RECORD BANK TOTALS REFLECT WAR EXPENDITURES

"Banks have a highly important role"
—Tribute paid to Staff by H. D. BURNS

***General Manager*—THE BANK OF NOVA SCOTIA AT 111th ANNUAL MEETING**

In his annual address on February 3rd, Mr. Burns reviews the Bank's statement, comments on Canada's "strong and determined financial policy," and other matters of general interest. A part of his remarks are given below.

In reviewing the Bank's statement Mr. Burns pointed out that total assets, at a record level of $410 millions, show an increase of $30 millions over the previous year, and referred to increases in deposits of $42 millions and in the investment account of $28 millions. He stated that these increases reflect the very large wartime disbursements to industry and the Bank's participation in Government short-term financing. He said that Dominion Government taxes of $1,357,773 were increased by over $295,000 as compared with 1941 and a small reduction shown in net profits after taxes and usual appropriations to contingent accounts.

H. D. BURNS

Loaning Business

In this connection, Mr. Burns said, "We referred last year to the fact that many of the country's war activities were being financed by Government advances and, also, that business generally was in a relatively strong working capital position. This situation still exists, and with the prospect of further curtailment in the output of civilian goods, the immediate outlook for increasing our loaning business is none too promising.

"Total loans are $126,777,447—a net increase for the year of $3,100,000, accounted for in loans to assist subscribers to the Third Victory Loan."

Dividend Modest

In referring to earnings, he said, "At times one hears of comments made to the effect that Bank dividends are too high, but those who hold this view overlook the fact that dividends are usually announced as a percentage of capital only, but actually are earned by the entire shareholders' investment represented by the combined capital, reserve fund (a good part of which was paid in by shareholders as premium on new issues of capital from time to time) and undivided profits, all of which are employed in the Bank's business. When this is taken into consideration the dividends paid to our shareholders last year show a yield of only 3.7% on the shareholders' investment and at the new rate of dividend the return will be even lower at 3.2%. The fourteen year 3% bonds of the Third Victory Loan were offered in October last at a price which gave a yield of 3.06% to maturity and in comparison with this the dividend return to our shareholders is indeed a modest one."

Branch Closings

His further remarks included the following:

"In accordance with Governmental policy of reducing non-essential services and to relieve the manpower situation, the Banks generally have cut down their Branch distribution and in 1942 have closed 187 branches and sub-branches. For our part, we have closed 15 branches and 1 sub-branch and we now have 240 branches in Canada and 37 branches elsewhere. Almost all of these closings were exchange arrangements with other banks, so that our volume has not been affected. It is a matter of regret to us that wartime conditions have made it necessary to close branches at points where we have been represented for many years, and it has meant the severance of relations with friends and customers of long standing. However, this is one of the inevitable consequences of the total war effort which makes such great demands on the manpower of the country. It is quite possible that further reductions in the number of branch banks in the country may have to be made in 1943, but it is the general policy of all the banks to see that provision is made for adequate banking facilities throughout the Dominion, because it is recognized that banking service in all sections is necessary for the conduct of the general business and war activities of the country."

Bank Staff Provides Services to Government

"The banks have a highly important role in the various financial measures which the Government has found it necessary to adopt under wartime conditions and in this your Bank has played no small part. The Government is continuing to make extensive use of the trained staff and widespread branch distribution of the banks; and, in addition to the services previously given, the banks during the past year commenced the issue over the counter of War Savings Certificates direct to the purchasers. They, as usual, handled the servicing of subscriptions to the Second and Third Victory Loans which were issued during the year. It would be most difficult, if not impossible, for large, popular issues of Government bonds of this character to be made without the expert personnel and widespread facilities of the Chartered Banks. The payment of milk subsidies on behalf of the Government is a new service recently undertaken, and it is quite possible that the banks may be used further by the Government in the development of its plans as the war goes on."

Tribute to the Staff

"During the past year 310 additional members of the Bank's staff joined the Armed Forces and we now have a total of 723 of our young men and 11 of our young women on Home and Active Service. This is the first occasion where we have had enlistments from our young women employees to report to the shareholders. Of our male staff of military age 51½% is now in the Armed Forces. Recently one of our officers was awarded the Distinguished Flying Cross, which is a matter of pride to us all. It is hardly necessary for me to say how interested are their former associates and the executive in those members of our staff who are serving their country, and that our united and best wishes, and kindest thoughts are with them at all times.

"Last year we had the unhappy duty of reporting three casualties, and one missing from our staff on military duty, and it is with great regret that we now record further losses of this character. During 1942 there have been nine killed in action (one of whom was previously reported missing) amongst our staff overseas, additionally, two have died in Canada, four are missing and one has been made a prisoner of war. Since the outbreak of hostilities, therefore, eleven of our men have been killed on Active Service overseas, four died in Canada, four missing and three prisoners of war. To the relatives and associates of these young men we extend our fullest and heartfelt sympathy.

"Increased business activity and staff enlistments have resulted in a considerable change of personnel at our branches. The total number on our staff is 2,832, an increase for the year of 126. This increase is entirely represented by young women, whom we have recruited to our emergency staff, there being now 1,384 as against 911 a year ago and 487 at the outbreak of war. To them and to our male officers we extend our sincere appreciation and thanks on behalf of the executive for their devotion to duty during the past year, which has enabled us to maintain generally our usual high standard of service to the Bank's customers."

Would Add 3 Cruisers To Canadian Navy

OTTAWA, Feb. 3—(CP) — Proposals that the Canadian navy should be strengthened by addition of three cruisers, a charge that the Canadian Broadcasting Corporation was being used as a government agency and an indication that the Senate may set up a special committee to study a social security program were heard in the Upper Chamber today.

Senator C.C. Ballantyne, Progressive Conservative Senate Leader, continuing debate on the address in reply to the Throne speech, proposed the Dominion should add three cruisers to its strength and asked for specific information from the government on Canada's cargo vessel program and other details of the war effort. Senator Ballantyne was Minister of naval services in The First Great War.

The Government Senate Leader, Dr. J.H King, said the social security program was one of the important features of the Throne speech and it would probably be found advisable for the Senate to appoint a special committee similar to that proposed for the Commons.

Dr. King said he would consult with members of the Government as to whether the Senate would be represented on the proposed commons committee or whether it would be more advisable to have a separate committee.

Senator F.B Black (Prog. Con. New Brunswick) said that the CBC was failing in its duty to the Canadian people and was being used as a government agency.

Reviews Wartime Finance Problems At Bank Meeting

HALIFAX, Feb. 3—(CP) — Control of prices, the easing of shortages of essentials and the supplying of manpower, not only for the fighting forces but for the basic industries, are problems of first concern for Canada and the Canadian Government, said J.A. McLeod, President of the Bank of Nova Scotia at the annual meeting of the bank's shareholders here today.

Canada's price control policy has been remarkably effective, said Mr. McLeod, and the cost of living had risen only about two per cent in the 12 months ended Dec. 1, 1942. But pressure on the ceiling was severe, the result chiefly of growing shortages, the increase of spending power and rising costs abroad. The Government had found it necessary to resort to subsidies to meeting the greater costs of imports and also domestically in order to stimulate output without increasing the costs to the consumer. Subsidies involved substantial costs to the public treasury but that was the lesser evil. It was necessary to battle against inflation with unabated vigor.

The speaker reviewed the National war effort, and touched on problems of post-war adjustment. The greater problem, he felt would be the supplying of adequate employment and economic security for the people. In this connection Mr. McLeod suggested the Beveridge plan was worthy of most careful study. He saw no threat to free enterprise in the present wartime controls of business. These controls have been introduced mainly to combat the effects of shortages and should be removed gradually as the shortages disappear.

H.D. Burns, General Manager, reviewed the bank's annual report, recently made public. The bank's net profit of $1,860,262, was down about $75,000 from the previous year. About $295,000 additional taxation had accounted chiefly for the

Debate Is Continued

OTTAWA, Feb. 3—(CP)—Canadian Labor is "fed up" with being told it is unpatriotic when it seeks adjustment of low wages and wants a new Minister of Labor to replace Hon. Humphrey Mitchell, Stanley Knowles (C.C.F. Winnipeg North Centre) said in the House of Commons today.

Making his maiden speech in the House during debate on the throne speech, Mr. Knowles said both organized and unorganized labor was "up in arms" against the Minister of Labor.

As a trade unionist and posing as a labor man, Mr. Mitchell was willing to administer the government policy as it now stood.

"If it isn't one thing, it's another—but labor must be kept down," said Mr. Knowles.

"That is the policy of the government, and no one—least of all a labor man—can expect to administer such a policy without a storm of protest from Canadian labor."

Mr. Knowles was one of four speakers who participated in the throne speech debate today.

Others were Dr. F. W. Gershaw (Lib. Medicine Hat), Robert Fair (N.D. Battle River) and T. L. Church (Prog. Con. Toronto Broadview).

The House gave third reading to a bill extending the term in office of Chief Justice Sir Lyman Duff of the Supreme Court for one year.

Dr. Gershaw said greater assistance should be given the farming community. Old age pensions should start at an earlier age and provide more comforts, with the cost-of-living bonus added to amounts now paid.

Mr. Fair said among the shortcomings of the government's program was the withdrawal of payment for storage of grain on farms.

The shortage of farm help was one of the factors in the loss of farm production, he continued. Many young men necessary on farms were given postponement of compulsory military training only until a certain date.

House Committee To Study Insurance

OTTAWA, Feb. 3 —(CP)—Prime Minister Mackenzie King today told a questioner in the House of Commons that it is not the intention of the government to introduce a national health insurance bill until a select committee soon to be appointed has reported on the whole question of social insurance.

The question was asked by Gordon Graydon, Progressive Conservative Leader.

Says Packers Often Lose Under Ceiling

QUEBEC, Feb. 3 —(CP)— J. S. McLean, president of Canada Packers Limited, testified in court of King's Bench today that packing companies frequently had to lose money by selling meat at Government ceiling prices.

His evidence was heard as the appeal of the company against a $7,000 fine after conviction on charges of price board regulations infractions continued.

Mr. McLean told the court that on numerous occasions lower grade meats cost packers more than ceiling prices on high quality meats because farmers held back their stock for United States who paid higher prices than the ceiling allowed. When such meats were sold at the "appropriate reduction" from the ceiling price provided for top grades, it meant a loss for the packers.

STRAINS, SPRAINS
MUSCULAR PAINS
DR. THOMAS' ECLECTRIC OIL

Girl On His Hands

By JOSEPH CHADWICK

CHAPTER XXVIII

Virginia fought down her first alarm. She invited Inspector Burke to sit down, and took a chair facing him.

He took out a notebook, opened it, studied its pages a moment. Then: "Miss Dane, you recently returned from Rio de Janeiro on a Clipper plane, arriving at Miami on the twenty-second of last month. Am I right?"

"That's right."

"Had you been in Rio long?"

"Three months."

"Were you there with your father, Roger Dane?"

"Not exactly. He was there at the same time, but we stayed at separate hotels."

"Did you see him frequently?"

"Yes—of course."

"Have you seen him since returning home?"

"No. I have neither seen him nor heard from him. However, I've been told by a friend that he recently arrived in New York. I don't know whether he's still there."

Inspector Burke made a note in his book, then looked up.

"Did you know that your father had some industrial diamonds in Rio?"

"Yes, I knew."

"Can you give me any idea how large an investment he had?"

"I can't," Virginia replied, "but I am sure his investment wasn't large. I—I had to help him financially."

"Did he ever say to you that he hoped to make a big profit on the diamonds?"

"No. I gathered that he merely hoped to get enough money to pay his current expenses. I don't believe he expected to sell the diamonds for more than five thousand dollars."

Burke was silent for a moment. Then: "What I really came for, Miss Dane, was to locate your father. I thought you would know where to reach him. Have you any idea how to get in touch with him?"

"No," said Virginia. "I know that seems odd, but Dad and I seldom correspond."

"Do you expect him to visit you soon?"

"I don't think he will come here. He and my uncle, with whom I'm staying, do not hit it off."

"I see. Well, I believe that's all I have to ask you. Thank you."

Burke snapped his notebook shut, pocketed it and stood up.

Virginia rose, too. "Do you mind telling me what is wrong. Do—do you perhaps think Dad may have smuggled his diamonds into this country?" She had to know what the inspector wanted.

He gave her a thin smile. "I was wondering why you didn't ask that question. I was beginning to think you might already know the answer. Yes, we do suspect that Roger Dane brought diamonds into the country without declaring them. We had a tip from Rio."

"If he did, what will be the penalty?"

"That would depend on the value of the diamonds." Burke paused. "And there are other circumstances in this case."

"What do you mean?"

Burke hesitated a moment, then gave a slight shrug. "As a matter of fact, Miss Dane, there has been a theft of diamonds in Brazil. A man named Van Meer reported to the Rio police that he had been robbed of fifty thousand dollars worth of stones. He suspects an American whose description fits Roger Dane."

Virginia felt the color drain from her cheeks. Her knees were suddenly weak. This was the worst trouble her father had ever been in. He had never before, so far as she knew, stooped to thievery. His business deals often looked shady, but she couldn't believe that he would actually steal.

She braced herself with an effort. "I can't believe it is true. I'm sure my father —" She broke off, feeling it was useless to plead for him, to defend him.

When Inspector Burke was gone, she sat trying to quell her fears, but they only increased. She remembered how worried Arturo had been about the diamonds and how anxious he had been for her to get them out of her hands. Was it possible that he knew her father had stolen them and fearer she would be suspected of complicity in the theft if they were found in her possession?

If only Arturo were still here! She felt the urgent need of his help. To whom else could she turn? Margaret Bailey and her uncle were both away. There was nobody—unless—

John Stacy!

She didn't stop to think. She merely knew tha he would have to help and advise her.

In five minutes, she was in her car, on her way to his office. She would tell him everything. He would know what to do. . . .

Not until she had almost reached the Mitchell Motors plant, did the fear come that he might refuse to help her. There was San Juan between them. He hadn't forgotten how she had laughed at him. . . .

(oT be Continued)

The Canadian Parachute Corps wears distinctive uniform badges. The upper illustration of the cap badge combines the flying aspect of the service as represented by the wings; the jumping as represented by the parachute and the maple leaves identifying the corps with Canada. The centre illustration of a collar badge shows the paratrooper's hand with unsheathed dagger dropping from a cloud "Ex Coelis" meaning "Out of Heaven" conveys the suggestion that paratroopers drop from the clouds behind enemy lines and use their highly-specialized fighting ability to full advantage. The uniform buttons illustrate a maple leaf suspended from a parachute, partially surrounded by the word "Canada."

Canadian Army Photo

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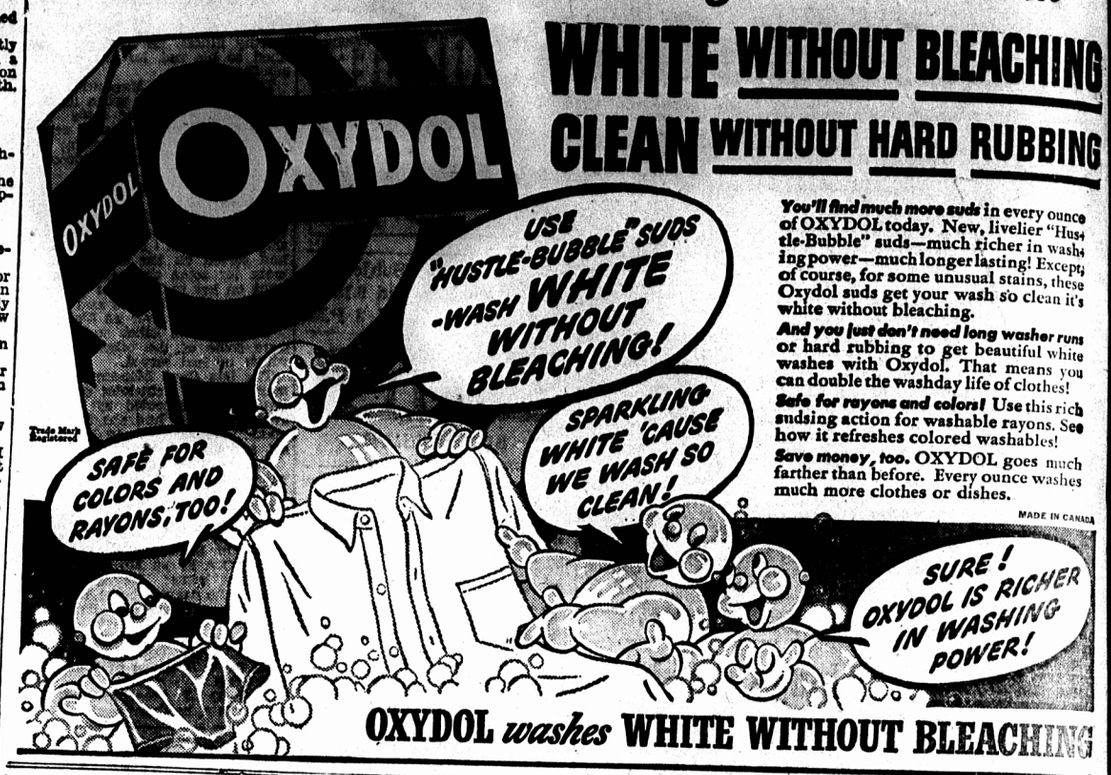

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MADE IN CANADA

OXYDOL *washes* WHITE WITHOUT BLEACHING

Importance of Press Stressed In Senate

OTTAWA, Feb. 3 —(CP)— Senator W. Rupert Davies (Lib. Ontario) tonight urged in the Senate that the government adopt a policy under which important news, when it develops, will "be given to the press immediately and not held back to make possible an evening or Sunday broadcast."

Senator Davies, making his first address in the Senate, seconded the address in reply to the speech from the Throne. He said it was significant that the address should be moved and seconded by Senators who are newspaper publishers.;

(Senator Davies is publisher of the Kingston, Ont., Whig-Standard. Senator P. R. DuTremblay (Lib. Quebec), who moved the address, is publisher of Montreal La Presse).

"I trust I am not taking too much for granted when I assume that those in high places have decided once again to give to the press of this country the place of honor which it once held in their minds, and which it still holds in the mind of the public," said Senator Davies.

"The newspaper publishers of this country have not appreciated the second place to which newspapers have recently been relgated by those in authority who have important pronouncements to make to the people of this Dominion.

"Newspaper publishers realize, as well as every one realizes, that broadcasting over the air is here to stay. They realize 'that it is a quick and convenient way to spread spot news across this continent; but they do not admit that it is the best way for those in high position to give to the people of this country long and important messages which they desire them to 'read, mark, learn and inwardly digest.' "

Place of Newspapers

The place of newspapers as the most powerful factor in the dissemination of news is substantiated, Senator Davies said, by an increase in newspaper circulations in Canada of between 10 and 12 per cent since 1938.

In 1920 there were 111 daily newspapers published in French and English in this country, with a total circulation of 1,661,326 copies Senator Davies said. "Today, 88 dailies have a circulation of 2,364,844.

"When we realize that the latest available figures give the number of homes in Canada at 2,660,000, it is seen that even after allowing for some duplication, there are less than 500,000 homes in this country which do not take either an English or a French daily newspaper."

There was an increasing tendency on the part of those in responsible positions to use newspapers to whet the appetites of people for announcements to be made by radio.

It was unfair to expect newspapers to build up an audience and then carry second-hand news which would lose three-quarters of its effectiveness if it were not carried by the newspapers, he said.

"Is it too much to ask that when important news develops it be given to the press immediately and not held back to make possible an evening or Sunday broadcast?"

Scores Attitude Of Board Officials

OTTAWA, Feb. 3—(CP)—D. K. Hazen (Prog.Con. Saint John Albert) said in the House of Commons tonight he had been informed that Prices Board officers had told business men they did not "give a damn" about the middle man.

In continued debate on the address in reply to the Throne Speech, the New Brunswick member sharply assailed regulations issued by the New Brunswick Dairy Products Commission covering milk deliveries in Saint John, N.B., which he said had been approved by the Prices Board.

He said the regulations, forbidding milk vendors to deliver to stores, hotels and institutions, meant their best business went to the dairies.

"This is Hitlerism with a vengeance," said Mr. Hazen.

He did not protest price control, but said he did believe that those whose livelihood was affected by such regulations should be compensated and middle men and small businesses should be protected.

Organization Helps Fishermen's Problems

SAINT JOHN, N.B., Feb. 2 —(CP)—The value of Maritime Fisheries in 1938 was no greater than in 1885 and fewer persons were employed in the industry in 1938, the Saint John Board of Trade was informed today in an address by A.L. Barry, Halifax, chief supervisor of Fisheries in the eastern division.

Decline of the industry in New Brunswick was due to lack of organization, education and co-operation, he said. On the other hand, many fishing communities previously on relief became self-supporting even before the war boom, owing to establishment of credit unions. About 400 of these unions in the Maritimes had built up savings of more than $2,000,000.

"Rugged individualists" were realizing they would go under much faster without co-operation than with it. Today's great need was equipment for producing more fish, The fisheries department had this under consideration, and it would require extension of long-term credit to the fishermen, said Mr. Barry.

Preparing Memo On Farm Problems For Federal Gov't

CALGARY, Feb. 1 — (CP) — Preparation of a memorandum to be presented to the Dominion Government by executives of the Canadian Federation of Agriculture was underway today.

The memorandum, containing resolutions approved at the seventh annual convention which ended here during the weekend, will urge establishment of a food ministry, modification of price control regulations, establishment of $2.50 a bushel for flax and no sale of wheat for domestic consumption at less than $1.35 a bushel.

Approved resolutions also urged establishment of "adequate tribunals" to deal with farm debts and development of an export market for oats and barley, especially to the United States.

An adequate plan of crop yield insurance and establishment of a board of livestock commissioners was suggested.

The federation at its closing session, protested the Dominion Government's action in announcing the 1943 grain policy before consulting representatives of organized agriculture.

Telegrams were forwarded to Prime Minister Mackenzie King, Trade Minister MacKinnon and Agriculture Minister Gardiner.

Flynn Dropped As U.S. Minister To Australia

WASHINGTON, Feb. 3 —(AP)— President Roosevelt today withdrew Edward J. Flynn's nomination as United States Minister to Australia amid overwhelming indications that the Senate would not confirm it, and the bitter three-week controversy subsided.

It was administration's first outright rebuff from the new Congress and the first time Mr. Roosevelt has had to back track on a diplomatic nomination.

Informed Legislators said administration Polls of the Senate had indicated that Flynn's nomination to the Ministerial post, paying $10,000 a year, would have been rejected by at least 10 votes.

There was no immediate indication as to Mr. Roosevelt's second choice for the post, although the name of Joseph C. Grew, former Ambassador to Japan, was prominently mentioned.

COFFEE'S ORIGIN

The origin of coffee is traced by most authorities to Abyssinia.

Yanks Threaten Rommel Lifeline

ALLIED HEADQUARTERS, North Africa, Feb. 3 —(AP)— American tank crews were dug in astride the railway one mile east of Sened and 47 miles from the coast in Central Tunisia today where their wedge poised a new threat to the lifeline of Field Marshal Erwin Rommel.

From the east the British 8th Army continued its eight-mile-a-day advance since taking Tripoli and was reported in contact with the Rommel rear guard at Ksiba, only 12 miles from the Tunisian frontier, after passing through Zelten.

Although the American column of medium and light tanks and armored half-tracks scored an unexpected success by taking Sened yesterday and remained to establish a strong spearhead in the position during what had been scheduled as a mere raid, Allied headquarters frankly acknowledged a lack of the necessary punch farther north where the Germans still hold strong positions in Faid Pass.

WAR'S SACRIFICE

The moonbeams shine down from a star-specked sky,
And God in pity looks down upon those souls who cry.
The battle for existence rages o'er the rolling sea,
And gal ant men die that you and I may be free.

The cold cruel waves of the ocean leap and splash
The signal sounds and seaman fight as slaves beneath the lash,
They raise their eyes to God and cry a prayer,
Oh God we fight for home and loved ones there.

In fear and horror every minute they must live,
They know their duty and their all they give,
And may the Master within that Golden Gate above
Bless them with His protection and His love.

A mother's fear filled heart it pleads in honest prayer
God guard my son who is fighting over there,
That in mercy God he may return to me again,
And raise my heart to joy from out of pain.

Such is this war the suffering and the pain
The broken hearts, the waiting that's in vain
Mothers, wives and sweethearts give their loved ones to the sea,
And brave men die that you and I may be free.

—H. B. Cameron,
Kensington.

DIE OF HEART DISEASE

More physicians die of heart disease than of any other cause.

Minard's Kills pain.

British Eighth Army troops pass a group of burnoosed natives as they speed along the highway to take part in the capture of Tripoli, one-time Axis stronghold and proud "jewel city" of the now-fallen Italian Empire. British kept right on going, pursuing Rommel's troops along the westward road to Tunisia

Credit NEA Radiophoto