

THE DAILY NEWS.
PRINCE RUPERT - BRITISH COLUMBIA

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One Of The Reasons - - -

According to United States publications, one of the reasons for the out and out pro-British policy of United States at the present time is the intimation from the Latin-American countries that, if Britain is allowed to collapse, they would have to ease on to the Nazi bandwagon in self-defence. That would leave United States practically isolated. So the all-British campaign was started largely as a self-defence measure. Naturally, any weakening of the British Empire would strengthen the Nazi cause.

Speaks The Language - - -

One reason for President Roosevelt sending Harry Hopkins to London, it is said, is his ability to speak the language of Ernest Bevin, the great British labor leader, who next to Churchill, is the prevailing influence at Whitehall. Roosevelt wishes to keep in touch with the more democratic movements in England and particularly with the possible future of the country when the war is over. "What will England be like then?" he asks himself, so he sent Hopkins to find out.

London's Still 'Ere - - -

When the new year was rung in at midnight by Big Ben, all London being blacked out, a Cockney voice was heard "And London's Still 'Ere." It was one of those appropriate remarks that is bound to be remembered. In spite of the bombing, in spite of the burning of a portion of the city, something that evidently might have been prevented, the city is still there and will be there, no matter what the Nazis do to it. Churchill's reply to a remark: "They gave us something last night didn't they?" was "we'll give them something back."

Army Of Invasion - - -

Germany's strength is said to lie in her army but that army has been inactive for a long time and will steadily deteriorate if left to live on the country it has taken. It is not as strong today as it was when France capitulated. However, it is being kept intact and, as soon as Germany has means of transporting them and covering them with artillery and air force, an attempt will be made to invade Great Britain. Such a time may never come but it may. Most British people hope it will and that soon. At any rate the Germans will keep the threat alive in order to prevent British forces being sent to their places where they may be needed.

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**72nd Annual Meeting
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Morris W. Wilson, President and Managing Director, Calls for Drastic Economies by Public and Government to Permit Full Measure of War Effort—War Savings Campaign Most Important Feature Federal Financing

Sydney G. Dobson General Manager, Reports Unprecedented Business Activity But Peak Not Yet Reached

Some of the factors having a vital bearing on the extent and effectiveness of Canada's War Effort were dealt with extensively by Morris W. Wilson, President and Managing Director, at the Seventy-Second Annual Meeting of The Royal Bank of Canada in Montreal. Mr. Wilson drew attention to the fact that transition of Canada from peace-time to war-time economy had been made without financial disturbance or strain, and remarked on the essential soundness of Canada's financial position at the present time.

Mr. Wilson, however, warned that in the year ahead the financial problem would be more difficult and called for drastic retrenchment by the public and by governments in order that the maximum effort might be devoted to war purposes.

"There is little evidence of restriction of even extravagant expenditures on the part of the public as a whole, except insofar as this line of action has been made necessary by the incidence of taxation," he said. "Unless the public are prepared to save a very large proportion of the increased wages and salaries which are being distributed, there are three alternatives before us:

- (1) The Government must further drastically increase taxation or
- (2) A system of forced savings must be adopted, or
- (3) The well known inflationary spiral will steadily gain headway.

"Nor am I sure that Federal, Provincial and Municipal authorities have eliminated from their budgets all unnecessary expenditures and postponed all capital outlays that can possibly be deferred, as they should do in war time."

TAXATION

Mr. Wilson expressed the opinion that "a considerably larger proportion of our costs should be met by taxation than has been indicated by any plans so far discussed. It seems quite clear that at the present tempo of business our national income is increasing at a much greater rate than the aggregate of all taxes."

Due to present business activity Provinces and Municipalities have had the problem of unemployment automatically solved for them and for the same reason their revenues have become increasingly buoyant. "I trust this situation will result in definite tax reductions by them in order to cushion the effects of greatly increased Federal taxation," said Mr. Wilson.

While admitting that no perfect scheme of taxing profits or income had ever been devised, Mr. Wilson expressed the opinion that present corporation taxes are not designed to produce either the maximum returns or to spread the incidents of taxation fairly over industry as a whole.

"I advocate nothing that would tend to reduce total Federal corporation taxes, but I am afraid that the Excess Profits Tax is going to bear unfairly on companies that during the period of the depression have been far from prosperous, as compared with those that have all along given a reasonable return to shareholders.

"Before leaving the question of war taxes, I should like to say that I think the personal income tax has been raised to the full extent that is economically desirable."

WAR SAVINGS

Mr. Wilson considered the present efforts to expand sales of War Savings Certificates by far the most important feature of Government finance.

"This is not because of the sums involved. The great bulk of our war financing must as usual be by way of bond issues. But I feel that it has not been sufficiently emphasized nor understood that savings by individuals in the lower income brackets are essential for another reason of the greatest national importance. Once definite shortages of labour, materials or capital equipment appear, personal savings become imperative. At that stage, only by

curtailment in the production of consumers' goods can the production of war materials be increased. But surprising as it may appear, those in the lower income brackets are responsible for a great deal more than half the total purchases of consumers' goods. Full use of increased purchasing power would mean that instead of the demand for ordinary goods being reduced, it would be greatly increased, and to that extent would stultify our war effort. But war demands are inexorable, and if those who use the bulk of non-military production will not reduce their demands, the only way the situation can be adjusted is by a rise in the price level proceeding faster than increases in wages.

"This seems to me to be a compelling argument for a compulsory saving plan if the people as a whole do not respond to the present appeal of the War Savings Committee; otherwise those who are too weak or too selfish to face the issue will have wasted a part of the benefits which would have accrued to the thrifty as well as to themselves."

WAGES

Mr. Wilson remarked with satisfaction that Canada has been largely free of labour disputes since the beginning of the war and, "it is essential that neither strikes nor lockouts should be allowed to interfere with production." He favoured the Government plan for a standard wage scale, supplemented by bonuses to meet any rise in the cost of living, the bonuses to apply evenly on a per capita basis and not as a percentage of existing wage rates. He felt that workers would accept their share of sacrifices if equal sacrifices are made by salaried employees, executives and capital.

SIROIS REPORT

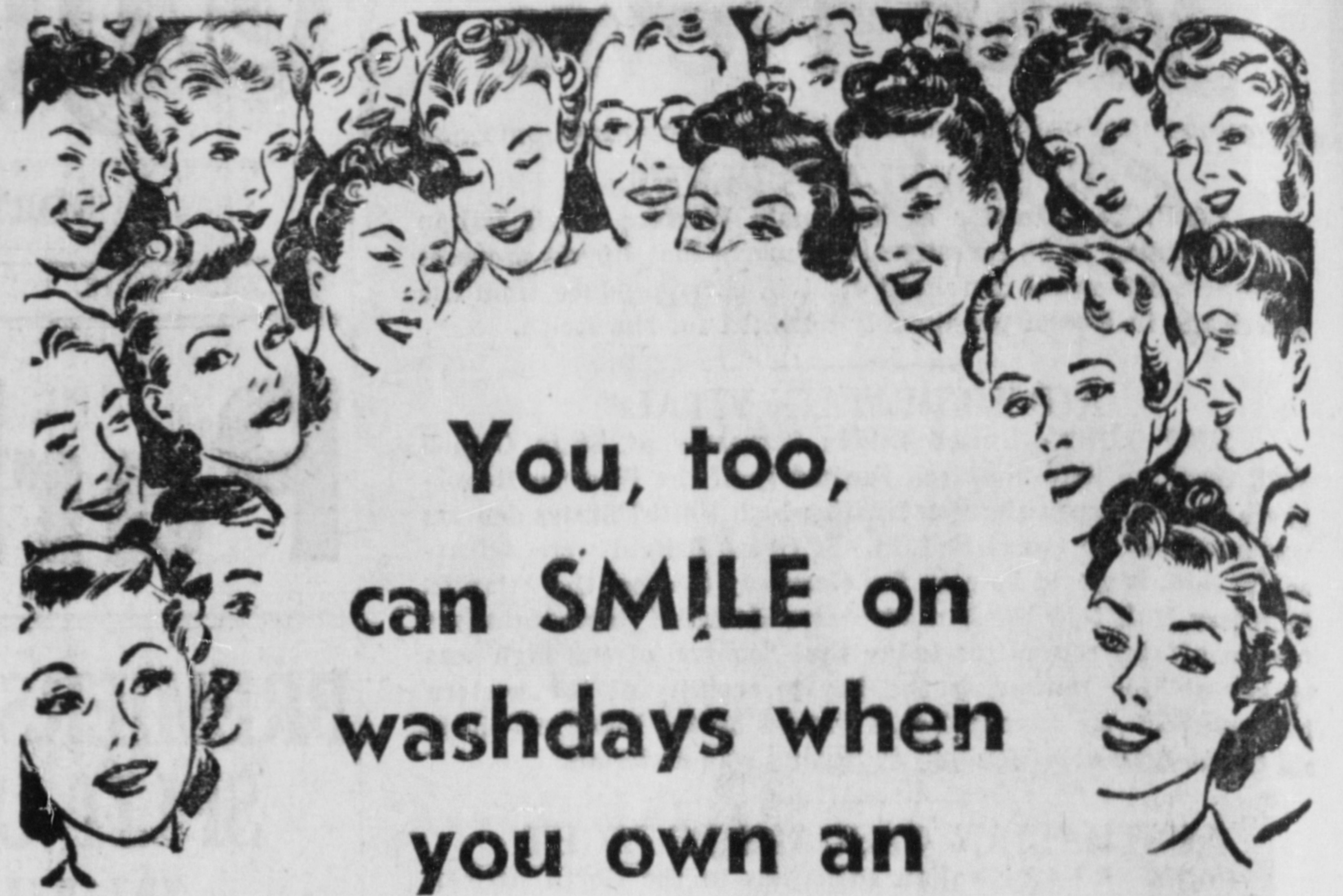
Referring to the conference of Provincial Premiers to be convened shortly, Mr. Wilson said, "the main principles laid down in the Sirois Report can be said to commend themselves to most dispassionate observers." "If, in the exaltation of common sacrifice, a better plan of Government cannot be found, I greatly fear that it will not be found when peace returns."

In conclusion, Mr. Wilson spoke of the "terrible confirmation" during 1940 of his statement made a year ago, that "the very existence of the Empire is at stake" in this war. "I fear that at times we are inclined to forget the bloody tyranny within Germany itself, the steady extermination of the defenceless Poles, the senseless slaughter of 30,000 civilians in Rotterdam, the invasions of Norway, Denmark, Holland, Belgium following solemn undertakings to respect their neutrality, and the wanton destruction of historic buildings and churches, sacred not only to the whole English-speaking world but associated with the finest traditions of all humanity. These are things which we must not forget if we are to retain a proper appreciation of what we are fighting against. The new world order proposed by Hitler is one in which truth and honour have no meaning, law has no force, human dignity no place; a corrupt and corrupting tyranny, the qualifications for leadership of which embrace the basest traits of man."

GENERAL MANAGER'S ADDRESS

In presenting the financial statement for the year, S. G. Dobson, General Manager, stated that Canadian business was experiencing unprecedented activity and that the peak had not yet been reached.

Extending thanks of Directors and Executives to the bank's 7,000 employees, Mr. Dobson said: "Four hundred and forty-six members of our staff have enlisted for military service, and one hundred and fifty-eight more have been accepted and are subject to call. Leave of absence has been granted to all those who have enlisted, and positions will be available to them when they return. Married men are being paid the difference between three-quarters of salary and army pay, and single men the difference



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**Whifflets
From The Waterfront**

Capt. Larry Thomson, well known coast pilot, who was formerly stationed at Prince Rupert, is here on navigational duties. His headquarters are now at Vancouver.

Capt. Edward Mabbs arrived in the city on the Prince Rupert this morning from Vancouver to stand by the steamer Prince George which is in the local dry dock for annual overhaul.

Union steamer Cardena, Capt. Ernest Sheppard, arrived in port at 12:45 noon yesterday from Stewart and other northern points and sailed at 1:30 p.m. for Vancouver and waypoints.

between two-thirds of salary and army pay.

"The employee of our two London offices are performing their daily work amidst the death and destruction of modern warfare, and are carrying on in the characteristic British way. We cannot speak too highly of their courage and fortitude, which fill us with admiration. Up to date there has been only one fatal casualty."

Under the stimulus of war, business would experience still greater activity during 1941. "The Royal Bank," said Mr. Dobson, "is fully equipped to take care of all additional demands which may be made upon it to finance or otherwise handle this increased activity and thus contribute its share to Canada's war effort."

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