

THE GUARDIAN

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"The Strongest Memory is Weaker Than
the Weakest Ink."

CHARLOTTETOWN, MONDAY, DEC. 27, 1948.

His Majesty's Message

Kingship, in the words of His Majesty's
Christmas Day broadcast, is "no isolated, imper-
sonal function, an abstract symbol of constitu-
tional theory."

Implied in His Majesty's statement is re-
cognition of the fact that the British Common-
wealth and Empire is a cross-section of the races
and creeds of the world.

The member-peoples of the Commonwealth
and Empire are held together by no coercive
bonds, but are freely associated in a partnership.

It was for all these that His Majesty was
speaking on Christmas Day, and all of them —
Britain's co-operation with the Dominions, with
Indian and Burma, with the Colonies in Africa
and elsewhere — depend for their cohesion on
mutual goodwill.

Canada's Field Crops

The gross value of Canada's field crops
in 1948 is placed by the Dominion Bureau of
Statistics at \$1,595,000,000 — the highest on
record in a period of 41 years.

Table with 2 columns: Province, Value. Prince Edward Island: \$22,812,000; Nova Scotia: 23,345,000; New Brunswick: 36,894,000; Quebec: 188,490,000; Ontario: 370,000,000; Manitoba: 213,306,000; Saskatchewan: 396,817,000; Alberta: 302,232,000; British Columbia: 33,737,000.

The Prairies show the largest per capita
production, with Prince Edward Island leading
all the other Provinces.

Cattle And Beef

Cattle exports and domestic beef quality
are discussed in the current Letter on Canadian
Livestock Products issued by the Industrial and
Development Council of Canadian Meat Pack-
ers.

The American markets have shown an
interest in our highest quality cattle and beef,
and in the low or manufacturing grades.

American market, to the distress of many
housewives. But when a rise in price is accom-
panied by a definite lowering in quality the situa-
tion indicates the necessity for some study.

EDITORIAL NOTES

Boxing Day.

Feast of St. John Evangelist.

The action of the Provincial Exhibition As-
sociation in making provision for the display
of handicraft work is to be highly commended.

The pre-war Japanese scheme of naming a
manufacturing town USA and labeling its prod-
ucts accordingly has a new twist.

The new Organization and Methods Divi-
sion of the Civil Service Commission is reported
to be expanding rapidly and paying compara-
tively high salaries to get the men it wants.

Public welfare officials from federal, provin-
cial and municipal public welfare depart-
ments, will get together to thrash out prob-
lems and plans on January 7, 8 and 9.

No less a person than Britain's Attorney
General, Sir Hartley Shawcross, warns of the
grim spectre of starvation which confronts the
world.

This is a characteristic good deed of a
curling enthusiast. Owing to a succession of
mild seasons, and for other reasons, it's over 30
years since Dirlerton curling pond, East Lethias,
has remained in being, thanks to a farmer, Mr.
William Simpson, of Highfield, who has paid
out of his own pocket the club's annual fees
to the Royal Caledonian Curling Club.

Charles Lamb, English man of letters, es-
sayist and poet, died this date 1834. He was
a civil servant but spent a great deal of time
writing and corresponding with congenial
friends on all sorts of subjects and is ranked
with R. L. Stevenson, Martin Tupper, Sir Richard
Steele, Andrew Lang, etc., as an ideal writer on
a variety of subjects.

For readers who are newspapermen The
Printed Word publishes this favorite Christmas
story. It deals with the editor who found him-
self working Christmas Day on the edition for
the following morning.

Four years ago, on Christmas Eve, 1944, Ca-
nadian soldiers serving in Italy drove the enemy
back across the flooded Senio River to win for
themselves something priceless in war — a quiet
almost peaceful Christmas.

Hitler's Yacht For Sale

Adolf Hitler's luxurious yacht which
was presented to him by
adorning Nazis in 1937 may soon
join his seven-ton armored car in
the United States.

The Poet's Corner

Pale consort of white silence,
priestless cold
In that bare temple of the dying
sun,
Brave guardian of the ashes of the
year,
Dear patron of the huddled and the
old,
Sad mourner at the last autumnal
bier!

June hath her deep regret that she
must pass,
And rich September, in her opul-
ence, mourns,

For that red largess which she can-
not hold;
But there's no reaper mowing in thy
grass,

Nor thy ringed fingers, eager for thy
gold;
And thy thin, frosted horns
Surpass the trumpets of the fruited
hours,

Muted, plains and enuffed by the
leaves —
Bronze barricades in labyrinthine
bowers

Through whose deep maze of color
autumn grieves.
Thou art the first of all the months
to begin

That arduous upward climbing back
to June,
Back to the blossom's richly scent-
ed sky,

Back to the scarlet rose and yellow
whin,
Back to a host of hymeneal choirs
Warming the world with rime,

Though not the leaf of green is in
thy hands,
Thou art the true beginning of the
year.

And from thy lengthened nights
and frozen lands
Came "Gaea's" harvest and Apollo's
spear.

Carver of stalactites, mother of
that skill
Which limned by night upon any
window-pane

The silver-crayoned etching of the
frost,
And robed the pines upon this
choric hill

With snow which the ages have
not lost!
Is sorrow then in vain?
Mourn not for these dark days; the
heavens are bold,

And fiery pageants march the ev-
ening sky,
And when the last pale amber
swoons in cold

The iceberg of a winter's night
floats by.
—Wilson MacDonald in the Cana-
dian Geographical Journal.

Old Charlottetown

UNIQUE IN OUTLINE
It would puzzle a Philadelphia
lawyer to name any geometric fig-
ure that would be recognized as
like the outline of Prince Edward
Island; in one place it has the
waist of a wasp, and in another the
body of a beetle.

Hitler's Yacht For Sale
(St. Thomas Times-Journal)

Adolf Hitler's luxurious yacht
which was presented to him by
adorning Nazis in 1937 may soon
join his seven-ton armored car in
the United States.

Uncle Joe
Sir, — I wish to add several
names to your list of persons
nearly years and over living in Tig-
nish and surrounding districts. They
are as follows:

- Mrs. Arada's Doucette, Palmer Road, (North) 93.
Mrs. Ameline Perry, Peter Road, 94.
Mrs. James Kinch, Tignish Vil-
lage, 95.
Mr. Edward Cloughsey, Skinner's
Pond, 92.
Mr. Peter U. Gaudet, Tignish
Village, 91.
Mrs. Arada's Doucette, Skinner's
Pond, 92.
Mr. Peter U. Gaudet, Tignish
Village, 91.
Mrs. Arada's Doucette, Skinner's
Pond, 92.
Mrs. Fred Gaudet, St. Tignish
Corner, 91.
Mrs. Phillos Arsenault, Palmer
Road, 90.
I am, Sir, etc.
Tignish



PUBLIC FORUM

This column is open to the
discussion by correspondents
of questions of interest. The
Guardian does not necessari-
ly endorse the opinion of
correspondents.

LONGEVITY CANDIDATES

- Sir.—Bringing the list of longev-
ity candidates up to date—
90 or over—we now have:
1. Mrs. William Smith, New-
ton Cross 95
2. Donald MacKinnon, North
River 90
3. Mrs. Sarah Tamlyn, Sum-
merside 92
4. Mrs. Elizabeth MacKenzie,
Charlottetown 104
5. Miss Teresa Reid, Char-
lottetown 87
6. Thomas Henderson, Long
Creek 92
7. Mrs. George Auld, Winsloe 93
8. Mrs. George Auld, Wins-
loe 93
9. Frank Sanderson, North
River 92
10. Mrs. Gaspard Arsenault,
Howland 93
11. Mrs. Melina MacDonald,
St. Peter's 90
12. Angus MacKinnon, City 94
13. Miss Sarah Nelson, City 94
14. Dr. R. J. MacDonald, St.
Peter's 90
15. Mrs. Harriet Taylor, North
Charlottetown 96
16. Mrs. Duncan McGilvery,
Churchill 95
17. Mrs. Wallace Lowther,
North Charlton 91
18. Mr. Robert Furness, Ver-
non 68
19. Mr. George Turner, Wins-
loe Road 93
20. Angus Cameron, Clyde
River 90
21. Robert MacDonald, Crap-
aud 94
22. Miss Catherine McCom-
montrose 101
23. Mrs. Charles Pridham,
Montrose 90
24. Mrs. Mary McCaul, Eller-
sle 91
25. Miss Elizabeth McGilhin,
S. H. Home 104
26. Mrs. John McAulay, Souris 93
27. Mr. George Younker,
Brackley 93
28. Mr. Joseph Younker, Win-
sloe Road 93
29. Mrs. Charlotte Hogg, Tra-
vellers' Rest 93
30. Mrs. John Kilbride, Rich-
mond 97
31. Marcus Ferguson, Hamp-
ton 94
32. Edmund Welsh, Summ-
erside 92
33. James Benedict MacMil-
lan, Summerside 93
34. Mrs. Robert Wares,
Wheatley River 96
35. Mrs. William Waddell,
Mount Tryon 93
36. Mrs. Edward Leard,
North Tryon 92
37. Mr. Jas. Leard,
Borden 91
38. Polycarpe Arsenault, Chry-
sostome 91
39. Miss Margaret Montgom-
ery, Port Hill 103
40. Ellen Harkness, 76 King
St., Summerside 98
41. William Heffell, Travellers'
Rest 95
42. Mrs. Mary Kennedy Mur-
ray Harbor North, but
now living at Montague 91
43. Mrs. Strang, Cape Wolfe 91
44. Mrs. Annie Weeks, Elms-
dale, 90
45. Mrs. Alexander Cameron,
Elmsdale who will be 97
on Christmas day.
I am, Sir, etc.

The Two Berlins

It is obvious enough that the
Berlin election is a heavy defeat
for German Communists. But it is
also a heavy defeat for one side of
the Soviet policy in Germany.

For two years now, the Rus-
sian propaganda machine has been
working hard to persuade the Ger-
man people that the Soviet Union is
their only true friend, that the
Western Powers are their enemies
and their oppressors.

Nor is there any doubt that free
elections in the Soviet sector of
Berlin are indeed in the Soviet
Zone of Germany would have sim-
ilar results. The Russians them-
selves know it. That is why they
have banned the municipal election
in their own sector of Berlin and
"postponed" all local Government
elections in their own zone.

So, in all Soviet-controlled areas,
democratic institutions are now
destroyed. There is no freedom of
the press, no freedom of organiza-
tion, and no elections. The Four Powers
are pledged by the Potsdam Agree-
ment to the "reconstruction of Ger-
man political life on a democratic
basis" that pledge is being loyally
fulfilled in the Western Zones and
in Western Berlin. In the Eastern
Zone, and in the Soviet sector of
Berlin it is being in practice, re-
pudiated. The Soviet authorities
are establishing not a democracy
but a dictatorship of a small min-
ority party, which, dictatorial to its
own fellow citizens, is humbly sub-
servient to Moscow.

On November 30th a small min-
ority of members of the old city
Assembly—elected October 1946—
met together. There were only
some 30 out of the 130 members:
26 of them belonging to the
"Socialist Unity Party", which is
in fact Communist. With them
were a number of "delegates" from
Communist-controlled organiza-
tions. This self-appointed meeting
has declared itself the city As-
sembly of all Berlin. It has ap-
pointed an executive magistrate:
it has nominated a chief Burgo-
master. And it has been promptly
recognized and promised all sup-
port by the acting Soviet Com-
mandant.

So the partition of Berlin for
which the Russians have been
working ever since last spring—
when they brought the work of the
Four-Power Commandatura to an
end, is now completed.

There is no Four-Power control
of the whole city, there is no
German administration of the
whole city. There are two munici-
pal Assemblies—a freely elected
one in the Western sectors, a
self-appointed one in the
Eastern sectors. There are two chief
Burgomasters, two sets of municipal
departments, two police forces and two
currencies. There are, in fact, two
Berlins: one democratic, the other
totalitarian. As a joint memoran-
dum from the Three Western
Powers to the Security Council
puts it: "although this illegal body
(the Soviet sponsored municipality)
will be excluded from usurping any
functions of the legal city Govern-
ment so far as the Western sec-
tors of Berlin are concerned, its
existence in the Soviet sector will
end all possibility of a legal, unified
administration functioning on a
city-wide basis. This is the develop-
ment which the Western Powers have
consistently striven to avoid. It is
obvious that the de facto political
division of the city makes the es-
tablishment of a single currency
extremely difficult."

That is the real significance of
the Berlin election. It is an under-
statement, Soviet action has, in
fact, made it impossible for the
present efforts of Dr. Bramugis
and his colleagues to have any
practical result. A suggested ex-
pert committee can work out plans
for currency settlement, but any
conceivable plan would require two
essentials for its operation. The

The High Cost of Living

Its Cause and Remedy

VII. THE METHODS FOLLOWED IN "DECONTROL"
FANNED THE FIRES OF INFLATION

By
E. L. R. Williamson, M. B. E.

We now come to the fourth, and final, phase of the Parliamentary
Prices Committee's "findings" concerning why prices have risen: The
Committee says "certain supplementary factors"—a sort of catch-all
in which inventory profits received the principal attention. As indicated
in the third article of this series, the evidence does not suggest that
what was meant under this heading had anything to do with the general
and sustained rise in prices; although in a few instances it seems clear
that the public was victimized.

2. We are here concerned with the fundamentals of the situation
rather than individual misconduct, and will, therefore, pass on to an
examination of some factors which appear not to have engaged the
attention of the Prices Committee.

3. The process of de-control had a marked effect upon the creation
of inflation. This was under the complete control of the Government.
The question here is not the fact of de-control, but the procedure fol-
lowed in carrying out de-control.

4. The first period of de-control was the period characterized by
removal of the subsidies paid for the production of essential goods. The
first subsidies were withdrawn on 30th April, 1943, and the withdrawal
of subsidies was continued until 31st January, 1946, by which time prac-
tically all of the subsidies were withdrawn. The second period cover-
ed from 1st February, 1946 to 13th January, 1947; this was the period
of the removal of price controls on luxury articles and capital goods.
The third period covered from 13th January, 1947 to 27th November,
1947; this was the period of removal of the price ceilings on consumer
goods. By this time the inflation was already out of hand and 27th
November, 1947 ushered in the period of partial re-control of some
foodstuffs.

5. The procedure on removing subsidies, while price controls re-
mained in force, had the effect of forcing the "marginal" producer out
of business, or of compelling him to concentrate upon the most ex-
pensive types of goods. Caught between the upper millstone of price
ceilings and the nether millstone of costs rising through lack of sub-
sidy assistance, many a producer had no alternative to getting out of
the production of staple consumer goods. There is no better example than
the dairy industry: confronted with the cancellation of the subsidies
on coarse grains, yet faced with ceilings on butter and milk, many
dairy farmers no longer could make a profit; and the production of
the essential industries where price controls, in effect, operated as
wage controls as well.

6. When the de-control of prices was initiated, the first items de-
controlled were luxury goods and capital goods. This diverted a further
large segment of our productive capacity out of essential production into
non-essential production. Further, as the luxury and capital goods in-
dustries could afford to pay higher wages (because there was no ceiling
on the selling price), those industries were able to attract labour out
of the essential industries where price controls, in effect, operated as
wage controls as well.

7. Thus, by the time that the de-control of essential consumer goods
was reached, production had been substantially reduced in relation to
money supply, while demand on domestic production had been sharply
increased by the cutting off of external sources of supply. In addition,
the cost of raw materials had been mounting, for the reasons detailed
elsewhere in these articles, and there was an accumulated demand, by
labour in the consumer goods industries, for their wages to be brought
into line with wages in other industries. The result was inevitable: a
violent rise in the cost of living which in a single year has carried it
far above the levels reached by the acute 1920 inflation.

8. In conclusion, let me briefly summarise the analysis of the funda-
mental causes of Canada's cost of living crisis:

(a) First, the marginal producers of essential consumer goods were
squeezed out by removal of subsidies while price controls were
maintained, thus reducing production of these goods.

(b) Second, through removal of price controls on luxuries while
they were retained upon essential goods, it was made more
profitable for business and industry to produce non-essential
luxury goods and capital goods, than to continue to produce
essential consumer goods.

(c) Third, the movement initiated in the second step of Government
de-control, was accelerated by the introduction of a capital in-
vestment subsidy which effected a maximum diversion of labour
and materials away from the production of consumer goods.

(d) Fourth, the supply of goods was further restricted by a series
of Government embargoes, quotas, and restrict, against import
of goods from Sterling Area countries who did not re-
quire dollars in payment.

(e) Fifth, the indirect taxation policy of the Dominion Govern-
ment has everywhere increased costs, restricted production, ham-
pered initiative, and raised prices. This applies to the general
system of indirect taxation as well as to the special excise taxes
and customs duties imposed during the past several months.

(f) Sixth, the expansion of the money supply and credit was allowed
to proceed, unchecked, at twice the rate of increase in the
physical production.

9. In the circumstances in which Canada found herself at the end of
the war, the policies and procedures followed by the Government could
not fail to produce inflation, and it is the destruction of consumer pur-
chasing power through inflation which has reduced the Canadian dollar
to 60c and raised the cost of living to the highest level in Canadian
history.

10. In previous articles I have examined the causes of rising prices.
In following articles I shall deal with the alternatives that face us in
the inflationary situation in which we find ourselves.

one is a Four-Power machinery the Berlin happenings of the past
fortnight. They make it clear that
the objective of the Soviet Govern-
ment is not to reach a settlement
or restore a unified democratic ad-
ministration of Berlin under an in-
ter-allied governing authority, as
laid down in the Four-Power de-
claration of June 5th, 1945. It is to
divide the city, to dislocate its
economy and to continue the
blockade in the hope of thereby
forcing the Western Allies to
withdraw and hand over the con-
trol of the whole city to the Soviet
authorities and their Communist
vassals.

The Age-Old Story

It is an objective which will not
be attained.

APPRECIATION

We wish to thank our many Policy-holders for their
liberal patronage during the past year, assuring them that
our efforts to provide a complete insurance service will not
be relaxed.

The Management, Staff and Agency organization join
in extending to all, the Season's Greetings.

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