

Covers Prince Edward Island Like The Dew
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"The strongest memory is weaker than the weakest ink."
PAGE 4 THURSDAY, OCTOBER 8, 1959.

Apparent Red Cleavage

In a despatch from Washington, U.S. State Secretary Herter is quoted as saying that he detects a foreign policy split between Russia and Red China—the first sign of a major difference between the two powerful Communist states—and that he was at a loss to explain this apparent cleavage in view of Mao's acknowledgment of Khrushchev as head of the Communist world.

Surely the difference, if it exists, is not hard to explain. The Soviet Premier, since his American tour, has been proclaiming President Eisenhower's sincere desire for peace and predicting a lessening of cold war tensions. It is American pressure, more than anything else, that has kept Red China out of the United Nations, and American funds that have financed Chiang Kai-shek's resistance movement in Formosa. Eisenhower, as the symbol of U.S. enmity, is the number one villain so far as the Chinese are concerned. Khrushchev's praise of him couldn't help put stick in their throats.

On the Soviet side, there is the fear that China's continued expansion might put Russian achievements in the shade, and result in Moscow becoming subservient to Peking. The British philosopher, Bertrand Russell, evidently had this in mind when he stated, the other day, that fear of China might bring about an American-Russian alliance—"a possibility," he hastened to add—"not a probability."

It would be unwise for the free world to count on any serious Communist division, however. Red China and Red Russia have mutual interests and ambitions that—for the present at least—far transcend their differences. We do not know what Khrushchev said in private to his Chinese hosts in Peking, but it is logical to assume that he didn't go there to quarrel with them. What he said for propaganda purposes is another matter entirely.

Farm Trade Increase

The United States Department of Agriculture has prepared a detailed report on Canada's agricultural position and problems which, while not original, provides a convenient source of reference. Noted, for instance, is the fact that our 1958 farm exports, valued at more than a billion dollars, were the highest in five years, and 11 per cent above 1957. Contributing to the expanded volume of exports were grains, live cattle, beef and pork, fruits and vegetables. While Canadian imports remained high, there were some declines particularly in cotton, potatoes, lard and soybean meal. The value of the two-way trade in the United States and Canada in 1958 amounted to \$655 million. This figure was exceeded only in 1951.

Canada's exports of farm products to the United States in 1958 were 29 per cent above 1957, while imports from the U.S. were four per cent lower. The exports in 1958 were \$295 million compared with \$246 million in 1957, and \$245 million, 1952-56. The imports were \$360 million in 1958 compared with \$375 million in 1957, and an average of \$304 million, 1952-56. The United States was Canada's largest agricultural export market.

The report states that prospects are good for a continued high Canadian agricultural trade throughout 1959. A slight decline in Canadian cattle numbers and improvement in the United States domestic supply is expected to be reflected in reduced cattle exports. Canadian exports of pork, on the other hand, are expected to rise. A rise in raw cotton imports from the United States is probable.

Four factors influenced the high level of trade in 1958. They were:

the record United States demand for foodstuffs; continued higher prices for Canadian livestock and meat products in the United States than in overseas markets; a particularly strong United States demand for feeder or replacement cattle and for meats; a high income level in Canada, and a continued strong demand for fruits and vegetables, especially citrus fruits and winter vegetables.

The United States replaced Great Britain by a small margin as Canada's best agricultural export market. About 35 per cent of Canada's 1958 farm exports went to the United States. Japan was the third largest market for Canada's farm products.

Wheat and flour, amounting to 312 million bushels valued at \$515 million, was the leading Canadian agricultural export. Other major exports with their value in Canadian currency, were feeder and slaughter cattle and beef \$104 million; barley and amtl \$89 million; pork \$30 million; potatoes \$10 million; and apples \$8 million.

Livestock and meat exports to the United States in 1958 were valued at \$150 million. Exports to the United States of cattle and beef converted to cattle totalled about 770,000 head in 1958, breaking all records. Pork shipments last year were much larger than 1957 and amounted to 53 million pounds.

The Rand Commission

A one-man commission to investigate Canada's ailing coal industry seems rather odd, but there is general approval of the appointment of the Hon. Ivan C. Rand, retired justice of the Supreme Court of Canada, to this responsible post. His qualifications are many, not least of which is the fact that he is a Maritimer, with long experience in untangling legal and industrial problems.

We recall Mr. Rand's appearance here many years ago, as counsel for the C.N.R. before the Board of Transport Commissioners. His ability was outstanding then, and he has ripened with the years. If he can bring down as fine a report on the coal industry as he produced in the famous Rand Formula which settled the big auto workers' dispute in 1945, it will be the crowning achievement of his career.

The welfare of the coal industry is of vital concern to Nova Scotia, and to the Maritimes generally. We have no doubt, from the concern Prime Minister Diefenbaker has expressed on several occasions, that any constructive recommendations for its development will be promptly indorsed by the Federal Government. And in limiting the commission to one highly competent individual, it has ensured that there will be a minimum of delay in completing the inquiry.

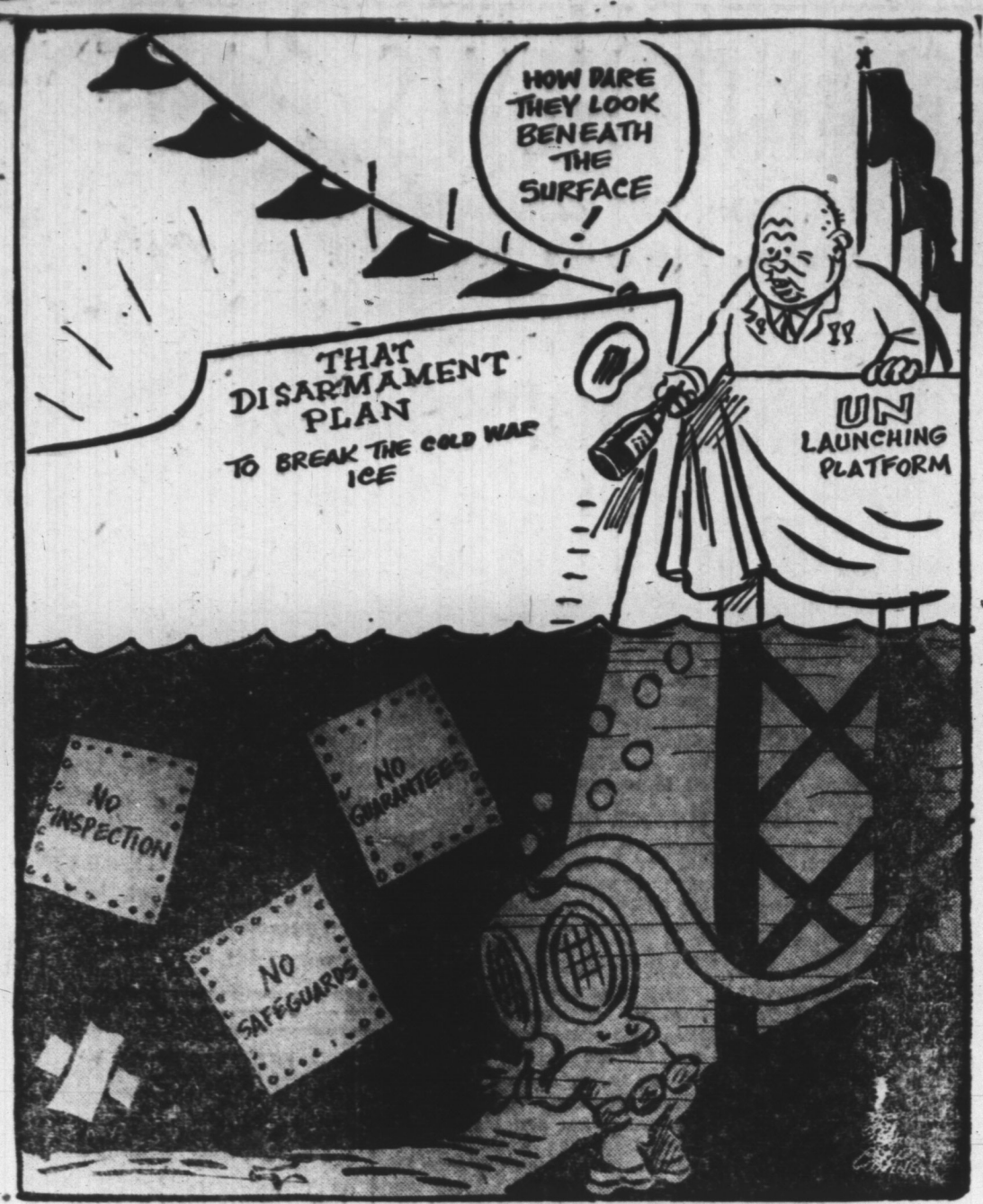
EDITORIAL NOTES

Canada's 1959 polio cases rose by 101 to 1,082 for the week ending Sept. 26, according to an Ottawa report. Deaths to that point totalled 58, including 51 in Quebec, 12 in Ontario and seven in Newfoundland. The overall total compared with only 156 cases, involving 15 deaths, at the corresponding date last year.

The vast sprawl of residential suburbs surrounding Montreal City is causing concern. These 80 municipalities are growing five times as fast as the city itself, and have now a population of 730,000. A high proportion of the suburbanites work in Montreal, and their coming and going along the roads every day is creating serious traffic problems.

Today's the big election battle day in Great Britain. Public opinion polls indicate that the Laborites led by Hugh Gaitskell have closed the gap with Prime Minister Macmillan's Conservatives, and a neck-and-neck race is predicted. Press commentators, however, are still expecting a government victory, though by a narrower margin than was predicted two weeks ago.

All the great industrial developments are not taking place in Soviet Russia or the United States. For instance, Sweden (population 7,300,000) has just opened the largest water Power station in western Europe. It is Stornorsfors on the Ume River, 175 miles south of the Arctic Circle. Entirely underground, it boasts the most powerful hydro-electric generators and turbines made anywhere. It has a tailrace tunnel, nearly two and a half miles long, with a cross section of 4,200 square feet—the biggest water power tunnel in the world.



LAUNCHES ANOTHER ICEBREAKER

Our Complex Money System

By Patrick Nicholson

Money is "tight" or difficult and expensive to borrow. To understand the reasons behind this shortage of money, which directly contradicts the intent of the federal government, it is necessary to understand the complex operation of our banking and monetary system. This detail is normally beyond the ken of most of us, and is perhaps a matter of complete indifference to you and me until—as now—it pinches.

When we read that we are suffering from a credit crisis, this means that would-be borrowers find it hard, if not impossible, to borrow through the normal channels.

The businessman who wants to finance expansion of his operations, the municipality which wants to build a needed extension to a hospital, the householder who wants to buy a washing machine calling for more cash than he has; all these may, under normal conditions, borrow the money from a bank.

SAVINGS MAKE LOANS
The chief source of money available for borrowers in Canada is the chartered banks, namely the private enterprise banks which operate branches in all our communities, such as the Royal Bank of Canada, the Bank of Montreal, and others.

These banks of course have assets representing the initial capital subscribed by their shareholders, most of which is invested in the bank buildings and the furnishings in them. They also have reserves of undistributed profits. But this is all peanuts compared to their total operation. The great pool of cash, which the banks have available to borrowers, comes from you and me, when we deposit money in our personal savings accounts.

A little more than half as big as this pool of personal savings is the total of other monies deposited with our banks by businesses and by the wealthier citizens who maintain a balance in their current accounts. It will be obvious that, when you and your neighbours each deposit money in your current accounts, or even in savings accounts, at your local bank, the manager cannot at once lend out all that money, because one of you might come in the next day and ask to exercise your right to withdraw your deposit.

RESERVES OF CASH NEEDED
So the banks always keep a certain amount of cash immediately available. This is sound banking practice. Further, to protect the depositors and to ensure smooth working of our banking machinery, our Parliament stipulated in the Bank Act that each chartered bank must maintain a "cash reserve ratio", in cash and on deposit with the Bank of Canada, totalling not less than 8 per cent of all the money deposited with it.

In prudence a bank also invests some of that deposited money in very short-term securities, which can, if necessary, be converted into cash very quickly. Such are day-to-day loans, and Treasury Bills (Government 90-day loans), carrying a low rate of interest.

Banks like to hold substantial amounts of Government Bonds, which have traditionally been regarded as being "as good as gold" and are sometimes called "gilt-edged securities". But recent unhappy experiences have shown the banks that hurried or ill-timed sales even of Government Bonds can result in serious losses.

During the last five years, the banks have also invested appreciable sums in government-guaranteed 20-year housing mortgages. Such are unattractive securities for a chartered bank, and have been accepted only at urgent government request.

With what is left of the deposits of their clients, perhaps 40 per cent of the balance in personal savings accounts and current accounts, the banks will make loans to their business clients and private individuals. Today, record deposits have been absorbed by record loans. This is the reason why money is "tight".

Let Child Know The Basic Facts

By Herman N. Bundesen, M. D.
MANY of you readers may have been sadly misinformed, or uninformed, during childhood about the question of sex. Don't make the same mistake as far as your own children are concerned.

WAS STEALTHY SUBJECT
In my day, sex was a very hush-hush subject. People just didn't talk about it, especially when children were present.

Today, attitudes are a little different. While I don't hold with some parents who discuss sex openly before their children and talk to their youngsters as though they were adults, I do think it is the duty of a mother and father to tell their youngsters a few basic facts.

WILL ASK QUESTIONS
A child's natural curiosity about his own body will cause him to ask various questions.

You should let him know what a marvelous machine his body really is, how his heart and lungs work, how his brain controls all his actions, and how his food nourishes his body and then is discarded as unused elements.

PARENTS SHOULD EXPLAIN
He should be told the names of the various parts of his body and he should be informed that there are glands inside the body as well as those opening outside.

Let him know that at certain times these glands produce secretions inside the body which bring about changes in both his appearance and his feelings.

Explanations should be given to girls even earlier than to boys, since females mature at a younger age.

BASIC FACTS
As they approach puberty, both boys and girls should be given a factual explanation of how they are going to change physically and emotionally, so they will be prepared for these changes.

Tell your sons and daughters everything you think they should know. Whatever practical, I

NOTES BY THE WAY

GOSSIP: A person who does not believe everything she hears—but repeats it anyhow.—Vancouver Sun
Most snakes are harmless. And most hitchhikers are decent people. But if you pick them up consistently you have only yourself to blame if you get a snake with a rattle in its tail, or a hitchhiker with a blackjack in his pocket. Don't give rides to strangers.—Ontario Safety League

The cradle New York Times supplies this morsel of information about the baseball club now domiciled in Los Angeles but once a prominent feature of the community of Brooklyn. It was once called the Trolley Dodgers, and the present label is a contraction. These things are good to know.—Ottawa Citizen

Postmaster General Hamilton speaks of the Canadian postal service: "There are 50,000 of us, more or less. We are scattered from Vancouver Island to the coast of Newfoundland and we operate from big, shiny stainless steel edifices and tiny corners in a general store. We walk bleak letter-carrier routes in barren suburbs, and we ride the bumping, swaying mail cars through whistle stops, grimy in the dawn."—The Postmark

suggest that a father discuss the matters with the sons and the mother with the daughters.

QUESTION AND ANSWER
Mrs. G.G.: Can you tell me the quickest and best way to have hair removed from the face?

Answer: Most authorities agree that electrolysis in expert hands is the best way to permanently remove unwanted hair. The method is essentially painless, permanent and causes no scarring.

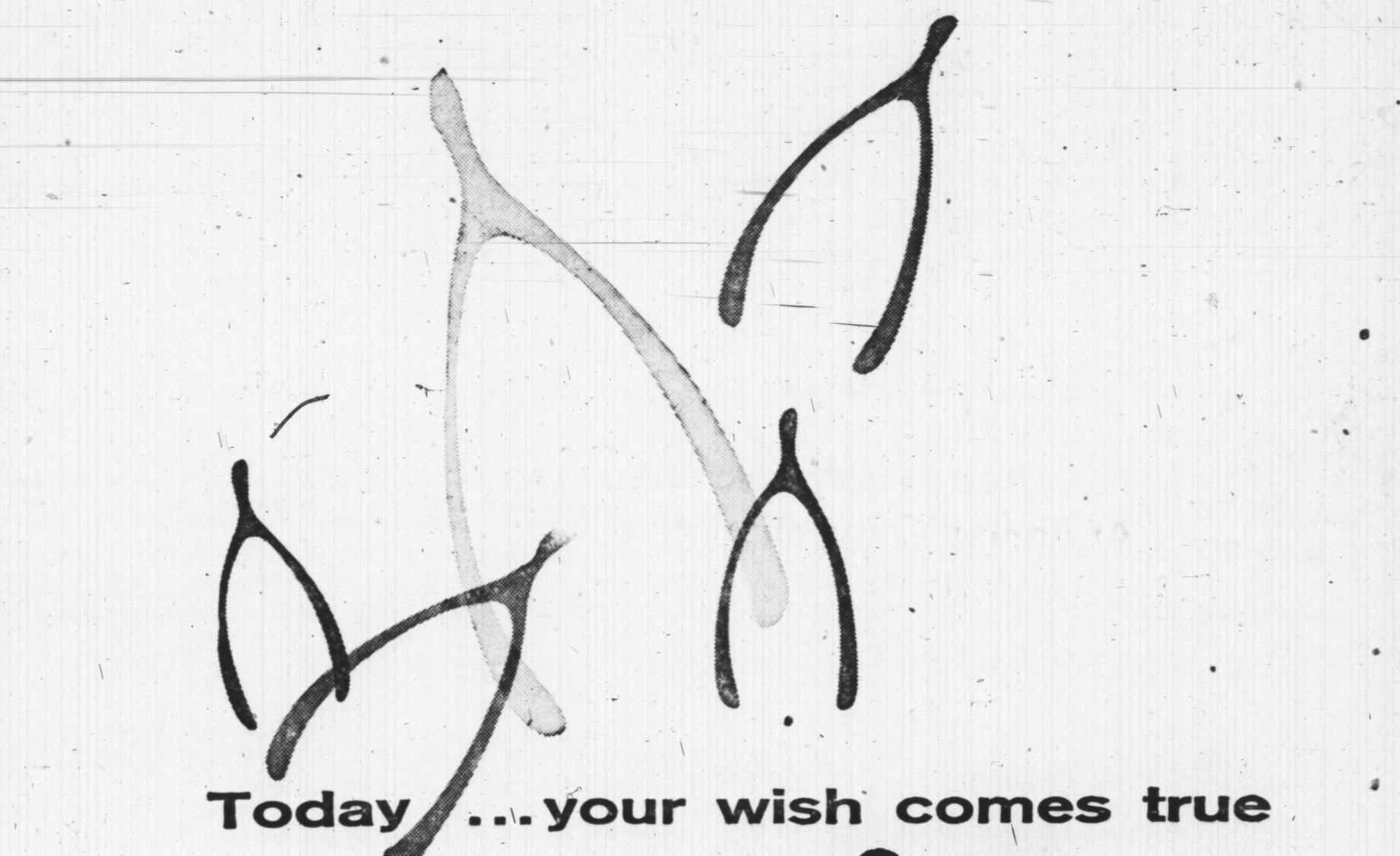
When Bing Crosby admitted publicly that he feels he failed as a father to his four sons, he joined the ranks of thousands of others who feel the same way, but who keep their feelings to themselves.—Fort William Times-Journal

OUR YESTERDAYS
(From the Guardian Files)
TWENTY-FIVE YEARS AGO
(Oct. 8, 1934)
The Charlottetown Riding Club ushered in the fall hunting season by staging a successful draw hunt yesterday morning on the estate of Col. V.S. Jenkins at Upton. A hunt breakfast was held in the club rooms in the residence of Major Dunbar, after which twenty-eight hunters advanced up the North River Road preceded by a pack of hounds.

A fire at Eldon Friday evening resulted in a barn and two smaller out buildings being burned to the ground. The barn, owned by J.J. Larabee, contained only a small quantity of straw, and as there was no wind no other buildings were endangered.

TEN YEARS AGO
(Oct. 8, 1949)
The local Y.M.C.A. is sending a large delegation from the four local Hi-Y Clubs to the Maritime Hi-Y conference being held at Sydney over the Thanksgiving weekend. A total of 25 delegates, accompanied by Miss Lillian Gehrke, Girl's Work secretary, are leaving by chartered plane early Saturday afternoon.

Miss Frances Johnston, Director of the P.E.I. Arts and Crafts Guild is flying to New Glasgow today to address the Nova Scotia provincial convention of the Federation of Business and Professional Women's Club, which is being held in New Glasgow this week.



The Falcon comes in both a Tudor model and the Fordor you see above.

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