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

WEDNESDAY, JUNE 4, 1947

Alberta Independents Quit

An interesting development on the western political scene is the announcement by Mr. J. Percy Page of Edmonton that the Independent group has withdrawn from the Alberta political field.

According to a western exchange, there are several contributing reasons to the downfall of the movement. In the first place, its major reason for existence was to be "agin the government."

Then, of course, there was the difficulty faced when the same politicians who worked harmoniously in the provincial field had to turn around and do battle with one another in the Federal field.

Present indications are that the next provincial election contest in Alberta will be almost a straight fight between Liberal and Social Credit forces, with the C. C. F. as a token contender.

Dairy Production

Total milk production of Canada fell approximately 4,000,000 pounds in March as compared with the same month last year, the farm output of 1,069,537,000 pounds comparing with 1,073,000,000 pounds in March 1946.

Production of creamery butter in the month of April amounted to approximately 21,000,000 pounds, an increase of 1,000,000 pounds over that of April, 1946.

On April 1, the holdings of creamery butter amounted to more than 15,000,000 pounds, approximately three times the quantity reported at the same date in the previous year.

Farmers realized approximately \$15,520,000 from the sale of dairy products during February, revealing an increase of nearly \$2,000,000 or 11.7 per cent over the sales income for the same month of the previous year.

Millions For Publicity

Canada should be well advertised in the United States and other foreign nations this year judging by items in the 1947-48 estimates which show three Canadian Government publicity outlets plan to spend more than two and three-quarter million dollars, as follows:

The former Canadian Information Service is now fully integrated in External Affairs department. The functions of this service to date include: Daily distribution to all Canadian embassies, legations and trade commissioners in foreign countries of an air mail bulletin with concise Canadian domestic information.

now being prepared also for such distribution. Dissemination of Government publicity within Canada appears to be part of the function of the National Film Board, operating both at home and abroad.

The Trade and Commerce department's publicity division distributes to Trade Commissioners abroad advertising, booklets, films (bought from the National Film Board), photographs, and also operates a clipping service. This division gets out one of the most informative weekly booklets on opportunities for foreign trade entitled "Foreign Trade" (formerly the Commercial Intelligence Journal) excellently printed and edited.

The biggest item in this Trade and Commerce estimated publicity expenditure of \$439,880 is \$300,000 for advertising in Canada and abroad. Printing the "Foreign Trade" booklet, other booklets and films constitute major items of \$25,000 each and salaries about \$39,000.

The National Film Board which sends many Canadian films abroad estimates that of its \$2,205,821 expenditures, it will require \$766,000 for making films and \$862,000 for distributing them. Salaries will require \$183,000; technical administration, \$135,708. Production and distribution of such things as photo services, film strips, displays, posters and publication designs and equipment will take another \$132,000.

It is obvious that Government publicity at Ottawa is growing into big business.

EDITORIAL NOTES

India gets Home Rule—but like Ireland, half-in-half. In time the two extremes may meet.

Mr. F. Oliver's continuance as Liberal leader in Ontario is said to reflect a defeatist attitude; a feeling that there is as yet little use in trying to unseat Col. Drew.

The great monopoly which may in the future raise the cost of living of the poor, is public ownership of agricultural land, but Socialists will never raise this point.

It seems that our new generator is on its way and should arrive before the end of this month. Citizens will have one thing less to worry about once it is installed and working.

As already mentioned, it looks as though Canada's long delayed wave of immigration has commenced. As a consequence we may expect such a period of expansion and prosperity as did the U. S. in the eighties.

Politeness to hens has been advocated by the University of Massachusetts. A bulletin to farmers from the desk of the University Extension Editor, said, "knocking on the laying house door before entering will give the hens a chance to know that you are coming and they won't be scared when the door suddenly opens."

The City Council have acted wisely in handling the memorial playground situation. We all want consideration for growing boys and girls first, but at the same time we must preserve the interests of our horsemen who have done so much to popularize racing and to attract tourists to our City.

It recalls the siege of Paris in Napoleonic days to read of the export of horse meat to Europe for human consumption. It used to be considered the depth of hunger and despair for anyone to be subject to a diet of an old and condemned gee-gee. Now about the only people concerned about the resurrection of the horse meat market are the fox-ranchers who sustain a serious loss in the deprivation of supplies for their livestock.

The Battle for Rome ended in a victory for the Allies this date 1944, when the Fifth Army and the Eighth Army after taking Ferentino and Veroli, entered Rome after a hard fight in the suburbs, being wildly greeted by the Italians, although shells were still falling in the City from R. A. F. planes. The Germans fell in full retreat to the north, R. A. F. bombing their convoys relentlessly. Over 20,000 German prisoners were taken.

A woman bachelor of science has been selected by the Australian Jockey Club to take charge of a laboratory for the testing of race horses suspected of having been doped. She is Miss J. Kimbell, who was the only woman among 15 applicants for the position. The laboratory is to be built at the Randwick race course in Sydney, and will contain the latest apparatus used in Britain, the United States and India. Its estimated cost is £2,000 (\$6,480), but shortage of material will prevent its erection for some months. In addition to testing suspected cases of doping, Miss Kimbell will conduct regular scientific tests of race horses.

So Fred Wright has joined the majority. He will long be remembered as an ideal Citizen, a good Churchman, and a first-rate, all-round Sportsman. He crossed the bourne as he would have wished, quietly, suddenly, without any prolonged illness preventing him pursuing the even tenor of his daily round. Though having no family of his own, he with Mrs. Wright, voluntarily, and with love aforethought, became guardians of a group of orphans who worshipped him, and though now widespread and settled in homes of their own, still look back to Uncle Fred and Aunt Cora as their guides, philosophers and friends who directed their childish footsteps, and influenced them the way they should go when they attained mature years. They bless his memory, and God rests his soul.

Notes By the Way

Wherever you go, there you find Martimers; wherever you look, there are Maritime brains in great affairs. — Halifax Herald.

It might be more difficult to select "Mothers of the Year" and hold special ceremonies for them if so many mothers were not too busy taking care of their families to get out and compete. — Windsor Star.

The newly rich oil farmer, unable to write, deposited his first royalty cheque in the bank and arranged that his signature should be two crosses. Soon, a cheque showed up signed with three crosses and the banker summoned the farmer for an explanation. "Well, my wife is getting into society," he explained, "and she thinks I should have a middle name." — Santa Fe Magazine.

A transatlantic train ride from the Atlantic to the Pacific Ocean now costs only \$2.40 if taken on the Panama railroad, which is owned by the United States and runs from the City of Panama to Colon, a distance of 47 miles. When the line was opened in 1855, it tried to discourage travel by charging what it thought were prohibitive rates—50 cents a mile and 5 cents a pound for baggage. — Rock Island News Digest.

The old French word "aboiteau" is preserved in the maintenance of the Bay of Fundy dykelands. This old French name, says W. W. Baird in the Agricultural Institute Review, in a sense give a hint of what it means. It is really a dam built in such a way that the drainage water from the surrounding lands can flow out to sea at low tide and at the same time prevent the inrush of tidal water at high tide.

Hidden taxes are detestable, for most people forget them and fail to understand them, and do not realize the part they play in pushing up the cost of living. Yet these insidious taxes snaw at wages and salaries every day, reducing their purchasing power. Every man or woman worker knows how much is taken from his pay envelope each week for income tax, but he rarely thinks that on about two-thirds of what remains in his envelope he will pay an additional eight percent sales tax. — Peterborough Examiner.

The average head of a family is faced with so many demands up to the age of 55 that he has little chance to put aside any sizable amount. After that age his sons and daughters are usually on their own. However, his income tax payments then increase because he no longer has dependents. Thus his efforts to build up a fund against his retirement are more or less neutralized. The prospect of going on old-age pension or living on the partial charity of relatives after a life-time of work is not a pleasant one. — Winnipeg Tribune.

Writes a peevish subscriber to the letter column of the Detroit News: "We and our forefathers worked hard to make this an attractive country. The girls of today are doing nothing to improve it. Instead of looking pretty, something to gladden our older eyes we see ugly babushkas, dirty rolled-up overalls, grimy legs in sloppy socks and shoes, a general look of having just come through Ellis Island." Sorrowfully we agree, as we turn our older eyes back to the gladdening roadside dumps, tottering billboards, decaying slums, sootied buildings and miserable congested streets and our forefathers worked so hard to make. — St. Louis Globe-Democrat.

The news from South Carolina is in. Twelve white men acquitted twenty-eight white men. On every count the defendants were declared not guilty of lynching a Negro. This was no day for justice. In the able conduct of this momentous case Judge Martin insisted that there must be no thought of race, no consideration of anything but the fact that a mob broke into jail and took out a prisoner to kill him. It was an extraordinary trial, white men being asked to convict white men for lynching a Negro, and this largely on the basis of the affidavits sworn to by the State. This was a severe test for the South. There can be little doubt that the jury was following the "unwritten law." But the case of the Greenville taxi drivers is not ended. Conscience is assembling. Mob law was at least brought to trial. — New York Herald Tribune.

The German people now demonstrating and staging food riots seem to forget that they are the primary cause of food shortages all over the world. During the war vast stocks of foodstuffs were stolen from conquered countries and removed to Germany. Actually, there is no compulsion on a conquering country to feed it, as has been done by the Allies in Germany. What would happen if the Allies were to withdraw from the supplying of food, which has been done on humanitarian grounds alone? We do not believe that had the Germans been victorious, they would have been as generous as they have been. Undoubtedly, if one may judge by the Nazi teaching, the defeated people would have been left to starve, as Nazis starved the people of the occupied areas during the war, while the Germans were in power. It is to be hoped the German people will be made to realize their true position and put an end to the present demands, made almost as if they were conquerors instead of a decisively-defeated people. — Niagara Falls Review.

"The Canadian Dollar"

(Monthly Review of The Bank of Nova Scotia, May 1947) "There are clear and basic factors of strength in the position of the Canadian dollar," according to the current Monthly Review of The Bank of Nova Scotia, which is devoted to an outline of some of the important factors bearing on the foreign exchange value of the Canadian dollar.

"By the test of comparative prices, the currency is a strong one. By the test of the overall balance of receipts and payments, it also appears to be soundly based. The gold and U. S. dollar reserves are still substantial. The general economic prospects of the country are better than those of most others."

The big question mark is the prospect for exchange convertibility under conditions of freer and expanding international trade. That depends largely on recovery of production and restoration of economic order in the war-savaged countries of Europe and Asia, which in turn depends heavily upon the provision of sufficient aid in U. S. dollars to permit the rest of the world to finance urgently needed purchases from North America."

The Review adds, however, that even if the international economic outlook is regarded as discouraging, there is very serious question as to whether a reduction in the exchange rate would in present circumstances have much effect in correcting Canada's U. S. dollar deficiency. It quotes the Minister of Finance's remarks on the exchange situation in the budget speech in which he suggested that "under prevailing conditions of widespread shortages, limited supplies and urgent needs, the possibility of a country improving its exchange position by currency depreciation is extremely limited."

The Review discusses the Canadian dollar in relation to a number of general tests. The first and most fundamental is the test of purchasing power. "In terms of what it will buy, the Canadian dollar is one of the strongest currencies in the world. Canadian prices have risen less than prices in most other countries, and even after allowance for the reduction in the foreign exchange value of a number of currencies, the purchasing power of the Canadian dollar is comparatively high."

"Price comparisons both with the U. S. States and elsewhere suggest that the Canadian dollar is, if anything, undervalued. Looking ahead, however, too much emphasis should not be placed on the high current level of U. S. prices. They have risen very sharply in a manner reminiscent of the price boom after World War I and the possibility of a sharp fall cannot be readily dismissed."

"Canada's current balance of payments has continued to produce a net credit," though exports are, of course, below their extraordinary wartime peaks and imports are higher than ever. "In 1946, total receipts accruing from sales of goods, services and other transactions exceeded total current payments to other countries by something more than \$450 million, a much larger credit balance than in any year prior to 1944. However, about \$750 million of Canada's exports were financed by net export credits and advances in 1946 and the rapidly rising flow of imports from the United States was being settled in cash."

"During 1946, Canada's deficit in her current transactions with the United States was about \$600 million. This compares with a deficit of about \$440 million in 1945, the most comparable peacetime year. When allowance is made for the facts that wholesale prices in 1946 were 27% above 1929 in the United States and that the volume of transactions was larger, "the deficit last year does not appear to be disproportionate to that of the late 'twenties."

The Review points to a number of abnormal factors tending to swell the value of Canada's imports from the United States, such as accumulated inventory and replacement demands, the recent sharp rise in U. S. prices and the difficulty of obtaining imports from normal or alternative sources of supply. It concludes, however, that "even after full allowance is made for these abnormal factors, there can be little doubt that imports would still tend to exceed exports to the United States by very substantial amounts."

While the current deficit with the United States in 1946 was \$600 million, the loss in official reserves of gold and U. S. dollars was \$260 million odd in U. S. funds. "Most of the countries receiving credits from Canada have, as part of the agreements, undertaken to pay for a portion of their purchases in convertible foreign exchange. In 1946, some \$237 million in gold and U. S. dollars were received through transactions with countries other than the United States."

"In the present year, the drain on reserves may be less than in 1946." The merchandise trade deficit with the United States has been notably higher thus far this year than in the early months of 1946. A significant offsetting factor is that, in the words of the Minister of Finance, "this year we expect to receive substantially larger payments in convertible exchange from the United Kingdom and a number of other countries."

Canada was fortunate in arriving at the end of the war with greatly increased gold and U. S. dollar reserves—some \$1,508 million at Dec. 31, 1945, as compared with less than \$400 million



CRUSADE

The Kings come riding back from the Crusade, The purple Kings and all their mounted men; They fill the street with clamorous cavalcade.

The Kings have broken down the Saracen. Singing a great song of the eastern wars, In crimson ships across the sea they came; With crimson sails and diamonded dark oars, That made the Mediterranean flash with flame.

And reading how, in that far month, the ranks Formed on the edge of the desert, I wish that God that I had been with them; When the first Norman leapt upon the wall, And Godfrey led the foremost of the Franks, And young lord Raymond stormed Jerusalem.

—Hilaire Belloc.

Old Charlottetown (And P.E.I.)

FIRST CIRCUS During the summer of 1829 a company of equestrian performers arrived here and erected a large marquee on the ground in the rear of the Wellington Hotel, where they exhibited their dexterous feats of horsemanship to an admiring crowd of spectators who witnessed nightly for a time, the achievements of the first circus that had as yet visited Charlottetown. The music of the brass band in attendance was perhaps more appreciated than the performance, but, however, all were delighted.

The Sterling System

(L. S. Amery, C.H.) Mr. Dalton's outburst on the theme of the "unreal, unjust, and unsupportable burden" of our £2,000,000,000 sterling "debt" calls for some comment. In what sense was it ever a debt and to what extent is it necessarily a burden? When we went off the gold standard in 1931 we discovered, to the surprise of old-fashioned economists, that we had in sterling a currency as sound as gold and more flexible with an intrinsic value of its own based on worldwide confidence in British productive power and British integrity.

"I repeat, we paid in full, and what is more, it was our individual suppliers who were paid. They received rupees or Egyptian pounds or East African shillings against which the respective reserve banks or currency boards hold sterling assets in reserve just as they used, in gold star days, to hold gold locally or at call in London. We had the goods and innumerable individuals for whom reserve banks, &c., are trustees, now hold assets exchangeable into legal tender in any sterling country. There is, in fact, no debt, so far as governments are concerned.

The real question is whether certain countries whose purchasing power has been enhanced by the war, should in equity make a retrospective contribution to our war costs. The prospects of Mr. Dalton's vigorous language securing any very substantial results in this direction do not look very bright.

But is the position really so desperate if he falls? The fact that large quantities of legal tender are held outside this country involves what Mr. Dalton, in his lions at the outbreak of war. At the end of 1946, reserves were \$1,245 millions.

The Review concludes by stating that "Canada's economic position is a strong one in comparison with most other countries today. This country has come through the war with increased productive capacity, with a larger and more skilled working force, with a comparatively low price structure, and with an economic machinery that is functioning in an orderly manner. Canada has also developed greater independence and self-reliance and a much greater ability to handle her own economic affairs."

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Budget speech, described as "unrequited exports." But in what sense unrequited? If, as a manufacturer, I sell \$10,000 of British machinery to India I am repaid by \$10,000 which I can at once retransfer to India for tea, to Australia for wool, or to Egypt for cotton, or I can use it to enlarge my factory here.

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