

The Daily News

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

PRINCE RUPERT, B.C., MONDAY, FEBRUARY 17, 1936

Today's Weather

Prince Rupert—Clear, light northerly wind; barometer, 30.20; temperature, 13; sea smooth.

Tomorrow's Tides

High 9:40 a.m. 19.5 ft. 23:06 p.m. 17.8 ft. Low 3:06 a.m. 10.8 ft. 16:36 p.m. 5.9 ft.

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BRITAIN BOOSTS FIGHTING FORCES

Appropriation of Thirty-Nine Million Dollars is Asked For Defending Mediterranean Area

ROYALISTS DISSOLVED

French Government Takes Action Following Attack Upon Socialist Leader

PARIS, Feb. 17: (CP)—The French cabinet, in an emergency session, ordered the dissolution of the two royalist organizations of France. The order followed an incident on the street in front of the war ministry when a royalist mob attacked the leader of the French Socialists and injured him seriously. The royalists were taking part in the funeral of one of their number when the Socialist leader was spied and immediately attacked. News reel moving pictures are said to clearly identify the leaders of the attack. The Socialist took occasion to demand the dissolution of the royalists and the cabinet met this demand. The city is being specially guarded against possibility of activities of royalists unwilling to accept the edict of dissolution.

Authorization is Also Being Sought For Construction Of Seven Destroyers, Six Torpedo Boats and Twenty Trawlers—Italo-Ethiopian Dispute Forces Action

LONDON, Feb. 17: (CP)—Great Britain's fighting forces today asked the House of Commons for an additional appropriation of approximately \$39,000,000, the most of which is to be expended on special measures to be taken in connection with the Italo-Ethiopian dispute. It was the first inkling of such an amount to be spent in bolstering up naval and army defenses in the Mediterranean and the Suez Canal zones. Viscount Bolton-Eyres-Monsell, First Lord of the Admiralty, also said authorization would be sought for the construction of seven destroyers, six torpedo boats and twenty trawlers.

ALL-AMERICA PEACE CONFERENCE PLANNED

WASHINGTON, D.C., Feb. 17:—President Franklin D. Roosevelt on Saturday proposed a conference with a view to permanently outlawing war in the Americas. Buenos Aires is suggested as the meeting place. Uruguay and Ecuador have already sent favorable replies. Such a move might do much, it is felt, towards ensuring world peace.

TODAY'S STOCKS

Table with columns for stock names and prices. Includes Vancouver and Toronto sections.

SENTENCE ON BRUNO

Kidnap - Killer to Come Before Fleming Court Again

TRENTON, N.J., Feb. 17:—The thirty-day reprieve granted Bruno Richard Hauptmann by Governor Harold Hoffman of New Jersey having expired Saturday night, the convicted kidnap - murderer of Charles Augustus Lindbergh Jr. will go before Justice Trenchard at Flemington this week for re-sentencing to the electric chair. The execution date must be set within four to eight weeks. Attorney Lezliwitz, noted New York criminal lawyer, who was called into consultation in connection with the defence, stated Saturday that he was convinced Hauptmann was not telling the truth.

More Anxiety Felt Concerning Johnny Larsen

Concern is increasing in respect to Johnny Larsen, local fisherman, who has been missing since February 6 from his trolling boat Shrimp at Cow Bay. Word has been received from Lewis Island, where a brother lives, that he has not been seen there. The police were looking around Cow Bay yesterday in the fear that he might have fallen overboard from the floats and been drowned but nothing was seen. There is still the possibility that he may have gone off without notifying anyone.

BEATTY IS IMPROVING

LONDON, Feb. 17:—Improvement in the condition of Admiral Earl David Beatty, who is suffering from heart trouble, is reported in an official bulletin.

SWANSON RECOVERING

WASHINGTON, D.C., Feb. 17:—Improvement is reported in the condition of Secretary of the Navy Swanson who has been critically ill in naval hospital here.

BAR SILVER

NEW YORK, Feb. 17: (CP)—Bar silver was unchanged at 44 3/4c on the local metal market today.

VIGOROUS DEFENCE OF NATIONAL RAILWAY

EFFECT OF EMBARGO

Would Break Italy's Power to Wage War Abroad Within Three Or Four Months, League Estimates

Senate Bloc

In United States Would Extend Neutrality—Drummond Denies Report

GENEVA, Feb. 17:—In a survey of anticipated results of an oil embargo against Italy which has been transmitted to the United States by the League of Nations, it is estimated that such an embargo, effectively applied with United States co-operation, would break the power of Italy to wage war abroad in three or four months.

Support Neutrality

WASHINGTON, D.C., Feb. 17:—A bloc of more than a dozen senators has agreed to support the plan of Secretary of States Cordell Hull for extension of the neutrality bill against Italy including the virtual imposition of an oil embargo.

Denies Aiding Selassie

ROME, Feb. 17:—Sir Eric Drummond, British ambassador to Italy, denies reports made public here that the British military attaché at Addis Ababa was acting as chief advisor to Emperor Haile Selassie in his campaign against Italy. Such reports were absurd and could not be substantiated by evidence, declared Sir Eric.

William Putnam Passes Saturday

Elderly Patient of Prince Rupert General Hospital Dies

William Putnam, an elderly patient of the Prince Rupert General Hospital for some time, passed away in that institution Saturday afternoon. Funeral arrangements are in the hands of the B. C. Undertakers.

Card of Thanks

The family of the late Mrs. Victoria Palmeri wish to thank all their friends for the kind expressions of sympathy and for floral tributes received during their recent bereavement.

HOUSE IS DESTROYED

Residence on Hays Creek to Rear Of Comox Avenue Total Loss This Morning

A house of J. Projudnik consisting of three or four rooms near Hays Creek to the rear of Comox Avenue was completely destroyed by fire this morning. The house stood at a considerable distance from the nearest street and the fire department was unable to get equipment at the scene. In any case, the building was pretty well consumed by the time the brigades were called. An overheated stove pipe is believed to have been the cause of the fire.

WARNING BY UNCLE SAM

Expects Both Russia and Japan To Live up to Treaty Agreements

WASHINGTON, D.C., Feb. 17:—The United States Department of State on Saturday issued a warning that it expected both Russia and Japan to live up to treaty agreements. Russia by refraining from interference in domestic political affairs of this country and Japan by adhering to the "open door" policy in China.

Funeral With Catholic Rites

Mrs. Victoria Palmeri, Aged 80, Laid To Rest Yesterday Afternoon At Fairview

Following high requiem mass which was celebrated by Father Godfrey at the Church of the Annunciation Saturday morning, burial of the late Mrs. Victoria Palmeri, who passed away last week at the age of eighty years, took place yesterday afternoon in the Roman Catholic section of Fairview Cemetery with Father Maurice Smith officiating. At the requiem mass Father Godfrey was assisted by Bishop E. M. Buno and C. P. Balagno presided at the organ. Pallbearers were A. Montesano, V. Calderone, F. Roma, D. Cavalier, A. Christian and J. Deceno. There were numerous floral offerings.

There was a large attendance at the funeral of which Hayner Bros. undertakers, were in charge. The late Mrs. Palmeri passed away at the home of her son, Louis Palmeri, 622 Eighth Avenue West. Mrs. Rose Sorrenti is a granddaughter and there are two small great-grandsons.

Water Shortage Is Headed Off

Two Breaks Occur in Main Between City and Shawatans Lake

A break occurred at the weekend in the water main at Hays Creek not far from the bridge but repairs have been made and there is no possibility, it is said, of the city's water supply being cut off. The only supply left pending repairs was that in Acropolis Hill reservoir. In view of the situation, there should be special care in regard to fires in this cold weather.

NO CHANGE OF IMPORT

Only minor changes were ordered by City Commissioner W. J. Alder this morning in closing the court of revision on the 1936 city assessment roll. Mr. Alder announced that he had given careful consideration to the assessments of both land and improvements generally and had found that they were fair and equitable. It is understood that some appeals to the Supreme Court are planned by appellants whose claims for lower valuations were rejected.

Economic Expert Says C.N.R. is Real Asset To Dominion of Canada

S. W. Fairweather, Addressing Rotary Club in Moncton, New Brunswick, Develops Some Theories Which Differ From Those Which Many Hold

MONCTON, N.B., Feb. 17:—"What would you think of a business that came through the greatest depression in history paying all of its cash expenses, except a return on a capital property which in 1928 had earned \$45,000,000 as a return on invested capital and which, should the general conditions of 1928 come back, would yield a return of \$60,000,000 on invested capital by reason of improvements in the property and in efficiency? Would you say this property is defunct—it is no good—it will never pay its way?"

These were among the questions which S. W. Fairweather of Montreal, director of the Bureau of Economics, Canadian National Railways, asked of Canadian businessmen in speaking to the Rotary Club here today. His subject was "Some Misconceptions of the Canadian National Railways."

"It is not generally realized," continued Mr. Fairweather, "that the Canadian National Railways in 1928 stood fifth of all railway systems on the North American continent in order of net income available for interest charges. Can anyone who has a knowledge of such a demonstrated performance and has any faith in Canada have any doubt as to the real value of the Canadian National system?"

"I would not have you feel that I consider the present financial difficulties of the Canadian National as insignificant and as something which be lightly brushed aside. The system, in order to meet its interest payments to the public in 1934, had to obtain \$46,467,900 from the government and for 1935 the amount required will be approximately \$47,000,000. These are very considerable amounts which in 1934 made up 10.2% of the total federal budget outgo and 5.2% of total tax burden of the country. But I wish to emphasize that when this cash deficit is included in the federal budget there is nothing more to be added. The remainder of the book deficit calls for no additional cash outlay and is non-existent in the sense of being an additional burden. With any considerable increase in traffic, one may confidently look forward to the cash deficit diminishing until, should we return to the traffic level or say 1927, it would disappear. The system would not only easily pay interest on its bonds but would also return a dividend on the capital invested in it by the government."

Favorable Comparison

"Even in the somewhat dubious distinction of income deficits the Canadian National does not rank first among railways by any manner of means—the contract operation of French railways partly by the state and partly by private interests, last year resulted in a deficit of 4,600,000,000 francs equivalent in our money to upwards of \$300,000,000. Some people associate the large debt of the Canadian National Railways directly with the policy of public ownership. They either forget or ignore the fact that at the time the properties were acquired they were in debt to the extent of \$1,000,000,000. It was because they had this huge debt and could not pay even their operating expenses that bankruptcy threatened and the government took the property over. "Nor is this the complete story: the properties, when in the hands of their private owners, had been bled white in an attempt to preserve financial solvency so that the new owner had to put into the properties large sums of money to rehabilitate them or to make good makeshift construction. The exact amount cannot be ascertained, but I would venture an opinion that it is not less than \$250,000,000, all of which is included in the debt chargeable to government ownership but is properly chargeable to private ownership."

Distorted Statement

"Out of the distorted statement of the liabilities of the Canadian National," continued the speaker, "has arisen the misconception of enormous annual losses. People desiring to give public ownership a black eye by taking a crack at the Canadian National glibly quote distorted figures hardly ever less than \$100,000,000 per year and ranging upwards to truly astronomical figures obtained by Milton W. Harrison, president of the Security Owners' Association Inc., of \$200,000,000 per year. "The fallacy behind these figures can best be exposed by the simple illustration of a small business. Let us suppose a man has \$100,000 invested in a business and that the revenues from his business are (Continued on Page Four)

PANTAGES SUCCEUMS

LOS ANGELES, Feb. 17: (CP)—Alexander Pantages, wealthy theatre owner and veteran of the Klondyke days, was found dead in bed at his home here today. Death is believed to have been due to heart failure. He was 64 years of age.

ALBERTA JUDGE DIES

OTTAWA, Feb. 17: (CP)—Mr. Justice J. R. Boyle of the Supreme Court of Alberta died Saturday from bronchial pneumonia.