

Many Difficult and Puzzling Problems Faced in 1933

Never since the first day dawned on the independence of Canada or the United States has either country suffered and endured so many grave difficulties which threatened to dismember her financial and economic system as in the case of America, and has had serious reactions on the economic and financial structure of the Dominion.

No President of the United States ever came into office under more difficult circumstances, and none has faced difficulties that seemed insuperable with greater vigor and greater courage. In the nine months he has been in office, he has initiated an entirely new economic system which at least seems for the present, to be working to eliminate fear and establish a greater sanity in the realm of industry and commerce. Its reactions on Canada have been incalculable.

President Roosevelt went into office with the entire financial structure of the country crashing about his head. Before the decorations and the suitable bunting had been swept away he was in conference with the greatest financial leaders and bankers of the country seeing what could be done to stave off what would have amounted to national bankruptcy. Half the banks of the country were closed as the bands were blaring in honor of his inauguration and for the next twenty-four hours more and more continued to fall.

The year 1933 was ushered in with the amount of the anti-trust bill to the President-elect. In internal politics the name of Hoover, which two years before had been one to conjure with, had now lost its power. Abroad, it was evident to the statesmen of Europe, that what one president might do today, another might undo two months later, and this had an effect of voiding any serious purpose put forward by the president. In Britain a further vote was made to Austria of one hundred million shillings, without serious protest, with the "Great State" of Germany the very annulments which three months ago she swore would never be paid.

One of the last executive acts of President Hoover was to grant an interview to Mrs. Mary Mooney, mother of the famous Tom Mooney, who had been convicted of the Phillips case. Before he was supplanted by President Roosevelt, a new complication had been thrown into the world economic structure by coming off the gold standard. While these were passive moves that added to the world's difficulties Japan was advancing the world.

IRISH FREE STATE

A note of sympathy was struck which echoed around the world when Calvin Coolidge died quietly in his Vermont home. On the other side of the water, de Valera was exhibiting a much more considerate spirit and before January was out, he assented to the Dail and appealed to the electors for a mandate which would give him power to take away the last shred of the ties that still bound Ireland to England. He was returned with the scanty majority of one vote over all other parties combined and all the time he looked no steps to sever the last ties of Empire. He talks now, (December 14th), of submitting the question to a plebiscite which he says is presently it is not severance with England that he was so alarmed about, but of breaking the last ties with the British Empire.

In spite of the fact that there was a president and president-elect, many long discussions went on between England and America with regard to debt discussions, and there was a good deal of political jockeying on this point. In the end, the "Name deal" season. Hoover communicated with Mr. Roosevelt and Bernard Baruch, a staunch supporter of Roosevelt, and appealed to the electors for a mandate which would give him power to take away the last shred of the ties that still bound Ireland to England. He was returned with the scanty majority of one vote over all other parties combined and all the time he looked no steps to sever the last ties of Empire. He talks now, (December 14th), of submitting the question to a plebiscite which he says is presently it is not severance with England that he was so alarmed about, but of breaking the last ties with the British Empire.

HITLER'S VICTORY

The eyes of England and France and of many thinking men in Canada and the United States, were turned towards Germany in the month of the first week of February. Adolf Hitler, was asked to confer with the aged President Hindenburg for the third time. On the first occasion he had gone to receive a severe lecture from the aged president. On the second his reception was slightly more cordial, but on this occasion, he came with full authority to demand that he be made chancellor and form a new party. He pointed out that owing to the recalcitrance of a certain small group of German Socialists, he did not possess a majority in the Reichstag and without such majority any assumption of power would be futile. A general election was held on March 1st, and Hitler, by a vote overwhelmingly victorious, and a month later an Enabling Act was passed, which gave him extraordinary powers amounting practically to a dictatorship.

Two incidents aroused some interest throughout Canada. Early in February, J. J. Harpell, a publisher, who had for some years, been carrying on a bitter and relentless war against the Sun Life Insurance Company, at last came into the folds of the law, and after a brief hearing, was sentenced to serve a term in gaol for perjury. His offence of criminal libel, he appealed to the highest courts, but lost his appeal. During the first week in February, efforts to rush Peter Vergin, head of the Doukhobours out of the country, were frustrated in spectacular fashion, when his lawyers took an airplane from Edmonton to Halifax and just succeeded in stopping his deportation as the boat was sailing.

As the eventful day of March 4th drew near, Ronald Lindsay, the English Ambassador, left on a sudden trip for London, to confer with the Prime Minister. He returned this side of the water some days after the ceremony was completed.

ROOSEVELT ESCAPES ASSASSIN

There was to be one more dramatic incident before the actual ceremony of inauguration of the U. S. President took place. Roosevelt, returning from a twelve day fishing trip, and landing at Florida Beach from young John Astor's yacht, was riding with Mayor Cermak of Chicago through the quiet peace of Florida, when a crazed foreigner, Zangara, shot him, hitting Cermak, who had just a few days later in a Chicago hospital. The first words spoken by the Chicago mayor after he had been hit, were "The man whose life he had saved, was worthy of my sword, may Mr. Roosevelt, I'm glad the bullet got me instead of you. The assassin can't spare you any more."

EXPORTS TO BRITAIN

Canadian exports to the United Kingdom continue to increase her domestic exports during the nine months ending September 30, 1933. The value of exports to the United Kingdom for the period of 1933, compared with the corresponding period of 1932, was an increase of \$22,182,335 or 13.3 per cent.

At the little fishing camp in April. And that whatever might have been Mr. Roosevelt's desire to leave faith with his guest the overwhelming pressure of internal affairs and the chance of a coup in Europe forced him to devote all his time and all his energies to domestic problems.

U. S. OFF GOLD STANDARD

The United States went off the gold standard in April and thereby depreciated the exchange of 30 per cent. The British budget proved that the country was fundamentally sound. There was no increase in the income tax, but a penny was placed on every pint of beer.

An incident that would have been laughable if the issue had not been serious was the melodramatic trial of six expert engineers of the Vickers Company by the Soviet Regime in Moscow. Every use to which propaganda could be placed, was called into play, and the whole of the hearing was as unlike an example of British justice as could be imagined. In the end nothing much happened, for under threat of an economic boycott, which the Russians would by no means have welcomed at this time, the sentences were annulled, one engineer was acquitted, two were banished for life and three expelled from the country. It was not until the embargo was removed that these sentences were made so harmless.

For several months there had been unrest in Cuba. In May there were short outbreaks of rioting so serious as to amount to revolution. General Machado kept his own army, but as President Menocal and while he ruled with an iron hand and by methods that would stop at nothing to obtain his own end his power was

THE LATE GENERAL SIR ARTHUR CURRIE

Imports Shrink Exports Expand

The whole world is looking for any sign that may show the slightest improvement in general conditions and the beginning of the end of the great depression which has now lasted for four years. With the wish that the world might see a sign of life, the people are turning to the figures which are blowing conclusions which are satisfactory to their own desires but are false in their deduction.

Few facts are more reliable in the measure of a country's trade than the figures of its imports and exports. They are the barometer of trade and they show as no other figures can show the upward or downward flow of the trade of the country. From the first year of Confederation accurate figures have been kept showing the volume and value of the country's trade. In 1932 the total value of the goods imported into the Dominion was \$47,000,000, and the value of the exports was \$43,700,000. The figures for 1933 are as follows:

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In the following year there was an appreciable drop to \$46,000,000 of which \$47,000,000 was dutiable. There was a further drop in 1932 to \$37,500,000 of which \$38,488,048 was dutiable. The low point of recent years was reached in the fiscal year ending March 31st last when the value of the imports had shrunk to \$40,286,644 and the exports to \$37,500,000.

U. S. RECOVERY PLANS

During the summer Roosevelt had been perfecting plans for the most gigantic system of industrial recovery ever devised or put into operation by any country in the world. Special codes were provided for every industry under which they were asked to advise themselves to limit the hours worked by their employees without reducing their wages. Those who accepted the code were allowed to display the success of their plan on a sign which was to be written down there is no doubt that the plan was a success. The plan was a success. The plan was a success.

THE ECONOMIC CONFERENCE

Just before the time came for the sailing of the delegates to the great London Economic Conference, the aged financier, little known to the present generation, but who in the heyday of his power had been day after day on the front pages of newspapers, died in abject poverty in a London attic. Horatio Bottomley, prince of swindlers, who had served a long term for extensive frauds, died with no friend with him save the wife who had been his trusted friend through good and evil reputations.

The King, Emperor, opened the Building in London, and 66 delegates attended from various countries. The total number of delegates with office did a number of things. The delegates did a number of things. The delegates did a number of things.

CANADIAN BORROWING IN 1933

Total bonds sold by the Canadian Government and various municipalities during the year to November 30, 1933, which compares with \$403,140,470 in 1932 and \$1,199,569,419 in 1931.		
The last two years' comparative figures are as follows (to November 30):	1933	1932
Dom. Gov. Dir. and Gtd.	\$408,000,000	\$176,200,000
Provincial Dir. and Gtd.	75,891,238	135,150,236
Ontario Municipal	14,431,854	31,498,381
Quebec and Mar. Municipal	27,311,888	55,999,987
Western Municipal	250,000	4,204,766
Sold in Canada	292,631,720	107,027,187
Sold in U.S.A.	60,000,000	82,535,000
Sold in England	73,000,000	13,078,233
Totals to date	\$528,831,720	\$403,140,470

(a) Included \$225,000,000 1933 Refunding Loan.
(b) Does not include 1933 Dominion Loan.

RADIO FAVORITES

The following were judged in their respective lines as being the most popular features in the radio world of 1933.

Dance Orchestra: Guy Lombardo.
Symphony Orchestra: Philadelphia.
Male Singer: Morton Downey.
Female Singer: Ruth Etting.
Classical Vocalist: Lawrence Tibbett.
Classical Vocalist (female): Bowtell.
Harmonists (male): Mills Brothers.
Harmonists (female): Boswell Sisters.
Dialogues: Amos 'n' Andy.
News Commentator: Edmond C. Hill.
Comedian: Jack Pearl.
Children: Skippy.

respectively as against \$7,466,347 and \$20,290,785 in 1932.

For August the imports were \$10,034,288 and \$20,063,719 from the United Kingdom and the United States respectively as against the figures of the two countries for 1932 of \$7,466,328 and \$21,005,238 respectively.

For the month of September imports into Canada from the United Kingdom and the United States were \$7,183,944 from the United Kingdom and \$19,945,373 from the United States. In October during 1933 the total imports from the United Kingdom reached \$10,317,934 and from the United States \$20,462,224. If this increase is maintained for the two remaining months of the year there will be a definite increase in the volume of trade in 1933 over 1932 while much of the trade between Canada and the United States will have been diverted to the United Kingdom.

The story of our exports is much the same as that of the imports. July the exports of Canada to the United Kingdom amounted to \$21,466,873 as against \$10,317,937 in 1932. So far as our trade with the United States is concerned there was an increase in exports from Canada during July of \$17,787,390 as against \$12,972,222 in 1932. August showed a slight drop in the volume of exports, the figures being \$14,006,047 as against \$17,609,214. In our exports to Canada and the United States there was, however, a considerable increase. In August 1932 it was \$12,961,680 and in

the same scale. In the first year of Confederation the exports amounted to \$2,701,720 of which \$45,504,899 was Canadian produce. By the first year of the war the value of exports had risen to \$45,437,224 of which nearly \$42,000,000 was Canadian produce.

The peak of our export trade came earlier than that of the import trade for in 1912 the total value of all exports was \$45,437,224 of which \$40,777,788 was Canadian produce. The billion figure was maintained until the single exception of one year until including 1929 when the value of the exports from the Dominion was \$1,388,896,075.

It was natural to suppose that with the large drop in imports there would be something like a corresponding drop in exports and this actually took place. In 1931 the total volume of exports had dropped to \$17,628,048. In 1932 this figure had fallen to \$12,972,222 with \$10,317,937 of Canadian produce and by 1933 the volume of exports had risen to \$43,700,000.

With the beginning of the new fiscal year 1933-1934 two things were noticeable. The volume-value of imports dropped and there was a slight increase over the previous year. The export trade turned definitely from the United States to the United Kingdom.

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PASSED ON

- Among the distinguished men and women who died during the past year are:
- Calvin Coolidge, former President of the United States, 69.
- Dr. J. W. Danahy, dean of the Canadian Senate, 88.
- Winifred Spooner, noted flyer, 52.
- Lady Lemieux, wife of Sir Francis Lemieux.
- George Moore, Irish novelist, 81.
- Hon. J. W. Danahy, Three Rivers Senator, 75.
- John Galsworthy, eminent writer, 68.
- John Boyd, poet and former journalist, 70.
- Frank D. Barnum, millionaire Canadian lumberman.
- Hon. Jean Knight, first French Minister to Canada, 53.
- Hon. F. A. Anglin, former Chief Justice of Canada, 68.
- Mayor Anton Cermak of Chicago.
- Sir Henry Thornton, former president of the Canadian National Railway, 62.
- Hon. F. Oliver, former Minister of the Interior, 83.
- Theodore F. Loblaw, 61.
- Sir D. MacMillan, former Lieutenant of Manitoba, 88.
- Fred Terry, actor-manager, 70.
- Field Marshal Sir William Robertson, 75.
- President Luis M. Sanchez Cerro of Peru (assassinated).
- Dr. George Hill, Armstrong, noted medical surgeon, 75.
- Cyrus H. Curtis, publisher, 52.
- Hume Cronyn, K.C., former M.P., 69.
- Senator P. J. Paradis, 61.
- Ex-president Hipolito Yrigoyen of Argentina, 52.
- Chief Justice Sir Francis Lemieux, 82.
- Senator Gordon D. Robertson, former Labor Minister, 73.
- Viccount Grey of Palladin, eminent statesman, 71.
- Senator Pascal Poirier, 81.
- King of Alghas (assassinated).
- General Sir Arthur Currie, G.C., M.C., K.C.B., LL.D., D.C.L., 81.

Important Changes Made in the Budget, Banking and Finance

The Federal Budget brought down by Hon. Edgar N. Rhodes, Minister of Finance, on March 21 was not without interest to all classes of Canadian people. Mr. Rhodes announced a deficit for the fiscal year covered by the budget of over \$150,000,000 and an estimated deficit on ordinary account for the present fiscal year of nearly \$50,000,000 to be met entirely by increased taxation.

These new imposts included an increase in corporation income tax to 12 1/2 per cent, with \$2,000 exemption removed; decrease in personal income tax exemption; tax on bearer securities, previously exempt from any levy; a five per cent. tax at the source on all interest or dividends paid by Canadian debtors to non-residents of Canada; a five per cent. tax on interest and dividends received by Canadian residents from Canadian debtors and cashed in a currency which it at a premium over par in Canadian funds; a broader sales tax; special excise tax on, among other articles, cosmetics, cigarette papers, sugar, malt syrup or powder, extracts of malt or other malt product for the brewing of beer and a three-cent tax on all cheques.

Mr. Rhodes also announced in the budget speech that a Royal Commission would be appointed to go fully into the organization and working of the entire banking system of Canada. The report of the commission has since been made public and will be studied by the banking and commerce committees of the House of Commons at the forthcoming session.

The majority recommendation urged immediate establishment of a Central Bank in Canada for the regulation of the volume of credit within the country and the control of the external value of the Canadian dollar. Lord Macmillan, chairman of the commission; Sir Charles Adair, the second British member; and Premier John E. Brownlee of Alberta, constituted the majority in favor of a Central Bank while Sir Thomas White, a former Minister of Finance, and Beaudry Leman, eminent Montreal banker, dissented from this recommendation.

It was suggested in the Macmillan report that the proposed Central Bank have a capitalization of \$5,000,000 to be offered for public subscription. The report also recommended abolition of the status quo of the Bank of Montreal, which had a series of sessions held at Quebec last year. The report also suggested that the Central Bank have the sole right to issue bank notes, and that the various chartered banks should be authorized to issue bank notes up to a certain limit.

The sixth decennial revision of the Canadian Bank Act was due in 1932 but was postponed to 1933. The Macmillan report was available. The commission was appointed on July 21, 1932, and the report followed a series of sessions held at Quebec, Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Halifax, Montreal, Toronto and Ottawa.

The Minister of Finance also announced in the budget speech, the Government's intention of floating a conversion loan during the year. This was offered last autumn and took the form of three series totaling \$25,000,000. The first series was to yield 3.75, 4.25 and 4.38 per cent in interest to mature in 1935, 1939 and 1945 respectively. They were offered by a syndicate of Canadian banks and investment houses to yield 3.75, 4.25 and 4.38 respectively.

Despite Mr. Rhodes' valiant attempt, Canada's national indebtedness swelled to large proportions during 1933. During the course of the year the total amount of the Government's debt rose to \$1,199,569,419. The Minister of Finance indicated clearly that there must be some drastic revision if the situation was to be improved.

What is the NRA?

On the magazines published in the United States which are distributed in this country and on all the produce of America entering our customs ports, appears the sign of the blue eagle, the emblem and token of the National Industries Recovery Act. It is the token of the greatest experiment in industrial readjustment ever made in any country, and it is safe to say that, on its failure or success depend the fortunes of a hundred million of people.

The Act was passed by the Lower House on May 27th, and received the sanction of the Senate on June 19th. For six months the world has been watching the arbitrary management of a politician who has reorganized the country's entire industrial life on the basis of his own dogmas. A great deal has been said about the courage of the measure. No doubt, President Roosevelt faced a crisis, when he and his wife met. He did not, he risked his entire political fortune by its initiation, but the courage of a single man, when the fate of one hundred million is at stake, might well be compared to the courage of a nation. As against this sort of courage, it would seem as if the destruction and common sense are the better part.

There is no doubt that the main object of the Act is to remove obstructions from the free flow of commerce, to stimulate the organization of industry, by co-operative action, to eliminate unfair competition, to improve standards of labor, and to stabilize the entire industrial structure. Its central objective is the rehabilitation of industry. "Codes" of fair competition, operative in each industry, were early established, preliminary to a blanket code which was to come in force on August 1st.

With the nation in this matter, have the threat of the black-listing by the blue eagle always before them. It is not only a black-listing of the firm operating, but runs through the whole gamut of industry from the factory to the humblest purchaser. Employees are asked to undertake factory or mechanical workers or artisans for more than thirty-five hours a week. (2) Not to employ workers included in the first paragraph, a maximum of four per cent. in fifteen days. (3) Not to pay any other class of workers more than forty cents an hour. (4) Not to employ any worker at a higher rate in operation prior to the passing of the Act.

The trouble with N.R.A. is that too much time has been spent in talking it into operation. It might have been good six months ago may be no remedy today. President Roosevelt is shown the organs and actions that he is an anti-industrialist, but Congress, which is due to meet next month, is irrevocably committed to the measure. It is doubtful if even the enormous influence of President Roosevelt can stop them. Any ill advised measure of inflation which might be run by him the work that has already been done under N.R.A. and bring about that financial disaster which this Act was framed to stave off.