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Making Us Pay

A parliamentary committee has been grappling for months with the problem of high consumer prices and how to bring them down to more reasonable levels, and has now made an interim report. But it has already been outdated. Finance Minister Sharp has taken this occasion to announce, in his new budget, an increase in the already exorbitant federal sales tax to 12 from 11 per cent. True, this will not apply to building materials and production machinery, while foodstuffs and some other items are exempt from sales tax. Nevertheless, the increase is bound to work its way through to a broad range of retail prices. This will mean an increase in living costs for rich and poor; and, of course, it is the poor—including old age pensioners destitute enough to qualify for the supplement the government proposes to add to their current monthly pension—who will feel it most.

Some time ago Mr. Sharp agreed to remove the sales tax altogether from drugs if a federal committee on drug prices recommends it. There is every reason to believe that such recommendation will be made, for it has widespread support across the country. In the meantime, however, his tax boost will apply to drugs and we are not surprised that already a spokesman for the Canadian Association of Consumers has made strong protest on this point.

Another result of the boost will be to widen the price spread between Canada and the United States on motor vehicles. The U.S. sales tax is seven per cent and with the new Canadian tax, the differential is increased to five from four per cent. It is complained that in other manufactures as well, the new tax will make Canadian industry appear even less competitive to those across the border than it does now.

There is to be an increase, also, in the maximum old age pension tax; but this, it is claimed, will affect only the upper third of income taxpayers. Actually, it is aimed chiefly at those in the middle-income brackets. According to one critic—a Toronto accountant who specializes in taxation—the man with a taxable income of \$8,000 will pay an additional tax of two per cent, whereas the man making \$20,000 taxable income will pay less than one-half of one per cent extra.

What Opposition speakers want to know is why Mr. Sharp needed additional taxes for 1967 at all when the present surplus in the old age pension fund won't be used up until the middle of 1969. They got little enlightenment from the minister on this score, except a lecture on the need for paying one's way in social welfare measures. A good thing to be reminded of, no doubt; but wouldn't it have come with better grace when the spending promises were made in the election campaign?

An Uncertain Weapon

It is said that the United Nations itself and not the white rebel regime of Ian Smith may be the real victim of mandatory economic sanctions imposed by the Security Council against Rhodesia. The resolution, passed by an 11-0 vote with four abstentions, covers oil and a wide range of items. Its terms are supposedly binding on all members under "threat to peace" clauses of the UN Charter. However, black African diplomats were quick to point out that it contains no provision for enforcement to ensure that members comply with it.

The incident recalls the futile effort by the League of Nations to impose sanctions against Italy for its invasion of Ethiopia in 1935, and the unfortunate part Canada played therein. It was our delegate, Dr. A.W. Riddell, who proposed that oil

and other essential products be added to the list of prohibited articles to Italy. The Italian navy alone needed about 50,000 tons of oil a month, and Mussolini thundered that he would consider oil sanctions "an act of war." Canada's bold leadership in dangerous waters became front page news everywhere.

But soon Prime Minister Mackenzie King was on his feet at Ottawa, explaining that it was all a mistake. Dr. Riddell, it seemed, had acted without instructions. He had phoned from Geneva that the question of extending sanctions to include oil would come before the League committee, and had been cabled to take no action whatever. But the cable hadn't reached him in time, and he had rashly—and quite erroneously—anticipated its contents. Then Canada's delegate had to explain before the League committee that he had made the oil sanctions proposal "merely as a member" and not on behalf of Canada. That served as an excuse for other powers to weigh out of it, too.

In June, 1936, Addis Ababa, the capital of Ethiopia, fell to the victorious Italians, and that's the last that was heard of sanctions as a means of stopping a nation's ability to make war. The fiasco helped to kill the League of Nations, too, for it never recovered after the Italo-Ethiopia conflict. What prestige was left rapidly diminished and it became nothing but a shell. With it went the hopes and aspirations of a generation.

Let's hope, in this case, that history will take a different turning.

Canada Take Note

Canada would do well to take note of the action of the U.S. Congress in creating a National Highway Safety Agency, and in moving to enforce its tough regulations. The director of the new organization, Dr. William Haddon Jr., has already made public a number of defects in late-model motor vehicles. Some weeks ago he proposed 23 safety standards for all new cars sold in the United States, beginning with 1968 models, and more recently he has announced that if states wish to receive their full share of federal highways, they must, by the end of 1968, meet at least nine safety requirements. These include compulsory vehicle inspection programs, re-examination of drivers at least every four years, license renewals only after consideration of prior driving records, and comprehensive driver-training programs.

The new regulations are designed to get at driver defects and deficiencies and driver neglect of vehicles. Much emphasis has been placed recently on the responsibility of manufacturers in the designing of safe cars. But Dr. Haddon recognizes that much more is involved. His obvious intent to enforce to the hilt the new federal law is hailed in the American press as a commendable start toward greater safety for the motoring public.

There is no reason why Canada should lag behind in a movement of this kind. There is need for federal leadership to bring all the provinces in line in this respect.

EDITORIAL NOTES

A mainland exchange notes that to date this year only two professional football players have been drafted into the United States armed services. Which prompts the thought that either these healthy physical specimens are unfit for military combat, or there are some avid football supporters on the draft boards.

According to a return tabled in the House of Commons, contributions to the Canada Pension Plan from January to March 31 of this year amounted to \$94,880,312. The administrative costs totalled \$5,511,208. In other words, out of every dollar taken from the pay of Canadians for a pension they may or may not get in the future (depending on how long they live), eighteen cents goes into the bureaucratic kitty.

Britain is changing over to a decimal coinage system in 1971, but it is announced that the pound—officially valued at \$3—will remain the basic monetary unit. And each of the 100 parts into which the pound will be divided, will be called a penny. "I don't want to see it called a cent and there's no reason it should be," says Chancellor of the Exchequer James Callaghan. "Cent is rather American." So, with "due deference to our American cousins across the pond," the old name will be retained and Britishers everywhere, no doubt, will breathe a sigh of relief.



CHRISTMAS GIFTS I'D LIKE TO SEND

OTTAWA REPORT By Patrick Nicholson

Servicemen Stirred By Unification Prospect

Defence Minister Beller is now revealing his reasons and explaining his proposals for unification of the three armed forces, thus at last clarifying the background to the great defence debate.

In short, he proposes to merge the three forces into one; to abolish the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force and to substitute for them the "Canadian Armed Forces."

He argues that unification will bring greater military efficiency as well as a considerable economy. Predictably, one defence forces will be engaged in operations involving land, sea and air. And it is as practical to use a standard chaplain or cook, as it is for men under arms to wear a standard uniform.

At National Defence headquarters here in Ottawa, as at bases and commands elsewhere, to triplicate the command structure proved as costly in time as it was in manpower. The bugbear of the post-war decades at NDHQ, frittering away the taxpayers' money and frustrating the working day of the staff, has been the cumbersome system of staff-service co-ordinating committees, which was a perfect example of the trap of bureaucratic red tape and empire-building.

Much of this desirable streamlining has been progressing over as long as 15 years, under the name "integration." There has been integration of the command structure; there has been integration of the medical and chaplain services. But under integration, the three armed forces retained their individual identities.

Distinct from integration, the next step taken—and this has been going on already for two years, in advance of parliamentary consideration and approval—has been unification; namely, the three individual services are being unified into one. This means that from top to bottom there will no longer be distinctions. There will not be naval admirals, army generals and air force air-marshal—there will only be generals of the "Canadian Armed Forces." And so on right down the rank structure, so that aircraftmen and able seamen will disappear, and be replaced by "privates." Ultimately a common uniform, predicted to be of forest green color, will be worn by all, and standard insignia or rank badges will be worn. Traditionalists will no doubt be shocked to see

that for which he enlisted, save by individual option. Future enlistees will perhaps not enjoy this same guarantee, but this will depend on service regulations not yet drafted.

Integration was therefore a preliminary step needed before unification; but the two things are quite distinct. Integration involves the complete merging of the three distinct forces into one composite tripartite whole, with no outward distinction between the pilot who flies the plane, the paratrooper who is transported in it, and the sailor who picks them both out of the sea after crash.

Only time will tell whether or not greater efficiency and less cost will be the end products of the enormous disruption of tradition, practice and sentiment.

Policing Needed

It's unusual that there has been no clamor for action from the thousands of Canadian investors who have lost probably millions of dollars in the various companies and their subsidiaries which have failed in Canada since 1964 or who were "burned" as long ago as the early '50s by buying stock in fly-by-night penny mining companies once permitted listings by the Toronto Stock Exchange and others.

Probably the chief reason we have never had an SEC in Canada is the constitutional hooker here against a federal regulatory agency over securities. As a result all the provinces have separate securities commissions or equivalent which must pass as they see fit, on the legitimacy and safety to the public of new issues offered.

Up to now, no provincial commission, including the understaffed and low-powered Ontario Securities Commission, has been able to police adequately

the market or suggest real punitive action. The long, and possibly continuing record of failures, mismanagement and collapses, some leading to prosecution procedure, beginning with Woodliff Oil and Mines in 1964, Atlantic Acceptance and its subsidiaries in 1965, the plunge of Gunner Mining Ltd. after a tough proxy battle, the current collapse of Prudential Finance and its subsidiaries, probably would not have happened here if a strong SEC-type commission had been in operation in Canada.

Many investors have felt for a long time that so-called "self-policing" by various stock exchanges, beginning with the TSE after the damaging international publicity from the activities of the penny mining market throughout the 1950s, hasn't worked either. It goes against human nature to ask financial executives, directly involved in a stock exchange while sitting on its board, to police themselves.

On Its Own Terms

It wasn't an outdoor poet who coined the phrase "bleak December." It was someone who probably slept late, had sluggish circulation and was afraid of catching cold. December was bleak because it wasn't June, loud with bees and bright with blossoms.

True, December can be raw and cold and its days sometimes are dark, but it is neither bleak nor colorless. Go outdoors soon after sunup, which now comes late, and even on a lowering day you probably will find a frosty scene of dazzling beauty. If the day is clear it can be a world transformed by frost or snow, newly created, fragile as a glass, ephemeral as the passing hour.

Go to the woodland and see how the green of pine and hemlock is twice as bright against

They Raved Over It

Modern art has encountered severe criticism, mostly from those who have long appreciated the paintings of the masters, old and new. Defenders of the modern product often reply with the argument that the scoffers "just don't understand" the strange shapes and forms being presented on canvas.

Polyps Dangerous

By Dr. Theodore R. Van Dellen Polyps of the rectum and lower colon are potentially dangerous because they may become cancerous or cause obstruction. They are suspected when there is bleeding or whenever the bowel habits change, such as constipation or diarrhea in a person who was regular. The same can be said when abdominal cramps develop, more so when the distress fails to respond to the usual medications.

But these rules hold for only one-half of those harboring polyps. The remainder never have symptoms and the growths are discovered accidentally through routine examinations. Polyps are easy to see through a special tube (sigmoidoscope) that is inserted into the rectum. This examination is becoming a routine procedure because physicians can expect to find polyps in five to seven per cent of otherwise healthy individuals.

The sigmoidoscope will not reveal polyps that are located beyond the reach of the instrument. Lesions high in the bowel are best detected via X-ray. These films also demonstrate cancers and diverticula and are advisable whenever a rectal disturbance exists.

What do polyps look like? They vary in size and shape but the majority resemble miniature punching bags. Others look like small warty growths and still others grow from the wall of the intestine as soft, velvety projections. Some individuals only have one lesion whereas others have myriads of small polyps up and down the entire rectum and colon. The latter usually are hereditary and a high percentage are malignant.

Polyps should be removed whenever they are discovered. There is better than an 85 per cent chance that the lesion is not malignant but why take the risk? Lesions which reach the sigmoidoscope can be removed through the instrument. When the polyp is higher an abdominal operation is required. The bowel wall around the base of the lesion is removed as well as the stalk and head of the tumor.

REPLY Physical examination is in order because poor posture is induced by various factors. If the child is healthy, special back exercises may be needed and, in some instances, braces and casts.

REPLY He has been "well-matched." He doesn't make personal appearances, doesn't appear on television, rarely goes to Hollywood parties, keeps out of the gossip columns, and stays single.

If Elvis has ambitions to play

NOTES BY THE WAY

In an age when some merchants appear annoyed if a customer wants to pay in cash, perhaps nothing should cause surprise in the field of buy-now pay-later. But it was intriguing to read that gate tickets to Expo '67 had been bought by more than 500,000 Canadians "on the payroll deduction plan." — Edmonton Journal.

A pretty girl is like a melody, somebody said. A man who turned into the "Top 40 Songs" by mistake says he's glad the pretty girls are not as rare as the melodies. — Ottawa Journal.

Uncle Sam announces his most important crop is corn. No comment. — Windsor Star.

From The Back Benches

Ontario's lands and forests minister is retiring at 68 after 11 years in the cabinet, but his most useful service to the voters seems just about to start. After retirement, says Mr. Kelso Roberts, he will campaign from the back benches for economy in government.

It would be interesting to know which of his colleagues voted him down and why; for obviously he didn't manage to get through to them.

Perhaps all cabinet ministers should retire and take a spell on the back benches.

Perhaps on second thoughts, Mr. Roberts should not retire to the back benches of the Ontario Legislature. Prime Minister Pearson is warning of a federal deficit of tremendous proportions.

The Enduring Elvis

More than ten years ago a young performer by the name of Elvis Presley who wore sideburns, flaired a guitar, moaned and gyrated, was regarded as a menace by many parents and as peculiarly expressive of the times by many psychiatrists.

"Hamlet" he hasn't spread it around. He merely goes about the quiet business of being, as one writer put it, "a self-perpetuating financial institution." He should be congratulated for doing it so quietly.

How the times do change! If people were still called "squares" Elvis would be one of them today, and an old square at that. But he survives, making a few million dollars a year, annoying hardly anyone except perhaps film critics.

He has been "well-matched." He doesn't make personal appearances, doesn't appear on television, rarely goes to Hollywood parties, keeps out of the gossip columns, and stays single.

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