

Britons Astounded By Vast Preparations For Empire Defense

Foes of Government Plan for Rearmament See Opposition Futile, But Urge Restraint

(By GRANT DEXTER.) (Special Cable to The Globe and Mail and Winnipeg Free Press.) London, Feb. 15.—While opinion on the proposed two-billion-dollar rearmament loan is not yet crystallized, it is quite evident that the average Briton is astounded by its enormity and is unable to adjust himself to the probable consequences.

The two billion dollars is only to cover that part of the armament program not met by taxation; it will be additional to the present expenditure of approximately \$1,000,000,000 per annum being met by revenue.

The country is aware that the Budget in April will bring an increase in taxation for war purposes; a three per cent increase in income tax to five shillings, or 25 per cent, is regarded as certain.

Thus the full dimension of the Government's program is disclosed as seven billion five hundred million dollars in five years. Some authorities believe this is a low estimate and that the total will amount to eight billion dollars.

Profiting Further Enlargement. Judging from the record of every other arm in Europe, including British programs in the past, the present program will be vastly exceeded before five years have expired, either in preparation for or in the prosecution of a war.

Financial authorities in the City of London are thunderstruck at the proposed loan. Apparently nobody expected Right Hon. Neville Chamberlain, Chancellor of the Exchequer, would ask for more than half this sum. They have not yet recovered from the shock, and comments are not available.

The price of Government bonds, steady down three points and interest rates are rising.

The political reaction is more marked. The extreme Right-wing Imperialists are damning the Government for cheapening on the loan. They declare that the proposed program is niggardly and not worthy of the British people.

The main body of the Conservatives are supporting the proposal as a necessary evil.

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FOES OF DUCE GET AMNESTY

Even Men Who Tried to Kill Him Enjoy Benefits of Clemency

Rome, Feb. 16 (AP).—Even men who sought to assassinate Premier Mussolini enjoyed the benefits tonight of an amnesty act in celebration of the birth of a prospective heir to the Italian throne. Although the law refused clemency to prisoners whose crimes Italy believes never can be tolerated—or forgiven—abortionists, narcotics dealers, spies and profiteers, it gave shortened sentences to a group of one-time leaders who turned against the regime and its leader.

Best known of these, probably, is Cesare Rossi, an early collaborator with Il Duce in fascism, once a member of the Fascist Grand Council and once head of the Italian press bureau.

Lured Across Border. A decade ago Rossi was lured across the border from his exile in France, arrested and sentenced to thirty years in prison for alleged anti-Government activities.

The new law, celebrating the birth Friday of Vittorio Emanuele, Prince of Naples and prospective King after his father, Crown Prince Umberto, would take four years off Rossi's term.

Other beneficiaries were said to be General Luigi Capello and General Tito Zamboni, one of Italy's most honored war heroes and a former Socialist deputy.

Both plotted to kill Il Duce. Caught on the day they were to have shot at him, they were convicted and sentenced to thirty-year terms.

In the same category was Gino Lucetti, who drove a bomb at the Premier's automobile Sept. 11, 1936, and also was sent to prison for thirty years.

Justification for any reduction or slowing down of the program. The white paper proceeds, "has raised entirely new problems of defense, both at home and abroad, requiring not only increased quantities of equipment, but also a certain amount of redistribution of the dispersal of resources, all of which adds to the cost."

Navy Chief Concerns. The white paper continues: "While the necessity for modern equipment as protection against air attack is common to many nations, the wide dispersal of territories comprised within the British Empire, and the dependence of these islands upon supplies from overseas, lay special responsibility upon the British forces, and, above all, upon the navy, to preserve intact the overseas communication, which is vital to our existence."

"Modernization of defense at strategic points in various parts of the Empire is in itself a formidable item in the cost of the defense program."

"For some years the country will be constrained to increase its series of heavy naval building programs. The main reasons for this course are:

"First, that a considerable number of the existing ships were built during the Great War and are, or will shortly become, over-age.

"Second, that no vessels of certain types were built for a number of years immediately after the war..."

"The result of the increased building program upon the navy estimates may be indicated by consideration of the average of new construction programs in recent years, the figures being those of the complete cost of all vessels laid down in any particular year."

Spent More in 1937. The average cost for the years 1931 to 1934 was less than £12,000,000, but the cost of the 1936 program, including measures for acceleration, will be nearly £50,000,000. It is contemplated that the cost of the 1937 program will be substantially higher.

"From the outline here sketched," the white paper adds, "the formidable nature of the task confronting His Majesty's Government is apparent."

"Since they embarked upon it, conditions which governed its extent and pace cannot be said to have become more favorable and, at present at any rate, there would, in the view of His Majesty's Government, be no justification for any reduction or slowing down of the program."

"It is their firm belief that, in the form here presented, its contribution is indispensable to peace and one which it is the duty of the people of this country to make."

"Deeply as we deplore the necessity for this vast expenditure upon armaments and other defensive measures, His Majesty's Government are convinced that it must be undertaken."

"It has been forced upon them, partly by the long interval during which the nation upon the national finances for purposes of defense forces."

"It would be neither practicable nor just that the whole burden of making good these deficiencies in short period of five years should be thrown upon the taxpayer during that time and his Majesty's Government are satisfied that in proposing to spread part of it over a longer period (through floating of a huge loan), they are pursuing a course which is fully justified both in equity and in the general interests of the nation."

ASKS STRIKE PROBE. Vancouver, Feb. 16 (CP).—Federal inquiry into a strike of employees of Burns, & Company's packing plant here is asked by Hon. G. S. Pearson, British Columbia Minister of Labor. The strike has been under way seven weeks.

SPEAKER

SIR A. SALTER IS MENTIONED

(Continued from Page 1, Column 1.) Alberta's Condition Better. It is pointed out that Alberta will be better off financially than either Manitoba or Saskatchewan after it receives the temporary aid the Dominion now proposes to extend. Recent investigation of Alberta finances by experts retained by a committee of bondholders disclosed that the province is well able to meet all its obligations according to the terms of the contracts, whereas parts of the neighboring provinces of Saskatchewan and Manitoba have reached the limit of their tax-paying powers, particularly the latter, the southern sections who suffer several successive crop failures.

One thing today's announcement may plain: The Dominion Government is anxious to avoid further defaults on the part of the provinces, fearing that the effect of such default would be serious impairment of Canadian credit in New York, where Dominion Government refunding operations on a maturity loan of \$236,000,000 must be undertaken this fall.

AUSIES SPEND MILLIONS. Canberra (CP).—The report of the Commonwealth Bank shows that Australia spent \$20,000,000 in the last three weeks.

Auction sale of paravane... (Small text block)

VILLAGE OF FOREST HILL. Written applications for the position of Deputy Chief of the Forest Hill Fire Department will be received by W. G. Fraser, Fire Chief, at his office, 641 Edginton Avenue West, Toronto, up to twelve o'clock on Saturday, February 19, 1937. Applicants must state age and experience, and give references. L. W. ARCHER, Clerk. Village of Forest Hill.

NOTICE TO CREDITORS. In the Estate of James Henry Mumford, late of the City of Toronto, in the County of York, Inspector, deceased. Creditors of the above-named deceased, who died on the 9th day of November, 1936, are hereby notified that the undersigned particulars of any claims against the estate of James Henry Mumford, deceased, must be presented to the undersigned at his office, 641 Edginton Avenue West, Toronto, up to twelve o'clock on Saturday, February 19, 1937. Applicants must state age and experience, and give references. L. W. ARCHER, Clerk. Village of Forest Hill.

NOTICE TO CREDITORS. In the Matter of the Bankruptcy of ERNEST FERRELL, of the Town of Alliston, in the Province of Ontario, carrying on business as "MARTINDALE & COMPANY," Hardware Merchants, Debra, Ontario. NOTICE IS HEREBY GIVEN that Ernest Ferns Martindale of the Town of Alliston, in the Province of Ontario, met with a fatal accident on the Eleventh day of February, 1937, and that the first meeting of creditors will be held on Friday, the Twenty-sixth day of February, 1937, at the hour of ten o'clock in the forenoon, at the Office of Donald F. MacLaren, Esquire, Official Receiver, Barrie, Ontario. To vote thereat, proofs of claims and proxies must be filed with us prior thereto. Those having claims against the estate must file the same with the undersigned before distribution is made, otherwise the proceeds of the estate will be distributed without regard to such claims. DATED at Toronto this Fifteenth day of February, A.D. 1937. MEN'S TRUST ASSOCIATION LIMITED, 137 Wellington Street West, Toronto, Ontario, Custodian.

REPORTED ORE BOUNTY CONFIRMED BY PREMIER. Two Cents Per Unit to Be Paid at Helen Mine. Premier Heppburn, in the Legislature, yesterday, confirmed reports that his Government had entered into an agreement with Sir James Dunn of the Algoma Steel Company to pay on all identically iron ore produced from the Helen mine in the Michipicoten area. As a result of the arrangement, the company, said Mr. Heppburn, will make capital expenditures of \$2,000,000. He was asked to share in the bounty payment, but Queen's Park, Mr. Heppburn said, was not very far from the agreement. D. H. McDougall, Montreal metal expert, who was called into consultation by the Government when the negotiations with Algoma Steel were under way last week, predicts, Mr. Heppburn informed the House, that within a very few years Canada will be freed with an acute shortage of iron ore. Legislation providing for the 2-cent bounty payment will be brought down later in the present session.

COUNTRY NEEDS DOCTORS. Sydney, Australia (UP).—New South Wales is probably the only highly civilized country in the world where there is an actual shortage of doctors. The Ministry of Health has announced that it has a number of subsidized positions vacant that pay from \$4,000 to \$4,500 a year.

Envoys Told To 'Stay Out'

Attendance at Funeral of Fascists Annoys Rumanian Premier

Bucharest, Rumania, Feb. 16 (AP).—Premier George Tatarescu warned envoys of Germany, Italy, Japan, Portugal and Poland today that Rumania will not tolerate their mixing in internal affairs of this country. His admonition was made before Parliament. It was in answer to a question whether attendance of these Ministers at the funeral Saturday of two members of the illegal Iron Guard who were killed fighting for Spain's Fascists "is interference which can remain without consequence."

Political circles heard rumors the German and Italian Ministers would be recalled and the Japanese and Polish Ministers be rebuked by their Governments.

NEW DEAL SEEN LIKELY FOR WEST. (Continued from Page 1, Column 1.) tions in the whole Canadian fiscal field.

The Manitoba Government, for instance, has to meet Winnipeg public opinion this season by some shift in its wage tax imposts. The 2 per cent wage tax here is the municipal tax income—there is no additional municipal income imposed on the taxpayer. The tax is a pay envelope, tax already deducted, and from the remainder pays Provincial and Federal income tax if eligible under schedules which do not allow for much exemption.

Appeal to Easterners. It might somewhat aid Eastern Canada in its appraisal of Western Canadian fortitude to note that the Towers report sets forth in stronger tone than did Hon. D. L. Campbell of the Bracken Government to the Globe and Mail yesterday Manitoba's need for prompt Federal assistance.

The Manitoba Minister, voicing the need for aid to prevent what he said was threatening a Manitoba financial crisis, did not declare: "Manitoba can carry on with assurance for no more than a short period."

That appeal, or finding, was in the report of the Federal Government's investigator. So the Easterner should not regard as mere political squawks the Westerner's submissions as to need for aid. Here is one Minister convicted of underestimating his own needs. In doing so he was with the air of fine Western independence that he repudiated the idea of an outstretched Manitoba palm. Westerners feel that Canada will not take part in an outside war. But every country in the world is thinking of its own defenses, and I am ready to accept the Government's program and feel that in doing so I am fulfilling a sacred duty toward my country."

Other Quebec Liberals who expressed themselves similarly were, J. A. Crete (St. Maurice-Ladocque), I. Lacombe (Laval-Deux-Montains), J. Lacombe (Laval-Deux-Montains), J. Lacombe (Laval-Deux-Montains), J. Lacombe (Laval-Deux-Montains).

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Premier Is Expected To Speak in Defense Of Armament Program

Heaviest Attack on Defense Estimates From Liberal Ranks Came Not From Quebec as Expected, But From Manitoba

(By NORMAN MACLEOD.) (Staff Writer, The Globe and Mail.) Ottawa, Feb. 16.—Not from Quebec, as had been expected, but from Manitoba came the closest approach to real Liberal insurgency over the Mackenzie King Government's defense policy in the Commons today.

J. T. Thorsen, Government supporter from the Northern Manitoba riding of Selkirk, told the House bluntly: "I do not believe that these increases (in defense estimates) are purely for national defense purposes, and I am afraid that something more than national defense is or may be involved in them."

Intentions Suspected. But after thus openly declaring his suspicion of the Ministry's program, Mr. Thorsen stated his intention of voting against the want-of-confidence motion placed before the Commons on the issue by Grant MacNeill (C.P. Vancouver). He was not prepared, Mr. Thorsen said, to vote non-confidence in the Government, but would "reserve full rights to criticize the estimates when they came in detail before the Committee of the Whole House."

The performance of the Selkirk member was typical of a whole pattern of similar strategy employed by successive French-speaking Liberal members from Quebec. The only difference was that while the French-speaking Liberals followed Mr. Thorsen in voicing their intention of supporting the Government while reserving their right to criticize the defense estimates in detail, they were less vigorous in expressing their suspicions as to what the Ministry's real intentions might be.

A typical Quebec Liberal point of view was that of J. Jean (Liberal, Merler). In contrast to Mr. Thorsen's suspicion he declared: "I am prepared to accept the word of the Minister of National Defense that Canada will not take part in an outside war. But every country in the world is thinking of its own defenses, and I am ready to accept the Government's program and feel that in doing so I am fulfilling a sacred duty toward my country."

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DEAR HAS BIRTHDAY.

Vancouver (CP).—"Jubilee" the bear cub born at Stanley Park zoo in Vancouver's Golden Jubilee year, reviewed his first birthday and probably wished there were more of them. Miss Peggy Green, zoo keeper's daughter, presented the bear with a double-layered ice cake, with one candle. "Jubilee" devoured the 16-1/2 in two bites and a swallow.

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