

OUR MERCHANTS
Patronize our local merchants
and leave your money in your
city with the men who are try-
ing to make it go.

The Daily Mail

WEATHER
Fresh winds, cloudy with
snow becoming colder tonight
Sunday fair and cold.

VOL. XLI., NO. 22

FREDERICTON, N. B., SATURDAY, JANUARY 26, 1935

Two Cents Per Copy

Stay Off The Gold Standard Reg. McKenna Urges Britain

If Present Policy Followed Continued Expansion of Nation's Business Foreseen By Former Chancellor of Exchequer and Foremost Banker.

LONDON, Eng., Jan. 26—A strong repugnance to the idea of Britain's returning to the gold standard was expressed yesterday by Right Hon. Reginald McKenna, former Chancellor of the Exchequer and now, as chairman of the Midland Bank, recognized as the outstanding banker in the country. Mr. McKenna was speaking at the annual meeting of the shareholders. He added his voice to that of other prominent financiers, including Right Hon. Neville Chamberlain, the present Chancellor, in saying that Britain's trade would be far better off with an unstabilized currency, as at present, than with one based upon gold, as some advocates have urged.

He said that assuming that the Government policy of the last three years remained in force there was good reason to expect a continued expansion of the nation's business. He by no means subscribed to the view that the saturation point has been reached in the home market, a theory that urges its proponents to believe that foreign markets alone can be looked to, to continue the advance of prosperity and one that leads to the suggestion for stabilization.

Credit Available

In his view there are ample short-term credits available to meet any demands for the further recovery of trade and there is no shortage of funds in the hands of the public for long-term investment.

Restrictions Removed

He emphatically dissented from the view, sometimes expressed that Britain had approached the limit of possible expansion based on a broadening of the home market. Nor did he have any doubt that trade would still further recover, even without any expansion of the foreign market.

"Now that sterling is freed to find its own level in relation to foreign currencies, the old restrictions on our power of development have been removed," he said. "There is no need for deflationary pressure to be brought as it has been brought on countries in the gold bloc. This holds true for all the countries in the sterling bloc, which do a very large share of the world's trade and in which the monetary policy has brought about a substantial measure of recovery. It is difficult to understand why a continuance of such a monetary policy carried out in the last three years with satisfactory results, should not yield results equally favorable.

The decline in sterling Mr. McKenna did not view as a sign of the weakening of Britain's international position.

"Actually it is sterling prices that have kept stable while prices in gold have fallen," he declared. "Hence depreciation in the gold value of sterling does no more than from our departure from gold. These facts illustrate very forcefully the striking benefit resulting from our departure from gold. Under the old system this decline in sterling—which is not indicative of any weakening of our international position—would nevertheless have necessitated deflationary measures in order to protect the gold stock and those measures would have had depressing effects on our internal trade. Now, however, deflation, except as a corrective of internal inflation has been banished as an unnecessary, discredited instrument of a freely operative monetary policy. There is at present no evidence of in-

Economic Disabilities

WHILE we have many natural advantages in Central New Brunswick, has it ever occurred to our people that we live under economic conditions which make this region not only one where earning power is less than almost anywhere else in Canada but where the cost of living is greater than in other parts? There is no geographical or natural reason why this should be so. For instance, there was a time when a large proportion of the farm machinery used in Western New Brunswick was manufactured in Fredericton and Woodstock at prices scarcely above 50 per cent of those now demanded for the imported machinery. The establishment of sales agents in almost every school district and cut-throat competition by large Central Canadian manufacturers drove the local manufacturer out of the picture. In some cases small factories were bought by the Central Canadian firms, then closed and prices advanced. Why was this possible? Largely by man-devised relative transportation costs.

Why do we see so much fruit and vegetables from Central and Western Canada on display in our stores? Again largely because of man-devised jug handled transportation costs. The broker can wire an order to Central Canada and land fruit and vegetables from Ontario to any part of the Maritime Provinces, frequently more cheaply than he can gather the local product. Freight and express rates have been especially designed to develop industry in Ontario and kill the same industry here.

For instance, the express rate from Niagara to anywhere in New Brunswick is 2.10 per 100 pounds on fruit and vegetables. While from Fredericton to Toronto, a lesser distance, the rate is \$2.90 per 100 pounds and that rate applies only to Toronto, while to other towns in Ontario the rate is \$3.55 or more. Those are summer rates. In the winter months the eastward rate is \$2.60 and the westward from here to Toronto is \$3.55. For local traffic truck competition has brought rates down to points within 150 miles, but outside that the old stiff rates apply. For instance the shipper in Western Ontario can get a rate to Sydney, N. S., of \$2.20 per 100 pounds, while the Saint John Valley shipper is charged \$2.45 for the same destination. Generally local rates between Ontario points are very much less per mile than local rates between Maritime points, and the only answer the transportation organizations give is rates are higher in the east because of lack of volume—in other words—UNTIL NEW BRUNSWICK IS AS BIG AS ONTARIO SHE CANNOT GET FAIR PLAY.

The freight rate structures, while not so pronouncedly against us as express rates are, nevertheless are mostly and sometimes quite largely adverse to our development. Then there are secret "gentlemen's agreements" which add still more unfairness.

Transportation caters to the big interests and it behooves our people to learn the actual facts . . . then take the best possible steps to protect the interests of our own people.

This question will be discussed at the Board of Trade meeting in the City Council Chamber at 8 p.m. on Monday, January 28th inst., by Rand Matheson, rate expert of the Maritime Provinces Freight Rates Commission, and F. MacLure Scanders, Commissioner of the Saint John Board of Trade. This meeting should be attended by all members of the Fredericton Board of Trade and our citizens generally.

HOLD-UP MAN ROBS BANK IN MONTREAL

MONTREAL, Jan. 26—A lone bandit successfully held up a branch of the Royal Bank of Canada, at 6100 Monkland avenue, at 3 o'clock yesterday afternoon and made his escape with \$1,700 which he snatched from the cashier's till.

There were five people in the bank at the time of the hold-up. The man, of whom police are withholding a description given them by members of the bank, walked in and went to the cashier's cage.

G. W. Webster, the cashier, told police that the man had given the impression that he wanted change for a bill. Suddenly he pulled a revolver and ordered the manager, H. Stevenson, the cashier, ledger-keeper, a girl clerk and a customer to go to the rear of the bank. He then got into the cashier's cage

NEWSPRINT PRICES REDUCED TO 1934 LEVEL

New York, N. Y., January 26—International Paper Company is today notifying its newsprint contract customers that the net cost of their paper during the first three months of 1935 will revert to the 1934 price level.

In the letter being mailed today the Company says:

"On November 10 we announced an increase, effective January 1, of \$2.50 a ton in the net cost to you of newsprint under your contract with us. Since then tendencies toward higher costs have shown no abatement, but it has become clear that other manufacturers are delivering newsprint at the 1934 price to such an extent as to make the increase at this time unfair to our customers."

and scooped up what money he found. The bandit is believed to have made his escape in an automobile.

URGES FORMATION OF A "DECENCY CENSORING BOARD"

Woodstock Presbyterian Condemns 'Vulgarity of Motion Pictures.'

WOODSTOCK, Jan. 26—A resolution condemning "the vulgarity of motion pictures" as a menace and recommending the establishment of a "decency censoring board" was passed at the closing session of the annual meeting of the Woodstock Presbyterian of the United Church here this morning.

This follows the example of the League of Decency which was started in the United States two years ago by the Roman Catholic Church and which rapidly spread across Canada under the direction of Archbishop O'Donnell of Halifax. Different churches followed the worthy example.

The devotional exercises were conducted by Mrs. Clark, of Summerfield, and Mrs. J. R. Kirkpatrick. Mrs. E. Carter was appointed delegate to the Maritime branch, with J. W. P. Dickenson as alternate. An invitation for the summer meeting of the Presbyterian was received from Lakeville. The corresponding secretary, Mrs. D. M. MacBride, reported a total of 22 afternoon and one evening auxiliaries, with a membership of 351, and that the amount sent to the Presbyterian treasurer was \$1,721.93.

Mrs. J. R. G. Armstrong, of Fredericton, reported that in Canada during the last ten years 6,000 women had become members through the channel of Associated Helpers' activities. Mrs. J. R. Kirkpatrick, the treasurer, reported \$1,785.65 raised by auxiliaries; \$182.86 by Mission Bands, and \$12.00 by the C.G.I.T.

Resolutions were passed urging the members on to still greater efforts, and to continue the fight for the temperance cause.

Officers Elected

Officers were elected as follows: President, Mrs. E. M. Mills, Debec; 1st vice-president, Mrs. W. S. Hooser, Grand Falls; 2nd vice-president, Mrs. D. L. Giddings, Hartland; recording secretary, Mrs. E. M. Bird, Woodstock; corresponding secretary, Mrs. Wilbur Gray, Woodstock; treasurer, Mrs. D. M. MacBride, Lindsay; Christian stewardship and finance secretary, Mrs. F. B. Bishop, Andover; Young Women's Work secretary, Mrs. Pickett, Glassville; C.G.I.T. secretary, Miss Clara Carson, Woodstock; Mission and Baby Band secretary, Mrs. A. D. McLean, Andover; Associated Helpers' secretary, Mrs. T. C. Cole, Lakeville; supply secretary, Mrs. Clayton Kinney, Lakeville; strangers secretary, Mrs. J. E. Flemming, Lindsay; literature secretary, Miss Katherine Rogers, Northampton; M.M. and W.F. secretary, Mrs. J. Martin; temperance secretary, Mrs. G. A. Selar, East Florenceville; press secretary, Mrs. F. C. Drost, Bath; nominating committee, Mrs. J. R. Kirkpatrick; Mrs. D. M. MacBride, Mrs. H. W. Rogers, Mrs. C. Kinney, Mrs. Cassie McDonald, Mrs. A. T. Henderson and Mrs. F. M. Fraser; finance committee, Mrs. D. M. MacBride, Mrs. F. B. Bishop, Mrs. A. D. McLean, Mrs. E. J. Thompson and Mrs. Pickett.

MOREHOUSE ESTATE

Late Dr. O. E. Morehouse Left Estate Valued at \$20,406.11—Only \$2,000 Real Estate—Letters of Administration to Widow.

The estate of the late Dr. Oscar E. Morehouse, late of the Parish of Bright, well known medical doctor, was probated this week before W. J. West, of this city, judge of probate. Letters of administration were granted to the widow. The property consisted of real estate valued at \$2,000 and personal at \$20,406.11.

Reserve Tuesday evening, Jan. 29, for K. P. card party.

Tilley Argues Case For Province of N. B.

MENACING WALLS AT FIRE SCENE BEING TORN DOWN

Newcastle Ruins Still Smouldering; Bank Arranges for Temporary Quarters.

NEWCASTLE, Jan. 26—The ruins of the \$100,000 fire in the business section here Wednesday are still smouldering and there seems to be considerable fire in certain portions. Crews of men are at work endeavoring to pull down the walls which remain standing, in order that they will not be a menace to the public. The safe belonging to John Ferguson & Sons, Ltd., was salvaged today. It stood the intense heat well. The town has crews of men cleaning the roadway and sidewalk in front of the site, the bricks having been scattered all over the roadway after a wall fell.

The Bank of Nova Scotia hopes to be able to open its vault Monday. Arrangements have been made by the bank to take over the front offices of the Miramichi Hotel and begin business next week at this temporary site. Carpenters are tearing down partitions and preparing the offices so that the bank can commence business at once. The hotel will carry on business as usual.

The Lounsbury Co., Ltd., will not rebuild until spring, it was said today. The insurance adjusters, D. A. Grant and Donald M. Hope, of Saint John, and B. L. White, Amherst, left today, but Mr. White will return on Monday to continue his work.

DR. TRUEMAN LEAVES FEB. 1 ON EXTENDED TRIP

Sackville, Jan. 26—Dr. George J. Trueman, president of Mount Allison University, is leaving Friday February 1, for an extended trip to the Eastern United States and Upper Canada. He will attend a big conference in Richmond, Virginia, on February 12 and 13, going via Yarmouth, N. S. Enroute he will attend the annual meetings of the Saint John Alumni and Alumnae Society on February 1 and the Yarmouth Society on February 4. While in Yarmouth he will also preach on Sunday February 3, and address the Yarmouth Brotherhood and Rotary Club.

He will attend the annual dinner meeting of the Boston Society February 6 and the annual dinner of the New York he will sit in at several important committee meetings relative to Mount Allison welfare.

Returning through Upper Canada he will attend the annual banquets sponsored by the Toronto Society on February 20, and the Montreal Society on February 22, and the Quebec Society on February 25.

Grant of \$15,000 Is Made to P. E. I.

Charlottetown, P.E.I., Jan. 26—Premier W. J. P. MacMillan of Prince Edward Island announced from Ottawa tonight that a grant of \$15,000 from the federal government has been awarded the province for labor costs in the reconstruction of Falconwood Hospital here.

The hospital, caring for the mentally unfit was burned to the ground in 1932. A month later, the Prince of Wales College building was destroyed by fire, saddling the provincial government with a heavy financial loss.

Present Sum Inadequate Return in Lieu of Former Revenues, Says Premier — Atty-General Harrison Will Speak Today.

OTTAWA, Ont., Jan. 25—Launching New Brunswick's case for payment of increased Dominion subsidies, Premier L. P. D. Tilley, of that province made an ardent appeal for "fair play and justice" to New Brunswick and the Maritimes generally before the White royal commission today.

"This is not law, it is not a legal argument, it is only a matter of fair play and justice," Mr. Tilley exclaimed in a two-hour argument. The New Brunswick government leader presented his contentions at the conclusion of submission by Premier Angus L. MacDonald of particulars of Nova Scotia's claim for an increase in subsidy of \$5,236,120 over and above the present fixed subsidy of \$653,000. This request was based on fiscal need, said Mr. MacDonald, but if fiscal need was not to be considered the governing factor he asked for an increase of \$4,451,124 to place his province on a footing of equality with the other provinces.

"The Province of New Brunswick, the government of New Brunswick," Premier Tilley said, "want it distinctly understood we do not come to the Dominion government asking for any money that we do not feel we are justly, and properly entitled to, and that will not make for the good feeling, the bonne entente, existing between our province and the Dominion of which we are proud to be a part. Not once during the period of depression, and I say it with some pride, not once have the Maritime Provinces come to the Dominion government or loans. We have, so to speak, paddled our own canoe."

Three Chief Grounds

The New Brunswick premier, son of one of the Fathers of Confederation, put forward his demands on three chief grounds:

1. That the Maritime Provinces have received no adequate return for additional territorial grants to Ontario, Quebec, British Columbia, Manitoba, Saskatchewan, and Alberta.
2. That the Dominion as a whole does not pay to the Maritime Provinces an adequate subsidy in lieu of the loss of former colonial customs and excise duties and in lieu of the territorial grants to other provinces of Canada.
3. The International Railway was built as part of the Confederation pact to connect the Maritime Provinces with Central Canada, and to be the means thereby of conveying the goods and produce of Central and Western Canada over that railway to the Atlantic ports, at least through the winter period, and in return to convey farm produce, lumber, fish and coal of the Maritimes to the markets of Central Canada at such a freight rate as would allow the people of the Maritime Provinces to receive a fair return and be enabled to earn a decent livelihood, in competition with the Central Provinces.

Boundaries Unchanged

New Brunswick, one of the four original provinces to join in Confederation, had not extended its boundaries, since 1867, due to its geographical position. Neither had Nova Scotia nor Prince Edward Island.

"We did not need any more water," continued Mr. Tilley, "but we wanted land, and because of our geographical situation we could not get land, then we want compensation for the lands that were given to the other provinces by the Dominion in which we have a partnership."

With a specially prepared map Premier Tilley drew attention first to the territorial accessions to Ontario and Quebec since they joined (Continued on Page Five)