News Parade

By Elizabeth Eedy

POP GOES OUR EGO: City folks and townspeople have been looking down their noses too long at the farmers of Canada. Snobbishly, they have been considering themselves a little better, a little brighter . . . . than the average tiller of the soil.

Of course the farmers have been thumbing their noses back at the urbanites, but to little avail. Until now . . . . when the bureau of research at McGill University makes a public pronouncement that the average farmer is superior in both brains and brawn to the average city-dweller. "His intelligence is much greater" . . . .

Speaking at his farewell dinner in Toronto last week former Prime Minister R. B. Bennett produced evidence to show that the majority of men who are leaders in the public life of Canada come from rural, not metropolitan, areas.

So let's come down off our high horses, urbanites!

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FRANCE'S DILEMMA: To help or not to help Loyalist Spain is the dilemma that has been facing the government of France the past two years—more acutely, the past two months, since the Italian menace in the Mediterranean has become more clearly defined.

It looks as if France will go under in either case. A catastrophic picture. Should France do the honorable thing, now, by plunging in with arms and men to aid her sister government in Spain, there is almost sure to be war. It would be the chance Italy and Germany have been waiting for, so long. But should France do the honorable thing, her former allies on the continent might come to her assistance —Russia, Poland, Rumania, etc.

If, however, France continues to ignore the plight of the Barcelona government, she will see an insurgent victory in Spain quickly followed by Italian and German occupation. Surrounded by Fascist states, then, on three sides, she will be trapped, her lifelines to Africa (where millions of army reserves are stationed) cut off.

Even the most pro-Franco men in the French Government are beginning to realize the gravity of the situation. But which way to turn? The next few months, maybe weeks, will decide the fate of France.

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WIDE-OPEN SECRET: No wonder it took so long to catch the thieves, thugs, robbers, murderers who have been subjecting the fair city of Toronto to an unprecedented crime wave during the month of January. Reason is that all radio instructions sent out to police cars in pursuit of the criminals can be listened to, by anybody, everybody, including the hunted ones, themselves. Under such circumstances a getaway isn't so difficult to make.

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THE WEEK'S QUESTION: How is Germany planning to make money out of its persecution of the Jews? Answer: Germany would merge into one central fund the proceeds of all German Jewish capital and property (providing the Reich with plenty of ready cash). When the amount of this is established, an international loan should be raised in the United States, Great Britain, Holland and other countries sympathizing with the plight of the German Jews. Jews leaving Germany would be granted certificates enabling them to draw on the international loan for the equivalent of part of their capital. But—Germany's repayment of the interest and principal of the loan (ah!) would be dependent upon an increase in Germany's exports. Part of the money received from the increase in exports would be devoted to service of the loan. Part, and perhaps, the greater part, would be used in purchasing Germany's needed rearmament raw materials.

The Canadian Government has given one pair of buffalo and one pair of elk to the Wellington Zoological Park in New Zealand.

Tanks Add Point to French Premier Daladier's 'Hands Off!'

Just as a hint to Signor Mussolini who has indicated that he had ambitions in France's colonial empire, Premier Edouard Daladier paid a visit to Tunis in North Africa and took occasion to warn all and sundry that France was ready to defend her possessions. At TOP M. Daladier is delivering a "hands off" address during a banquet in a Tunis hotel. "Tunis is French. It will stay French," he declared. The parade of tanks shown BELOW wending its way through the colorful city with turbanned and burnoused desert dwellers mingling with the European sightseers was among the reasons that Daladier thinks he's right.

PUCK CHASERS

NEWS OF O.H.A. DOINGS

Leo Reise has resigned as coach of the Brantford Seniors. The departure of the likeable veteran is regretted on all sides. Leo did his best but there just wasn't the material available to produce a winner in the Telephone City. The old saying, "A coach is only as good as his players," has come to life again. In the meantime Manager Pennell, who handled the team last season, has taken over the bench duties.

Port Colborne Sailors have decided to take the Eastern Hockey League tour after all. They leave this week. The game Niagara Falls at Goodyears for Jan. 27 listed last week as cancelled will be played as scheduled.

Dave Neville, veteran centre and right-winger, made a comeback with Goodyears in Port Colborne last week. He played on the Canadian Olympic team of 1936. He has played Senior hockey in Hamilton and Montreal. At present Neville is working for his bank in a Toronto branch.

Gooney McGowan got into his first shuffle for many seasons when high sticks with Bobby Laurent of Goodyears was the order over in Port Colborne. It was a harmless "brush", yet both were given major penalties.

Niagara Falls are the team ot watch. Coach Mickey Roach has the boys playing his renowned defensive style. Goalie Johnny Mowers is rated by critics as being a real find.

Output Of Milk Hits New Record

Nineteen-thirty-eight was a record for milk production. It has been estimated that the 3,873,800 cows in 1937 produced 17,188,617,700 pounds of milk, an all-time record; but in 1938 the production, based comparatively, will be substantially higher.

The increase in consumption of raw milk, ice cream and condensed milks affect the butter and cheese production, but the butter production will be 20,000,000 lbs. over 1937, while the cheese production will be around 12,000,000 pounds less. It tak . approximately twice as much milk to produce a pound of butter as a pound of cheese.

Reports from Banff National Park in Alberta indicate that wild life is plentiful with an increase in partridge and grouse.

VOICE OF THE PRESS

CRISP COMMENT

Most radio advertised foods do not taste so good to us as they do to the announcer.—Brandon Sun.

Neither Hitler nor Mussolini smokes. Yet they are known to have the occasional pipe dream.—Kitchener Record.

THEY CAN'T BE BEAT

Following the best handicapper of horse races during the year with a $2 bet on each race would have left the player $62 in the hole. No one has yet discovered who can beat the races.—St. Catharines Standard.

JINGLE BELLS

The best thing about the big blizzard this year has been its encouragement for rural Ontario to bring out the cutter and the sleigh again. When a Canadian generation grows up without having heard the music of sleigh bells it will be time to view something or other with alarm.—Kingston Whig-Standard.

COMPULSORY VOTING—YES?

It is a rather sad commentary on our democracy when an organization like the Associated Boards of Trade of Manitoba feels it necessary to endorse compulsory municipal voting as a means of combating the indifferent attitude of the voters at election time.—Winnipeg Tribune.

NEGLECTING REFORESTATION

The Ontario Government is giving away millions of plantlets every year to little economic purpose, and is leaving its own near-north—the natural home of the valuable pines and spruces — to be deforested without any adequate effort to provid for a future supply of lumber and pulpwood. Ministries come and go; Liberals follow and are followed by Conservatives; and both alike are incapable of undertaking any systematic and effective plan of preserving present forests and developing new ones.—Guelph Mercury.

The Seeds Act, the Fertilizers Act, the Agricultural Pests' Control Act, the Inspection and Sale Act, and the Hay and Straw Inspection Act are six Acts of Parliament which standardize the quality and regulate the sale of seeds, feeds, fertilizers, agricultural poisons, binder twine, and hay and straw in Canada. These Acts are a few of the many which are administered by the Dominion Department of Agriculture.

LIFE'S LIKE THAT

By Fred Neher

"I'd use a hoe here if I were you!"

Seventieth Annual Meeting Royal Bank of Canada

Canadian and International Economic Situation Discussed by Morris W. Wilson, President and Managing Director — Commends New Trade Agreements.—Points Out Failure of Economic Policies of Totalitarian States.

Sydney G. Dobson, General Manager, Reviews Balance Sheet — Continued Progress Shown. — Present Outlook Distinctly Encouraging.

A comprehensive review of economic conditions both in Canada and abroad with particular reference to the dangers of the economic policies now being pursued in Germany and Italy, featured the address of Morris W. Wilson, President and Managing Director at the 70th Annual Meeting of The Royal Bank of Canada.

Mr. Wilson referred with satisfaction to the fact that conditions in Canada had been relatively stable despite the setback in the United States. Recovery from the recession which was general during the closing months of 1937 and the first half of 1938, had made notable progress and business in Canada had now resumed its upward trend.

MINING INDUSTRY

Since the inception of the depression in 1930, mining had consistently furnished the backlog and the most encouraging factor in Canadian industrial life. Volume of production in many instances exceeded in 1938 the high figures of 1937. The output of gold had again reached a new record of approximately 4,680,000 fine ounces, valued at $164,500,000, an increase of 14% over 1937. The spectacular progress achieved in petroleum operations in the Turney Valley of Alberta was also noteworthy, stated Mr. Wilson. By the end of November, 60 crude oil wells were in production and drilling was under way at 20 others, with output during 1938 175% greater than in 1937.

Unemployment and relief were still serious, although continued improvement was reported.

Tourist trade returns had been most encouraging, expenditures by tourists in Canada totalling approximately $275,000,000 during 1938.

NEW TRADE AGREEMENTS

Mr. Wilson commended highly the new trade agreements between Canada and the United States and between the United States and Great Britain. "These," he said, "mark the greatest departure from the policies of trade restriction and national self-sufficiency since the war and cannot fail to further the common outlook and cordiality existing between the British and American peoples. It is striking that the agreements, covering an enormous volume of trade and embodying hundreds of reductions of duties and lessened restrictions, include not a single increase. At the present time no detailed analysis of the effect of the agreements on specific industries is feasible but there can be no doubt that they will bring about an important expansion in trade."

Referring to the subject of "interest rates," Mr. Wilson remarked, "I believe it often true that if the relationship exists long enough, the debtor comes to hate his creditor. By the same token, I suppose he begins to question the morality of interest once the payment seems a burden. If you believe in the principle of private property you must believe in the legitimacy of interest. If it is proper for a person as a result of thrift to acquire, say a small property, there are few, if any, who would suggest that this property should be available for use by others without some compensation. Therefore, if compensation for the use of property be legitimate, why should compensation for its equivalent, the cost expressed in terms of money, be less so?"

INTEREST RATES

"You frequently hear it asserted that the burden of interest has become intolerable and that relief can only be brought about by drastic measures. A forced conversion of public debt is sometimes urged, accompanied by reference to the action of Australia in 1931." Commenting on this point of view, Mr. Wilson said that the average rate on the outstanding Australian debt had been cut by 25% since that country's debt conversion in 1931. The average rate of interest on Canada's outstanding debt in the same period had been cut 29%. "The best way to keep the burden of debt as light as possible," continued Mr. Wilson, "is to maintain your credit at high standing and thereby obtain the benefit of lowest current rates. The rate at which the Dominion borrows compares most favourably with that of other first-class nations."

FOREIGN AFFAIRS

The situation abroad remained difficult, stated Mr. Wilson, and expressed the opinion that "fate will overtake the totalitarian countries in due course if, in their efforts to become strong, they concentrate on the military point of view and disregard the first principles of sound economics as they are doing at present." The decline in German exports had become acute since the September crisis.

"Data available indicate," he said, "that in 1938 total exports were actually less than in 1932 and 1933, the nadir of the world depression and the last two years prior to the Nazi regime."

"Internal business in Germany is exceedingly active and full employment has been achieved, but only at the cost of colossal deficits in the Government budget. Indeed one German authority has stated that an amount equal to 50% of the national income is absorbed by Government and party agencies." It was obvious, said Mr. Wilson, that no country could pursue such a policy without producing serious inflation and, unless it were reversed, he could not see "anything but a continued lowering of the standard of living in Germany. These remarks apply with equal force to the Italian situation."

The decline in business activity in Great Britain had been halted and business in the United States had, since May last, shown the most rapid recovery ever reported in its statistical annals.

Mr. Wilson also spoke with satisfaction of the closer co-operation and mutual understanding achieved in relations between Great Britain, France and the United States and also the countries of North and South America as evidenced at the recent Lima Conference.

"The outlook for Canadian business is again favourable and the upward trend would seem to be definitely restored," concluded Mr. Wilson. "The international situation is still obscure and further complexities may develop in foreign affairs. Barring such an eventuality, I am sure we may look forward to 1939 with courage and confidence."

GENERAL MANAGER'S ADDRESS

Mr. Sydney G. Dobson, General Manager, in reviewing the Annual Balance Sheet remarked that the bank's total assets were now at the highest point since 1929 and total deposits had reached a new record level. Current loans increased moderately during the year but a more active demand for commercial loans was desirable.

Taxes had, however, become an ever increasing burden for the bank, "For every dollar distributed to shareholders by way of dividends, 71c is paid out in taxes in Canada," said Mr. Dobson.

Answering the criticism sometimes voiced, that banks are investing too large a portion of their funds in Government bonds and too little in assisting business enterprises, Mr. Dobson said, "we cannot compel unwilling borrowers to use our surplus funds if, for various reasons, they are not prepared to expand their business. It would be a strange type of banker who would prefer the small return from Government bonds to the more remunerative commercial rate." Mr. Dobson also pointed out that control of "credit" is not within the power of the Chartered Banks but is a prerogative of the Bank of Canada, which alone decides whether a policy of "easy" or "tight" money is to be pursued.

The attention of the shareholders was also drawn to the educational publicity conducted by the banks through the newspapers last year. "It is hoped these articles will help to clarify in the public mind what banks can do and what they are not permitted to do, and at the same time emphasize how necessary a safe and sane banking policy is to the welfare of the country."

BUSINESS OUTLOOK

Canada had escaped the more serious effects of the recession in business which first appeared in the United States about eighteen months ago, concluded Mr. Dobson. Conditions in Canada had remained comparatively stable and results achieved in 1938 could be regarded as reasonably satisfactory. "The present outlook includes a number of factors which are distinctly encouraging," he said, "and I look forward to the future with confidence, as I believe few countries have as promising a future as has our own."

WONDERLAND OF OZ

By L. Frank Baum

When Guph stumbled over the rocks in approaching the bridge, the creature opened its eyes, from which tiny flames shot in all directions, and after looking at the intruder very wickedly the scarlet alligator closed its eyelids again and lay still. Guph saw there was no room for him to pass the alligator on the narrow bridge, so he said: "Good morning, friend. I don't like to hurry you but please tell me if you are coming down or going up?"

"Neither," snapped the alligator, clicking its cruel jaws together. The general hesitated. "Are you likely to stay there long?" he asked. "A few hundred years or so," said the alligator. Guph softly rubbed the end of his nose and tried to think what to do. "Do you know whether the First and Foremost Phanfasm of Phantastico is at home or not?" he presently inquired. "I expect he is, seeing he is always at home," replied the alligator.

"Ah! Who is that coming down th mountain?" asked the gnome, gazing upward. The alligator, suspecting nothing, turned and looked over its shoulder and at once Guph ran to the bridge and leaped over the sentinel's back before it could turn back again. The scarlet monster made a snap at the gnome's left foot, but missed it by fully an inch. "Ah, Ha!" laughed the General, who was now safely on the mountain path. "I fooled you that time."

"So you did, and perhaps you fooled yourself," retorted the alligator. "Go up the mountain, if you dare and find out what the First and Foremost will do to you." "I will," declared Guph, boldly, and on he went up the path. At first the scene was wild enough, but gradually it grew more and more awful in appearance. All the rocks had shapes of frightful beings. Suddenly there appeared before the gnome a man with the head of an owl.