

ANNUAL STOCK ENDS

SALE

Broken and Short Lines Clearance—Now is Your Chance for a Real Bargain

Sale Starts Friday Morning

FAMILY SHOE STORE LTD.

The Home of Good Shoes

THE DAILY NEWS.

PRINCE RUPERT - BRITISH COLUMBIA

Published Every Afternoon, Except Sunday, by Prince Rupert Daily News, Limited, Third Avenue

H. F. PULLEN - - - Managing-Editor

SUBSCRIPTION RATES

City delivery, by carrier, yearly period, paid in advance	\$5.00
Paid in advance, per week	.12
Paid in advance, per month	.50
By mail to all parts of British Columbia, the British Empire and United States, yearly period, paid in advance	3.00
By mail to all other countries, per year	9.00

ADVERTISING RATES

Classified advertising, per word, per insertion	.02
Local readers, per line, per insertion	.25
Advertising and Circulation Telephone	98
News Department Telephone	86

Member of Audit Bureau of Circulations

DAILY EDITION

Friday, January 20, 1939.

BANKS MUST BE SAFE

The address given by Colonel J. W. Nicholls to the Gyro Club this week was something that was badly needed at a time when the tendency is to pull down everything. The great feature of Canadian banks has been that they have been safe. Very few people have lost money as a result of banks failing to pay their way. When we place our money in their keeping we feel sure that it will be safe.

In regard to borrowing, the idea is prevalent that the banks are too careful. Colonel Nicholls points out that they have to carry out certain regulations imposed on them by Parliament and they cannot make loans for some purposes. They cannot for instance loan money with real estate as security. It is not allowed under the Bank Act. When they loan they must be satisfied that the money will be repaid because the money is not theirs and is only held by them in trust.

Much of the opposition to the banks comes from people who have been refused loans. The bank manager has not considered them a good investment. The most of people would probably agree with the decision of the bank manager. Many of us have known what it is to be refused a loan and, looking back, we feel that in most cases the refusal was justified.

Safe banks make for stability and Canada's banks have for many years been the pride of the country.

OPINIONS DIFFER

Opinions differ as to what should be the attitude of Great Britain and France toward Spain. Many people feel that the British Empire should take a stand in favor of government Spain. Then again there are more perhaps who would hesitate to take part in a quarrel which is none of ours. Sympathies are divided and, when we ever go into war, if we have to do so, we cannot afford to do so when we are not a unit in its favor.

Those who are strong for constitutional government feel that Spain has a right to any form of government she wants. She elected a Socialist administration and she got a government that started out to confiscate things. This was objected to and the civil war commenced.

CANADIANS RECALLED

Many Canadians, both German and Italian, are being either recalled or asked to keep in touch with the consul of the nation from which they came. Often these people are naturalized Canadians and have relinquished any claim the mother country may have on them. As Canadians they will have to make up their minds if they are content to retain their Canadian citizenship and, if necessary, defend their adopted country. It is difficult for some of them for, naturally, they have ties with the old land which are not easily broken. Of this they may be sure, however, and that is that the British people will not start any war. If there is a war it will be only because the government at London feels it is unavoidable consistent with honor.

Seventieth Annual Meeting Royal Bank of Canada

Canadian and International Economic Situation Discussed by Morris W. Wilson, President and Managing Director—Commends New Trade Agreements—Points out Failure of Economic Policies of Totalitarian States

Sydney G. Dobson, General Manager, Reviews Balance Sheet—Continued Progress Shown—Present Outlook Distinctly Encouraging

A comprehensive review of economic conditions both in Canada and abroad, with particular reference to the dangers of the economic policies now being pursued in Germany and Italy, featured the address of Morris W. Wilson, President and Managing Director at the 70th Annual Meeting of The Royal Bank of Canada.

Mr. Wilson referred with satisfaction to the fact that conditions in Canada had been relatively stable despite the setback in the United States. Recovery from the recession, which was general during the closing months of 1937 and the first half of 1938, had made notable progress and business in Canada had now resumed its upward trend.

Mining Industry
Since the inception of the depression in 1930, mining has consistently furnished the backlog and the most encouraging factor in Canadian industrial life. Volume of production in many instances exceeded in 1938 the high figures of 1937. The output of gold had again reached a new record of approximately 4,680,000 fine ounces, valued at \$164,500,000, an increase of 14 per cent over 1937. The spectacular progress achieved in petroleum operations in the Turner Valley of Alberta was also noteworthy, stated Mr. Wilson. By the end of November, 60 crude oil wells were in production and drilling was under way at 20 others, with output during 1938 175 per cent greater than in 1937.

Unemployment and relief were still serious, although continued improvement was reported.

Tourist trade returns had been most encouraging, expenditures by tourists in Canada totalling approximately \$275,000,000 during 1938.

New Trade Agreements
Mr. Wilson commended highly the new trade agreements between Canada and the United States and between the United States and Great Britain. "These," he said, "mark the greatest departure from the policies of trade restriction and national self-sufficiency since the war and cannot fail to further the common outlook and cordiality existing between the British and American peoples. It is striking that the agreements, covering an enormous volume of trade and embodying hundreds of reductions of duties and lessened restrictions, include not a single increase. At the present time no detailed analysis of the effect of the agreements on specific industries is feasible but there can be no doubt that they will bring about an important expansion in trade."

Referring to the subject of 'interest rates,' Mr. Wilson remarked, "I believe it often true that if the relationship exists long enough, the debtor comes to hate his creditor. By the same token, I suppose he begins to question the morality of interest once the payment seems a burden. If you believe in the principle of private property you must believe in the legitimacy of interest. If it is proper for a person as a result of thrift to acquire, say a small property, there are few, if any, who would suggest that this property should be available for use by others without some compensation. Therefore, if compensation for the use of property be legitimate, why should compensation for its equivalent, the cost expressed in terms of money, be less so?"

Interest Rates
"You frequently hear it asserted that the burden of interest has become intolerable and that relief can only be brought about by drastic measures. A forced conversion of public debt is sometimes urged, accompanied by reference to the action of Australia in 1931." Commenting on this point of view, Mr. Wilson said that the average rate on the outstanding Australian debt had been cut by 25 per cent since that country's debt conversion in 1931. The average rate of interest on Canada's outstanding debt in the same period had been cut 29 per cent. "The best way to keep the burden of debt as light as possible," continued Mr. Wilson, "is to maintain your credit at high standing and thereby obtain the benefit of lowest current rates. The rate at which the Dominion borrows compares most favorably with that of other first-class nations."

Foreign Affairs
The situation abroad remained difficult, stated Mr. Wilson, and expressed the opinion that "fate will overtake the totalitarian countries in due course if, in their efforts to become strong, they concentrate on the military point of view and disregard the first principles of sound economics as they are doing at present." The decline in German exports had become acute since the September crisis. "Data available indicate," he said, "that in 1938 total exports were actually less than in 1932 and 1933, the nadir of the world depression and the last two years prior to the Nazi regime."

"Internal business in Germany is exceedingly active and full employment has been achieved, but only at the cost of colossal deficits in the government budget. Indeed one German authority has stated that an amount equal to 50 per cent of the national income is absorbed by government and party agencies." It was obvious, said Mr. Wilson, that no country could pursue such a policy without producing serious inflation and, unless it were reversed, he could not see "anything but a continued lowering of the standard of living in Germany. These remarks apply with equal force to the Italian situation."

The decline in business activity in Great Britain had been halted and business in the United States had, since May last, shown the most rapid recovery ever reported in its statistical annals.

Mr. Wilson also spoke with satisfaction of the closer co-operation and mutual understanding achieved in relations between Great Britain, France and the United States and also the countries of North and South America as evidenced at the recent Lima Conference.

"The outlook for Canadian business is again favorable and the upward trend would seem to be definitely restored," concluded Mr. Wilson. "The international situation is still obscure and further complexities may develop in foreign affairs. Barring such an eventuality, I am sure we may look forward to 1939 with courage and confidence."

General Manager's Address

Mr. Sydney G. Dobson, General Manager, in reviewing the Annual Balance Sheet remarked that the bank's total assets were now at the highest point since 1929 and total deposits had reached a new record level. Current loans increased moderately during the year but a more active demand for commercial loans was desirable.

Taxes had, however, become an ever increasing burden for the bank. "For every dollar distributed to shareholders by way of dividends, 71c is paid out in taxes in Canada," said Mr. Dobson.

Answering the criticism sometimes voiced, that banks are investing too large a portion of their funds in government bonds and too little in assisting business enterprises, Mr. Dobson said, "we cannot compel unwilling borrowers to use our surplus funds if, for various reasons, they are not prepared to expand their business. It would be a strange type of banker who would prefer the small return from government bonds to the more remunerative commercial rate." Mr. Dobson also pointed out that control of "credit" is not within the power of the Chartered Banks but is a prerogative of the Bank of Canada, which alone decides whether a policy of "easy" or "tight" money is to be pursued.

The attention of the shareholders was also drawn to the educational publicity conducted by the banks through the newspapers last year. "It is hoped these articles will help to clarify in the public mind what banks can do and what they are not permitted to do, and at the same

The Letter Box

ABOUT SANITARY CONDITIONS

Editor, Daily News:
One thing which has not been much discussed in the press is the sanitary condition in our city, especially this side of the city.

It is a known fact that the rat problem was practically unknown until garbage was introduced as building material on the road which is commonly known as The Wantage Road. Now, however, it has become, not only a problem but a minor disaster.

In the summer time these uninvited guests keep fairly well to their hunting grounds along the Wantage Road where garbage is still being dumped. In the fall, when sporting conditions are not so good there, they seek better accommodations around the houses of their human neighbors and they come in full force. One of my neighbors had a very promising potato patch in his back yard but when he came to dig them up he found that this particular job was already done by the rats.

But doing away with citizens' property is not the main trouble caused by the rats. It is well known that they find their way in under someone's house and die there, it certainly causes a stink.

Black, poisonous flies were also unknown before they found these feeding places along this Wantage Road. Contrary to the rats these flies make their raids in the summer time. But they come in their multitudes and get in everywhere, defying screen doors and other such fortifications.

It seems to me that in coping with these problems, a citywide campaign is needed. It is futile for house owners to try as individuals and therefore I would like to hear what others have to say about it. Complaining does not sound so nice but it seems to me that if everybody was to keep quiet there would be no improvements made.

ERIC ROSANG

If you wish to swap something—try a Classified.

time emphasize how necessary a safe and sane banking policy is to the welfare of the country."

Business Outlook
Canada had escaped the more serious effects of the recession in business which first appeared in the United States about eighteen months ago, concluded Mr. Dobson. Conditions in Canada had remained comparatively stable and results achieved in 1938 could be regarded as reasonably satisfactory. "The present outlook includes a number of factors which are distinctly encouraging," he said, "and I look forward to the future with confidence, as I believe few countries have as promising a future as has our own."

For tanyu Invigorating Refreshment

Old Style Beer

CAPLANO BREWING CO. LTD. VANCOUVER

This advertisement is not published or displayed by the Liquor Control Board or by the Government of British Columbia.

FEED OF SALMON

Fisheries Research Board to Look Into North Island Problem—Hopes to Build Boat

In view of a controversy which arose last summer as a result of herring seining near the North Island trolling grounds, the fishermen claiming that herring are an important part of salmon food, the Fisheries Research Board of Canada will undertake an investigation this year to determine the actual food of spring and coho salmon. John Dybhavn of Prince Rupert, a member of the board, announced following his return to Prince Rupert yesterday after attending the annual meeting of the board in Ottawa. The investigation will be carried out under the supervision of Dr. A. L. Pritchard and Dr. A. L. Tester of the Nanaimo Biological Station.

Dr. Pritchard during the coming year will continue his investigation of the life history of the salmon of the Skeena River. Last year Dr. Pritchard spent some time in the district carrying on such investigatory work.

Mr. Dybhavn disclosed that the Fisheries Research Board hoped to be able to obtain funds from the present session of Parliament to provide a seagoing boat to assist in investigations on the Pacific Coast. It would be newly built especially designed and equipped for the work in which it is to be used.

Appointment of a new member of the Fisheries Research Board to succeed the late R. R. Payne of Vancouver, who died last year, is expected to be made shortly. The annual meeting at Ottawa reviewed work of the past year and discussed plans for the future.

LONDON GOLD PRICE

LONDON, Jan. 20: (CP) — The Montreal price of bar gold on the London market was off 2c at \$34.04 on Wednesday, dropping another 5c yesterday to \$34.99.

James Roosevelt Is Welcomed At Hollywood Lunch

HOLLYWOOD, Jan. 20: (CP) — James Roosevelt, eldest son of President and Mrs. Franklin D. Roosevelt, was tendered a welcome luncheon following his arrival to assume executive duties as vice-president of the Samuel Goldwyn moving picture enterprise. In a speech, young Roosevelt said that he had not obtained his position through political influence. Roosevelt will leave by plane for New York where he will spend a month studying the distribution end of the industry before returning here to take up his permanent headquarters.

Hotel Arrivals

Savoy
M. Neilson, Kitikatha.
Royal
J. Waik, Vancouver.
Prince Rupert
R. D. Thomas, city; Mrs. S. G. Mills and Parker, Terrace.

Steamship Sailings

For Vancouver—
Tuesday—Cardena 1:30 p.m.
Thursday—Ss. Prince George 11:15 p.m.
Friday—Ss. Prin. Adelaide 10:30 a.m.
Ss. Venture 10:30 p.m.
January 16 and 30—Ss. Princess Norah 5 p.m.

From Vancouver—
Sunday—Ss. Cardena 4 p.m.
Wed. Ss. Pr. George 10:30 a.m.
Friday—Ss. Pr. Adelaide 4 p.m.
Ss. Venture 4 p.m.
January 12 and 26—Ss. Princess Norah 11:15 p.m.

For Anxox and Stewart—
Sunday—Ss. Cardena 8 p.m.
Wednesday—Ss. Prince George 4 p.m.

C.N.R. Trains

For the East—
Mondays, Wednesdays and Fridays 6 p.m.
From the East—
Tuesdays, Thursdays and Saturdays 11 p.m.

REX Bowling Alley

For Health and a Slim Waist Line Bowl
For Reservations Phone 658

MacKenzie's Furniture

Estb. 1924

Venetian Blinds

Made by Kirsch. New spring steel can be flexed apart eight inches, cannot warp or rust. Feather-like lightness, complete control of light. The latest in Venetian Blinds.

Phone 775

Terms Arranged

Heat In Blasts

from

Coal That Lasts

BUY

Bulkley Valley Coal

THE SEAL OF QUALITY



GOLD SEAL
Fancy Red Sockeye

PINK SEAL
Finest Pink Salmon

Packed by the only salmon canning company with an all the year round payroll in Prince Rupert