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Weather: Colder tonight; possible snow flurries

2 MCGILL PROFESSORS RECONSTRUCTION BRIEF HEARD SAT'DAY BY COMMISSION

Position Of Labor Not So Sinister Upon Inspection

Economic Octopus Picture of Professors Fades On Close Questioning

COMMISSION HEARS BRIEF MCGILL PROF.

Witnesses Unable to Give Proofs of All Phases Situation

OTTAWA, Jan. 31—Two bright, young professors from McGill University, Frank Scott of the Faculty of Law, and L. C. Marsh of the Faculty of Economics, were asked by the Dominion-Provincial Relations Commission Counsel, J. M. Stewart, of Halifax, Saturday to be specific in support of the League for Social Reconstruction in Canada, for a new deal regarding business, banking, finance and industry in order to redistribute advantages and income and for the Government taking over profitable industries as one means of getting income.

Under questioning, it turned out that sweeping assertions of the brief about the effects of alleged monopolies, of concentration of wealth in few hands, about the lagging of bargaining power in the hands of labor as compared with employers and about the weakness of central governments in allowing delay of social legislation, were supported by equally sweeping and general statistics which bore quite other interpretations when broken down industry by industry.

Not All Dividends Up

For example, in support of the contention that there is maldistribution of wealth because of growing monopoly the brief quotes the Financial Post as saying that in 1937 Canadian corporations were able to pay the largest dividends in history at a time when public relief was being given to close to a million Canadians, when value of relief payments was reduced by rising prices, when the worst drought in history had struck the Prairie Provinces and when wage rates in many industries were very low.

Witnesses were asked by Mr. Stewart if it were not true that the higher dividends were due almost wholly to the growth and success of the gold mining industry if it were not true that the pulp and paper industry, prosperous in 1929 and 1930, paid

GUNS BOOMING IN HONOR OF ROYAL BIRTH

AMSTERDAM, Jan. 30—A 21-gun royal salute was fired today on the announcement of the birth of a daughter to Princess Juliana. The baby daughter is the heir presumptive to the throne and may be the third woman to rule in the little land of tulips.

NATIVES SUFFER WITH HUNGER

EDMONTON, Jan. 31—The natives of the district 80 miles north of Edmonton are suffering with intense hunger. Captain Ernest Paisley of the R.C.M.P. says that this year there was a great scarcity of smelt in that region.

200 Injured Explosion Italy's Greatest Powder Factory

SEGNI, Italy, Jan. 31—Rain-soaked firemen today searched the ruins of one of Italy's greatest powder factories for additional victims of the blast which yesterday killed 18 persons and injured more than 200.

not a single dividend in 1937, if banks and finance and insurance companies had not reduced dividends as income fell and if transportation and grain companies had not failed almost entirely to do a profitable business?

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Lest We Forget

IS THE Hon. H. H. Stevens chuckling in his sleeve, or is he weeping for the folly of mankind. Are we travelling towards another price spreads or price-cutting investigation, or are we just laying the foundation for another depression in 1942? To us the signs are alarming. We are all ready to recognize that our competitive business system is cruel and wasteful. It enslaves men to do the unnecessary, duplicative work; it starves workmen and farmers and breaks the hearts of business men. We stick to our system, however, because it has served us well and we believe it capable of so serving us again. We stick to our system because competition, expensive as it is, usually seems to offer better service than does monopoly. We stick to our system because we are not all satisfied that there is something better to which we can turn. We stick to our system because our best impulses are forever telling us to give the culprit another chance. But who would have believed, only three years ago at the time of the Stevens revelations, that we would so soon forget the things we learned during the depths of the depression?

INSTALLMENT PAYING—ONE CAUSE OF THE BREAKDOWN IN OUR ECONOMIC SYSTEM, THE EXPERTS TOLD US, WAS INSTALLMENT BUYING, WHICH LEADS PEOPLE TO MORTGAGE THEIR INCOME IN SUCH A WAY THAT THEY CANNOT BUY OR PAY FOR FOOD REQUIREMENTS AND THE NECESSITIES OF LIFE. Yet a couple of months ago large department stores were urging people to buy Christmas presents on credit and to make their first payment in February. No argument could justify such an appeal. The builder who urges a young couple to buy a house and to pay for it out of their future income, or the insurance salesman who urges a young couple to buy themselves a pension is urging them to save, but what is to be said for the purchase of gifts on the instalment plan? Is it anything but the encouragement of reckless and extravagant living? What is to be said for big business which deplores the piling up of public debt while it does its best to get individuals into debt to itself?

PRICE-CUTTING, ANOTHER DISTURBING CIRCUMSTANCE IS THE PRICE WAR IN WHICH CHAIN STORES HAVE BEGUN TO ENGAGE. The Financial Post of January 1 said: "Efforts to increase sales volume in chain grocery stores operating in Ontario have developed into a price-cutting war which threatens to reduce profits as well as disturbing price levels in the trade generally." The Post also said: "As the new year opens the price war has spread to a wide range of grocery items and has reached proportions where profits are said to be seriously threatened for the whole trade." There may be a tendency to rejoice and think that the public will reap while the grocery chains under-cut each other, but we cannot think that anyone can really benefit from "price-cutting," that is, selling below cost. Goods cannot be sold for less than they cost, except for a short period of time. The public always pays in the long run. It is well known that the

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When passing through Moncton, N. B., on his way to Halifax, to address the Board of Trade of that city at their annual banquet, S. J. Hungerford, Chairman and President of the Canadian National Railway, presented George F. Ward with the Imperial Service Medal which was granted to him in recognition of his long, faithful and meritorious service with the railway. Mr. Ward retired in October, 1936, from the position of Station Agent at Harcourt, N. B., after a continuous record of service of half a century. Photograph shows (left to right) Mr. Hungerford, Mr. Ward and J. E. Gibault, railway superintendent at Campbellton, N. B., under whom Mr. Ward was employed prior to his retirement. Before returning to Montreal, Mr. Hungerford visited Saint John, N. B., in company with officers of the Atlantic Region of the National System.

Mackenzie King Says Election Not Being Considered

Repeats the Suggestion that 1940 Will Be Probable Voting Date for Dominion

NO NEED OF ELECTION

Government Enjoying Every Support From House of Commons

KING, BENNETT JOIN IN TRIBUTE TO WM. M. RYAN

Left "On Threshold of Very Useful Career," Bennett

OTTAWA, Jan. 31—During a brief two hour session Friday afternoon, members of the House of Commons listened to a series of tributes to the memory of six of their colleagues, two of whom were from the Maritimes, who had passed away since the prorogation of Parliament last spring. Prime Minister Mackenzie King, Rt. Hon. R. B. Bennett, J. S. Woodsworth and John Blackmore, representing the Liberal, Conservative, CCF, and Social Credit groups respectively, joined in expressing the common grief of all parties alike in the loss sustained by House and country through the unexpected death of these chosen representatives. The list is as follows: W. M. Ryan (Liberal, Saint John-Albert); D. A. Cameron (Liberal, Cape Breton-North Victoria); Hon. S. F. Tomlin (Cons., Victoria, B.C.); J. A. Verville (Liberal, Lotbiniere); Rt. Hon. Sir Geo. Perley (Cons., Argenteuil, Que.); and Dr. W. S. Hall (Social Credit, Edmonton East).

Bennett Speaks Mr. Bennett, in his reference to the late member for Saint John-Albert, referred to the close personal bond which had existed between himself and Mr. Ryan. "was born in the constituency which he represented," the leader of the Opposition said. They had shared a common profession, that of law. Mr. Ryan, moreover, had, during his journalistic career, been like himself, a resident of the West, in whose problems he was thus able to take a sympathetic interest. Recalling his last meeting with the deceased member in Saint John during a trip he made to the Maritimes, Mr. Bennett said: "I had some discussion with him, little thinking I should never see him again. He had a warm-hearted disposition, an attribute of his race. I realize, as the Prime Minister has said so very aptly, that his leaving us was on the threshold of what promised to be a very useful political career."

Mr. King gave a brief summary of Mr. Ryan's career, and referred in appreciative terms to the excellent and painstaking work he had done in committee.

COMMISSION TO START SESSIONS NEXT THURSDAY

OTTAWA, Jan. 31—The Royal Commission on Dominion-provincial relations will finish its sitting here today and leave for Halifax late in the day after hearing David Sim, commissioner of excise, and description of his branch's work. The commission will start its Maritime sessions at Halifax next Thursday.

OTTAWA, Jan. 31—Prime Minister Mackenzie King told press reporters in a recent speech he believed nothing would arise "within the next year or two" to necessitate a general election.

Referring to reports that the Government was considering the possibility of an election this year, the Prime Minister said: "I don't want the people to get the impression there is any uncertainty on this point." No Government since Confederation has enjoyed as much support in the House of Commons as the present administration when it took office, the Prime Minister told a large group of parliamentary correspondents after Cabinet Council. "I don't think any Government since Confederation has so completely held the confidence of the people. I say that advisedly."

Mr. King referred to the increase in the Government's already record majority as a result of by-elections and to the recent contests in Victoria, Lotbiniere and St. Henry constituencies, which he declared indicated complete approval of the Government's policies.

"In these troubled times the people want only stability and continuity of government. They want a united nation with steady progress and that is what this Government is giving them."

If he followed the example set by his predecessor in office (Conservative Leader Bennett) he need not issue writs for the next general election until November 9, 1940, the Prime Minister said. The election need not be held until the following year so long as it was in time for Parliament to meet and vote supply before March 31, 1941.

The Prime Minister referred to his statement of several months ago on the possibilities of a general election. At that time, referring to election rumors, he said the best guess would be late in 1940, unless something unforeseen arose.

"Nothing has happened since that

DEBS TO DEMONSTRATE THAT BOYCOTT IS CHIC

Cotton Stockings and Rayon Gowns to be Feature of "Fashion Show" in Washington

WASHINGTON, Jan. 31—Cotton-hosed debutantes wearing the latest Paris creations tonight prepared to give Washington a preview peek at the boycott belle of 1938—or what the smart woman will look like if she stows buying clothes made of Japanese silk.

Labelled a "fashion show," but in reality a development of a boycott move against Japanese goods, the affair sponsored by the Washington League of Women Shoppers, will be held next Friday at the home of former Governor and Mrs. Gifford Pinchot of Pennsylvania.

It is designed to prove that the industrious silk worm can do no better than the American sheep which gives wool, or the trees that yield cellulose for Northern mills to weave into rayon.

And for these males, who fear that the day of the sheery clad feminine ankle may vanish like the moustache (Continued on Page Four)

Miss Helen MacDougall Is Directing Annual Home Crafts Course

TRURO, N.S., Jan. 31—The annual Home Crafts Course, being conducted for the first time this year in conjunction with the N. S. Department of Agriculture and the Federal Department of Labor opened last week at the N.S.A.C. with a full registration of 30 young women from all parts of the province. The annual four weeks' course is under the direction of Miss Helen MacDougall, director of Women's Institutes for the province.

In an attempt to provide training of a vocational nature during times of unemployment, the Provincial and Federal departments were interested in the cause through Youth Training Movement which today embraces all parts of Canada. A wide scope of activity in the vocational field is open to the young women and this annual short course has been expanded to fit these needs. In the short time of four weeks these 30 young women whose ages vary from 18 to 30 will have had supervised instruction in training in cooking, household management, home nursing, laundry work glove making and knitting as well as many other useful activities for persons about the home.

BELIEVES UNITED STATES WOULD PROTECT CAN.

PLYMOUTH, England, Jan. 31—Lord Marley, Labor peer and deputy Speaker of the House of Lords, said last night that in his opinion the United States if necessary would protect Canada from invasion by Japan on the west coast. Lord Marley returned from a North American tour.

Canada had little to fear from a threat of Japanese invasion, he said. The United States, was so vitally concerned there should be no foreign foothold in Canada that the Seattle naval base would protect the Canadian coast.

The United States was prepared to co-operate in any movement to ensure world peace, Lord Marley added.

300 Killed, Most Destructive Insurgent Air Raid

BARCELONA, Jan. 30—Two destructive insurgent air raids today killed more than 300 and wounded 700 in this capital of the Spanish Government. One hundred and fifty-eight of the dead were war orphan children.

Semi-official estimates said seven hundred were wounded while unconfirmed reports declared another three hundred were killed in a flooded bomb shelter during the city's most destructive aerial attack of the civil war. Dozens of 440-pound bombs were used.

The 158 children died crouching in the basement of an old church where they took refuge from an adjoining orphanage.

time to change my opinion and I cannot foresee the possibility of anything necessitating an election in the next year or two at any rate.

"But if at any time I have reason to believe we no longer enjoy the confidence of the people there will be a general election without any delay. I can assure you of that."

GERMANY SEES MUCH TO REJOICE AT AFTER FIVE YEARS OF HITLER RULE

Ending Unemployment, Restoration of Friendships and Elimination of Parties

BERLIN, Jan. 31—Totalitarian Germany today celebrated the fifth anniversary of Adolf Hitler's rise to power with parades, speeches and praise for the chancellor's solution of five major problems since 1933.

While Hitler and his aides turned to the future and the still unsettled questions of German colonial aspirations, foreign relations, economic self-sufficiency, and the place of the church in the National Socialist state, the Nazis throughout the country reviewed the handling of these problems:

Unemployment—Practically eliminated by introduction of compulsory

labor service, conscription of all able-bodied men for two years of military service, a vast program of roadmaking, land reclamation and construction of public buildings.

Versailles Treaty—Restrictions of the Great War peace treaty broken and Germany transformed into a first-class military power.

Jews—Germany stands in a fair way to drive Jews completely out of the Reich's economic sphere as they already have been driven out of social and political life.

Politics—Once a country of two dozen political parties, the Reich now has but one, the National Socialist. All others have been abolished.

International isolation—This was almost complete in 1933 but now Germany has close alliances with Italy and Japan and enjoys a special friendship with Yugoslavia, Poland, Hungary and Rumania.



Adolf Hitler

GENEVA WISHES REMAIN NEUTRAL IN THE FAR EAST

(Special to The Daily Mail)

GENEVA, Jan. 31—A bill brought in by Maxime Litvinoff was thrown out by the League of Nations Assembly. The bill proposed economic aid to China in her war with Japan. That Switzerland wishes to remain neutral was signified by a majority of the representatives.



Maxime Litvinoff