

Secret Nazi Armaments Maker Is Arrested

BY RICHARD A. O'BEGAN

FRANKFURT, Germany, Feb. 27.—United States authorities announced today that they had arrested a phantom German armaments maker they termed "the greatest single power behind the Nazi war machine" with an industrial empire expanded by seized foreign plants.

They identified him as Friedrich Flick, 62, head of a \$400,000,000 combine, and declared he possessed "the greatest economic power of any single industrialist in Nazi Germany."

Flick, starting in 1933, built up greater controls than those held by the Krupp munitions family in three wars from 1910, but worked so astoundingly that he grew virtually unknown both abroad and in Germany, an American investigator said.

Much of his holdings came from forced sales of Jewish plants and mines, and from stolen French, Czechoslovak and Soviet property, said Josef Marou, Jr., New York City, head of a Treasury and War Department investigative group.

The holdings are being broken up by the Allies. Mr. Marou said his team would recommend Flick's indictment as a Second War Crimes trial, for "we consider Flick a greater criminal than Krupp."

Flick is held in Preungshelm Prison near here for questioning, and directors of his combine also are in custody. Mr. Marou said top secret German production records showed that Flick was ahead of Krupp in value of holdings, and in output of steel, coal and finished armaments.

Employing tens of thousands of slave workers, including women, Flick grew under the Nazis to become Germany's second largest producer of armaments. His production was behind only that of the giant Volkswagen combine which was not owned by one individual.

Alphabets, tanks, armored trains, cannon, shells, army trucks, submarine naval and V-1 robot bomb plants all were produced in finishing plants of Flick's combine. His control over vital steel and coal production throughout Germany was carefully concealed.

Judgment In Income Tax Case Given

(By The Canadian Press)

OTTAWA, Feb. 28.—Mr. Justice J. T. Thorson of the Exchequer Court believes the Canadian Income Tax Act as it now stands contains no authority for the existing practice under which certain classes of taxpayers are allowed to file their income tax returns on an accrual rather than on a cash basis if they so elected.

The judgment was in the case of Thomas D. Trapp of New Westminster, B.C., against the Minister of National Revenue. Mr. Trapp in his 1940 income tax return claimed an expense of \$3,800, a sum which represented interest due on a mortgage in property owned by him. The interest had not been paid in that taxation year.

Mr. Justice Thorson said that the mortgage interest which accrued during the taxation year in respect of property, the income of which was taxed under the Income Tax Act, and was an expense, wholly and exclusively in the nature of an expense for the purpose of earning income.

Mr. Justice Thorson said that he was up to Parliament to amend the Act.

British-Canadian Loan Talks Progress

OTTAWA, Feb. 28.—(G.P.)—Loan talks between British and Canadian officials will be concluded this week-end and a statement on the outcome of the negotiations will be issued shortly, it was learned today.

The rate of interest on the amount which Britain wants to borrow was reported to be one of the main factors in delaying conclusion of the negotiations which began almost three weeks ago.

Under the terms of the British loan from the United States, the United Kingdom is prevented from paying higher interest to any country than she contracted to pay for the American loan.

The interest on the American loan averages about 1.54 per cent, a rate less than that at which the Canadian government can borrow.

It was understood that the British delegation, headed by Sir Wilfrid Eady of the British Treasury, sought from Canada an even lower interest rate than the average for the United Kingdom which was understood to have replied they would agree to the suggestion if it was to pay three per cent on any money it borrows. The taxpayer would be asked to pay the difference between 1.54 per cent and three per cent.

Gandhi's Control Appears Slipping

By G. MILTON KELLY

BOMBAY, Feb. 28.—(AP)—The mutiny of India's Navy and Air Force, and recent outbreaks of fierce street fighting in Calcutta and other All-India Congress leaders in holding the people in line on his non-violent theories of winning freedom for India.

In all the disorders, in Bombay, in Calcutta, second largest city in the British Empire, and in Karachi, Hindus and Moslems have acted as one, but their leaders privately agree that it would be a serious mistake to believe that this means narrowing of the wide gap between the two religious groups.

The leaders look upon Hindu and Moslem solidarity in recent anti-British and anti-white battles as welded solely by mob hysteria against the white man and his property.

Each succeeding riot seems to bring a new tendency to attack Americans as to attack Britons, from whom the Indians seek independence.

Fear of famine stalks the land because of the great drought and tidal wave and tornado damage to lands which produce much of India's rice.

Even Pandit Jawaharlal Nehru, former president of the All-India Congress, has told the people in some prospective famine areas that if they are threatened with death from hunger they should rise against the government which he contends permitted it to happen.

Many Congress leaders concede privately that it is increasingly difficult in these times to keep the people under disciplined control for the non-violent action that Gandhi demands.

The leaders have demonstrated time and again against the trial as war criminals of National Army leaders, and the sentencing of one of them to prison, touched off the Calcutta riots.

It would be wrong to say that Gandhi's leadership has been discarded, but there is no doubt it is increasingly difficult for him to hold control. His followers more and more are prone to fight first and ask his counsel afterward.

Registrations Of Three Brokerage Houses Cancelled

(By The Canadian Press)

TORONTO, Feb. 28.—The Ontario Securities Commission announced today it has cancelled the registration of three Toronto brokerage houses—H. R. Bain and Company, M. F. Burrows and Company, and Charles S. Spratt and Company.

PARKDALE SCHOOL

Honor Roll of Parkdale School for the month of February: Grade X (A)—1. Lois Burke; 2. Lewis MacFadyen; 3. Edwin Cook; 4. Thelma Cole; 5. Elizabeth Pucher.

Grade IX—1. Velma Good; 2. Eleanor Bell and Donna Falle (equal); 3. Stirling Moore.

Grade VIII—1. Elizabeth Cook; 2. Vera MacKay; 3. Georgie Nichol.

Vice-Principal's Department: Grade VII—1. Yvonne Bell; 2. Harry Cook; 3. Leonard Driscoll; 4. Joyce Coles; 5. Leonard Driscoll.

Grade VI—1. Sylvia MacKay; 2. Shirley Clark; 3. Maureen McIntyre; 4. Gloria Godkin; 5. Ena Bertram; 6. Shirley MacKay.

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