SIROIS REPORT: The Small Man

The Royal Commission on Dominion - Provincial Relations Has Presented a Plan for Greater Assistance to Municipalities by the Provinces
(No. 5)

Right home as the Rowell-Sirois Report comes to every Canadian, it is of particular importance to rural Ontario. Not only is it important to rural Ontario because its implementation will mean a better Canada, more able to look after its full share of carrying on the war in its most effective and efficient manner, but it will mean, —and this is an outgrowth of the same thing,—a saving in money and effort on the part of the country as a whole.

Here, as we have it now, there is tremendous overlapping in the conflict between the provinces and the Dominion as to taxation, social services, and other services. Anything that will make this country of ours a better run country is to the good for every one of us.

Problems for the Province

But there are particular problems which will be dealt with much more effectively affecting the small communities, the municipalities, the local institutions, if the Report is accepted by the Dominion and the provinces at their conference which starts January 14th.

There are many local needs which now have to be looked after out of the taxation of the small communities which really are problems for the provinces as a whole. When a great part of the burden, —particularly that of the unemployed employables, and the provincial debts and provincially guaranteed debts,—is taken from the shoulders of the province (as they will be if the Report is implemented), there will be greater assistance to the local centres and municipalities, by the province.

Lower Taxes on Real Estate

Take the case of real estate taxes. The tax on property is high, far too high. Property has borne far more than it should for education. That has fallen on the small property holder in greater proportion than it has on the big property owner. With the case and burden of the province made lighter the province will be able to do something towards the assistance of the small property owner, much more than is being done now.

The Report finds many cases of glaring inequalities, and also that real estate taxes are far too high. This is because the municipalities are badly in need of money and real estate taxation is one way of getting that money. But implement the Report in its general recommendations and there can't help but be an easing of the burden of the real estate owner.

The Report dealing with municipal revenue for the country as a whole finds that some 80 per cent of municipal revenue is obtained from real estate taxation.

Burden From Small Man

The Report goes on to say "We find many instances in which this tax (which for the bulk of the population is the heaviest paid in the course of the year) is twice as much in relation to property income for residents of some areas as for those in other areas in the same province."

Implement the Rowell-Sirois Report and the first step towards lower property taxation is taken.

And it is on the small man in the rural communities that that burden falls. And remember the heart of the Report is this: place the burden of taxation on the source best able to pay it.

Canada will be a happier place, a better run country if the Report is implemented. And there is no one in the whole country who should realize that better than the Ontario farmer.

Ontario May Curb Yule Tree Harvest

Next Year Cutting of Trees For Christmas Purposes May Be Prohibited

Premier M. F. Hepburn is critical of the annual waste of Christmas trees and it is quite possible that Queen's Park may take restrictive action to check the annual cutting of trees, or at least limit it to prevent cutting beyond the ability of the market to consume.

"The trees are propagated and distributed at the expense of the taxpayers of Ontario," said Premier M. F. Hepburn. "We have built up one of the largest and best systems of tree nurseries in the world. I do not think that we should permit the trees which have been supplied from our nurseries to be cut down for Christmas tree purposes after they have attained a height of six or eight feet, and I am definitely against the destruction that has been going on for years."

Flour stocks in Canada in October this year totalled 1,183,551 barrels compared with 940,505 barrels in October, 1939.

German Troop Movements in Balkans Watched by Diplomats

With the vanguard of a new German expedition estimated at between 300,000 and 600,000 troops moving across Hungary to Rumania (black arrows—1), diplomatic sources last week suggested at Budapest that pehaps Nazi Germany was planning action against Turkey and Greece (shaded arrow—2) through Bulgaria, or preparing for a showdown with Soviet Russia (shaded area—3), or simply strengthening military forces in Rumania to assure civil order, or sparring for position against Russia.

THE WAR-WEEK—Commentary on Current Events

ROOSEVELT CASTS DIE AGAINST AXIS POWERS

In a dramatic broadcast, the first since his re-election, President Roosevelt last week stirred the democratic world with the declaration — "based on the latest and best information" — that the Axis powers were "not going to win this war". At the same time, stating that a British defeat meant that the U.S. would live at "point of gun", he called upon his nation to become the "great arsenal of democracy", to do all it could to support the nations defending themselves against attack by the Axis.

The Convoy Question

The President's call for "more ships, more guns, more planes,—more of everything" for Great Britain focussed immediate attention on proposals to send 50 more destroyers and some army airplanes to the British. But more vital than these was the question of employing vessels of the American navy to convoy shipments of material to the Old Country. The problem was certain to become urgent very shortly and upon its decision hinged the entry or non-entry of the United States into the war. (Before any further steps could be taken, however, Congress would have to approve of the President's program).

"Next Ninety Days"

The belief held by most observers last week was that Hitler would try for a knock-out blow at England soon, even before spring, timing his "all-out" attack to come before the new American aid could be made effective. "The next ninety days will be crucial ones for England," declared Arthur Purvis, Canadian head of the British Purchasing Mission, in Washington, Christmas week.

Hitler's Counter-Blockade

As well as having to stand forever on guard against German invasion attempts, Britain was having to fight harder and harder Hitler's counter - blockade which he carries out by means of submarines and dive-bombers and reconnaissance planes flying continuously over the shipping lanes. Htiler knew, and the British knew, that North American production of planes and munitions upon which Britain was relying, would mean nothing unless deliveries could be made.

"The problem for the British," wrote correspondent John A. Stevenson, "is to keep down the weekly losses of shipping to a level which will not interfere seriously with the flow of vital armaments and war materials from North America and the steady influx of foodstuffs required to maintain the present scale of rationed sustenance for their population . . . Obviously what is needed, is a larger number of effective escort ships."

Battle of Eire

The question of whether Eire, the only part of the British Commonwealth of Nations not warring with Germany, could maintain her neutrality was coming further to the forefront last week among the issues which may decide the war's outcome. The Battle of Eire was on. Stragetically situated, the ports of Eire are a prize coveted by both belligerents. They command the western approaches to the beseiged isles of Great Britain; and possession of them would enable Britain to protect the bulk of her seaborne traffic. On the contrary, seizure of the ports by the Nazis would make it possible for Germany to sever vital arteries of British commerce.

* * *

Russo-German Tension

A heightening of tension in Russo-German relations highlighted the week's war news. The Balkan situation appeared to be rapidly coming to a head following reports of hundreds of thousands of Nazi troops moving into Bulgaria; of a German division arriving in Albania; of hundreds of thousands of Soviet troops massed along the Bessbarabian frontier of Rumania. A dramatic move by Russia to seize the mouths of the Danube or the Dardanelles was believed quite possible. Turkey, Yugoslavia, and Bulgaria — chiefly Bulgaria whose King continued to stand firm against the Axis — had bad cases of the jitters. But the main German effort was still thought to be concentrating in the west, with an attack on Britain topmost on the agenda.

* * *

Diplomatic Defeat

In the Far East, Japan suffered an important diplomatic defeat in its attempt to effect more friendly relations with Russia when Moscow refused to make premanent the temporary agreement over Jap fishing concessions off the Siberian coast. Further, the Soviet's refusal to accept the new order in China implied not only continuance of military assistance to Chiang Kai-Shek and co-operation with the United States in Far East policy, but it meant that Japan would be unable to relax vigilance on the Manchoukuan frontier or to push southward too aggressively.

Changes Coming in Pacific

Meanwhile China rushed plans for what appeared to be an early offensive against Japanese forces stationed in the Yangtze Valley, which would make impossible the transference of any large number of Japanese troops for a southern drive. The New York Times' correspondent in Manilla last week foresaw definite extension of European warfare to the Pacific following intensification of German activities (surface raiders, etc.) against British and other anti-Axis shipping there. He predicted immense changes in the Far East by February at the latest.

* * *

The Week at Home

Prime Minister King will open the Dominion-Provincial conference January 14 at Ottawa with a general statement of the Dominion's attitude to the recommendations of the Rowell-Sirois Commission, dealing in public session with the relation of these recommendations to wartime and post-war conditions in Canada. The provincial premiers will then be called upon to give their views, also in public, following which all sittings of the conference will be held in camera . . .

News came last week of the formation of a Canadian Corps in England under the command of Lieutenant - General A. G. L. McNaughten, almost simultaneously with word that the eighth contingent of Canadian troops had arrived safely overseas . . .

Butter Price Peg

Action of the Wartime Prices and Trade Board in fixing a maximum price for butte. during the winter months of low production met with a great deal of comment and verbal opposition in the Dominion last week chiefly among the farmers who demanded that a minimum price also be set, for the summer months of heavy production. The Ontario Cabinet, through its farmer members, asked for a "showdown" with Ottawa on the butter price-peg issue and on the fixing of farm prices out of line with the rising costs of consumer goods and of production. The Minister of Agriculture, Mr. Dewan, said: "I consider the whole move (butter-price-fixing) stupid and damnable. As matters stand, farmers are asked to shoulder an unfair share of the war burden . . . I strongly advise farmers not to accept the situation without vigorous protest."

Powder 100 Quarts Blood Every Week

One hundred quarts of blood are being turned into powder for treating war cases every week at the University of Toronto. This was announced by Dr. D. Y. Solandt of the physiological hygiene department in a paper read at the Christmas meeting of the laboratory section of the Canadian Public Health association.

COMES FROM 800 DONORS

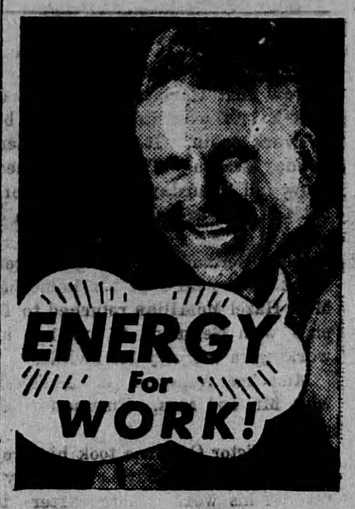
The blood, which comes from 800 donors supplied by the Canadian Red Cross, is evaporated into powder form in a $5,000 vacuum machine in which the university, the department of national defence and the Red Cross all share, Dr. Solandt explained.

"The work now being done," he added, "is in the nature of testing the machine. Its present capacity of 100 quarts a week can be doubled by adding another cannel. Dr. C. H. Best is in charge of the work."

WILL CONTINUE AFTER WAR

The present output of the machine, a powder which is mixed with water and then used as a blood transfusion, is being directly requisitioned by the department of national defence and sent to destroyers, flying fields and other points where casualties may be expected, he said.

The production of powdered blood will be continued in volume after the war because it allows even the backwoods hospital to have its own supply for transfusions always ready for any emergency, say authorities.



Bee Hive Syrup

Your most Valuable Energy Food.

ROYAL BANK HAS SATISFACTORY YEAR

Total Assets $955,000,000 — Current Loans in Canada Increased $17,000,000 — Profits Moderately Lower After Largely Increased Taxes.

The Annual Balance Sheet and Profit and Loss Account of The Royal Bank of Canada for the year ending November 30, 1940, was issued to its shareholders.

In line with the experience of Canadian banks, assets show a moderate decrease as compared with the previous year.

Canadian Deposits Up

Total deposits amount to $852,000,000, as compared with $911,000,000 in the previous year. The difference is accounted for mainly by a reduction of $20,000,000 of balances due to the Dominion Government and a decrease of $48,000,000 in deposits outside Canada. Canadian public deposits actually increased $20,000,000.

Currents Loans Increased

The greatly increased volume of business now being transacted throughout Canada is reflected in an increase in commercial loans of $17,000,000. Loans outside Canada have been reduced $10,000,000.

Strong Liquid Position

Cash balances show practically no change as compared with the previous year. Bank balances and investments show moderate reductions but total immediately realizable assets amount to $585,000,000 which represents 66.5% of the total liabilities to the public.

Profit and Loss Account

A feature of the Profit and Loss Account is an increase in taxes as compared with the previous year of approximately $620,000 after providing for which and making appropriations to Contingency Reserve, out of which provision for all bad and doubtful debts has been made, net profits amount to $3,526,894. This is a moderate decrease as compared with the previous year. $2,800,000 was distributed in dividends. Contributions to the Pension Fund Society were increased to $325,000, and an amount of $300,000 was written off Bank Premises Account, as compared with $250,000 in the preceding year. The balance of Profit and Loss Account carried forward amounted to $3,198,146, an increase of $101,894.

The Annual General Meeting of the shareholders will be held at the Head Office of the bank at eleven a.m. on January 9, 1941.

Profit and Loss Account figures compare with the previous year as follows:

YEAR ENDED NOVEMBER 30th	1940 $	1939 $
Profits	*3,526,894	*3,724,842
Dividends	2,800,000	2,800,000
	726,894	924,842
Pension Fund ..	325,000	300,000
Bank Premises	300,000	250,000
	101,894	374,842
Prev. Balance	3,096,252	2,721,410
Carried forward	3,198,146	3,096,252

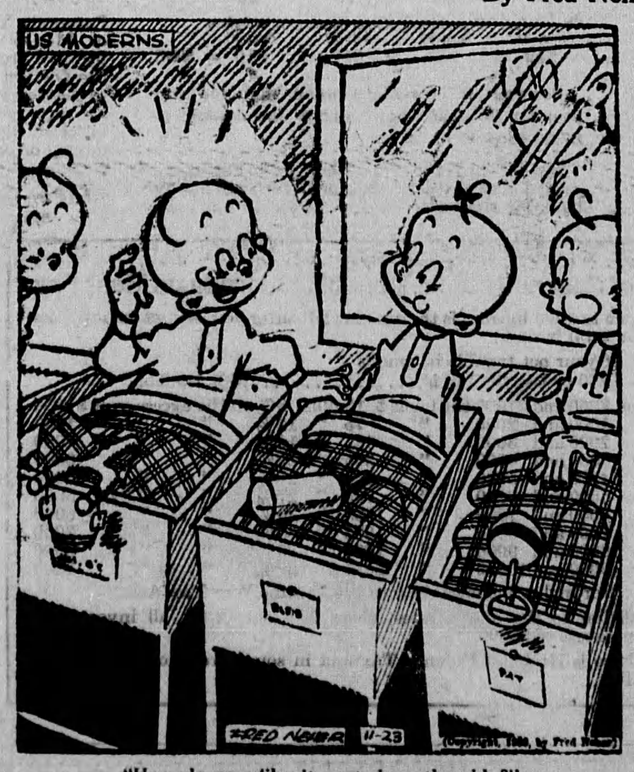
* After providing for Dominion and Provincial Government taxes and after making appropriations to Contingency Reserves out of which Reserves provision for all Bad and Doubtful Debts has been made.

Balance Sheet figures for the year ending November 30th compare as follows:

LIABILITIES	1940 $	1939 $
Capital Stock	35,000,000	35,000,000
Reserve Fund	20,000,000	20,000,000
P. & L. Balance	3,198,146	3,096,252
Dividends ...	729,000	716,674
Dom. Gov. Dep.	20,462,767	40,167,411
Prov. Gov. Dep.	15,065,375	8,693,004
Deposits-Can.	609,203,083	589,048,357
Deposits-For'n	195,403,465	243,348,966
Due to banks	12,263,507	30,262,472
Notes in Circ.	25,103,351	26,028,238
Letters of Cred.	18,003,678	17,642,135
Other Liabs.	1,137,954	705,834
	955,570,326	1,014,708,343

ASSETS	1940 $	1939 $
Notes and dep. Bank of Can.	82,086,683	77,503,203
Other cash and Bank Bal.	124,504,705	156,980,347
Dom. & Prov. Govt. Secs.	311,833,109	315,435,430
Municipal and Other Secs.	48,891,727	72,232,408
Call Loans ...	17,638,183	25,151,148
Loans Canada	231,234,467	215,321,154
Loans to Prov. Govt.	999,795	1,573,775
Loans to cities, towns, mun. & school districts	18,374,597	20,392,898
Loans Foreign	79,377,396	89,275,905
Bank Prem. & Real Estate	17,273,131	17,652,455
Letters of Cred.	18,003,678	17,642,135
Others Assets	5,452,855	5,547,485
	955,570,326	1,014,708,343

LIFE'S LIKE THAT — By Fred Neher



"How do you like it parted on the side?"

REG'LAR FELLERS — Sweet and Low — By GENE BYRNES