Expects To Go $56,932 Behind On Current Acct.

(Continued from page 1)

bates, $15,000; Provincial Sanitorium, $15,000. Total, $187,600.

The estimated 1936 increases in uncontrollable expenditure over 1935 were then given: Fox field services, $5,000; other agricultural field services, $4,000; district teachers' salaries, $8,000; Fishermen's loan Board administration, $3,400; interest, $51,000; Kings County Hospital, $1,250; tourist promotion, $6,500; retiring allowances, $1,000; old age pensions, provincial increase, $18,000; pensions for blind, Provincial increase, $4,500; sinking fund, $32,000; special sinking fund for paving, $53,000; gasoline rebate, $23,000. Total unavoidable increases, $210,650.

The late Premier Lea had been quoted as suggesting that election years were not a fair basis of comparison. Premier Campbell maintained that Mr. Lea was referring to a comparison made between the records of two governments where one government was charged up with the full four years' administration, whereas the other's record was averaged over two or three years, exclusive of election year.

Comparison "Not Intended"

"The figures I am using tonight", he added, "are not intended as a comparison between the records of any two governments. I am merely setting forth the facts in order to show what would be necessary for the Government of the day to achieve a balanced budget".

Taking the year 1934, the Premier maintained that the uncontrollable expenditures had increased between that period and 1937 by $208,000, and in 1938 the increase will have grown to $281,150. The Government of that day still had a deficit of $271,000, he said.

Two other items of uncontrollable increase were cited: libraries, representing an increase from 1935 to 1938 of $16,000; and maintenance of public health, $15,000 increase.

"Apart from uncontrollable increases, the balance as between revenue and expenditure was improved in 1937 over 1935 by the amount of $448,000," the Premier continued. "On the basis of the financing in 1935 we should be estimating now for a deficit of $586,000 on ordinary account alone. Eliminating consideration of the uncontrollable expenditures the balance as between the revenue and expenditure has been improved by the amount of $529,800. That is an achievement which, although it still falls short of our objective, merits, I think, a certain amount of commendation."

This had been accomplished, he said, by reduction of administrative expenses and by "the husbanding of revenues".

Tax Increases

Only two "substantial" increases in taxation have been made by the present Government, he maintained. The first was on succession duty. The estimate is for an approximate increase from that source of $20,000; $5,000 in 1937 and $15,000 for 1938. The decreases in exemptions which have been made do not affect widows or dependent children of the deceased, but are confined practically to those "who outside the family circle received windfalls on the death of a relative or of a stranger".

The second substantial increase was in the gasoline tax. "But I really cannot see how any intelligent person can continue to charge the Government with attempting to balance the budget by increase of gasoline tax, because it has been set down in the statute that the additional revenue so derived is to be set aside in a special sinking fund for repaying the borrowings necessary for the cost of hard-surfacing highways and for standard subgrading work preparatory thereto."

The additional two cents gasoline tax became effective about the middle of May last year. The additional revenue derived from that source during the remainder of the year was $47,000. The 1938 estimate is $53,000.

Other Increases

"There have, it is true, been a few other minor increases in tax rates—on banks, insurance companies, acceptance corporations, and the amusement tax," the Premier conceded. "But surely, next to those who benefit by legacies, there is no class of person who can so properly be called upon to contribute to the finances of the Province as the person who can afford to spend money on amusements. Even on that item the increase of rates is comparatively small, while the great increase of revenue from that source is being derived by increased vigilance and efficiency of collection".

In addition to "minor increases" in tax rates there had also been "readjustments" netting additional revenue. One such readjustment had been made in motor vehicle registration, which the Premier maintained allowed the motorist to drive not only his own car but any motor vehicle duly registered in the Province. An additional $1.00 was charged.

There was also a change in motor truck registrations, resulting in largely increased revenue "not so much from an increase of rates as from a very necessary readjustment of rates.

From chain stores there was obtained "a small increase" of revenue, but the main purpose was a readjustment in the manner of assessment. One of these institutions paid approximately the same tax in 1937 as it did in 1935, but the Premier regretted that he could not say that about the rest of them." The change resulted in "increased fairness not only as between the chain stores and the resident merchants of the Province, but in increased fairness as between the chain stores themselves."

Income Tax

"We hear a great deal of opposition to the new income tax because it transfers the collection of the tax from the Provincial office to the Department of National Revenue at Ottawa," the Premier continued. "But I may assure every one who has been making accurate returns and paying his fair proportion of income tax to this Province that this transfer will not result in one cent of increased taxation for him. The only person who can possibly suffer is the person who has been concealing his income and neglecting to pay to the Provincial Government that fair share of income tax which he has been legally bound to pay ever since the passing of the present legislation in 1934."

The new legislation provides substantial exemptions for those who support dependents, he pointed out.

In gasoline rebates to farmers and fishermen the Government had also made an important taxation decrease. The increased expenditure which must be provided for that amount alone is $23,000 for 1936.

The Premier touched very briefly on Public Works and Health expenditures. On the latter subject he maintained that the decrease in expenditure since 1935 was due to the reduction in salaries of the ministers and officials, fees for professional service and other charges. This department had nevertheless been maintained "unimpaired", and an increased grant of $16,000 was made to the Provincial Sanatorium over and above the amount granted in 1935.

Justice Administration

Expenditures in his own department of justice were more or less variable and unpredictable within the limits of ten or fifteen thousand dollars, the Premier said. One item of increase over the 1935 figures was his own additional $500 salary for administering the Prohibition Act; but this, he maintained, saved $2600 in salaries of the Prohibition Commissioners; "and for that $500 the Attorney General is expected to do all the work which was formerly done by three men and a paid secretary."

The Attorney General was still receiving, he said, "a total remuneration of $500 less than either of his immediate predecessors, nor is he provided, as several of his predecessors were, with an automobile at the public expense. He is on the same mileage basis, on government business only, as any other official of the Government."

Other Increases

There had been an increase of $3,750 in the cost of the Royal Canadian Mounted Police. This was unavoidable. The Premier charged that the late Government had budgeted in 1935 for an expenditure of $15,000 toward R.C.M.P. when at the same time they had entered into an agreement which "they knew must cost more than that in the current year."

The Premier reviewed other expenditure increases in his department, and read in detail from a report of R.C.M.P. activities, showing increased prosecutions and convictions under the Prohibition Act and for other offences. He instanced prosecution and enforcement of the Customs and Excise Acts as an unfair burden on the Province, of which he had complained in the brief presented to the Rowell Commission.

The R.C.M.P. figures indicated, he maintained, "a very great activity on the part of the police and law officers of the Crown."

Among other offenders two physcians had been convicted for improper issuing of prescriptions, under the Prohibition Act. A large number of orders were issued by the Attorney General cancelling or suspending the right of physicians to issue prescriptions for periods ranging from one month upward.

86 car drivers had had their licenses cancelled during the year, 54 of this number being for intoxicated driving. "That is one branch of the enforcement in which I may assure members of the House that there will be no relaxation," the Premier said.

Educational Reform

Referring to criticism by Mr. Profitt, in a newspaper letter, the Premier said he had been accused of making an uncalled for insinuation as to the origin of certain resolutions passed at the recent farmers' meeting on the subject of educational reform. "If I have made any such insinuation I would like to withdraw it. What I wished to state was rather this, that the resolutions which are now being urged upon the Government are so entirely different from those which this Government has been in the habit of receiving from farmers and farmer organizations that it leads us to believe that the farmers have at least had a sudden awakening on the subject.

"I may remind the hon. members that approximately a year ago, at the time when the Government was being besieged by farmers and farmer organizations throughout the Province with recommendations and petitions for the teaching of a greater amount of agriculture in our schools and educational institutions, Mr. Profitt, in company with Mr. Nicholson and a few others, waited upon the members of this Legislature to disassociate themselves from what the Government—then at least—believed to be the accepted view of the farmers in general." They had maintained that education should not so much be directed to practical ends as to developing a new type of culture, and this had also been the substance of the recent farm organization resolutions.

"I don't go to the extent of charging these advocates of reform with a 'smack of insincerity' as Mr. Nicholson has seen fit to do with regard to my remarks the other day," the Premier continued. "I give Mr. Nicholson and Mr. Profitt and their associates great credit for their sincerity and their interest in the problems of education in this Province. But with all due deference, I don't think that credit need go to the length of agreeing with what they propose."

Mr. Nicholson, the Premier noted, had written to the press in his usual cogent and convincing form, but notwithstanding that the letter was short it contained at least 108 words which obviously bear the imprint of Latin parentage—"in a letter which was designed to attack the desirability of the teaching of Latin in the common schools of this Province."

Funding Obligations

The Premier said that the $21,000 profit from exchanging Dominion of Canada for C.N.R. bonds had been placed back in sinking funds and not used to reduce the deficit. The liability standing has been decreased by that amount and the face credit of the Province improved. "If we held those bonds until their maturity in 1952, and reinvested the proceeds, even at the conservative estimate of 3 per cent interest, and held them at that rate until 1959, which is the latest date of maturity of any of the bonds sold, the net total result in financial profits would be over $6,000 to the Government, and in the meantime the face value of the sinking fund stands increased by $21,000. The C.N.R. bonds, like the Dominion bonds, carried the unconditional guarantee of the Dominion.

All the borrowings made by the Government, he said, have been at a very low rate of interest and soundness of the sinking funds was a great asset in negotiating bond borrowings.

Bond Borrowings

He cited the following bond borrowings made: At 3 per cent: Oct. 1, 1935, $200,000; $500,000; $150,000; $350,000; $25,000; Feb. 15, 1936, $500,000; Dec. 15, 1936, $250,000; at 3½ per cent, May 15, 1937, $500,000. The total debenture issue from Oct. 1, 1935 to the end of 1937 was $2,476,000. These issues were to refund $925,000 of debentures; also to provide a $25,000 special issue for the purchase of the old P. E. I. Hospital; to refund overdraft of $284,000 carried as at Dec. 31, 1934; to refund increased liabilities for 1935 of $976,000. There was a total for the refunding of existing debenture issues and the funding of liabilities incurred up to the end of 1935 of $2,210,000. Up to the year 1937 the Government borrowed only the difference, namely $265,000 for the purpose of expenditures which had been made since the end of 1935.

On Feb. 1, 1938, additional debentures were issued to the amount of $400,000 for the purpose of permanent highways, again at 3½ per cent.

All the issues have been for a period of ten or eleven years. It was found that better terms were obtained by calling for option prices than by accepting firm bids.

The Premier then reviewed the items of capital expenditure, citing the following increases over 1935: Rights of way, $122,000; re-establishment of distressed farmers, $60,000; National Park, balance necessary to pay claims for compensation, $30,000; youth training, $30,000 (of which the Dominion Government is expected to pay 50 per cent); fishermen's loans, "a sum sufficient", (the agreement having expired on March 31 and new agreement details not available); hardsurfacing highways, $500,000 also another "sum sufficient" for "other unemployment relief projects".

He stressed the value of forest conservation, and said in this connection that it was the intention of the Federal Department of Mines and Resources to initiate at least "a modest programme" of forest education and demonstration in connection with the National Park.

Mr. Mustard

Mr. John Mustard, Third Kings, expressed appreciation of the "democratic way" in which the Premier had dealt with members of the Legislature, and of his "serene manner" in dealing with the many difficulties of administration.

Our taxpayers have been "up against it" in these times as they have never been before, and this is reflected in the problems of government. Farmers have been compelled to economize because they have not the cash, but the Government cannot do likewise without serious injury.

Nevertheless, the increasing debt is a great burden. Mr. Mustard calculated that since 1913 our debt has increased six times, while he questioned if our annual revenue has doubled in that period.

He deplored the evidence of recklessness in expenditure which is apparent among the people at present, fostered, he suggested, by the "vicious system" of stores in encouraging sales on the "easy payment" plan.

Mr. Mustard referred to the "ambitious schedule" of the Public Works and Highways Department. He urged that roads leading to shipping centres already not attended to should receive special consideration.

Dealing briefly with education he commended the Credit Unions upon doing a much needed work in the rural districts.

He commended also the Minister of Agriculture upon his activities, but doubted the advisability of spending money on teaching agriculture in this Province. He suggested sending students—their transportation paid—to the "very splendid school" at Truro, N. S., where there were better facilities.

The speaker also referred to the overcrowding of the jails and appealed to the Government to take this matter into consideration.

INDIAN VOYAGEUR DIES AT THE PAS

THE PAS, Man., April 5—(CP)—Last of the birch-bark canoe-makers in northern Manitoba, John Harris, oldest Indian on The Pas reserve, died here recently.

His canoes were shipped to all parts of North America. Many examples of his craft are in museums of Canada and the United States.

In the early days he made many trips from Hudson Bay by York Boat and steam boat to Edmonton, Alta.

Two sisters survive. One, Sally Ross, is believed to be at least 100 years old. She lives here.

Card of Thanks

The family of the late Mr. John Kelly wish to thank their neighbors and friends for their many acts of kindness during their recent sad bereavement. Also those who sent Mass Cards, Spiritual Offerings and Messages of Sympathy.

L-1496-4-6-1i.

Card Of Thanks

The family of the late Mrs. Elizabeth Landrigan wish to express their sincere thanks to all those who in any way helped during their recent bereavement. Also to those who sent Mass Cards, Spiritual Bouquets and letters of Sympathy.

The Central Guardian

This column is reserved for news of local interest but advertising of a newsy nature may be inserted at 1 cents a word strictly payable in advance.

FIREMEN CALLED—Firemen were called to 101 Upper Prince Street yesterday afternoon. There was slight damage.

FAIRVIEW READY FOR SERVICE—Charlottetown harbor was almost clear of ice yesterday as far as Rocky Point wharf. It was expected loose ice around wharves would be carried out by the tide. Crossings to Rocky Point were being made by means of an ice-boat, similar to those used at the capes before the advent of the winter steamers. The Rocky Point ferry Fairview has been overhauled, painted and was said to be ready to resume service.

MEETING OF ART SOCIETY—Various schools of painting were discussed at the monthly meeting of the Prince Edward Island Art Society last night. Miss Ruth Heartz and Mrs. Riley spoke on the Italian school, Mrs. Harris on the Netherlands, Mrs. Mutch on the English and Mrs. Gass on the French. In addition a collection of reproductions of the works of great masters was studied. Miss Margaret Irving, president of the Society presided at the meeting, which was held in the Harris Memorial Gallery. It was announced the annual meeting of the Maritime Art Society would be held in Charlottetown on May 26 and 27th.

PHANTOM WAS FIRE IN N.S.—Mr. A. G. Moore of Pownal said yesterday he examined with a powerful glass what, to the unaided eye, appeared to be a bright light in Northumberland Strait on Wednesday evening of last week and decided it was a fire on the mainland. The blaze would be in the vicinity of Wallace, N.S., Mr. Moore believed. Others present came to the same conclusion, it was said. Mirage was nothing new to the residents of Pownal, Mr. Moore said. They frequently saw the mainland appear very near through the natural phenomena known as "looming."

PERSONALS

Geo. P. Nicholson, City Clerk, who accompanied His Worship Mayor Foster to Ottawa and remained over in Montreal in hospital for examination has returned home and resumed his duties in City Hall.

A telegram was received in Charlottetown yesterday conveying the information that Mrs. Louise M. Bonnell of this City underwent an operation in the Royal Victoria Hospital, Montreal yesterday morning. Her condition was said to be satisfactory.

GAINING GROUND ON GRASSHOPPER

OTTAWA, April 6—(CP)—Reports issued by the agriculture department of the Dominion government show extensive survey by scientifically - trained government experts is gradually bringing under control the grasshopper plague in the prairie provinces.

Closely-clipped patches of grass along the road tell the surveyors when they have found a colony of the road-side variety.

The female grasshopper deposits eggs by opening the ground with a wedge on the end of her tail. She lays them in a protienous film which forms a pod-shaped sack around the eggs and protects them until maturity. These sacks contain from 15 to 25 eggs.

Extremely sensitive to light, the grasshopper may lay as many as 200 eggs during a sunny, dry season—but when it is dull and rainy the number of eggs diminishes greatly.

Maps of the provinces are marked out in shades of yellow, pale green, dark green, deep bue and red according to the density and danger of the anticipated menace. The approximate density of grasshoppers anticipated is discovered by surveyors working in a diagonal line across each province, digging one square foot under the earth every three miles and counting the number of eggs laid.

As warning to the farmers to take protective measures to insure a crop unharmed by this pest, maps are distributed province-wide.

A poisonous bait of parts of bran, sawdust, sodium arsenite and water is prepared by the government in each of the provinces. It is easily obtainable in any amount by the farmers.

Pilot Succumbs To Typhoid Fever

(C.P. Havas, By Guardian's Special Wire)

CHUNGKING, China, April 6—(Wednesday)—Harry G. Smith of Wisconsin, one of the best known air pilots in China, died today of typhoid fever. Formerly a personal pilot for Marshal Chiang Kai-Shek, Smith flew between Chungking and Hankow for the China national aviation corporation, during the last six months.

BIRTHS

MacDONALD—At East Royalty on April 4th, 1938, to Walter and Mrs. MacDonald of Cove Head Road, a daughter.

MARRIAGES

WATSON-MacDONALD — At 65 Upper Prince St. on Monday, April 4, 1938, by Rev. A. E. MacKenzie, Mr. Lewis John Collis Watson of Wishart, Saskatchewan, to Miss Christine Majorie MacDonald of Whim Road, P.E.I.

DEATHS

COOK—At Murray River, April 5, 1938, Thomas Leonard Cook in his 77th year. Funeral notice later.

JAY—At her home in Fanningbrook on April 5, 1938, Mrs. Rebecca Jay aged 78 years. Funeral Thursday afternoon at 2 o'clock to Mt. Stewart Cemetery.

WEATHERBIE—At the Provincial Infirmary on Tuesday April 5th, Henry Weatherbie, aged 60 years. Funeral from the MacLean. Funeral Home Thursday April 7th. Service starting at 1 o'clock. Funeral leaving at 1.30. Interment Cross Roads Cemetery.

FOR RENT

A small tenement, hot water heated and fireplace. Apply 70 Upper Hillsboro St. Phone 445-J

L-1512-4-6-3i

Writer Visions Europe Peppery For Many Years

(By The Canadian Press)

Austria, perhaps, could be absorbed in a German "anschluss" without disturbing the equilibrium of Europe. Czechoslovakia could not. So wrote Vernon McKenzie for his "Through Turbulent Years," several months before Hitler's coup in the one-time stronghold of the Hapsburgs.

Mr. Mackenzie admitted a book dealing nowadays with international events might be out-of-date before it was published. But his own work takes on lustre in the glare of the recent crisis. Strangely true in prophecy it is frankly enlightening in cause and effect.

The author of these lively chapters is virtually a Canadian. Born in New York he grow up in Toronto where his father, Dr. B. E. McKenzie, pioneered in orthopedic surgery. Vernon McKenzie graduated from the University of Toronto and took his M. A. at Harvard. In 1915 he inlisted as a private in the Canadian forces, was promoted to lieutenant and ended his war service in 1918 with a crash in France while an officer of the Royal Air Force.

Before and ather the war he served as reporter and editor on a dozen different newspapers and magazines in Canada and the United States. At length, in 1928, he rather amazed his Canadian friends by making a happy landing in Seattle as dean of the school of journalism, University of Washington.

First and always a reporter, Mr. McKenzie spent most of his vacations of 20 years in Europe tracking the map-changers, talking to dictators, having audiences with royalty and pumping the man on the street. Such is the broad setup for his chronicles.

Mr. McKenzie observed while the extent to which 7,000,000 Austrians might attempt to prevent absorption was uncertain there was no uncertainty in the case of 16,000,000 Czechs. The world now pretty well has the answer on the Austrians. On the other hand:

"Czechoslovakia has the equivalent of the French Maginot line along a large part of its 1,500 miles of territorial contiguity with Germany. Non-Czech experts tell me it would take the German army probably six weeks to push the Czech army south of the capital (Praha)."

Where Danger Lies

However "the danger of aggressive German action against Czechoslovakia is real." One must remember there would be no such crass action as marching German troops across the Czech frontier. It would be more subtle than that. For instance the German minorities might be ill-treated and stage a riot, a few Germans killed.

"Hitler announces he is sending a 'police' force to save German lives and property. The police force becomes an army. There may be no war but before the democracies get around to action Germany has an army in Czechoslovakia. Then—try to get it out."

In one of those interviews which are the luck of McKenzie, President Edouard Benes tells him Czech independence must be maintained for the world's sake. The Czech chieftain is quite sure he would be fighting no lone-hand struggle. His country is described as a going concern; Austria a consistent bankrupt.

The book sees Franz von Papen, German minister to Austria earning a boost the veteran trouble maker probably needed as a nonmember of the Nazi inner circle. "He will get the great big credit with the Fuehrer when he announces Austria is ready for the anschluss." The author thinks Uncle Sam's headache of great war years achieved his previous shrewdest success during the "bloody purge" of 1934 when he managed to stay alive. Having delivered Austria he will have a new lease of life.

Mr. McKenzie believes a world war before 1940 is improbable. Furthermore if the world can get along until 1940 without a general conflagration it is possible to escape perhaps for a generation "Do not expect international tranquility.... The world is so precariously unbalanced, so jittery, so bitter and so unfair that we shall probably be 'on the verge' for a good many years yet."

These are two chapters on the press, propaganda and friction. "Many government-subsidized agencies are flooding Europe, the Near East, the Far East, South America and Africa with their 'slanted' news." What are Hitler's ideas on the press "There will be complete freedom (of the press)—except for those who are enemies of the fatherland," he told the author. In practice? "It is safe to say that no newspaper in the world can attack the Nazi regime or criticize German policies or favored statesmen without the risk of drawing Goebbels' (minister of propaganda) fire."

Comparing dictators Mr. McKenzie says Hitler is willing to delegate power and permit his subordinates to bask in resultant publicity. In that he is unlike Mussolini who sees that no Balbo gets too much public adulation.

There are chapters in lighter vein. Altogether the book is entertaining history.

REDS ARE CHAMPIONS

(C.P. By Guardian's Special Wire)

PROVIDENCE, R. I., April 5—Providence Reds tonight won the Eastern Championship of the International-American Hockey League, defeating Philadelphia Ramblers 2-2 in overtime.

Sweeping Revisions In Canadian Electoral Laws Proposed In House Yesterday

NEUTRALITY

(Continued from page 1)

Union represents 340,000 workers, key men in the armaments industry. Beside the actual technical issues involved, the union was said to be concerned whether the government would permit the Spanish government to buy British arms.

Sir Thomas at a luncheon gave assurance all munitions exported from Great Britain were under careful licence and went only to "friendly or allied countries to whom we are in some way committed."

He emphasized the government's determination to complete the armament program in less than the five years scheduled for it.

Talks among representatives of the government, labor and industry have been both "frank and friendly", Sir Thomas told the Constitutional Club.

Through goodwill and cooperation the government will be able to overcome the obstacles in the path of its vast rearmament program and to find sufficient manpower to carry it to a successful conclusion, he declared.

Call For Recruits

In an appeal for recruits for the government's air defence program, Sir Thomas said—

"I hope public spirit will in no way be deterred by the fact that objections to a national register at the moment are supposed to be greater than the advantages but that everyone will offer his services in a quarter in which they are likely to be best used.

"We have not altered our policy but events in Europe have created a new situation and the government not unnaturally have decided it was necessary to make a greater effort in order to equip ourselves for the responsibilities which they hoped they might not be called upon to discharge. But they must take care that if an emergency did come they would not be short.

Referring to the white paper on the government's arms program in which it was indicated efforts would be made to secure the cooperation of industry and labor, the Minister said:

"The intention at the time was not to interfere more than was necessary with civil industry, but events of the last few weeks have made it necessary, I hope only for a time, that the government's program should have priority.

"Further than that the government have decided that as far as possible the program that was to be completed within the five years originally marked out, should be completed in less space of time."

Referring to manufacture of munitions, Sir Thomas said that "so far as production of equipment is concerned, I can truthfully say the plans made are substantial, complete and far-reaching and that all we now require is zeal on the part of the ministers and efficiency on the part of producers and employers and the cooperation of labor."

War Secretary Leslie Hore-Belisha answered in the House of Commons a complaint that the army recruiting campaign had brought only sparse results.

Recruiting for the regular army in the seven-month period from August, 1937, to February, 1938, was 33 per cent higher than in the corresponding months of the preceding year, Mr. Hore-Belisha said. Last month showed an 80 per cent increase over March, 1937. He answered a question by Sir George Harvey, Conservative.

Canada Marks Fresh Phases Of New North

OTTAWA, April 6 — (CP) — As mineral exploitation of the far north pushes Canada's frontier to the Arctic Ocean, the Dominion government is taking an increasing interest in the administration and problems of the Northwest Territories.

That vast northern territory covering more than 1,300,000 square miles is coming into its own as a significant part of the Dominion following spectacular mining developments aided by advance in commercial aviation.

Some sanguine government officials visualize a 10th Canadian province eventually will result with the capital at Fort Smith, on the Slave River, 475 miles north of Edmonton. Others point out there are so far only about 1,500 white people in the entire Territories along with 4,000 Indians and about 4,500 Eskimos.

However, the government is giving its attention to the situation arising out of new mining and commercial developments in the Territories and the matter has been mentioned in the House of Commons this session.

Resource Minister Crerar informed the House that it may be only a few years until parliament must decide whether to give representation to the people of the Territories. Paul Martin (Lib. Essex East) had queried the minister on the issue but the Alberta Conservative Association was the first to bring the matter to the attention of the public. The association said the matter of representation would be pressed.

EXPECTS POPULATION

Mr. Crerar was enthusiastic about the prospect in the Territories and said he expected a big influx of population within a few years. His department was already giving more attention to that part of the Dominion.

Exploits of the Russian polar aviators flying over the top of the world and crossing the territories on two flights from Moscow to the United States as well as the last unsuccessful flight which ended in disaster had drawn attention of the world to the Territories.

Lord Tweedsmuir's trip last summer to Aklavik at the mouth of the MacKenzie River, removed some of the mystery surrounding the country and presented it as a potentially wealthy section of the nation.

The area is administered by the Territorial council with headquarters at Ottawa composed of experts schooled in the needs and possibilities of the northland. The council acts under the Dominion department of mines and resources and the council head is Dr. Charles Camsell, deputy minister of the department. The Royal Canadian Mounted Police maintain law and order in the Territories.

(Continued from page 1)

of elections was increasing all the time.

"There has grown up in our body politic," he continued, "a class of racketeers, organizers, in some cases owners of newspapers, owners of halls, pamphleteers, writers and others who believe the election period is a carnival for them in order that they may charge, during that election, rates which they never dare contemplate at any other time."

Election costs were getting so high that "demands on the purse of the poor, unfortunate candidate are such that often it is absolutely impossible for the ordinary citizen to place his services at the disposal of the state." The whole purpose of the legislation was to make it possible for an ordinary man to "face the prospect of an election with honest intentions and clean hands."

There was a growing belief in Canada that politics and politicians were a poor lot, Mr. Power continued. It was believed it was all a matter of corruption "and funds raised by men who hope to profit by the advent or the maintenance of one party or another in a place of power and responsibility."

This was a decided threat to democracy, a greater threat than "the isms that infest our body politic is the belief that election manipulation, electoral manoeuvring, electionism as it is called in our Province (Quebec), it undermining the very basis of democracy.

"We must, if we wish firmly to establish democracy again in the minds of our people, pay some heed to that clamor and endeavor to cure the ills that appear at the moment to be inherent in it.

"There is at the present time going on a world-wide struggle between totalitarianism and democracy. It has its reflection in this country and it devolves upon us, who believe in our present system of government, to endeavor to cure the ills that are inherent in it.

"I believe we can accomplish this by cleaning house where cleaning house is necessary and I believe that if we do not soon clean house we shall be open to the charge of neglecting our duty."

POWER BILL

(Continued from page 1)

matters as hydro export licences the attention they merited. Mr. Meighen was unjust when he alleged the government did not like to take the responsibility vested in it by the former act.

Sir Robert Borden had opposed investment of the governor-in-council as the licensing authority, Mr. Meighen agreed; but he had not contemplated the government transferring authority to parliament. He had had in mind the railway commission. All objections voiced by Sir Robert against the governor-in-council applied with much greater force against parliament.

For the government to say, "as this bill goes, that we don't know what public policy is, but we'll wait until a private member introduces a bill to tell us what it should be' is an absurdity," he declared.

He was opposed to the measure, although he did not oppose power expert under all conditions. However, the proper thing to do was to determine what those conditions should be and, having inserted adequate safeguards in the legislation, delegate the whole matter to a proper administrative body.

ANNUAL MEETING

(Continued from page 1)

disposed off.

The President then called for the yearly reports of the different committees which were presented by the convenors as follows:

Education: Mrs. E. Paquette.
Social Service: Mrs. F. Murray.
Study Clubs: Mrs. A. Howatt.
ublicity: Mrs. R. J. MacDonald.

The Treasurer's report was given by Mrs. W. T. Coady and correspondence received was read by Miss Mae King.

A condensed report of the year's work was read by Mrs. K. Kelly, Recording Secretary.

The retiring President, Mrs. Walker, thanked the members for their co-operation during her term of office and asked that same support be extended the incoming executive.

Mrs. J. A. MacAulay, convenor of nominations then presented her report which resulted as above:

Father Keefe spoke words of encouragement to the members and congratulated them on the result of the year's work, asking all present to take an active interest in League endeavours which are both religious and patriotic.

Nine Prospects Looking Bright

REGINA, April 5—(CP)—Development of Saskatchewan's mines will be one of the highlights of Canada's 1938 economic history Department of Natural Resources officials believe.

Overshadowed for five years by wealth from the grain fields, new attention is being given this year to mining in the province with three new metal mines nearing production stage.

Flin Flon Gold Mines Limited report production is likely this year from its property southwest of the Flin Flon mine of the Hudson Bay Mining and Smelting company, near the Saskatchewan-Manitoba boundary.

In the Lake Athabaska district in the notrhwest corner of Saskatchewan, two mining plants approach production. Construction of the 1,000-ton capacity mill of the Consolidated Mining and Smelting company has been delayed since Jan. 1, 1938 only through non-delivery of freight.

Favorable diamond drilling results have been obtained by Athona Mines Limited on claims south of the Consolidated Mining and Smelting company property. Substantial buildings have been erected.

Discoveries in the central part of northern Saskatchewan suggest an influx of prospectors is likely after ice breakup.

The Hudson Bay Mining and Smelting company this year will send prospecting parties into Saskatchewan's mineralized areas.

A marked advance is likely in the non-metallic division particularly in clay wares production.

"Drilling will be resumed for oil at Lloydminster, Tramack, Simpson, Vera, Maple Creek, Riverhurst and Battleford," said officials of the government.

In southern Saskatchewan mineral production during 1937 reached new levels. Lignite coal production exceeded 1,000,000 tons and a modern briquetting plant was erected.

4TH HOBBIES EXHIBITION IS OPENED

Mayor E. A. Foster Declares Show Formally Opened—First Of Competitions Held.

The 4th Girls and Boys' Hobbies Exhibition under the auspices of the Charlottetown Y. M. C. A. was formally opened by His Worship Mayor E. A. Foster last night. Opening ceremonies, held in the Little Theatre Guild Hall, were followed by the first of the musical competitions. Dean Douglas Clarke of the faculty of Music McGill University, Montreal, was adjudicator, while the competitions were conducted under the supervision of Prof. Roy Kendall, chairman of the advisory committee Mr. P. W. Turner, president of the Hobbies Exhibition presided at the opening.

Today's program includes competitions in the music section at 3.15 p. m., which will be held in the Little Theatre Guild Hall These competitions will be continued in the Hall at 7.30 p. m. In the Y. M. C. A. building in the afternoon there will be a display of exhibits while in the evening in addition to the exhibits educational films will be shown.

First item on last night's program of competitions was a School Chorus "A Hunting We Will Go," Grades VIII to X of Prince Street School. There was but the one entry and the adjudicator awarded the Chorus class 2.

A violin duet section, 14 years and under, Marion Puncher and Bethany MacDonald were awarded 3rd. place as was also a stringed trio Carol Marie Coles, Arlene Coles and Mary Bentley.

In piano duets, 16 years and under, Catherine Wright and Mary Bentley were given first place, Helene Colwill and Joyce Ferguson second and Joy Fraser and Arlene Coles third.

In the section for violin solos there were seven entrants but only two placed. They were awarded class three. They were Frances Reay and Mary MacKay. Other entries included Doryse McNeill, Josephine Leightizer, Nicholas Kays, Elinor McDonald and Earl Jones.

Frances Reay and Mary McKay were given first place in the violin duet section 16 years and under, while the other entrant, Earl Jones and Josephine Leightizer placed third.

There was but one entry in the violin trio, 16 years and under class, Frances Reay, Mary McKay and Jean McKay and they were given class one.

A stringed trio, Sandy Brehaut, Frances Reay and Norma Gomes were also given class one.

Bill Rogers was given first place in the violin solo class, 20 years and under, in which there were three entries. Ralph Raynor placed second and Helen Farquharson third.

Ralph Raynor and Bill Rogers in the violin duet class, 20 years and under, were the only entrants and placed in class two.

A string Ensemble under direction of Harry Gomes placed first in that class and one under the direction of Miss K. Hornby second.

Musical competition ended with a piano solo by Bill Rogers who was warmly complimented by the adjudicator.

The program was completed with the presentation of two short one act plays by the 3rd Charlottetown Guides, St. James Church under the direction of Miss Jessie Fullerton and the 1st. Charlottetown Guides, St. Peter's Cathedral under the direction of Miss Gwennyth Fry.

Mayor Foster in opening the exhibition remarked he was delighted to see so many of the parents present. Sometimes, he felt, the work of the Y. M. C. A. was not sufficiently appreciated by the parents of Charlottetown. He expressed his pleasure at having an outstanding man such as Dean Clarke adjudicate at the musical competitions.

Mr. Turner in introductory remarks explained the object of the exhibition and how interest in it had grown year by year. This season's list of entries was about 600 an increase over that of the former years.

Much of the exhibition's success could be attributed to the efforts of board of directors composed of Doreen Alley, Marion Andrew, Bill Beer, Silvia Block, Stuart Chandler, Thelma Dingwell, Eleanor Mary Duffy, Ralph Dumont, Biff Johnston, Keir McLeod, Joan Roop and Robert Stewart.

The management of the exhibition expressed regret that the evening programs were of necessity quite lengthy. They explained that competitions in which young children were taking part were for the most part conducted in the afternoon or early in the evening to enable them to leave for their homes early. Meanwhile everything possible would be done to speed the performance as much as possible, it was explained.