

Money Supply Dangerous If Not Used Wisely

At the Annual Meeting of the shareholders of The Canadian Bank of Commerce, the President, Mr. A. E. Arscott, C. B. E., stressed the importance of good international relations in world trade recovery. "Unless nations work together on problems of trade," he said, "efforts to stabilize exchange rates and to encourage the flow of international investment capital will have little chance of being effective. International trade is the keystone in the whole programme of economic co-operation. It is obvious, therefore, that our aims must be at least to maintain the current level of exports, to trade with a wide variety of countries, and to achieve a well-rounded balance with all countries. It seems reasonable, therefore, to support the rehabilitation of European economic areas and their import-export programmes." He pointed out, however, that this could not be attained by trading on our record but on the quality of our products and on our prices relative to competitors. The maintenance of a high rate of employment in Canada was contingent upon the maintenance of satisfactory export trade relations.

Mr. Arscott outlined the magnitude of the task which faced the country a year ago in recasting the greatly enlarged productive system to meet the cancellation of war contracts of over needs of peace time. This involved the \$1,000 million, the transfer of 1½ million people from the services and munition plants to civilian occupations, the reconditioning of plant and the redistribution of available materials. "Up to six months ago," Mr. Arscott said, "excellent progress had been made but then delays ensued through a series of employer-employed disputes which crippled the production of many factories and mills during the past summer. We lost among other things during that period a very large volume of industrial production, which might now be regarded as the 'unfinished business' of the current year and which must be undertaken anew." Production of civilian goods generally had, nevertheless, been high, and export trade, averaging about \$175 million monthly, was noticeably buoyant.

The two objectives which had crystallized out of wartime aspirations were a high level of employment and a desire for stability, neither of which could be achieved through legislation or precisely measured statistically. "To reach these objectives," Mr. Arscott stated, "there are a number of factors to be reckoned with and a thorough understanding of these is of prime importance on the net amount he receives in

importance. I have particular reference to the impact of the wartime expansion of money, the cost and price of commodities (both domestic and foreign) and the effects of taxation."

In approaching the problem of retaining a high level of employment we must remember that during the war years our productive capacity and our productive possibilities increased many times — but mainly for war purposes. Now we have the tasks of encouraging and increasing the rate and volume of consumption of our products both at home and abroad. With respect to stability, our efforts must be directed to maintaining a balance between deflation and inflation. Over-all policies must be designed to match consumption with maximum output."

In regard to the increase in the money supply, Mr. Arscott pointed out that it brought with it ominous possibilities, the seriousness of which depended on a number of factors. "If people decide to hold their cash or savings deposits," he said, "and to retain Government bonds bought during the war instead of making purchases while goods are in short supply, then to that extent the threat is reduced, but it will still be present until increased production at relatively stable prices brings the post-war supply of goods into balance with the present volume of money. However, the swing of the pendulum depends upon many factors, not the least of which is the attitude of the consuming public — and their attitude cannot be forecast with any degree of accuracy."

"Having regard for the above circumstances," he continued, "it is in the interests of all business to consider in terms of current conditions the significance of the term 'Pen-up demand' and what has become known as the 'back-log' of unfilled orders. Ordinarily, demand is governed by prices, and upward price adjustments may serve to restrain the volume of replacement demand. Care must be taken, therefore, to avoid the making of commitments which depend for success upon further price increases and free spending. Also it cannot be overlooked that 'pricing out of the market' can happen both at home and abroad. Hence it is necessary to keep in mind that increasing costs of production can be the main contributing factor to such a development."

In dealing with the subject of taxation, Mr. Arscott said that, while people paid their taxes willingly during wartime out of a sense of duty, this motive subsided under peacetime conditions and the burden of taxation became more apparent, acting as a deterrent to investment, risk-taking, savings and productive activity. "In the individual's mind" continued Mr. Arscott, "the question of whether or not he is reasonably rewarded for his work hinges on the net amount he receives in



What They Laugh At

"My wife is a positive wonder," said the proud veteran. "The first winter of the war she knitted me socks out of an old bathing costume. This summer she knitted a bathing costume for herself out of one of my old socks."

Sailor (spinning a yarn to an old lady): "And there was a huge torpedo coming speeding towards our ship. . . ."

Old Lady: "Oh, mercy, lad; I hope it was one of ours."

Army Padre: "You don't know anything about religion, I suppose?"

Cannibal: "Oh, yes. We had a taste of it when a missionary came a few

years ago."

Dumb — The girl who thinks that American soldiers are called "doughboys" because of the high pay they receive.

In bustling America, a crossword puzzle dispute has led to a divorce, with the bride winning custody of the dictionary.

Bing Crosby gets \$4,500 a week for his new radio program. "Take the air" no longer means what it used to.

A genius is one who in the operation of a great railroad system manages to show almost as large a profit as a manufacturer of toy trains.

An elderly woman went to the counter of a telegraph office and said she wished to send a greetings telegram to her nephew in Australia.

Unfortunately, she had mislaid the name of the town, but was certain it had something to do with a dog's tail. Could the Post Office help her?

The counter clerk thought for a moment before he asked: "Is it Wagga Wagga?"

Strangely enough it was.

Strange, but true — a boy of five is too old to play with dolls; a boy of 15 is too young.

Love is like war: you begin when you like, and leave off when you can.

Jones had gone to the cinema, but the innate chatter of two women seated immediately in front of him at last became more than he could stand. He tapped one of the women on the shoulder and said:

"Pardon me, madam, but I can't hear."

The woman snorted. "You're not supposed to — this is a private conversation," she snapped.

He — "It gives the dates of all the great disasters."

Jerry: Yes, I thought all the world of her.

Molly: Then why did you give her up?

Jerry: I couldn't support the whole world.

Betty was hesitating between two young men, and at last it struck her that she might get some help from her father.

"Which do you think I should take, Daddy?" she asked. "Joe is awfully handsome, but Sam is a nice, steady chap."

Father did not hesitate.

"My dear," he replied, "if you want a good husband, take Sam. He really loves you."

Betty looked interested.

"How do you know?" she asked.

Father smiled.

"I've been borrowing money from him for the last six months," he said, "and he still comes to see you twice a week."

A man caught a boy in his garden stealing apples, and handed him to the police.

As it was the boy's first offence the magistrate let him off but told him never to yield to such temptation again, adding:

"Ye should have flown from the Evil One."

"So I did, sir," replied the boy. "but he gripped me afore I got over the fence!"

An American officer approached the young man in the neatly fitting uniform and asked: "What's the eighth general order?" "I don't know," the fellow admitted. "Have you ever been on guard duty?" "Nope." "You don't even know enough to say Sir. What outfit are you in?" "Oh, I'm the Coca-Cola man."

Reminiscences

More Moose and Other Wild Animals Than There Are People now. John Powers Freight Supplies Dayton Ostroske at Englehart. Alex Stirling's Store. Tom King's hotel. Gold Discoveries.

(Written for the Advance by Harry Preston in 1936)

Forty years ago (during 1907) this part of the north was a dense forest. There were more moose and other wild animals in the area than there are human beings now (1936). The writer with four other prospectors left New Liskeard on what was Contractor McDonald's muskeg train for McDougall Chutes, now Matheson. The steel had not quite reached there, so they walked along the right-of-way to the little village. Here John Powers, now of Timmins, freighted their supplies that they had purchased from Dayton Ostroske, at Englehart, to Abitibi Lake.

Here they prospected the Lightning and Munroarea and came west to Night Hawk Lake, where Gold Island had been staked. Then they proceeded south to Latchford.

One of the party quit and went on a moose hunt at Elk Lake where he stopped at Millar and Middletown camps. He bagged six moose. He told Mr. Millar and Mr. Middleton he was going back north to live until he found one of the gold mines he was sure was there and that he would see them some day up there.

Two years later this came true. He had his mine and met Tom Middleton who staked the first claims at Pearl Lake, known as Millar-Middleton.

The T. & N. O. Railway steel was being laid at McDougall Chutes during the first week of June 40 years ago and during the fall the large bridge over Driftwood River was being built.

During the summer of 1907 a few young men at McDougall Chutes wanted to get drunk and somewhere they purchased some hard stuff and soon every one of them was under the doctor's care, with the exception of one who was found dead near Painkiller Lake a few miles out of town.

Forty years ago it was a common occurrence to see trappers along the railway with 40 or 50 marten skins hung over their shoulders.

In those days men didn't look for work, the contractors were running around looking for men.

From Englehart to Cochrane hardly six settlers were busy clearing land. One could almost reach out the car window on the railway and touch the trees.

Away out on a big point in Abitibi Lake Mr. McChesney ran a supply store built of logs, where prospectors and fur buyers dealt.

In the spring of 1907 the ice did not break up in Abitibi Lake until June 7th. The writer and his party were first to come down the river. On the way they met 14 canoes with parties of prospectors bound for the lake where the late Noah Timmins and others were interested in gold claims on some islands.

The Indians would not take paper money. Mr. Farrburn offered them a \$5 bill for a little dog, which they refused. The guide suggested giving them silver, which they accepted.

Forty years ago the Chief Fire Ranger of this part of the north country was J. Lorne Campbell who had his headquarters at McDougall Chutes, at the same place and time the late Tom King of Timmins was running the Abitibi Hotel.

Gibson and Stirling also had a store at the Chutes, and Captain M. Smith ran a boarding house. Chas. M. Auer was at Night Hawk Lake near Gold Island.

In the fall of 1908 McDougall Chutes village burned down. The railway was just finished to Cochrane that year.

Mr. and Mrs. Clinton Campbell were marooned for several days in Abitibi Lake because of stormy weather. Mr. Campbell was a contractor on the Grand Trunk Pacific Railway.

When the T. & N. O. Railway was finished to Cochrane things were pretty quiet and it seemed as if this country would never amount to much. Then George Bannerman and the Wilson party discovered gold at Porcupine. The country boomed, and prospectors and settlers began pouring in.

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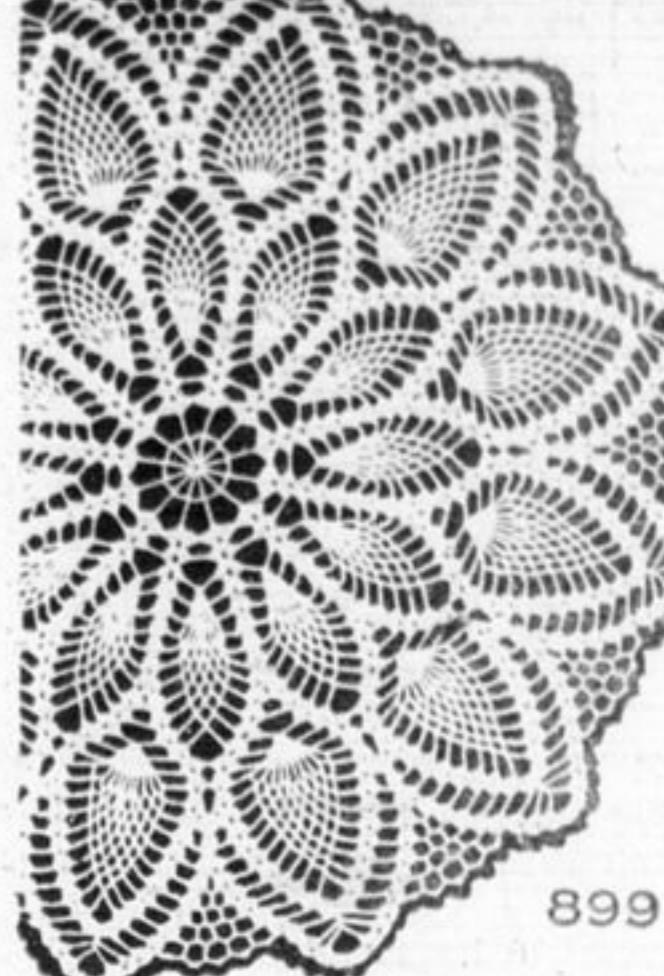
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Favorite Crochet



899
by Lucia Wheeler

SCHUMACHER GREG EVANS GUEST SPEAKER LIONS CLUB

The Schumacher Lions Club held their regular meeting Wednesday evening in the McIntyre Auditorium. The President, Mr. Roy Wilson, presided.

Dick Anderson and Cliff Bint, two new members, were inducted into the club.

Mr. W. K. Wylie introduced the guest speaker, Deputy District Governor, Greg Evans of Timmins. Mr. Evans spoke to the club on "Lionism".

A sing song was enjoyed with Gordon B. Thompson at the piano.

Guests at the next meeting will be the managers and coaches of the Porcupine Mine League hockey teams which competed in the pre-season Schumacher Lions' Cup Series.

UP AND DOWN

A pilot who had baled out in North Africa, was coming down when he was amazed to see another man with his parachute going up.

"Hi, there!" he shouted. "What's happening to you?"

"It's all right old man," came the reply. "Mine's a tent. It's windy down below."

"Hash," says a culinary item on the Woman's Page, "is not an accomplishment." No, it's a consequence.

Fantastic Stories (Mystery) — Christoper Morley.

YOUNG PEOPLE

Lassie Come Home — Eric Knight; Starbuck Valley Winter — Roderick L. Haig-Brown; Fun With Science — May and Ira Freeman; Fun With Chemistry — May and Ira Freeman.

9 to 12 YEARS

Robin Hood — George Cockburn Harvey; Treasure Island — Robert Louis Stevenson; Picture Story of Holland — Dolf DeJong.

5 YEAR OLDS

When Grandma Was A Girl — Mela Kochler-Broman; Adventures Of Ollie Dette; The Three Bears — Mary Cameron; Mother Goose — Pelagie Doane; Horton Hatches The Egg — Dr. Seuss.



On the Road

There is a large army of outdoor men who have learned to depend on Dr. Chase's Kidney-Liver Pills. Riding on trains or trucks causes a jarring which is hard on the kidneys as is also the exposure to all kinds of wind and weather.

This medicine goes to stimulate the action of the kidneys and relieve the backaches which so often result.

For over half a century they have been popular with railway men, truckers and farmers.

Dr. Chase's Kidney-Liver Pills

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ELECTION DAY WEDNESDAY, DEC. 18th