made of the rearmament position in Britain, as concerned aircraft, because of vigorous attacks on the Air Ministry and particularly on Viscount Swinton, Air Minister, by newspapers. Articles complained of muddling, lagging, red tape, bureaucracy. But it was soon indicated that these complaints were companions to those long familiar in Britain, which has feared from time to time conquest by the Spanish Armada, the Dutch, Napoleon, Germany and Italy.

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E. P. MALLORY

Asst. President C.N.R. elected first vice-president of C.R. Club

Canadian Railway Club Elects Officers for '38

MONTREAL, Jan. 13—The Canadian Railway Club has elected for its 1938 president W. S. Emery of Montreal, superintendent of communications for the Canadian Pacific Railway's Quebec district.

E. P. Mallory, executive assistant to the president of the Canadian National Railways, was elected first vice president. The second vice-presidency went to J. E. Armstrong, assistant chief engineer of the C.P.R. Both are Montrealers.

The Surplus and Expenses

THE PUBLIC generally and more particularly business interests were agreeably surprised when the audit statement of the financial position of the Province published yesterday, disclosed a surplus of \$29,090.00 of current receipts over current expenditures.

In contrast with 1935 when there was a deficit of \$703,117.00 and 1934 when there was a deficit of \$876,552.00, the splendid picture that has been presented by the Dysart administration must attract the approval of all regardless of political conviction.

As we pointed out, and as was pointed out in the statement issued by the Premier, the improvement was not brought about by curtailing public services. On the contrary these services were extended and enlarged at the same time in various ways, such as old age pensions, free school books, to mention but a few, which in the aggregate represent a cost of nearly three quarters of a million dollars per year.

IT MUST BE NOTED, ALSO, THAT OVER-EXPENDITURES AMOUNTED TO ONLY ONE PER CENT. OF THE TOTAL APPROPRIATION, AND ANY BUSINESS OPERATING ON SUCH A SCALE THAT COULD HIT THE MARK SO CLOSELY HAS EVERY REASON TO FEEL SATISFIED WITH THE RESULT. UNLIKE COMMERCIAL INSTITUTIONS, THE GOVERNMENT IS SUBJECT TO PUBLIC EXPENDITURES DUE TO CIRCUMSTANCES WHICH MAY NOT BE FORESEEN AND WHERE APPROPRIATIONS WERE EXCEEDED THIS WAS GENERALLY THE CASE. IT IS SIGNIFICANT TO NOTE, FOR EXAMPLE, THAT IN THE DEPARTMENT OF PUBLIC WORKS, APPROPRIATIONS WERE EXCEEDED BY LESS THAN TWO THOUSAND DOLLARS. IN YEARS PAST, UNDER PREVIOUS ADMINISTRATIONS, THIS OVER-EXPENDITURE RAN INTO HUNDREDS OF THOUSANDS.

Just by way of demonstrating the sound business principles that have been introduced into government services, it is noted that the cost of School Books which was \$87,000.00 in 1936 was only \$30,000.00 in 1937. Immediately upon return of free school books in this province a policy was instituted to recover these school books at the end of the year and make them available in the following year. The saving to the people of the province has been substantial and at the same time pupils in the public schools are receiving a practical lesson in thrift and economy.

AN ITEM THAT HAS ATTRACTED SOME ATTENTION IN BIASED SECTIONS OF THE PRESS IS THE INCREASE OF THE CAPITAL DEBT BY \$9,125,000.00. THAT SEEMS TREMENDOUS. THE PEOPLE HAVE NOT FORGOTTEN, HOWEVER, THAT IN 1930 THE LEGISLATURE OF NEW BRUNSWICK AUTHORIZED AN EXPENDITURE OF \$10,000,000.00 ON HARD-SURFACED ROADS BUT IT WAS NOT UNTIL 1935 WHEN THE DYSART GOVERNMENT TOOK OFFICE THAT COURAGE WAS FOUND TO PUT INTO PRACTICE A POLICY WHICH A PREVIOUS ADMINISTRATION COULD CONCEIVE ONLY IN IMAGINATION. THE GREAT BULK OF THE INCREASE IN THE CAPITAL DEBT IS DUE TO HARD-SURFACING OF OUR MAIN TRUNK HIGHWAYS AND NO ONE IN ANY SECTION OF THE PROVINCE WILL DOUBT THE WISDOM OF THAT UNDERTAKING NOR, IF IT WERE POSSIBLE, WOULD HE DESIRE A RETURN TO FORMER ROAD CONDITIONS.

Unlike the many substantial additions made to our capital debt in the past, this particular debt is represented in a valuable (Continued on Page Four)

Combustion Under Certain Atmospheric Conditions Cause Gasoline Dump Valves Let Explosive Fuel Vaporize and Ignite

AMERICAN AIRWAYS GRIEVES

Samoan Clipper Tragedy Third In Three Years Experiment

BENEFIT SEEN IN TRADE PACT FOR TEXTILES

U.S. List Includes Woolen, Rayon Goods As Bargaining Possibilities

OTTAWA, Jan. 13—Ontario, Quebec and the Maritimes stand to benefit by a tariff concession the United States makes to Great Britain on rayon and woollen products, paper and fish.

The United Kingdom-United States treaty will be signed upon a favorableness basis and the Dominion will automatically enjoy any concessions made by the United States.

In the list of items published recently upon which the United States may be willing to grant tariff concessions to the United Kingdom, were included silk hose, rayon clothing, paper, woollen fabrics, certain pickled and salt fish and paper.

WOULD HELP TEXTILES Publication of the lists does not guarantee a reduction in tariffs, but if reductions were made to Britain on rayon and woollen products, it would spell happier days for the Ontario. (Continued on Page Four)

PAGO PAGO, SAMOA, Jan. 13—The third major United States aeroplane crash in a week has been officially reported after three years of successful Trans-Pacific flying. The last tragedy has cost the lives of the entire crew of seven including the internationally known flying ace Edwin C. Musick as the 21-ton Samoan Clipper plunged into the Pacific in flames carrying the Captain and his six associates to death, its floating wreckage indicated today to a Navy searching ship.

President Juan T. Trippe of Pan American Airways said in Washington, D. C., that all seven fliers were known dead. Trippe said fire developed as the plane was dumping its gasoline in an attempt to make an even-keel landing near Pago Pago.

The Navy minesweepers Avocet found the Samoan Clipper wreckage 14 miles northwest of here in a tall tale floating patch of lubricating oil on the ocean surface. A motor launch began picking up the fragments.

"Identification satisfactory," the Avocet reported to the naval radio station here.

Musick was known as one of the most methodical and conservative fliers ever to negotiate an ocean, with more than 1,000,000 miles of sea flying to his credit and never a serious accident.

On Way to Auckland He took the Samoan Clipper out of Pago Pago harbor yesterday for a (Continued on Page Four)

Earns Promotion



H. C. JAMES, who on February 1st becomes assistant general passenger agent, Canadian Pacific Railway with headquarters at Montreal. Mr. James is at present district passenger agent for the Company at Saint John, N.B., and brings a wealth of experience, earned during his 23 years Canadian Pacific service, to his new post.

IRELAND'S NIGHT ON CBC SUNDAY NIGHT 7:30 E. S. T.

(Special to The Daily Mail) MONTREAL, Jan. 13—The third of the interesting new Canadian radio programmes "Canadian Mosaic", will be presented on the national network of the Canadian Broadcasting Corporation on Sunday evening. This will be Ireland's night in the series of programmes illustrating the songs and music of the many races settled in Canada. The programmes, which have been produced by J. Murray Gibbon, general Publicity Agent, Canadian Pacific Railway, have attracted wide interest. (Continued on Page Four)

Stalin Central Figure At First Soviet Parliament

MOSCOW, Jan. 13—Soviet Russia's first Red Parliament, with Joseph Stalin as the central figure, conducted its opening session with machine-gun-like precision yesterday, electing officers and adopting agenda without debate.

The two houses of the legislature—or Supreme Soviet—met at different hours, the Soviet of the Union holding its session in the afternoon and the Soviet of Nationalities in the evening. Stalin attended both meetings, entering the chamber at the head of government and party leaders after the deputies and spectators were assembled. He watched proceedings from a special seat of honor with a mauve spotlight playing on him. Long ovations greeted him.

Alexei Bach, 80 year old academician, gave the only speech before the Soviet of the Union. He said the Soviet Union was "surrounded by enemies who see danger for their systems in Soviet successes." "We want peace, but if the foe attacks us, we to him," he declared, amid applause.

WAR HITS CANADIAN SHIPMENTS TO CHINA

Trade With Shanghai at a Standstill; Long Fight Means Millions Lost, Says Euler

OTTAWA, Jan. 13—The war in China has struck a serious blow to the Dominion's trade with the Far East and at the moment Canadian shipments to Shanghai and to the interior of China from that port are at a complete standstill, Hon. W. D. Euler, Minister of Trade and Commerce, announced today.

His announcement followed a cable from the Canadian Government Trade Commissioner at Shanghai. Prolongation of the war would mean a loss of millions of dollars to Canadian exporters.

"While reconstruction eventually should develop, no signs are yet evident of a revival of import business," the Minister announced.

"Importers in Shanghai unanimously feel that no business is likely to result until the political situation becomes more settled.

"Shanghai is cut off from access to the interior of China and the financial position of Chinese dealers in many cases is precarious.

"Government business in lumber has ceased and the cargoes which

were diverted to Hong Kong still remain to be disposed of. "There is no demand for lumber at present on account of the extreme nervousness pending the outcome of the present situation and settlement of the future position of Shanghai."

Austria, Hungary Recognize Franco

BUDAPEST, Jan. 13—Austria and Hungary have decided to recognize General Franco's insurgent administration as the legal government of Spain, it was announced tonight following a conference between statesmen of the two Central European nations and the Italian foreign minister, Count Ciano.

Chautemps Given Order By Pontiff

PARIS Jan. 13—Premier Chautemps today received the insignia of the Grand Cross of the Order of Pius IX from Msgr. Valerio Valeri, the Papal Nuncio. Chautemps expressed his

IL DUCE RECEIVES PRAISE FROM POPE

Attitude Toward Church Outlined In Recent Speech Lauded

VATICAN CITY, Jan. 12—Assurances that Italy desires to live in peace with the Church, was enthusiastically welcomed by Pope Pius today while he lamented the delicate situation between the Church and Germany.

Speaking before 60 bishops and 2,000 priests, the Pope blessed Premier Benito Mussolini's assurances and added "we cannot doubt that these words represent a noble sovereign pledge. May the blessing of the Almighty fall on this pledge."

gratitude to the Holy See for the sign of esteem for the Government of the French Republic.



W. U. APPLETON

President and General Manager, Atlantic Region C.N.R., who is ill with pneumonia in Moncton

Moncton's Hockey Player Was Crowded Off The Air

(Special to The Daily Mail) MONCTON, Jan. 13—Mayor McMonagle, back at his duties after a trip to Toronto to make a presentation to Moncton's hockey pride, Gordon Drillon, of the Toronto Maple Leafs, was not pleased with the reception given him and the large local delegation, particularly with respect to the radio broadcast. Officials of the Canadian National Railways had treated the excursionists royally and had done everything possible to make the trip a success, but the moment the train pulled into Toronto there was a chill wind.

The cooling breeze was noticed when the mayor was met by a gentleman who advised him that there was a hitch in the broadcasting arrangements. As soon as the local group were escorted in their hotel they attempted to learn what the trouble was. About the only thing they discovered was that the slip-up in arrangements was not a matter of time.

It had been understood in Moncton that Mr. McMonagle would be allotted six minutes on the hook-up to make a presentation to Drillon and deliver the accompanying address. All that (Continued on Page Four)

MOUNTIE HOLDS SPOT AT SCHOOL FOR G-MEN

Redcoat Is Centre of all Eyes, Being First Foreign Officer Chosen to Attend Wash. Academy

WASHINGTON, Jan. 13—A tall, handsome "Mountie" from Northern Saskatchewan today joined the United States Federal Bureau of Investigation National Police Academy.

It was the first occasion a foreign police force has been represented at the academy, and John Edgar Hoover, chief of the G-men, took the opportunity to especially welcome him. The Canadian officer is Sergeant R. M. Wood of Prince Albert Sub-Division of the Royal Canadian Mounted Police.

"We hope you will learn much here and we expect to learn much from you," Mr. Hoover was quoted as telling Sergeant Wood.

The academy will last for 12 weeks and the class includes six sheriffs' officers, three State police officers, and 26 police officers from municipalities in the United States. One comes from Panama.

STARTED IN 1935 The academy was started July 29, 1935, and this is the seventh session. Each session lasts 12 weeks, during

which the foremost criminologists and police officers selected from the higher institutions of learning co-operate with the training school staff and experts in the bureau in instructing the class.

Sergeant Wood was the centre of attention. A group of Washington newspapermen were awaiting him when he left the class at 3:30 p.m., and plied him with questions about the R.C.M.P., which he smilingly but guardedly answered.

Then the press photos "snapped" a score of times in the great Justice Building, one of the magnificent edifices of Washington.

The R.C.M.P. have plans to hold a school in Regina, which may develop along lines similar to the academy here, and federal, provincial and municipal police may exchange experiences. If that school were started, an arrangement might be worked out for the United States Federal police to send a representative to it. It plans to send a man to Scotland Yard.