

Sees Promising Evidence Of Business Readjustment

Full Text Of Optimistic Address Delivered By President McGregor At Annual Meeting Of Chamber Of Commerce. Success Of Imperial Economic Conference Is Warmly Commented Upon.

HALIFAX, Sept. 14. (By the Canadian Press)—Business in his opinion was on the threshold of the upswing, announced Colonel W. L. McGregor, in the course of his presidential address to the annual meeting of the Canadian Chamber of Commerce here yesterday. Mr. McGregor said this was also the opinion of many leaders in industry. Col. McGregor's address follows:

Three years have elapsed since the depression bore down upon us. Three years, that is to say, if we regard the stock market collapse of 1929 as the beginning which we of the American Continent are inclined to do. Yet in reality it has been established since then that certain important phases of business began to get out of line as far back as twelve or more months prior to the Wall Street break. In other words, we may say that in 1928 there appeared signs of maladjustment which, virtually impossible to interpret at that time as positive indications of a crisis, were yet the forerunners of critical days ahead for business. What has come to pass since then is familiar to all of us. The period has generally been termed one of depression and sometimes more conservatively as one of abnormal business conditions. When we consider, however, that it is largely if not entirely a phenomenon in which relationships are out of line, I am inclined to use the term "a crisis of maladjustment" for it best describes in my opinion the state of affairs we have been and are experiencing. Proceeding, then, with that thought of maladjustment in mind let us consider whether readjustment is becoming apparent and to what extent, for we cannot expect recovery until such a time as the relationships between various types of business get back into lines permitting a flow of goods—in other words until certain fundamental readjustments are effected. Now let me here inject the warning counsel that we business men are better advised to face the facts and voice our candid opinions rather than to veer away deliberately from those ghoulies of the night we prefer not to see. For the wish to be father to the thought is a poor policy in business forecasting.

Prediction Fulfilled

Many of you will remember that last January I released a statement on business which among other things was rather different from many views then held. Subsequent events (fortunately for me) have turned out as I anticipated in almost every sphere. I veered slightly on the too hopeful side as far as domestic business was concerned but still I was not far wrong. I shall admit, however, that what I anticipated was delayed but nevertheless has since transpired successfully. I concluded the statement by saying "the next eight or nine months will probably see a great clarifying of the business outlook. When the business men of Canada meet again for their annual conference in Halifax next September, I am confident that we shall have rich material for discussion and a abundant opportunity for constructive leadership. Being on the threshold of the upward swing to normal, as I believe we should be at that time, the responsibility for laying down sound and carefully considered policies will be all the more profound."

I am glad to be able to state that it is not only my opinion but the opinion of many leaders that we are on the threshold of the upswing. My own reason for so thinking is that readjustments are beginning to be evident in many spheres and in others are being considered for immediate implementation. It is this evidence of readjustment which is so encouraging in the world today and which is in its most striking contrast with the situation a year or so ago when comparatively few had come to a realization that many far-reaching revisions were essential predecessors to any hoped-for recovery.

Now do not misunderstand my opinion. I have not suggested the advent of recovery. How could anybody seriously forward such an idea with 14 million unemployed on this continent alone, with many fundamental industries working at production ratios which approach

standstill and others but slightly better off, with railroads hardly earning anything to resemble a decent dividend, with price-cutting below costs of production still very evident, with agriculture faced with continued low prices and moratoria being declared on farm mortgages and other mortgages too, and with our overseas trade so far below normal that I would rather not refer to it.

Already on Threshold

In face of such facts and many others one cannot trumpet recovery but it can be stated (and it is my own firm opinion) that we are already one step on the way—or as I have chosen to express it above "we are on the threshold." And here are my reasons. Taking agriculture first, it is authoritatively reported that Canada will harvest a really good wheat crop this year while the products of mixed farming are also reported in higher volume. Now I admit that prices are very low and that while bids for some farm produce show signs of higher levels, wheat quotations will most probably remain at near present levels or very little higher. At such levels, however, we shall control markets as U. S. prices are quite out of line. Meanwhile our traders anticipate good business from Europe. In other words, Canada has adjusted her price for wheat in line with what the world is able and willing to pay and we shall do good business at that level and probably liquidate a volume of carry-overs from past years when we were out of line with world parity. The readjustment has started well and is taking place favorably. We may not make big profits but what is, if anything, more important we are working ourselves into a sound position—and a much sounder position than we have been for quite some time.

Then turning to industry and transportation we find very drastic readjustments being made to fit the present circumstance. I believe that some of our manufacturers feel much better as a result of some good financial housecleaning and those now undergoing the unpleasant process will also breathe purer air quite shortly.

Transportation is facing an extremely difficult situation but it is so hand in glove with the conditions of business generally that we cannot expect otherwise. The position of Canadian transportation is such that it was necessary to set up a Royal Commission to analyse the maladjustments apparent. Their proposals for readjustment are awaited but meanwhile our transportation executives have not sat idle but have courageously refashioned their garments according to the cloth.

Sound Banking Situation

In finance we have a great deal to be thankful for in the outstandingly splendid position of our chartered banks. They have readjusted themselves with every turn of business with the result that they are now prepared to meet any change. It is gratifying to Canadians that our finance is in such a strong liquid position that it has not been and is not necessary for governments to come to the rescue with sweeping plans. There have been examples of aid in special cases. I believe that farmers on the whole deserve the assistance they are receiving. It is after all very small. The big thing though is that we are preserved from artificial "pick-me-ups" and other tricks and financial sleight-of-hand which usually prolong a crisis. I would strongly emphasize this exceedingly sound position of Canadian business. I hope that the people are fully appreciative of how much this means.

When we survey the stock markets in New York and Montreal we also discern a process of readjustment which is so plain for all to see that one is inclined to wonder whether it is not ebullient beyond reason. While I admit that the rise may be due in part to an overall condition and the cessation of distress selling, I cannot at the same time overlook the fact that such a rise is suspiciously flavored with the gray of Presidential electioneering. If investors are discounting future business they are discounting a long way ahead of time and will be disappointed. I am of

the opinion that we need to be very wary of this spectacular rise because it is not based on realities as yet. Furthermore we business men should be careful to avoid prognostications based on slim evidences and when so many readjustments are still required.

Lausanne Conference

As to the rise in the prices of the raw commodities, the Lausanne conference no doubt had much to do with restoring confidence. Many are cheered because they feel that the rise is evidence of the economic law of supply and demand again functioning freely. Yet it seems that we should not be too extravagant in hope to the extent to which commodities will rise although the trend can be regarded as the precursor of the end to commercial stagnation. The full return is independent upon the fostering and implementation of a bold co-operative international policy.

When we talk in such vein of these things we come to a powerful realization of the fact that our business is almost entirely dependent upon world conditions or at least the prosperity of major nations. If the crisis of maladjustment to which I refer is not altogether plain to us in the domestic sphere 't is certainly quite clear to anybody who has followed international trends. The economic topsyturvydom of the past few years practically surpasses all understanding. It has been nearly heartrending to look on while the glorious efforts of such men as MacDonald, Chamberlain, the late Herr Stresemann and Bruning (to mention only a few of many) have been blasted by the inept so-called statesmanship of certain other men. The political-financial intrigues beneath the surface in Europe these past few years are almost as scandalous as they are amazing and unbelievable. Delay, excuses and refusal on one hand have counteracted constructive, wise and far-sighted efforts on the other. Lausanne, however, was a climax of a most encouraging nature to a Conference bristling with difficulties and has led Europe a long way on the road to readjustment. Already there can be discerned an easing of the situation. The full effects, however, were bound to be held back in view of our Empire Conference in Ottawa and now that that is satisfactorily concluded business awaits the outcome of the London Conference in December. It certainly seems that the way to international readjustment is much clearer today than it has been for many years—even during "the great prosperity era." But for my part I cannot quite see that the possibilities which undoubtedly exist can be translated into fact while a world Conference is looming which may point the economic compass in any one of several directions. The state of affairs is still unsettled and it is understandable that business at large will not undertake long risks because commitments of today may turn out to have been inopportune. Success at London, however, will unquestionably lead to a further and perhaps final resurrection of hope among the nations and in business which will certainly be a bright light to lighten the darkness, and lead us to fairer land. We cannot expect much before then.

Difficulties In Orient

Looking elsewhere than Europe, we have reason to be a little anxious about the Orient. There is unsettlement there. At the moment it is difficult to suggest what form readjustments will take. The recent upheavals have been very great. We can only wait for a positive trend to assert itself and hope that the trend will not be delayed. In South America also the crisis of maladjustment is prolonging itself. From what can be gathered no very constructive steps of an impressive nature are being promoted. It is probable that when Europe and North America start going ahead that South America will quickly trim its sails and follow in the wake.

Finally, there seems to be widely evident in my opinion an atmosphere of significant readjustment in international policy. Lausanne for example was a tangible indication of what I have mentioned. With the success at the Imperial Econ-

omic Conference pointing the way credit is expanded. What is important is that there should be operation between nations, it may not be too much to hope that the example will suffice the minds of other peoples. The London Conference in December may go far to promote saner economic policy. Already in my opinion there is strong evidence of potentially bold readjustments in tariffs. I believe there is a change of thought in process in the United States for example. This, together with continued pressure from the International Chamber of Commerce and business at large throughout the world is bound to lead to a readjustment of trade restrictions downwards all over the world to something approaching a reasonable level. Add to this, war debts and reparations in which sweeping readjustments are required for the sake of commodity prices and of relieving business the world over from the burden of the deadweight of years of destruction, and one can understand the need for bold statesmanship. It is the lack of such statesmanship which has kept us dragging but I believe we are already past the time when politicians and people are prepared to receive sweeping revisions. Look how the world received the Lausanne Agreement. It would have been impossible five or even two years ago. This is a splendid sign and we can derive encouragement therefrom.

Regaining Supremacy

Meanwhile, bear in mind such major readjustments as the greatly improved economic outlook in Great Britain, the fact that London is regaining its supremacy as the centre of international finance, the financial co-operation being more strongly evident than ever between New York and London, the return of confidence in the U. S. dollar, the firmer tone in commodity markets, and the gradual reentry of funds for investment and of speculators in trade. There are many evidences to suggest that distress selling is over in most lines of raw commodities. There is also strongly discernible the impression that business and governments are gathering the reins into their hands and that we may expect tangibilities.

Yet as I say this, pointing out the while that the outcome of the London Conference is awaited, I cannot possibly overlook the fact that foreign exchange is not operating naturally. It is being operated artificially. I refer, for example, to the managing of sterling exchange. This management is essential at the moment but it cannot go on forever and must in time return to a satisfactory and automatic basis. Neville Chamberlain in Ottawa assured us that it will and it is an open secret that London is aiming at such a basis. That is a necessary readjustment which is bound to come before entirely normal business can be expected.

Confidence In Leadership

Now very briefly I have coursed over a few major phases quite apparent in the world today and we must admit of maladjustment in each one of them. Fortunately we must also admit that at least it is apparent that those in control have clearly recognized the crisis of maladjustment and that in almost each instance to a greater or less degree constructive steps are being taken to effect required readjustment. It is in this fact that I see great promise. I do not feel that we should be ebullient, however, because we cannot help realizing that these readjustments are bound to take time—some of them may probably take a much longer time than I care to say, government finance for example! The fact is that the crisis of maladjustment has gone so very far that readjustment will be difficult, trying and measured. Accordingly, it will require courage, patience and step by step progress. We business men and citizens will require stout hearts, clear minds and steady nerves these coming days.

The readjustments however will be much easier of accomplishment now than they would have been even two months ago. There has been a marvelous and I believe completely sound reversal of sentiment from an attitude of panic which even lest faintly temporarily in the American dollar towards a feeling of confidence in currencies generally. This is a most encouraging sign. It matters little after all whether the volume of currency or

confidence in that there should be the ability of business and business men to overcome. On the whole, therefore, I feel more optimistic today than I have been for many months for after all one can at least find many evidences of constructive endeavors which should be effective towards giving business a chance to get back on its feet.

Governmental Economy

I would like to refer in passing to the necessity of practical readjustments being further evident in public administrations throughout this country. These readjustments should take the form of strict economy. Business for some time past has felt keenly the tax impositions of federal, provincial and municipal bodies and now insists upon policies of public finance more in keeping with the present day. The revisions of governments from coast to coast will on the whole require to be quite far-reaching and in not a few cases these revisions may frankly have to be drastic. It is actually out of the question for public overspending to continue on its present scale. If we are to avoid the danger of crippling the chances of business to progress, Governments in this country must draw in their horns. It is up to the citizens of Canada to make this view articulate to their representatives and also to cooperate with governments in a practical manner to assist them in finding sound means for retrenchment and by ceasing to ask for further public expenditures. The Canadian Chamber of Commerce is committed to throwing its full weight and energies into this important work. It will do its part and has the support of the business leadership of the country in its task. As President of the Chamber I call to the people of Canada also to work individually and co-operatively to the most desirable and in fact essential end of assisting federal, provincial and municipal Governments to economize.

Success of Empire Conference

Another task which faces Canadian business today is the necessity of following up the work of the Imperial Economic Conference. At the unanimous request of organized business throughout the Empire, in which movement your National Chamber here in Canada has actively participated, the Governments of the Commonwealth are readjusting tariffs to facilitate and encourage a more stimulating flow of trade among British nations. We business men have good reason to be extremely well satisfied with the results of the Conference and accordingly it is up to us now to make use of the greater possibilities open to business. Governments have certainly done their part and done it well. Let us appropriately acknowledge our Empire statesmanship. It is now the responsibility of business to promote in a practical fashion greater trade within the Empire which is a policy long since adopted by business. In this work, furthermore, the women of Canada can assist by purchasing Empire goods from at home and overseas rather than those of foreign origin whenever possible. It is important that tariff preferences should be supported by active consumer preferences. Our Empire consciousness can be no better manifested than in our buying across the counters of retail stores.

All the tariff concessions in the world will not create trade. Business can only in the final analysis be the creation of business men. Empire Trade is in its infancy. We must foster it by working in that direction and seeking after the commercial opportunities which undoubtedly exist. If we would know where business is we must go to find it. Stay-at-home salesmanship is no policy for successful Empire and overseas traders. Let us be merchant adventures in the finest and most effective sense of the word.

Time of Opportunity

Gentlemen, in this time we have a great opportunity. It is that we have the opportunity here as well as abroad to readjust many of our past errors. It seems to me that it is a peculiar responsibility for business these days to assure both individually and co-operatively that we rebuild soundly. Leaders are now possessed of a heavier responsibility than heretofore and from impressions I have received on every hand, that responsibility is being recognized and courageously undertaken. The people are looking to their leaders today for wisdom and effective action. They have a right to expect it. And it is my firm opinion that the readjustments necessary to more satisfactory conditions of business, already apparent in some spheres, will be plainly evident as taking

The Story Of An Eclipse

MONTREAL, Sept. 14 — (By The Canadian Press) — Leader of a group of 26 men and women of the Royal Astronomical Society, Miss Mary Proctor of London, came to Montreal "for the simple enjoyment of watching the eclipse of the sun—for one minute and 20 seconds." Miss Proctor ought to know what pleasure there is in viewing eclipses for she has seen four others, one each in Norway, United States, Spain and England.

This vivacious little lady has also written 12 books on astronomical subjects, lectured throughout the British Isles and acted as total eclipse correspondent for the Daily Telegraph of London on occasion, furnishing that paper with an exclusive story of the phenomenon of August 31, this year.

Miss Proctor tells of an interesting experience while acting for the Daily Telegraph during the eclipse of 1927 in England. With other newspaper correspondents she flew from Croeydon to the north of England and rose 5,000 feet, well above the clouds. Unfortunately the pilot had not been warned that it would become dark and just as totally approached, he switched on all the lights. This naturally spoiled the whole show. The pilot duly repented promised Miss Proctor he "would do better next time."

"Do you know when the next 'me will be?' she asked. He shook his head. "1999!"

That was not the worst part of the experience Miss Proctor explained: "The other plane full of reporters did not reach the path of the eclipse in time, and as a result they did not see it. When we landed they followed us and some of them crowded around me and 'stared to my description. They made for London in fast motor cars while the rest of us took the bus. When I got to London here was my own description published in a rival newspaper before my own story was written."

AN ALL ROUND BANK CLERK

MONTREAL, Sept. 14 — (By The Canadian Press) — Holiday-makers returning from visits to some of the smaller French villages "en bas de Quebec" bring back tales of changed times there since handicraft markets have slumped. "It used to be that the women folk made so much money from their spinning and weaving their husbands could take it easy," mused one old sexton as he passed from his labors around the parish church to chat with some tourists. "But now! Well, the men have to roll up their sleeves and go to work. It's not like the old days. The women earned big money then. They worked hard, making home-spun blankets, catalogues and hooked rugs and sold them as fast as they made them. Now the tourists don't spend as much money. 'So the husband must go to work.'"

Some of the women in these districts, tourists say, have been to normal school and often are the only educated people in the place. In one village it is the banker's daughter whom the people go to when they want a document drawn up or some business tangle full of technicalities straightened out. Further on, back in the hills, the daughter of a merchant keeps the paternal accounts and works in the bank of which her father is the agent. Having business to transact a summer visitor sought her at her father's store. She was out showing a gang of men how to build a barn.

shape on every hand in the not far distant future. "We must work hard, however, and supply our minds' best thought to what will be the form and direction of our progress. We require to co-operate the more within business, intelligently and intelligibly. We require courage and support to reject that which is unsound, to inject that which is sound. We must have faith. We must also have sincerity in business."

And it is my candid, unqualified opinion that none are better fitted to these requirements than the people of Canada.

The Household Word For Tea "SALADA" TEA

"Fresh from the Gardens"

Cyclist Killed In An Accident

The young man mentioned in the following article is a nephew of Mrs. George Grant, Pleasant Street. His many relatives here will regret to hear of his death.

(Belmont, Mass., Exchange.) The cyclists who had made up the party who went to Montreal over the holiday week-end served as pall-bearers at the funeral of Arthur W. Baker of 72 Palfrey Rd., Thursday afternoon. Baker was killed in Gardner, Mass., early Tuesday morning as he rounded a curve on his motorcycle.

The funeral service was conducted by Rev. Dr. Heath, pastor of the Waverley Baptist Church. Interment was in Mt. Auburn Cemetery. A wealth of floral tributes testified to the esteem in which the young man was held.

He was one of a group of six local motorcycleists who had spent the week-end in Montreal. When the rest of the party stopped for sleep Arthur and his companion, John Baker of 84 Payson Rd., riding in tandem, continued on. At the intersection of West Broadway and Pleasant St., in Gardner, Baker's machine crashed into an automobile operated by Gabriel Kaupinen of Templeton. Arthur W. Baker, the driver, was almost instantly killed as his neck was broken in the crash. His companion, John Baker, was thrown 20 feet from the machine but escaped with minor bruises.

The injured boys were rushed to the Henry Heywood Memorial Hospital where Arthur was pronounced dead. John was treated for his injuries and discharged from the hospital. Both boys were of the same age, 19, and the same name, but they were not related.

Arthur Baker had lived in Belmont for 12 years and was graduated from the Belmont High School in 1931. He was employed by the local S. S. Pierce store. He is the son of Mr. and Mrs. Edmund J. Baker and is survived by three brothers, Lyman S., Karl W., and Harold E., one sister, Muriel, all of 72 Palfrey Rd. He was a former member of the Methodist Episcopal Church School and had also been a Boy Scout of that church troop.

LENNOX HOTEL

Tourists at Lennox Hotel, Souris, July and August were: Victor Ling, R. H. McNeill, Charlottetown; Marie Peters, Rollo Bay; Mr. and Mrs. W. C. Hoyt, Miss. Alfreda Griffith, J. P. Cannon, F. G. Kelly, Herb Prowse, Charlottetown; M. Collins, Halifax, N. S.; H. J. Poirer, Miscouche; Leo McNally, Montague; Thos. Morrissey, St. John, N. B.; Gladys Hughes, Dorothy Perry, Charlottetown; Willard B. Ferguson, Suffolk; Arthur Moran, Charlottetown; E. E. Featherston, St. John, N. B.; Beatrice Black, New York, N. Y.; Helen McInnis, Harold McCormac, Charlottetown; Russel Brown, Toronto, Ont.; A. H. Affleck, Mt. Stewart; S. C. Wright, Albany; Don Finlayson, Bill Bryant, Charlottetown; H. R. Walsh, Summerside; J. L. Lockhart, Charlottetown; N. H. Embree, Amherst, N. S.; Willard Lank, Charlottetown; Frank Hogan, Wolfville, N. S.; N. G. Eisan, Summerside; Mr. and Mrs. Lesperance, Montreal, Que.; M. B. Martin, Montague; Mr. and Mrs. Herbert Platts, Mr. and Mrs. Milton Bell, Master Myron Bell, J. J. Farrell, Loman Farrell, Charlottetown; J. C. Delaney and son, Magdalen Islands; C. L. McKay, Ralph McKay, Preston Beck, Miss Bertha Stewart, Miss Marion Stewart, Charlottetown; Miss Lavina Morris, Somerville, Mass.; Geo. Brady, S. H. Smith, Mrs. D. D. Morrison, Edison Morrison, Walter E. Burke, Charlottetown; Mrs. J. N. Fitzgerald, Miss Gladys Fitzgerald, Miss Jeanne Fitzgerald, Mr. Edward Fitzgerald, Montreal; G. Austin, Charlottetown; Allison Bernard, Kensington; Miss Hazel Keefe, Charlottetown; Mr. Chester Thompson, Kensington; Miss Cahill, Rollo Bay; N. N. Muttart, Glenda Muttart, Winnifred Muttart, Read Muttart, Summerside; Mr. and Mrs. R. H. White, Toronto, Ont.; Mr. and Mrs. L. G. Henry, Mrs. F. J. Hornsby, Florence Bradley, Miss Irma McInnis, Mrs. Mabel McInnis, Frank S. Carbonell, Stewart Macle, Mary McCarron, Rev. McCabe, Charlottetown; Mr. and Mrs. John McCarron, Boston, Mass.; Gertrude Mc-

How dear to my heart is this beautiful island. With green-spreading meadows and crystal streams pure! A peace of enchantment, with scenery bewitching—O, may its wild beauty forever endure!

Mild sweeps the breeze o'er its red-colored bosom, In the gay morn when the dew diamonds shine! While flowers unfolding drink deep the sweet nectar Which brings fourth their beauty so pure and divine.

Let poets and painters exalt in the pleasure, They picture in climes far away o'er the sea; I sing of an island where nature has built her Eden of beauty more lovely to see.

CHORUS
O' wonderful, beautiful, Isle of the sea!
O' land of enchantment endearing to me!
The home of my birthplace and sweet infant dreams,
I'll mingle my song with the voice of thy streams.
O' wonderful, beautiful, Isle of the sea!
My care and my thoughts are forever with thee.
—F. H. MacArthur

THE LITTLE POEM OF LIFE
I:—
Thou:—
We:—
They:—
Small words but mighty.
In their span
Are bound the life and hopes of man.
For first his thoughts of his own self are full
Until another comes his heart to rule,
For them life's best is centre round their love
Till younger lives come all their love to prove.
—John Oxenhan
Maude—You're dreadfully extravagant. I thought you were saving something for a rainy day.
Ethel—I was, and when I'd saved enough I bought this darling rain-