

Well-Kept Bay Street Secret Is Divulged By Commission

By DON HARRIGT
OTTAWA (CP)—One of the oldest and best-kept secrets of Bay Street has been divulged by the royal commission on banking and finance.

It is the financial position of the investment dealers, which as private companies or partnerships have never been required by law to tell the public about their affairs.

The dealers have "healthy" profits, the commission concluded.

A survey made for the commission by the Investment Dealers' Association of Canada with 190 member firms shows aggregate net income, as a proportion of capital, of 10 per cent, ranging from a low of nine per cent to a high of 17 in the 1961-62 period.

Real profits may have been even higher, the commission said. Some of this money was being paid to partners and shareholders in salaries and bonuses—thus not showing in net income in 1962 these were three times as high as a decade earlier.

A few investment houses have a dominant position, the survey revealed.

EIGHT DOMINANT
In 1962 eight of the 124 firms covered in the IDA survey had no less than 45 per cent of all capital in the industry and 45 per cent of the net income. These eight were not named by the commission.

As a group, the dealers have made about half to 60 per cent of their money from underwriting issues alone. Trading raises the proportion to between 81 and 85 per cent. The rest comes from stock market commissions.

This investment community in 1962 underwrote or helped to place most of the \$2,700,000,000 in gross new provincial, municipal or corporate issues, and evidence that the dealers have

adequate capital. There was no refusal of underwritings because of a lack of their own capital.

In 1961 the 124 IDA members in the survey had \$6,000,000 in capital. This represented an investment equal to about \$12,000 for each of the industry's 5,400 employees.

also helped to distribute the \$3,400,000 in direct and guaranteed federal issues.

The commission said that in 1961, six of the IDA members not named—underwrote about 90 per cent of the value of all public utility issues, 60 per cent of industrial bond issues, 65 per cent of stock issues, and dominated the provincial and the large municipal underwritings.

The commission called for more competition in Canadian underwriting.

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of \$16,900. But the study said average assets could be pushed up to \$22,000 approximately by adding furnishings, cars, life insurance and the like—which weren't covered—and the net worth to more than \$19,000.

"Our studies indicate that by and large, Canadians manage their finances with greater wisdom than appears to be popularly believed."

Norwegian seamen's churches in 30 foreign ports had 556,000 visitors in 1963, as against 874,000 in 1962.

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AVERAGE DEBT \$3,600
Royal commission findings show average income of about \$5,900, assets of nearly \$20,500, debts of \$3,600 and a net worth of \$16,900.

Be RIGHT BY WRIGHT SHOES

Canadian Householders Seen Not Caught In Debt Squeeze

OTTAWA (CP)—The Canadian householder is a better kitchin-table financier than he seems to realize, says the royal commission on banking and finance.

Assets in homes, cars, dishwashers and other items seem reasonably balanced with family need, income and capability to bear risks.

The lure of the instalment plan doesn't appear to have him over a debt barrel.

And while "it is often asserted that Canadians are innately conservative investors," opening the door to dominance by foreign capital, there's really a lot more involved than that, says the report, tabled in the Commons.

Praise for the competence of the Canadian householder's financial acumen is based on a special study covering 1,221 homes in seven metropolitan areas in five provinces.

Not all the replies could be

assessed in time for the report. The survey was conducted to bridge a large statistical gap on the details of just what the consumer has as assets and what his debts are—and expressed the hope that the federal government will give priority to finding out in view of a "striking growth" in household physical assets and debt in the post-war period. Consumers' account for about two-thirds of Canadian spending.

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Princess Irene of the Netherlands and Spanish Prince Don Carlos Bourbon-Parme... waves to friends on arriving in Rome Tuesday from Paris. They will be married today in the Basilica of St. Mary Major in the Italian capital.

In Rome For Wedding Today

Bees Unemployed As Science Uses Synthetic Royal Jelly

GUELPH (CP)—Mice and a complicated \$4,000 machine that analyzes their breath are the chief components of a cancer research project being carried out at the Ontario Agricultural College here.

And 12,000,000 bees a year are unemployed because their former contribution to the project is now being produced synthetically.

Royal jelly, that staple in the arsenal of the fast-buck operator who has promoted it as something from an aphrodisiac to a complexion cream, was until recently an important factor in the research.

Royal jelly is the secretion of worker bees, the sole nutrient of larvae that develop into queen bees.

Professor Gordon F. Townsend, head of OAC's agriculture department, who kept bees as a childhood hobby and used them to finance his chemistry studies, started a chemical analysis of royal jelly years ago while working at the Banting Institute in Toronto.

He was able to extract a fatty acid substance from the royal jelly that would destroy cancer cells, but while the cancer-destroying properties of the compound—called 10-hydroxydecenoic—were acknowledged, it was discovered that injection into a cancer-infected mouse brought no results.

This is where the breathalyzer came into the picture.

By adding a radioactive tracer to the substance, it was found the rodent breathed out the compound as fast as it entered the body. No trace of it remained in less than an hour.

Researchers changed the chemical structure of the compound by replacing a carbon atom, producing a synthetic compound called ethyl heptyl-oxacetate, produced without the basis of its predecessor.

Hence the vast supply of bees formerly kept are no longer needed.

The synthetic showed some improvement in that it stayed longer in the mouse's system but still not long enough. About 75 per cent is lost in six hours.

Researchers hope that still further changes in the compound will retain the selectivity of the original in destroying cancer cells without affecting normal ones, and result in better treatment.

Rudolf Hess Said To Howl Like Wolf

BERLIN AP—Rudolf Hess, once Adolf Hitler's deputy, has become so eccentric that he sometimes howls like a wolf in his prison cell, says a man in a position to know.

Hess, 58 Sunday, has been behind bars 22 years. First he was in British captivity after flying to England on a "peace mission" in 1941. Then he was sentenced to life by the Nuremberg international tribunal for war crimes.

For 17½ years he has been in the Allied war crimes prison in the Berlin suburb of Spandau. An officer who saw him recently says:

"Hess looks every day of his age. His skin is deeply wrinkled. His dark, glaring eyes are deeply sunken. His thick eyebrows are bushier than ever, but now grey."

"He looks a strange sight as he shamles around in an old flannel suit and overcoat that flaps around his ankles."

"His mental state has not improved with the years."

"Some nights he howls like a wolf in his cell."

GUARDS HOWL BACK
The soldiers on guard can hear him plainly and sometimes they get so fed up with it that they howl back at him."

Hess surrounded the world by parading out of a fighter plane over Scotland May 10, 1941.

The British said Hess announced he had come on a "mission of human unity. He wanted to persuade the British they had lost the Second World War and should make peace with Nazi Germany."

Hess was entranced and disowned his favorite. The Nazis explained Hess had become "the victim of hallucinations."

At Nuremberg Hess was convicted of plotting against peace and planning, fomenting and carrying through aggressive war.

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ATTENTION PRODUCERS OF DAIRY PRODUCTS IN KINGS COUNTY

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A special meeting will be held in Morell Hall on Friday evening May 1st, at 8:30 p.m. Daylight Saving Time to consider expansion of Dairy herds within this district. As a producer you are strongly urged to attend this meeting as it is most important to all milk and cream producers in this district. Special speakers will be in attendance.

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