

The Charlottetown Guardian

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Anglo-American Trade Pact

Formal announcement has been issued by the United States of the intention to negotiate an Anglo-American trade agreement, and public hearings on imports and exports suggested for inclusion if the agreement has been set for March 14. The announcement fixes Feb. 19 as the closing date for the submission of briefs by importers, producers or manufacturers, and for applications to be heard at the public meetings.

The agreement will include, along with the United Kingdom, the British Colonies, Protectorates and mandated territories, as well as Newfoundland, but not the Dominions. Canada, however, is vitally concerned in the negotiations, as it is believed they will involve the loss of some at least of the preferences our farm producers now enjoy in the British market under the Empire trade pacts.

It would simplify matters a great deal if the Dominion Government followed the procedure at Washington, by making formal announcement of its "intention to negotiate" and giving producers, manufacturers and all concerned an opportunity of being heard, before finally committing the country, as Mr. King did in 1935, to specific trade concessions.

So far as the Anglo-American treaty is concerned, it is in what Britain is offering the United States that Canadian producers are chiefly interested. Mr. Hull has published a 47-page list of more than 1,000 imports to the United States on which tariff concessions may be granted. We shall await with greater concern the list of what our American neighbors are to get in return.

The story of the Prodigal Son, it will be recalled, ended happily for everybody except the fatted calf. In this return of our American neighbors to closer relations with the Old Country, are we not somewhat in the position of that sacrificial animal in the biblical narrative?

"Feeble Steps And Slow"

One of the chief promises made by our Liberal office holders, federal and provincial, was to obtain wider markets for our fishermen. Their first action was to conclude a trade agreement at Washington in which our fishermen's interests were totally ignored.

Now—two and a half years later—announcement is made of the appointment of two Nova Scotia fishery company executives to survey marketing possibilities in the West Indies, Central and South America. These appointments, according to Fisheries Minister Michaud, are "one step in pursuance of the purpose of an appropriation made in Parliament last year to aid in re-establishment and reorganization of what is known as the dried and pickled fish branches of the fishing industry of the Atlantic coast which, owing to world economic conditions, have become acutely distressed."

"One step" in two and a half years seems pretty leisurely progress in solving a problem which was declared to have reached an intolerable stage of acuteness in the 1935 election campaign. Why has it taken the King Government this long to begin looking around for fishery markets?

It will be three months before the Nova Scotia appointees report the result of their peregrinations in the West Indies and Central and South America, and another year, doubtless, before action is taken on their report. By that time another federal election will be in the offing and it will be opportune for taking another "step" in the direction of Liberal promise-keeping.

MacKinnon Of MacKinnon

Members of the Clan MacKinnon in Canada, says an exchange, will be stirred by the news that the Canadian flag (is there one?) flew for the first time over Bellahouston Park, Glasgow, when Mackinnon of MacKinnon, chief of this ancient Scottish clan cut the first sod in the site of the Canadian Pavilion at the Glasgow Empire Exhibition.

The MacKinnon, who is in his 60th year, was accompanied by his daughter, Miss Alice MacKinnon, by Major G. B. Johnson, Canadian Trade Commissioner, and by Ben. B. MacKinnon, secretary of the clan. He visited the Highland Chieftain and chatted with Stormovay men who are busy thatching cottages there. He showed much interest in "an castle"—the chief's castle in which many clan gatherings will be held next year. It is his intention to hold a clan rally next October within the Exhibition.

Wheat And The Depression

The changing wheat situation and the importance of this factor in our national economy is reviewed authoritatively in the December letter of the Bank of Nova Scotia. Summing up the post-war period the reviewers state that it now becomes apparent that this period of economic recovery was not based on firm foundations. When the flow of capital to Europe ceased in 1928 and 1929 it was realized to what a large extent the movement of international commodities had been dependent upon it. As the depression deepened and measures of "economic nationalism" were taken in country after country, the frictions, stresses and strains and irreconcilable ambitions bequeathed by the war came more and more clearly into focus. Nowhere has this been more obvious than in the

case of wheat, which has been the centre of more national policies aimed at stimulating production and restricting consumption and trade than any other major commodity. It might indeed have been expected that such measures would be taken in the event of world depression. The post-war recovery did not bring a commensurate degree of prosperity to European agriculture, which remained the major depressed industry of the time. While the inclusions in Europe had wiped out much farm debt, the cost of reconstruction had been very heavy and interest rates, particularly, remained high. The problems of the landlord and the peasant therefore bulked large during the 'twenties.

Hence, when the severe reduction in prices brought acute agricultural distress it was easier for European countries to take measures to raise domestic prices rather than to reduce high costs. For these measures there was the added incentive of restricting imports, for which foreign exchange was already lacking. Inevitably the impact of these developments was keenly felt in the great wheat exporting nations, and nowhere more than in Canada.

Editorial Notes

"Penny Post" introduced this date, 1840. Nature was its own snow-plow last week.

The Week of Prayer has ended, but the need still exists.

A lot of popular citizens we have not spoken for someone are particularly friendly these days—something's in the wind.

The Montreal Police Amateur Athletic Association has contributed \$23,000 to the Police Benevolent and Pension Society. That is a fine example of what amateurism should be giving, not receiving.

American newspaper publishers, headed by Col. Knox visited Toronto last week and secretly interviewed Premier "Mitch." Bet the subject of the interview won't be a secret long, and it won't be the newspaper men who'll make the disclosure.

Better late than never. A summer vacation greeting card mailed at Kingston, Ont., last July 1 reached Jack Alexander, Ottawa, just in time for New Year's. Postal officials could only conjecture as to the delay. The card had most likely slipped behind some machinery and only come to light in a rearrangement of equipment for the Christmas rush, they suggested.

It does not do to be too picknicky in criticizing the CBC, but a mild protest may be permitted when it announces that for its "Scotland's contribution to the musical history of Canada" programme, "special English lyrics have been written". Also, exception may be taken to "Scotsmen" being called "Scotts" "who came from the Scottish lake lands". There are lochs in Scotland but no lakes worthwhile.

The Canadian Federation of Mayors and Municipalities has been officially advised that briefs from national organizations will be heard by the Rowell (Royal) Commission on federal-provincial relations in Ottawa from January 17 to 27. The Montreal Metropolitan Commission's planning and research department, has been loaned to the federation for the purpose of drafting its briefs. Final touches are now being put to the document, a tentative draft being in the hands of the leading mayors in the country for perusal and comment. Our Mayor, no doubt, will submit his copy to the City Council for perusal.

New York has started a whole-hearted "return to religion" campaign. Bishop Malloy of the Roman Catholic diocese of Brooklyn has launched a convert movement, while Rev. Dr. Burgess on behalf of the Protestants has announced the necessity for an immediate revival if Christian civilization is to survive. "With rationalism," Dr. Burgess said, "America tries to explain everything, with pantheism it wants to put everything on the same level, and with materialism it wants to judge every value by the way of business and of finance. Our hope is still in the things which God has given us," said Dr. Burgess. "The happiest people are the God-trusting people."

Lady Drummond pays this tribute to the late Sir William Stavert—"How simply and uprightly he did his duty, how bravely he took his pain! The part he played when he went to England to help as he might in the war work was typical of him. He said, 'Give me what work you will, I am ready'. Someone said 'We are badly in need of a strong man in the pacific department of our work for the prisoners.' And so William Stavert went, and day after day made up heavy parcels, and carried them down long narrow stairs and placed them in the drays. I used to think how fine it was and how wonderful of him! When some of the big men discovered him they rightly took him for larger matters of State concern; but always for him it was the cause that mattered, never himself."

The National Safety Council predict that traffic deaths in the United States during the year now closed will be 40,000. The traffic toll in 1936 was 37,800 deaths. In 1935, the fatalities numbered 37,000. During eleven months of last year traffic deaths increased 6 per cent, in comparison with the eleven-months' record of 1936. The recorders argue that, as gasoline consumption, which is a reliable means of estimating mileage, increased 6 per cent, last year, "there has been no actual increase in the traffic death rate." If there is any comfort to the statisticians in that fact, there is none whatever for the public. There were no fewer than 11,960 pedestrian traffic deaths during the first ten months of the year, these being the latest figures available, and the increase under this head is likewise one of 6 per cent, as compared with fatalities to pedestrians during the corresponding ten months of 1936. The only bright spot in the picture is seen in 8 per cent, fewer deaths among children under five years of age.

NOTES BY THE WAY

We anticipate a distinct diminution in the enthusiasm of the Province of Quebec for the Anglo-American trade pact. The result of last year's developments, in which a British vessel was fired upon by the Japanese while engaged in an attempt to rescue a party of French-Canadian nuns on a Chinese island. The enthusiasm never did seem to have any very sound basis, for the nationalists' concepts of French Canada have little resemblance to those of any of the three aggressive nations which are temporarily acting together to extract what they can in the way of territory and spheres of influence from the patient and unaggressive democracies. Episodes of this character have their value in forcing a certain amount of clear thinking; and clear thinking can be used to convince the Province of Quebec that the maintenance of democracy and of peaceful relations between nations is much more to its purpose than the further spread of autocratic government even under the plausible pretext of combating Bolshevism.—Toronto Saturday Night.

Driving through Jersey, a merry man we know spotted near Newark, a second-hand automobile lot, a back Ford of ancient vintage. It was a very old Model T, with kerene lamps, a converted top about eight feet high, and a spare tire rakishly bound to a front fender. Thinking that the relic would be good for a couple of laughs in his neighborhood, he stopped and asked the price. "Two-fifty," the attendant said, then the young man reached for his wallet, added, "Two hundred and fifty." Seems that the management put such an outrageous price on the car because they didn't really want to sell it. They make a considerable profit by reselling it after \$20 a day, had just been returned from South Orange, where a gentleman had driven it up to his country club, amid gales of laughter.—The New Yorker.

Unless a larger spirit of goodwill is built up between the provinces of Canada, this Dominion is certain to face troubled times. It should not be difficult for any provincial government to achieve at least a measure of understanding of the viewpoints and problems of other provinces. It is only when they are individuals, harbor ill-will toward their fellow Canadians who happen to live in other parts of the Dominion.—Edmonton Journal.

This is the one hundred and nineteenth anniversary of the composition of the world-famous Christmas hymn "Silent Night, Holy Night." The words were composed by Father Josef Mohr, vicar of St. Nicholas Church at Oberndorf, Salzburg, Austria, and the music was the work of his church organist, Franz Xaver Gruber. The two worked hurriedly on Christmas Eve in 1818 in order to compose something simple which could be sung on Christmas, since an evening-hour failure of the organ had rendered a more elaborate musical program impossible. The composition was sung in a concert in Leipzig some 15 years later, and quickly spread throughout the world.—Bc change.

There appears to be a close relationship between newspaper reading and successful democracy. Recent studies in the consumption of newspaper—print paper—which is a rough index of the number of newspapers printed and read—show that in the democratic countries of the world consumption of newspaper is high. In countries of less democratic form it is low. Here are the figures: In the United Kingdom in 1936, 60 pounds of newspaper a year were used for each person in the United States it was 57. Now follow the figures down through other countries and think, as you read them, of the degree of democracy each country has. Australia and New Zealand, 58; Canada, 36; Scandinavia, 28; Netherlands, 23; France, 18; Japan, 13; Finland, 13; Germany, 11; Russia, Italy and Mexico, 3; Brazil, 2.—Quebec Chronicle Telegraph.

Canada's first and only woman mayor was re-elected unopposed for her third term. Canada's first woman M. P. has had a long and successful record at the polls. It is strange that in view of the apparent satisfaction with which women who actually attain office in Canada are regarded, no woman should be elected.—London Free Press.

There has been a disposition in Canada for many years to regard questions of defense with a lordly indifference, as if the passibility of our island position for consideration. Slowly the lesson is being driven home that a new type of military operations, with a new set of problems, has been evolved in the contemporary world. Wars today are fought without being declared, making the position of neutral baffle and precarious, and there lies the gravest peril for Canada. Legal safeguards mean nothing or next to nothing. Self-protection, to the extent of a nation's ability, is the only logical protection.—Vancouver Province.

There are different kinds of civic assets. The man who insists on putting through a program for decent municipal playgrounds, for instance, may be doing more for his town than the go-getter who brings in a new factory. A good public library may be worth more than a new railroad terminal. A first-rate superintendent, or health commissioner, or police chief, can be a civic asset in any town. For a city, after all, is a place where people live; and there is an infinitely complex network of things which determine whether their lives shall be pleasant or not which cannot be expressed in a financial statement.—Quebec Chronicle Telegraph.

PUBLIC FORUM

This column is open for the discussion by correspondents of questions of interest to the Charlottetown Guardian. Do not necessarily endorse the opinions of correspondents.

FARMERS MARKETINGS

Sir.—This reader was much interested in your editorial (issue of December 31) "Hog Industry Penalized". While I am not in the livestock end of farming, I can see the force of the quality arguments set forth and, obviously, the hog producers in Canada have something to learn from their brethren in Denmark. In the latter country, however, if I remember correctly, "the packers" and the "hog producers" are cooperatively speaking, the same people. It is permitted to destroy the price-structure for the 90 per cent. of the producers, nullifying the intrinsic worth of "quality". The wheat crop in 1932 was the largest since 1928 and graded higher than any crop in the past 20 years, but was sold for an average price of 35 cents per bushel. From the brief of the Saskatchewan Government, before the Rowell Commission, December 8, 1937. Is it any wonder, Sir, that the wheat farmer is demanding a better deal? Thirty-five cents for a bushel of Canadian wheat! That's not "buying", that's what nearer "stealing". I am, Sir, etc.

THE POULTRY INDUSTRY Sir.—A few days ago, when I had the privilege of reading and analyzing the agricultural reports for the year just ended, I realized, as did many others, that although progress may have been made during the season by some branches of this industry, yet other phases must receive more attention and development in this province is to receive the attention from its greatest industry, that an increasing population and a proper standard of living demand. Perhaps poultry raising, always considered one of the main branches of successful farming, but now suffering from unnecessary neglect on the part of farmers themselves, is the best example of what could easily be developed to bring to this province three or four times as much revenue as it now does. Realizing as a poultryman, that the industry is far from being in a satisfactory condition, in spite of assistance and valuable promotion work given it in the past, I feel that it is up to our farmers to avail themselves of every opportunity to acquire more knowledge about the proper care and attention of a good poultry flock. I feel, and this opinion is based upon a good knowledge of conditions as they actually are, that not more than a dozen farmers in this province are receiving maximum production from their flocks. On many farms you will see mixtures of many breeds—a practice that does not bring success, poorly housed and poorly fed, a liability to the owner instead of a real asset. There are many reasons why, especially egg production, should receive proper attention from our farmers:— For many years egg prices have always been such as to show a fair to good margin of profit over production costs. Poultry will provide income with a minimum of arduous labour. Our markets are demanding a better quality of eggs than we are producing, and we can only remedy this situation by good well developed flocks, better feed, and good housing. If, during the present year, our farmers would endeavor to build up a laying flock of one hundred or more hens, and care for them properly, their expenses would be more than offset, and our dealers would not have to import eggs into the province for local requirements, as they did recently, at a season when prices are highest. I am, Sir, etc.

FARMER

BROWN'S HILL Sir.—In the Pair of Dec. 31 there appeared a review of the activities of the Public Works and Highways during the season of 1937. It is a pity that the review did not make any reference in their yearly report of Brown's Hill. This winter road was built under Road Foreman Mr. Everett Holmes of Kingston who deserves much credit in having this winter road completed. It is to be hoped when the travel guide for 1938 by the Travel

man could get who was willing to work and why? Why was a remote practice carried on only by remote, comic-opera countries in Central America and the Balkans.—Exchange.

"NERVES" SHE CALLED IT

Losing interest—losing friends—she never went out any more—ways, too tired—"Nerves" she roared completed. The improved action of her kidneys helped clear away blood impurities and excess acids. Fatigue, headache, backache, lack of energy, disappeared. 117

Dodd's Kidney Pills

THE TWO MASKS Melpomene among her livid people. Ere stroke of lyre, upon Thalia looks. Warn'd by old contests that o'er museful ripple, Along those lips of rose with tendrill hoops, Forbodes disturbance in the springs of pathos. Perchance may change of masks midway demand, Albeit the man rise mountainous as Aethos, The woman wild as Cape Leucadia stand.

The Poet's Corner

THE TWO MASKS

For this the Comic Muse exacts of creatures Appearing to the fount of tears: that they Strive never to outleap our human features, And do Right Reason's ordinance obey, In peril of the hum to laughter highest. But prove they under stress of action's fire Nobleness to that test of Reason highest, She bows: she waves them for the loftier lyre. —George Meredith.

Bureau is made up it will discontinue the name "Brown's Hill" and insert the name "Holmes Boulevard" as I think that this winter road should be classed with the McInyre, McMillan, Bennett and McLure Highways as it will serve as a detour for tourists in the spring to avoid the Chelton quagmires.

"Keston" has stated in his letter that I failed to state in my first letter whether this work was done under the Relief Act or Ordinary Revenue. For his information he will have to wait until the Public Works and Highways Report is tabled at the next local session for the year ending 1937, and he may rest assured that it will be no monument as the Beer's and Livingston's bridges on Bannockburn Road that were in the Public Works Report of 1936. Though ardent Liberals on this winter road project they were familiar faces to the writer, Conservative who has to eat this winter and is in need of the so-called "dole". Rumors has it that there is a fire in the Liberal camp for their share of the honors in securing the winter road better called "Boulevard" and that members of the Roll Committee have waited on the Government officials asking that a public meeting be held in Kingston Hall, for investigating purposes. I am, Sir, etc.

HAMPSHIRE

PUBLIC UTILITIES

Sir.—The following words of President Roosevelt, when he was Governor of New York, in disapproving certain bills concerning public utilities should be of interest to consumers of electric light and power. Governor Roosevelt said: "Suppose a new electric light and power company is organized to serve a given territory and that the cost of developing the power, transmitting it and distributing it to the homes and industries of the region is \$1,000,000. Under the definite plan proposed by the minority report, this \$1,000,000 would be raised, let us say, by bonds which would be entitled to the actual rate of interest on bonds, say 5 per cent; in part by preferred stock which would be entitled to the actual rate of interest, say 6 per cent; and in part by common stock which would be entitled to say 7 per cent or 8 per cent. "This would mean that the rate would have to be high enough to pay, say an increase of 6 per cent of the total of \$60,000 profit to the company in the first year. "The Public Service Commission would also a low annual sum to retire the bonds, so that as a net result, if the bonds ran say for thirty years and amounted to one-half the financing, the capital of the utility company at the end of the thirty years would be only \$500,000, because the bonds would be retired.

"In other words, at the end of thirty years, the public in paying for this electric light and power would have to pay only enough to provide about \$5,000 of profit to the stockholders of the utility company. "Now let us see what is done by some utility companies operating under the present laws, or rather lack of laws. The same company in the same territory capitalized for \$1,000,000 and the same part of this cost at through the issue of 5 per cent bonds, through 6 per cent preferred stock, and by 7 per cent or 8 per cent common stock, but it demands at once that it be allowed a 7 per cent or 8 per cent return on the \$1,000,000. "Next, under the existing laws the company fails to retire a portion of the bonds each year, so that at the end of thirty years, the life of the bonds, they are refunded by issuing new bonds and running them another thirty years. Thus the public had to continue to pay for all time on the original capital structure. "In this example, the public would be paying at the end of thirty years from \$70,000 to \$80,000 instead of \$5,000 under the bond retirement principle. "But this is by no means all. In many cases in the United States, through the mysteries of so-called accounting, companies have been allowed to set up each year very large depreciation reserves, and instead of having those depreciation reserves deducted from the original cost of the plant, the depreciation reserves have been actually added to the capital structure. "Bear in mind that this depreciation reserve is paid for out of the monthly bills which are sent to you, the consumers. This method may mean very easily that at the end of thirty years a depreciation reserve may amount to



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one half of the original investment costs and that you are paying a profit in one and one-half million dollars instead of a million dollars. "But this is not all. Under the lack of a plainly stated policy by the state governments as to what the rate base shall be, the Supreme Court has gradually allowed large additional amounts to the rate-base, based on what it would cost to reproduce the plant anew after many years have elapsed. "This means that if a dam or power house actually cost only one-half million dollars when erected twenty years ago, it would now cost twice that amount to reproduce. The utility company could add one-half million dollars to this rate-base, a straight out and out gift of that amount to the utility company stockholders. "Suppose then that in the case of our million dollar utility company, one-half million dollars were added by this wholly illogical depreciation reserve addition, and another one-half million dollars were added by the reproduction of plant theory, even though the old plant continued to be operated. We would have a rate-base of two million dollars instead of a rate-base of one-half million dollars under the proposed investment theory. "Put in another way on two million dollars the users of electricity in our homes would have to pay 7 per cent or 8 per cent or \$140,000 to \$160,000 a year of profit to the company, instead of \$35,000 a year under the proposed new set up." Yours for Provincial Control I am, Sir, etc. ADVOCATE

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