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Must Act Like Great Nation

TO THOSE responsible for this nation's economic policies, this year will not be an easy one. That was a warning of Royal Bank Chairman James Muir in his annual address to shareholders last week. We are not quite sure, he says, that inflation has been entirely cured, and we are less sure that serious deflation is not just ahead. "We know in general what the proper medicine is," said Mr. Muir, "but we do not know exactly when it should be taken or how much the dose should be."

Mr. Muir had some important and practical suggestions. He urged we should consider what policy is best in the long run not for a nation of 15 millions but for one of at least 30 millions. "Our future," he added, "depends not on what the rest of the world thinks of us: what the rest of the world thinks of us depends ultimately on what we think of ourselves." And, says Mr. Muir, we should think in a big way. "Before we can be a great nation, we must begin to act like one."

Our pressing problem of high production and foreign competition, says Muir, is not going to be quickly and easily solved by hoisting tariff walls. "I am still of the opinion that Canada's future lies on the side of improving her competitive position rather than isolating herself behind heightened barriers to trade. This is the only policy consistent with her present and future position as a great trading nation."

To keep down costs and improve our world competitive position, Mr. Muir suggests that we explore several channels. The level of corporation taxes is one. The total cost of social welfare is another.

In bringing about greater equality for all, we may find, he says, that everyone merely gets a share of a smaller pie, whereas our great need is for an ever larger pie. Mr. Muir sums it up this way:

"Today, our progressive income and inheritance taxes have brought about a measure of equality unknown only a few generations ago. In this process we have achieved a most desirable result: we have raised the welfare level of great numbers of people. But, unfortunately, we have in the same process discouraged to some extent the incentive to produce. In other words, heavy taxation in the interest of equality may, in its extreme form, create equality of poverty, not equality of wealth."

Of direct and vital interest to exporters are two other channels of exploration suggested by Mr. Muir. The first is our high priced dollar that "imposes a tax on exports and a subsidy on imports." The second is the setting up of a public corporation "to finance longer-term obligations arising out of export trade." Mr. Muir makes specific suggestions in the hopes of "clear headed public discussion."

The head of the Royal Bank has given Canadians a penetrating, thoughtful discussion of basic issues.

—Financial Post.

Ray REFLECTS and REMINISCES

The number of deserted and destitute wives and children could be called on to increase in Canada this autumn. From all parts of Canada the expense of support became an important factor. One large municipal welfare department has estimated that one-half of its financial expenditure is for the maintenance of deserted families.

Money makes the mare go, even if you are not always certain where. London Free Press.

Because from the newspaperman's point of view, Dag Hammarskjold, Secretary-General of the United Nations has a most unwieldly name, headline writers have come to refer to him as Dag. The same application to the name of the United States president as Ike, has exactly the same idea. Each is a damned good one.

An old nickelodeon has turned up in Hollywood, and as everything touches there, it will retort soon or late. For a while, anyone for a dime, can behold the silent drama. Incidentally, he'll see the best show in forty year's. Sure he will. He's certainly seen nothing like it.

Lord Beaverbrook's distinguished name continues to carry weight, which is to be expected. It was heard mentioned the other day he may make an offer for what's left of the Toronto Globe and Mail, while it's out of the question to determine how far His Lordship will make up his mind as to re-entering the charm of daily newspaper tasks.

Les Parkes, war veteran and pioneer of Prince Rupert is over in Dover and plans on remaining there. Friends have heard from him. He's enjoying life and feels fine. After spending a summer in the south of England long ago there's nothing we'd find of greater interest, perhaps I shall revisit it.

Opportunity knocks on the door but once. Trouble is more permanent.

WANTS GRIM TRUTH

HARRISBURG, Pa. (AP)—A bill introduced in the Pennsylvania state legislature would prohibit candidates for public office from using old photographs of themselves during the campaign. Representative Willard F. Agnew Jr., co-sponsor of the bill said the measure would prevent a candidate "using a picture taken 25 years before, showing him youthful and vigorous."

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As I See It

by Elmore Philpott

Ottawa Oddities

WE brought our car down to Ottawa this year and my wife is having to relearn how to drive through snow and ice.

But apart from snow and ice, the east has in great abundance one nuisance which we do not have home on the west coast. That is static electricity.

Every time we go to get into our car sparks of electricity jump out at us, like invisible snakebites. It seems that the nylon seat covers add to the "bite" of the static sparks. But it is not only in and about automobiles that static jumps out at you. Here in our apartment sparks fly almost every time we press the button for the elevator.

+ + +

THE bingo games are doing bigger and better business than ever here in Ottawa.

They are held in the Auditorium and they draw anywhere from seven to ten thousand cash customers! It costs one dollar to get in.

The dollar entitles you to play twenty games of bingo for which there are numerous prizes of furniture, etc. Then they sell you extra tickets for the big prizes of the evening. The grand prize is always an automobile—this week's was a 1955 Chevrolet. Another prize is all the silver coins you are able to carry off in a bag. This week a strong arm prize winner carried off one thousand dollars worth of such coin.

P.S.—The law of Canada says that bingo is illegal, even in Ottawa.

+ + +

MY wife and I were invited to the reception by the Speaker of the Senate where with a couple of hundred others, we were presented to the Governor-General.

To avoid the long walk in the cold, from the Commons side of the Parliament building my wife parked the car in the Senators' space, right in front of the Senate door.

All went well till we were going home, with our two passengers, Harry and Senator Nancy Hodges. Suddenly we heard the ominous sound of a motorcycle policeman behind us. He motioned to us to stop. My wife was all set to talk herself out of the trouble—whatever it was—again.

"Pardon me madame," the policeman said, "but I thought you would like to know that your dress is caught in the door of your car."

It seems that about a foot of it was flying in the breeze like a flag.

+ + +

TALKING of flags, Al Hollingsworth, a young Liberal MP from Toronto, will soon introduce a bill designed to give Canada a national flag of her own.

We do not know yet exactly what he has in mind. Will write more on this when we do.

+ + +

AN aircraft manufacturing company in Toronto says that the shortage of engineers is reaching the truly desperate stage. This one company could use three hundred such engineers right now—but they are scarcer than the proverbial hens' teeth.

Canadian airplane makers have "got by" for several years by borrowing key engineers, designers, etc., from the U.S.A. and Britain.

Incidentally, Russia graduated twice the number of engineers last year as did the United States.

Maybe, dear reader, you can give me the answer to this one. Canada has a serious unemployment problem. Yet Canada is so many thousand short of the necessary number of school teachers that we are trying to import more from Britain. Our army also has to recruit "tradesmen" in Britain, too.

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A BOXCAR TEETERS on a wharf on the west Saint John, N.B., waterfront after a freight train jumped the bumper at the end of the line. Two parked automobiles were pushed into the water. A floating crane was used to hoist the freight car back and raise the automobiles. (CP Photo)

VICTORIA REPORT

...by J. K. Nesbitt

VICTORIA — The session of the Legislature is now well under way. Another formal opening is now relegated to the history books, and the speech-making has started.

The opening ceremonies Tuesday were as usual, fuss and feathers, pomp and circumstance, ancient tradition, booming of guns, parade of notables and fashions, clinking of medals, all politeness, no political bickering. That will come shortly.

It was the last time Lieut.-Governor Clarence Wallace opened a session, for he retires from his high office next Autumn. It seems quite impossible that he and Mrs. Wallace have been at Government House nearly five years.

His Honor drove up to the Legislative Building in a gleaming Government House limousine, with motorcycle police escort, sirens screaming, leading the way.

While a band played, His Honor, in uniform of tight-fitting gold-braided trousers, jacket heavily encrusted in gold, and cocked hat, with waving feathers in it, inspected a guard of honor.

As crowds rubber-necked, His Honor mounted the steep stone steps to be received by Premier Bennett, immaculate and smiling in cut-a-way coat, and Mr. Speaker Thomas Irwin in his black robes and tricorn hat.

The Legislative Chamber, as always on such glittering occasions, was packed to within an inch of its life, and there wasn't an inch to spare in the public galleries. You'd think an opening of the legislature in this capital would be such old stuff that the crowds would no longer turn out. But not at all; an official opening somehow never loses its glamor. It's Victoria's most cherished tradition. Of all the places in this wide province of ours, it's only Victoria that can put on this show — and Victoria dearly loves to do the unique.

There wasn't much business done on opening day. But the wheels were set in motion, and they will creak and grind, and sometimes move smoothly, and often get completely bogged down in the next six weeks or so.

One mystery was cleared up on opening day. A. S. Matthew of Vancouver Centre was again elected deputy speaker. The first deputy under Social Credit was Mr. Shantz of North Okanagan. Last session however he didn't get the job. Mr. Matthew got it. Oppositionists said, huh, Mr. Shantz had been fired by the Premier. The Premier said Mr. Shantz had not been fired. It was only that all SC'ers, said the Premier, should get a chance at the deputy speakership (an extra $500 a year) in order to gain some legislative experience. But now Mr. Matthew is back as deputy speaker. It would look indeed, that for some reason known only to himself, the Premier did in very truth, fire Mr. Shantz out of the deputy speaker's chair.

After the opening on Tuesday, the crowds walked down the curving driveway, across the street, and into the Empress Hotel to be greeted in the Crystal Ballroom by a long line — the Premier and his wife, cabinet ministers and their wives. It was a Government reception — which means the taxpayers foot the bill, but no liquor was served, so it wasn't too costly an affair.

It was, indeed, a busy day for high society. After the reception, the province's most noted citizens donned white ties and tails, or uniforms, and went to Government House for a State Dinner. His Honor, the host, had changed into his indoor Court dress—white satin knee breeches, black patent-leather pumps with silver buckles, midnight blue packet heavy with gold.

At 10 o'clock nearly 500 distinguished citizens showed up for the State Ball, the year's most elite social function in this capital, the Ball to which everyone who thinks he's anyone seeks to be invited, but there's only room for 500 in the ballroom, and so there are many disappointed ones.

Despite efforts being made to hurry the session, it's a safe bet there'll be no hurrying, and it will be mid-March anyway, before your MLA's pack their bags and go home to tell you, who elected them, all that happened in the session.

Running Time On Railroads To Be Slashed

MONTREAL (AP)—Canada's two big railways Tuesday announced they will chop healthy chunks of running time from their Montreal-Toronto to Vancouver schedules. They credited diesel power for the extra speed.

In a spectacular move to lure passengers, Canadian Pacific Railway said the time on the westward trip will be cut by 16 hours, and the eastward by 13½ hours. It will be the biggest such reduction in Canada's rail history, a spokesman said.

Canadian National Railways also announced it will fully dieselize its transcontinental passenger train services and this will enable the line to "considerably reduce" its running time. No specific times were mentioned.

Veteran's Land Act
Mr. W. H. Ozard, District Superintendent, VLA, and staff will be present at a meeting of veterans interested in VLA settlement and Construction Course to be held in the W. A. Lounge,
Canadian Legion Building
at 7:30 p.m. SHARP
Wednesday, January 26
Finalized details of the Construction Course will probably be presented. Interviews will be arranged for Thursday, Jan. 27th.
PLEASE BE ON TIME.

OTTAWA DIARY

By NORMAN M. MacLEOD

A short time before Christmas newspaper readers rubbed their eyes in disbelief after reading a report from Montreal, which quoted Finance Minister Walter Harris as saying that taxes were too high.

A statement of this kind from the Cabinet Minister who is directly responsible for taxation policy seemed almost too good to be true. It made this winter's Federal budget definitely worth waiting for — and it couldn't come too soon.

But the wave of public optimism which the Harris Montreal speech rolled up now has completely subsided. The last ripple of it died away during the past week with the announcement of the concession to Quebec Premier Maurice Duplessis in the Ottawa-Quebec income tax controversy.

That concession could cost the Federal treasury in the neighborhood of $30,000,000. With a small deficit probable in the Dominion accounts even before this liability was added, it is conceded generally that any possibility of even token remission flew out the window when the olive branch policy towards the Union Nationale Premier was decided upon.

Actually the evidence is that Hon. Walter Harris never intended his Montreal speech to be interpreted as a promise of tax reduction. But quite apart from anything he may have had in mind at that time, the situation since has developed in a manner definitely unfavorable to any change in the existing high taxation policy.

For one thing, business has shown quite substantial signs of recovery under its own power. While that fact might appear to heighten the government's ability to grant reductions, the fact is that modern taxation theory prescribes high taxes in good times and low taxes as a stimulus to business enterprise in times that aren't so good. Lower taxes as a stimulus to the over-all business picture no longer are viewed as necessary.

And while there have been some worth-while economies in Federal spending in recent months, the outlook is that they will be pretty well offset by the government's program of enlarged public works. Finally, there is the condition of the fund to meet Old Age Security payments. It is expected to owe the Federal treasury $100,000,000 by the end of the present fiscal year. The taxation formula on which it was based originally is evidently inadequate.

So that in place of the high hopes for tax reductions which prevailed only a few weeks ago, the grim prospect now exists of an actual tax hoist. If it comes it will be of modest dimensions and will be related directly to the old age and unemployment policies which simply refund their revenues to the public on a redistribution of wealth principle. But even although some people will get back the increased revenues which will be paid in, most MPs are afraid that higher taxation in any form will fail to stir public enthusiasm in any circle.

New Zealand Defence Plan Changed By Threat From Reds

By J. C. GRAHAM
Canadian Press Correspondent

AUCKLAND, N.Z. (AP) — The growing threat from the Communist advance in the east has brought a profound change in New Zealand's defence outlook. It is likely to form the basis of the New Zealand attitude at the coming conference of Commonwealth prime ministers.

As one of the countries farthest from world trouble spots New Zealand has traditionally made her forces available where they could best be used to fit in with major strategy.

In the First World War, New Zealanders fought in the Middle East and France. The same policy automatically prevailed on the outbreak of the Second World War. New Zealand's expeditionary force was dispatched to Egypt and played a prominent role throughout the fighting in the western desert.

The entry of Japan into the war brought a vastly changed situation for both Australia and New Zealand. Australia demanded, and after heated exchanges with Britain, secured the withdrawal of all her troops from the Middle East.

RELIED ON AMERICANS

New Zealand, although deeply concerned at the situation, eventually left her expeditionary force in the Middle East and it stayed there until the end of the war, fighting up through Italy to Trieste.

Another division was raised for service in the Pacific, but the country felt keenly having to rely mainly on the Americans for protection while most of its own troops were on the other side of the world.

Despite this situation, New Zealand after the war renewed commitments to send troops to the Middle East in time of emergency. She further agreed to station a fighter squadron there in peacetime and for more than two years an air force unit has been stationed in Cyprus.

The growing threat from communism in the East has brought reconsideration of what many people at the time thought an unwise commitment. The press has been demanding the withdrawal of the squadron from the Middle East and the revocation of the undertaking to supply a land force for that theatre in the event of war.

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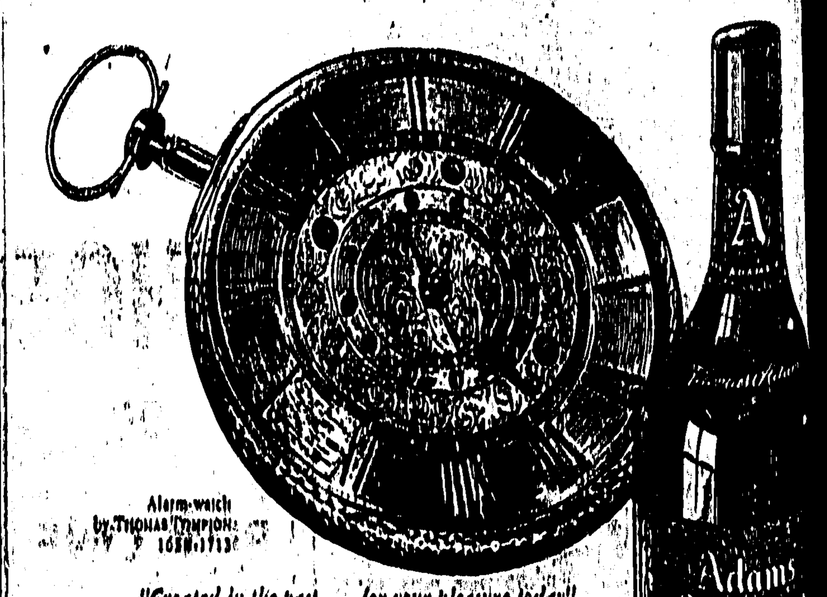

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