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Iona and Vicinity

Miss Georgina Kelly, student at Prince of Wales College, spent the weekend at her home in Valley.

Mr. James Praught, Alberry Plains, was in Iona on Thursday inspecting potatoes.

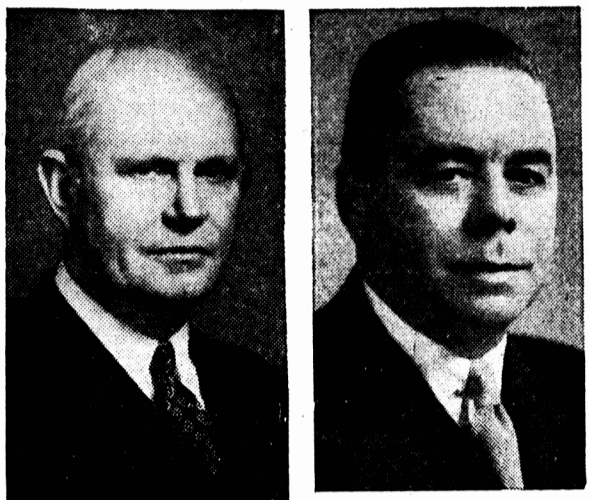
Mr. and Mrs. Andrew Murphy spent last weekend at Iona, guests of Mr. Murphy's parents, Mr. and Mrs. Frank Murphy.

The residents of Iona were sorry to hear of the death of Mrs. Catherine McLane on Friday. Her funeral, which was largely attended, was held on Sunday afternoon, December 5th at 3 p.m., to St. Michael's Church, Iona.

Most farmers in this area got their fall's threshing cleaned up within the past two weeks by Mr. Finley MacDonald, Finette, and Mr. James Connolly, Iona.

Mr. John Connolly and daughter, Mrs. John Hughes, left last week on a trip to Boston, where they will visit many relatives and friends.

The rush of gravel, sand and stone for this year seems to be about over. During the last couple of weeks many trucks were engaged in hauling stone from the road sides and fields to the approaches at Finette Bridge. Mr. McQuaid finished his contract there on Saturday, December 4th. Many bitter complaints were voiced from the many truck drivers re the disgraceful condition of the roads.



B. C. Gardner, M. C. President, and Gordon R. Ball, General Manager, who addressed shareholders at the Bank of Montreal's 131st annual meeting.

Increased Saving Essential To Further Economic Progress -B of M President, Gardner

Good Business Practice Seen As Basic Essential Of Good Public Relations

GORDON R. BALL, GENERAL MANAGER, TELLS OF RECORD DEPOSITS WHILE LOAN RISE LESSENS

A stronger rein on prices by means of more flexible interest rates and a greater proportion of equity capital in corporate financing was advocated by B. C. Gardner, president of the Bank of Montreal, at the 131st annual meeting. Underlying Mr. Gardner's comments throughout was the emphasis he laid on the need for increased saving. "Capital," he said, "is the product of thrift."

"Whatever the form such capital may take, be it plant, machinery, agricultural equipment, power developments, transportation facilities or anything else designed to improve the productive process," the speaker observed, "it cannot come into existence unless the community in some way or another saves something out of its current production."

Speaking at the same meeting, Gordon R. Ball, general manager, stated that B of M deposit accounts had increased rapidly during the year. Deposits of \$1,877 millions were at the highest level in the bank's history. Commercial loans amounted to \$403 millions, he reported. While larger than the corresponding total at the end of 1947, the increase showed a "leveling-off of commercial loans" when compared to previous post-war years.

"Looking back over the year, the dominant impression is one of almost feverish activity," Mr. Gardner said. "The nation's productive mechanism has been taxed to capacity, but its temperature, in terms of the price level, has been rising a good deal more rapidly than its actual output."

Technical Progress Needed

Emphasizing that, with practically full employment in Canada, the limits of further economic advance were physical rather than financial, the president called for a wise and energetic immigration policy and, particularly, for "speeding up our rate of technological advance."

He pointed also to the fact that the gross value of Canada's production had tripled approximately, since 1939, while "our national output has probably increased during this period by something like 80 per cent."

Turning to the causes of inflation, Mr. Gardner commented that, for two years, "we have been experiencing in Canada a boom in capital expenditures for new plant and equipment of all kinds. Capital expenditures, including housing, had mounted to an estimated \$3,000 millions this year as compared with an annual average of \$700 millions in the five pre-war years 1938-42."

While the standing of the necessity of steady technical progress this capital program was encouraging, Mr. Gardner observed, evidence suggested that the present substantial diversion of funds into capital expansion has not been matched by an offsetting increase in saving in its various forms. "The result was competing demand for both capital and consumer goods," and a strong impetus to the upward spiral of prices and costs."

Anti-Inflation Measures

"During the past two years the Federal Government has operated at a substantial surplus, which of course has directly reduced inflationary pressures by drawing off purchasing power from the economy," the speaker said. This was sound policy under the circumstances, but he urged "governing bodies" to trim all but "absolute" necessary outlays from their budgets. Existing levels of taxation had an adverse effect on the public's saving capacity. Action on the part of the chartered banks in modifying their policies of lending for capital purposes had also dampened "the inflationary element in a situation of over-investment in relation to saving."

Urging "more effective measures" than these, Mr. Gardner recalled the times when, with demand for capital straining the community's resources, the interest rate would gradually rise, stimulating saving and reducing the rate of capital outlay. Calling for a return to this practice, he admitted doubt as to whether "such a move would appreciably stimulate saving," but added that "a more flexible rate structure would be of great psychological value as an indication to the business community that capital expansion is proceeding at an abnormally high rate."

The B of M president also

Chateau Sinister

By Leslie Beresford

"So they were all shuttered up and barred in, were they?" O'Hara seized instinctively on this piece of information.

"Just as if they were expecting a police-raid, or gangsters. I put it that way to them, as a matter-of-fact, though quite politely, of course."

"They didn't offer any explanation?"

"No more than a couple of eysers would have done" Rittenburg laughed. "Anyhow from what you've just told me, they were safer from outside than they were from each other. Matter-of-fact, of the two, I'd have betted on old Fayne as the cutter. However, whatever happened to either, the old Chateau's better with a girl like Miss Fayne owning it. She's not worrying, I guess?"

"On the contrary."

O'Hara briefly outlined the exact situation at the moment with the other listening intently, more and more alert and interested.

"Oh, why go to fiction writers for a scenario, when we've one right here, carved straight out of life?" he gasped in the end, and suddenly sensed O'Hara's instinctive impatience.

"I know what you're thinking!" he said. "But, you're wrong, my friend. You can do much worse than approach a story like this from the film-angle, believe me! It's an angle that gets right to the root of things, cuts out all the snags gives motives and reactions the fullest play. Now, just what is this story of yours as we have it at the minute?"

"Briefly, the main issue is that Miss Fayne is clearly the victim of a vendetta, which was pursuing old Fayne till he died, and now is following her up as his heirless."

O'Hara put the case.

"That's the main interest!" the other nodded. "The main issue goes further back, before she came on the scene. The cause of the vendetta and the people originally concerned in it. That's old Fayne and Burnaby and someone or others, so far unknown. The last might be this Egyptian crowd at the villa here, as you say. That doesn't matter at the moment."

"What we've got to worry out, as I see it," he continued, "is the exact relationship of old Fayne and Burnaby. Were they both being followed by this vendetta? If, so why weren't both of them murdered and not only old Fayne? If, as you seem to suggest Burnaby killed Fayne, what was the motive? He didn't get any of Fayne's money, did he?"

Miss Fayne has that."

"It's quite possible of course, that Burnaby didn't murder Fayne," O'Hara admitted. "I merely suggested that his complete disappearance, although he must have read in the papers of old Fayne's drowning, arouses natural suspicion. Why, after living with the man all that time, hasn't he turned up, and given to the police all the evidence he could?"

A "FILM" OF PROTECTION

Rittenburg lit another cigarette, chain-smoker fashion.

"My film-sense suggests several explanations. These vendetta-guys may have killed Burnaby when they killed Fayne. Both were possibly escaping from this neighborhood together. Or, Burnaby may have got such a case Burnaby would probably be too frightened to come out of hiding."

"Again, there's another explanation that fits in with my own opinion of the strained relations between the two as I saw them that night I stayed at the Chateau. Burnaby may secretly have joined those avengers, and—at a price—delivered Fayne into their hands. Then he certainly wouldn't go to the police. This story's a real jig-saw puzzle, and needs a lot of piecing together before we get it right."

"The main issue still remains to my mind, the position of Miss Fayne in the matter," O'Hara insisted.

"I think she sits quite comfortably on top of the world!" Rittenburg chuckled. "If those messages meant business she's prepared. You say she's getting police-protection. And—with our crowd around up at the Chateau—"

"I'm glad you look at it that way," O'Hara offered a harsh shake of the head. "Miss Fayne did ask me if I meant to tell you all this when she indicated you all, but I didn't see the need. Still, as you met Fayne and Burnaby which I didn't know then, it changed everything for me, and I had to tell you. I don't think I'm asking you to take too great risks."

"Risks?" The other laughed. "There's no-one—not even the women—in our crowd afraid of risks. You'd be surprised what chances film-folk have to take every day of their lives putting over thrills for people sitting snug in comfortable seats. So if there's a spot of bother going on—"

O'Hara gestured him to silence. They were being joined by Caryl and Virginia West. Caryl was anxious to return to the Chateau, the others being more or less ready to move right away if Julius Rittenburg gave the word, which he was willing enough to do.

"Name of all names, this is a nice trick to play on me, m'sieur," he said.

"In our general lending policy," said Mr. Ball, "we have been particularly anxious to meet the requirements of small business concerns and individual borrowers. Despite this, it has been alleged from time to time that because of a concentration of financial resources in the larger centers, Canadian business concerns, and small ones in particular, are at a disadvantage in dealing with branch banks in the smaller centers, the inference being that only relatively few have access to credit."

"With this view I emphatically disagree. The full facilities of the entire Bank are placed at the customer's disposal at all of our branches and the number of borrowing accounts on our books is to us a clear indication that our customers' requirements are being properly and promptly met."

"I may say that as at September 30th, last, of the total number of loans on the books of this bank, over 99 per cent were made directly by and at the discretion of our branch managers and local superintendents."

Mr. Ball concluded by paying

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CHAPTER VII
DEAD MEN'S DRAMA

O'Hara welcomed the light-hearted and common-sense company of the film-crowd. Their natural instinct for making themselves at home anywhere and their high spirits, gave to the old Chateau a new atmosphere dispelling its earlier sense of brooding drama.

During the next couple of days O'Hara saw little of Caryl. Rittenburg was wasting no time in getting on with the real purpose behind their stay. In Caryl's company he was choosing the locations for the various scenes, as required by the scenario, and discussing with the others all the arrangements for rehearsals, lighting and camera-work.

Having no interest in this O'Hara roamed around the Chateau which had changed scarcely at all since his time. He noticed that fairly

new and very strong window fastenings and door-locks had replaced those he had known of old. This seemed to explain the hint Rittenburg had thrown out about his night's visit, when the whole place had been shuttered and barred as against a siege.

From old Henri he learnt several facts which supported the report that old Fayne and his companion had lived in fear of their lives for some time. Facts which he had gathered since he and his wife had come here when Caryl took possession. Certainly they consisted of statements from local people, and might have been merely gossip. But their sources were so varied while their substance remained so much the same, that O'Hara wondered why the police had taken no apparent notice of them when enquiring into old Andrew Fayne's drowning. (To Be Continued)

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