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Weather: Fair and moderately cold

GOVT. WILL NOT SUPPORT HEPBURN REQUEST FOR THE EXPORT OF HYDRO

Leon Blum Not to Support Bonnett in Forming Cabinet

Former Socialist Premier Thinks Former Finance Minister Too Conservative

BONNETT TO FORM NEW CABINET

Confers With Former Premier, Popular Front At Stake

(Special to The Daily Mail)

PARIS, Jan. 15—Former Premier Leon Blum has stated that he will not support Georges Bonnett, who is trying to form a new Cabinet to take the place of the Popular Front Cabinet which resigned yesterday on account of its policy in support of the franc.

Blum, who himself is a Socialist, gives as reason for refusal to support Bonnett that he is too conservative in his policies.

Georges Bonnett, Finance Minister and former ambassador to Washington, agreed to attempt to form a "salvation Government" to replace the shattered Leftist Popular Front Cabinet and lead the country out of a grave financial crisis.

Bonnett accepted the difficult assignment from President Albert Lebrun after three other Radical Socialist leaders had refused it—Camille Chautemps, whose government was defeated early yesterday; Edouard Daladier, War Minister, and Albert Sarraut, Minister without Portfolio.

Trading in the franc was suspended and it was considered imperative to form a Government over the week-end which would be prepared to take energetic measures to halt the fall of the franc, stop the flight of capital, replenish the Treasury and deal with the intricate labor problem.

Bonnett was given 12 hours to consult political groups and promised a definite report on his ability to form a Cabinet by today.

In Power 19 Months The Left Wing Popular Front, which had ruled for a troublesome 19 months, had been shattered apparently beyond immediate repair. Lebrun had been called from his bed at 4:30 to receive the resignation of the Cabinet of Camille Chautemps. It was regarded as an urgent national necessity to form, by night if possible, a new government.

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HON. FERDINAND RINFRET Secretary of State who pledged his word he never saw secret memoranda

MOSCOW REFUSES TO DELIVER OIL TO ITALIANS

(Special to The Daily Mail)

MOSCOW, Jan. 15—The Soviet Government today announced its refusal to deliver oil to the Italian navy giving as its reason that Italy would not pay for it immediately. The real reason however is thought to be that Italy refused to deliver warships which she was building for Moscow.

BAN HYDRO EXPORT IS FORECAST BY GOVT CIRCLES

OTTAWA, Jan. 15—The Hepburn-Duplessis request for permission to export to the United States will go to Parliament without the blessings of the Mackenzie King Government. A source close to the Prime Minister tonight said Mr. King would not recommend approval of the proposal when it is presented to the House of Commons.

Tonight's statement was the first intimation of the fate in store for the power export issue. The question of Government recommendation is vital to the success of the whole proposal, and without the backing of the Prime Minister it is believed doomed to failure.

Mr. King, it is said, will either table in the House the request made some weeks ago by Mr. Hepburn, along with similar requests from two private power companies in Quebec or he will have a private member introduce the issue.

Either way, it is expected to be opposed by the Conservatives, the C. C. F. and Social Credit groups and by the rank and file of the Liberal Party itself.

The Conservatives will fight it on the ground that it would prove injurious to the existing good-neighbor policy between the United States and

the Dominion and that it would be contrary to an anti-export policy of twenty years standing in the House. The radical groups in the House will fight it on the grounds that it would be legislation purely and simply for the "big interests" and that the only ones who could hope to gain would be the "power barons".

The Quebec Liberals will take the opportunity to fight an issue which their arch-enemy, Premier Duplessis, is supporting.

Through all the debate will run the general idea that Canada would risk her friendship with the United States at some future date by having to call back huge blocks of export power, thus bringing United States industries to a standstill.

There will be, however, some stalwarts to champion Mr. Hepburn's proposal. Among them may be some of Mr. King's own Cabinet members, who see the question as a good business proposition. For Mr. Hepburn they will argue that sound business-like contracts can be made with the United States companies, with a clause that the power can be recalled at will. They will point out that the United States companies now needing hydro are using steam power and can revert to this at any future time.

Preaching Blue Ruin

THE DAILY MAIL does not believe in discussing politics day in and day out whether there is any cause or excuse for doing so or not. There are times however when it is necessary to discuss public questions. This week The Daily Mail in common with other papers throughout the province congratulated the Dysart Government on its splendid surplus totalling nearly thirty thousand dollars. This surplus was the result of splendid administration in every department of the Government service. The first year that the Dysart Government was in power they reduced the deficit and this year, their second year in power, they disclosed a surplus of twenty-nine thousand and ninety dollars of current receipts over current expenditures.

Conservative newspapers at Saint John and Moncton continue in their efforts of trying to ruin the credit of the province and trying to create suspicion regarding the soundness of our Provincial business methods. If these blue ruin critics would be fair they would not for political purposes circulate statements which they know to be unfair regarding our Provincial finances. In discussing the increase of the capital debt of the province they would tell the people that unlike the substantial additions made to the capital debt in the province in the past that this particular debt of nine million dollars is represented in a valuable productive asset.

The great bulk of the increase in the capital debt here mentioned is due to the hard-surfacing of our main trunk highways and this debt is represented in a valuable productive asset. WHILE THE WORK IS STILL UNCOMPLETED VAST INCREASES IN REVENUE FROM MOTOR VEHICLE LICENSES AND GASOLINE TAX ARE APPARENT IN THE FINANCIAL REPORT AND FURTHER INCREASES MAY BE ANTICIPATED UPON COMPLETION OF THE ENTERPRISE. A large portion of this revenue comes from the tourist trade and there is no doubt that with the completion of the hard-surfaced roads a large increase in tourist travel will be the result. It is impossible for the Province of New Brunswick to remain isolated in regard to the matter of hard-surface roads. Our neighbors in the province of Nova Scotia, in the province of Quebec, and in the adjoining State of Maine are making a bid for tourist travel and have completed their roads. In order not to lose this valuable source of revenue which is one of the best sources of revenue which we have, New Brunswick must complete her hard-surfaced roads and must do it at once. Continuing our road program over a period of four or five years would under the present conditions be a mighty bad stroke of business.

NOT ONLY DO THE TOURISTS, FROM WHOM WE GET THE REVENUE, BENEFIT BY THE HARD-SURFACED ROADS BUT THESE ARE ABSOLUTELY NECESSARY FOR THE COMFORT AND CONVENIENCE OF OUR FARMERS, OUR MERCHANTS, OUR CLERGYMEN, OUR DOCTORS AND FOR THE PUBLIC GENERALLY. IT MUST BE RECOGNIZED THAT WE HAVE GOT AWAY FROM THE HORSE AND BUGGY DAYS, NEVER TO RETURN. THERE IS NO COUNTY IN THE PROVINCE TODAY WHICH WILL HAVE ITS REPRESENTATIVES STAND UP IN THE LEGISLATURE AND STATE THAT THEY DO NOT WANT HARD-SURFACED ROADS BUILT IN THEIR COUNTY. There is no one of the members of the five roses of the Opposition including our friend Brother Squires the principal rose who will stand up and say that they do not want hard-surfaced roads in Carleton County or in the County of Saint John. If the members of the Provincial Opposition and their blue ruin press which is supporting them will tell us of any plan by which hard-surfaced roads may be built without spending money we are sure that the Dysart Government will accept this plan. You may make bricks without straw, but you cannot build roads without money.

A glance at deficits from the year 1930 to the present may be of interest. IN 1930, IN '31, IN '32, IN '33, IN '34, IN '35 THERE WERE LARGE DEFICITS UNDER THE OLD GOVERNMENT. THE DEFICIT IN 1935 WAS OVER SEVEN HUNDRED THOUSAND DOLLARS. THE PRESENT GOVERNMENT CAME INTO POWER IN 1935 AND IN 1936 THEY HAD CUT THE DEFICIT FROM SEVEN HUNDRED THOUSAND TO A LITTLE OVER FOUR HUNDRED THOUSAND AND THIS YEAR THEY HAVE HAD A SURPLUS AND THIS SURPLUS OF NEARLY THIRTY THOUSAND DOLLARS WAS PRODUCED WITHOUT STARVING THE PUBLIC SERVICES. In fact there was an increase in the public services all along the line including the introduction of Old Age Pensions and an increased expenditure for the benefit of agriculture and of education.

Why cannot our newspaper friends be fair and square and tell the facts? Why cannot they study the interests of our province first and politics later? Why try to injure the province by being biased and by making unfair statements.

Japan to Sever Relations With the Chinese Gov't

Chinese Ambassador Will Likely Be Given a Passport Today and Return to Motherland

POLICY IN CHINA

Japanese Provisional Government For Northern China

ABERHART SAYS UNITY IS PARTY'S GREATEST NEED

EDMONTON, Alta., Jan. 15—Premier Aberhart stated last night in a political speech that the reason for the Social Credit defeat was the lack of unity within the party. "What the party needs," he said, "is spirit de corps, if it is to have unity."

Sec'y of State Never Saw Secret Alleged Memoranda

MONTREAL, Jan. 15—Hon. Fernand Rinfret pledged his word as secretary of state last night he never had seen the "secret memoranda" Camille Houde insisted existed at Ottawa, committing Canada to aid Britain in the (Continued on Page Five)

TOKIO, Jan. 15—Japanese papers report today that the policy of the Government presented to Emperor Hirohito demand a severance of relations with the Chinese Government. The newspaper Yomiuri predicted this morning that Hsu Shihying, Chinese ambassador to Japan, would be handed his passport today and would leave for China immediately.

The Yomiuri did not state the source of its information. The report, observers said, apparently meant that a statement of policy presented by the Cabinet to Emperor Hirohito for approval would announce severance of relations with the Chinese National Government headed by General Chiang Kai-shek.

Such a move was also forecast by a despatch from Yomiuri's Peiping correspondent which said that the Japanese controlled "Provisional Government of the Chinese Republic" would be reorganized, probably next month, as a formal government, with the installation of a president. The cabinet met yesterday to draw (Continued on Page Four)

IN THE NEWS

Trying To Form New Cabinet



GEORGE BONNETT former finance minister, former ambassador to Washington, attempts to form new cabinet

LINKS BULLET AND GUN WITH MURDER CASE

Ballistics Expert From Montreal Claims Bullet from Cohen's Skull Was Shot From Revolver In Court

(Special to The Daily Mail)

SAINT JOHN, Jan. 15—Dr. Rosario Fontaine of Montreal noted medicolegal expert was called yesterday afternoon in the case of William Robicheau charged with the murder of Aaron N. Cohen. Peter J. Hughes, K.C., senior Crown Counsel conducted an examination of the witness. Dr. Fontaine expressed the opinion that the bullet in evidence which he examined was shot from the weapon which was produced in court. The doctor gave a long technical explanation of the experiments carried out on the bullet and revolver which had been taken to Montreal by Detective Kilpatrick for examination. One side of the bullet presented to the doctor was found to be flattened. This Dr. Fontaine claimed was caused by the bullet passing through the bone of the skull. He described the tests made by him in Montreal in regard to the bullet. Fontaine positively identified the bullet and gun and linked both with the Robicheau case.

Several other witnesses were heard in connection with the Robicheau case but their testimony produced nothing new that had not previously been produced at the inquest and at the preliminary hearing.

Officials Hold Conversation From The Clouds to Bowels of the Earth

Railway Representatives Guests On Board Flight Ship C. N. Telegraph and Short Wave Contribute to Rotary Programme

(Special to The Daily Mail)

ST. HUBERT, Que., Jan. 14—Six passengers aboard the Montreal-bound Central Vermont Boston Maine Airways passenger plane en route from Boston and Southern New England points had the unique experience yesterday afternoon of hearing their pilot and a fellow passenger flying 5,100 feet in the air converse with E. W. Todd, supt. of a gold mine at Kirkland Lake, Ont., in a shaft 1,800 feet below the surface of the earth and more than 800 miles away. The occasion was a communications demonstration staged by C. N. Telegraphs in connection with the Rotary-Club luncheon in Toronto. At 1:15 o'clock Capt. Milton H. Anderson, pilot on the regular flight of Central Vermont Boston Maine Airways ship from Boston, said "hello" to D. E. Galloway, assistant vice-president of the C. N. Telegraphs at Toronto. Mr. Galloway switched Anderson over to Supt. Todd, who was in a gold mine shaft at Kirkland Lake, more than a quarter of a mile below the surface. At the time several hundred guests of Toronto Rotary as well as the audience of the coast to coast network of the Canadian Broadcasting Corporation stations heard the conversation made possible through the use of radio short-wave and the communication system of the C. N. Telegraphs. Extension sets of earphones had been rigged in the airplane so that passengers on board the commercial airliner listened to all of the two-way conversation demonstration. After the (Continued on Page Five)

DEMOCRACIES INVITE THE WORLD TO TUNE IN

PARIS, Jan. 15—War in the air is on. True, not as Tennyson and H. G. Wells imagined, with rival air fleets struggling for supremacy, but with the nations of the world striving to excel one another in getting their propaganda over the air.

The United States is the latest country to enter the verbal armament race. When President Roosevelt's message to Congress was flashed over the Atlantic in seven languages from the powerful short-wave station at Bound Brook, N. J., he thereby flung Uncle Sam's hat in the radio ring.

President Roosevelt had good reason for his action. Owing to the complete control which they exercise over the press in their own countries, the European dictators have been able to keep their peoples from learning what other nations are thinking by suppressing the speeches of their leaders entirely, or publishing them in garbled or distorted form. But by having his annual message to Congress broadcast in foreign languages, the President circumvented the Goebbels and the Cianos.

Hear Plea for Democracy

Thousands of Germans and Italians sitting at their own firesides heard the words:—"It would seem, therefore, that world peace through international agreements is most safe in the hands of democratic representative governments—or, in other words, peace is most greatly jeopardized in and by those nations where democracy has been discarded or has never developed."

Not since the days of the Weimar Republic have Germans listened to a message of this kind.

By coincidence, the British Broadcasting Company began its transmission of news in Arabic the same day Mr. Roosevelt's speech was being flashed through the air. Called by Major George C. Tyrone, the British Postmaster, "straight news," these British despatches broadcast by air were admittedly a move to offset Italian propaganda in Arabic sent from the Italian station at Bari, which has caused so much annoyance to the British in Palestine and Egypt. It drew an immediate reaction from (Continued on Page Five)



P. G. JOHNSTON Vice-president trans Canada Air Lines, who was a passenger on Airways ship that broadcasted to mine supt.