

THE GUARDIAN

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Editor and Managing Director, J. K. Burnett Associate Editor, Frank Walker.

"The Strongest Memory is Weaker Than the Weakest Ink"

CHARLOTTETOWN SATURDAY, APRIL 14, 1951

Let's Have Some Action!

The Royal Commission on Transportation cost the taxpayers of Canada hundreds of thousands of dollars, but it was hoped and expected that the result of the inquiry would be well worth the money. But what do we find? One of the most important recommendations of the Commission so far as this Province is concerned, dealt with the dual zoning system under our freight rate setup. The Commission reported as follows on this matter:

"Prince Edward Island is generally divided into two zones for rate-making purposes: an inner zone extending from Borden to Summerside and Charlottetown, and an outer zone comprising stations on the lines on both sides of the inner zone. The Provincial Government asked that one zone be established for the whole Province. It would be most desirable to have this request complied with."

There was a specific recommendation, made after full and complete inquiry. One would expect it to be implemented without further waste of time. But we learn from an Ottawa despatch of yesterday that the Board of Transport Commissioners are to open sittings in Charlottetown on June 5, "to hear an application on behalf of the P. E. I. Potato Shippers' Advisory Association for the establishment of a single-rate zone on the Island." The growers, it is announced, have been joined in their application by the Transportation Commission of the Maritime Board of Trade. Witnesses will have to be called, briefs prepared and lawyers engaged, and the whole question argued over again, as if the Royal Commission and its recommendations never existed.

The question arises, of what value are any of the findings in the 300-page report of the Royal Commission if the Board of Transport Commissioners are to carry on as before, threshing old straw and penalizing the people by further repetitious inquiries involving delay and expenditure for no good reason whatever?

British Cheese Ration

The British Government suffered a defeat in the House of Commons on its proposal to reduce the cheese ration from three to two ounces a week. The change will be put through under a new order and Food Minister Webb has stressed that if the ration were put at three ounces this month it would have to be reduced to one ounce per week next month.

Naturally enough the United Kingdom is anxious to secure additional supplies and would take any cheese it could get from this country. Unfortunately Canada is not now in a position to supply and, in fact, turned down an offer of 25 cents a pound for 77,000,000 lbs. of cheddar cheese last year.

Part of the trouble, if not all, was that the offer was made much too late last year for any hope of fulfillment and the same is true now, although more time is available than for the earlier offer. The fact is that such bulk purchases by Governments are much too easily switched from one source of supply to another and, unless they are for a long term, the farmer who cannot rapidly adjust to changing demand will decline to risk preparing for an order that may never come.

Private individual imports are not very certain either but a switch from one source of supply to another is certainly much less complete when transactions are in the hands of a large number of relatively small operators.

Old Age Pensions

Old age pensions at 70 will cost Saskatchewan \$3,100,000 more annually than the present 65 age scheme. Saskatchewan Legislature unanimously passed a resolution approving the amendment to the British North America Act which would allow the Federal Government to make laws in relation to old age pensions in Canada. The resolution, moved by Premier T. C. Douglas, expressed approval of allowing the Federal Government to operate a contributory pension plan giving old age pensions of \$40 a month to every Canadian over 70. "By paying a \$40 monthly pension without a means test at the age of 70 the Federal Government would not be taking over complete responsibility for this group," Mr. Douglas observed. "Even if the province is relieved of paying 25 per cent of the pension on the 70 and over group it will have to continue to pay the supplementary

bonus and to provide health services. It is apparent from estimates that even if the province is relieved of paying 25 per cent for people over 70, but continues the bonus and health services, and 50 per cent for those between 65 and 70, it will cost approximately one to three million dollars more."

EDITORIAL NOTES

No one comes out of the hockey episode with much credit but probably least of all goes to the officials of the M. A. H. A.

Evidently the popular song for Sydney these days is: "Will ye no come back again? Better lo'ed ye canna be: Will ye no come back again?"

The "Red Dean" of Canterbury who has been awarded by the Kremlin the Stalin Peace Prize, \$25,000, says it will form a fund to be devoted in various ways for the cause of peace.

A minor revelation in the MacArthur incident was that the General, one of whose four jobs was to command the former empire of Japan, receives a salary of \$18,761 yearly or about what he could get per week in Hollywood for playing at being a general.

Two outstanding veterans are Mr. Robert Furness of Vernon (100) and Dr. R. J. Macdonald (94), St. Peter's, both of whom are today active in mind and body attending their daily duties. It indicates that this Island could well be developed into a health resort for jaded residents in other parts of Canada and the U. S. A.

Grass fires are fortunately less common today than in the past. It is shocking to think of the loss of valuable organic matter and the damage to soil that has been caused by this custom. The danger of such fires getting out of control is an additional reason for their decline in popularity.

No thinking citizen will cavil at Finance Minister Abbott's insistence on the fact that readiness to sacrifice immediate interests for future security is essential. In the months that lie ahead, this should be the determining factor in all Federal Government policies.

A well-known drug traveller, Mr. Lander, who has just completed a cross-Canada tour, told a Saint John reporter he had found business conditions in the drug industry to be very good. There had been a favorable purchasing trend since last November and sales volume now was higher than during a similar period in 1950.

Hats are distracting to women in the opinion of the American Association of University Women which asked delegates to attend sessions without headgear. On the other hand women with heads uncovered seem to have proved distracting to St. Paul and many after him or perhaps it is simply that women are distracting.

Thomas Otway, English dramatist, died very miserably this date 1685. In London he wrote tragedies and comedies which were produced by Betterton and Mrs. Barry at Dorset Garden. Otway found patrons in the Duke of York and Lord Rochester but an unrequited passion for Mrs. Barry resulted in his downfall. His plays included "Alcibiades," "Carlos," "Venice Preserved" (a really fine tragedy), and "The Atheist."

Six years ago on April 15, 1945, the First Canadian Army reached the Dutch coast near Leeuwarden and took Zwolle. The next day they occupied Leeuwarden and Groningen and the 1st Division pushed on through Appeldoorn close on the heels of the retreating Germans. Expected resistance at Appeldoorn failed to materialize and Canadian infantrymen clambered aboard tanks to speed up the chase. The end was now near, and on the 18th, in the face of terrific Allied pressure, all German resistance in the Ruhr ended.

Would that it were so here. Wool incomes in Australia are huge because the price for wool today is about 20 times what it was in 1938, and 10 times what it was as recently as 1946. Before the Second World War a man who ran 1,500 sheep was in the wool business in a small way. He just struggled along, probably also had to grow some crops to make ends meet. His 1,500 sheep gave him about 40 bales (300 pounds weight each), of wool which sold for 13 pounds (\$39) a bale—say 500 pounds for his clip. He probably owed money to the bank. Today, his 1,500 sheep still give about 40 bales of wool. But the wool brings 250 pounds a bale, and that puts him in the 10,000-pounds-a-year class. Few city executives make that sort of money in Australia.

PUBLIC FORUM

This column is open to the discussion by correspondents of questions of interest. The Guardian does not necessarily endorse the opinion of correspondents.

TOO SEVERE

Sir.—We are very set in our own opinions. When we think of the thousands of people in our own Province that we are not acquainted with, we little realize how many choice spirits there are among them, whom to know would be to have our own lives enriched. And even the most uncultured excel in something good.

We see and hear, say fifty children at play and wish the playground was somewhere else. If we knew the kids we would have a warmer feeling for them. I went to the street corner at school hour and asked a boy and girl—likely brother and sister—to take a book from me and place it on the principal's desk. I got quite a thrill, to come in contact with young people of such charm and courtesy.

I once heard a man describe the various races and nationalities that inhabit our globe. After putting them in different classes, he suggested exterminating the Chinese. In his own words he said they should all be "shot dead." But another who had lived with them for years, said—"I would be proud to have Chinese blood in my veins." And a medical doctor, a Maritimer in Africa said the best Christian that he ever met was a black man. Then for religious denominations—as we learn more of the reasons for observing or practicing in this way or that, we get the fog of bigotry out of our eyes.

As for the sects, we'll have a moment with the poor Jehovah Witnesses. By the time we give them a "lift" on the road, give them a good dinner, look over their pamphlets, we conclude that they are not the disloyal Canadians that we took them to be. They may be resentful on account of prosecution. I imagine their religion is of the Godward type—vertical or perpendicular, rather than horizontal or manward. Maybe they can teach us something there.

Finally, our political opponents and their misdeeds, I would say this, if we believe that the political game is a corrupt one, always was and always will be, then I say that it is a waste of breath to talk on the question of honesty and purity. But if you suffer defeat, say—"my rival is more cunning and crafty than I am."

I am, Sir, etc., J. A. MacKENZIE, Kensington, P. E. I.

VOTES FOR SALE?

Sir.—Election promises are among the most hope-giving statements ever heard from human lips. We gather that heaven will be just around the corner if the Party is elected. The C.C.F. Party also makes its promises, but we know that this Party cannot save us from the evils that threaten the very foundations of Canadian life—the worship of Mammon and the consequent turning away from God, a greater danger than Communism. Sabbath desecration, blasphemy, gambling, drunkenness and these trends in our country's life are far more important than any economic problems of rich or poor. No political party will save us from these nation-destroying evils. But the C. C. F. party has one good plank in their platform. "Not one cent, not one drop of liquor for election purposes." I was thrilled when I heard that. In the last election the old line parties were challenged to nail in the same plank. They didn't have the lumber.

If any candidate of the old parties fails to make the grade he has nothing to fear. The party will pat him on the back for his courage and hand him out \$200. The C.C.F. party funds come from dues and plate collections. The matter of bribery, in all its dirty forms is perhaps the most dangerous and most heinous that Canadian people have to face. It can infect life so insidiously and destroy faith in God and confidence in man so disastrously and it can infect not only the riff-raff, but men in highest office. It can go far to do irreparable damage before much notice is taken of it. The Kefauver Commission's investigations in the U. S. have started the nation. T. V. set sales went up 110 per cent in three days. They had heard rumors before but they had never seen.

The condition of our politics here in Canada is serious, yes, in this Province. It means that the quiet number of people that can be bought and sold is getting larger and larger. This purchasable vote often holds the balance of power to elect a member and we can easily know the kind of man thus elected, and his vote in the House when morally doubtful legislation is up for discussion. He is often keen, witty, may have a great gift of the gab and may be able to swing the majority. It amounts to this that our country is more or less ruled by this low type of politician, which is a startling fact to contemplate; we know that some in the highest positions in our governments have been susceptible to big bribes. I have been praised that we have also in our Houses men who cannot be bought. They are the "salt" of Canadian political life.

I could write a book of stories from experience and from those I have been told of corruption, involving business men, elders of the church, and wire-pulling ministers of the gospel. We hope there are not many of these types. I will tell you of just one, because, to me, it was a bit funny. I had been accustomed to janitor the hall by the manse when meetings were held there; a political meeting was coming. As usual, I put on the fire. Along came the party—a very respected old gentleman, high up in the church, by the way, I had a vote, wanted to pay me for

Not That We Have Anything Against Birds—

Illustration with text: 'FRIENDS OF THE BIRDS' WRITE URGING A CAT PURGE FOR THE BENEFIT OF NORTH-AMERICAN BIRD LIFE. THE CLAIM IS PUT THAT WHILE IN THE U.S.A. CANADIAN-BORN BIRDS ARE ENTITLED TO PROTECTION AS ARE 'OTHER CANADIAN CITIZENS.' MAYBE THE BIRDS OUGHT TO GO SEE THE AMBASSADOR. A CAT ELIMINATION MIGHT RESULT IN MORE BIRDS— BUT SOMETHING ELSE TO CONSIDER WOULD BE THE ABUNDANT INCREASE OF OTHER LITTLE CREATURES! HELP!

Notes By The Way

"Evil communication corrupts" ford the opportunity for both physical and social betterment. Some of these days a smart group of ladies is going to find that they can raise large sums of money with ease by charging an adequate price and serving a crackling-good supper. Few mind paying the price if the value is on the table before them. — St. Mary's Journal-Argus.

It is in the news that, at Baltimore, a Great Lakes ore carrier, the Cliffs Victory, formerly known as one of the victory ships, had been cut in two at the big shipyard, a section inserted and joined to add length and carrying capacity. The ship will return to the Great Lakes via the Mississippi-Chicago route. With her new capacity she will carry 12,000 tons but the point of interest at the moment is that she will be the fastest ore carrier on the lakes and have accommodation for a limited number of passengers. It would appear that in this combination of hull-carrying capacity and accommodation for passengers there may be a hint of what is to be seen generally on the Great Lakes in the future. — Prot Arthur News-Chronicle.

When we were on a holiday recently in Mississippi we were waiting one evening for seats in a restaurant far from our hotel. Despite the fact that Mississippi is officially dry and gambling is against the law there was a bar which was crowded and people were almost fighting to play the slot machines. We noticed waiting for a seat, an elderly gentleman from our hotel who came from Maine or New Hampshire. He was viewing the proceedings with some disgust. We casually remarked to him: "You are not playing the slot machines tonight?" "No," he snapped. "And when I see all these morons I understand how Roosevelt and Truman were elected." — L. R. F. in London Free Press.

Every time we go to a church supper we see people enjoy themselves and hear them express the wish that there were more church suppers. These used to be a lot more of them, but they met their diminishment during the late war, due to various restrictions. Once the war was over the suppers came back—but only in a small way. They are a sad omission in the life of the church. The women who prepare the food, serve the meal, and wash the dishes say they are too much work. They find there are other easier ways of making money for their particular church group than by getting involved in the serving of large suppers. We hope the church supper is not gradually slipping away from our mode of living. They are a great way of getting people together in large numbers and aff-

The Age-Old Story

The hearing ear, and the seeing eye, the Lord hath made even both of them.

Old Charlottetown

THE WESTERN ROAD "The Board of Works, we understand, is to have control of the highways throughout the Colony, and the expenditure, this year, of some \$5000. One of the most extensive and, we may add, most important roads leading through the Island is the Great Western Road. It is the main artery of that part of the Island lying west of Summerside. This great road has ever been sadly neglected, and it is now all but impassable. A large extent of the ground over which it passes is either cedarswamps or barrens, and the remainder is of heavy clay soil. "From the entrance of the road at Miscouche to MacNaught's, a distance of upwards of twenty-six miles, the road is so level that there is a railway constructed over it, little if any grading would be required, and beyond that, to the West Point Shore, or even to the North Cape, the country is very level. "In constructing the road over the swamps and barrens, the mould appears to have been thrown up from two side ditches, the roadway then marked out, covered with brush and poles—forming what is generally called 'corduroy,' and upon the brush and poles clay was carted. This gave a good summer road, but the increased traffic of modern times has worn through the corduroy in many places, and in wet weather—especially in spring and autumn—the poles thus formed are crossed with difficulty, horses and carriages sinking deep into the soft soil, which, in many cases, is peat or decaying vegetable matter. At the present time, the corduroy covering, for many miles, lies exposed on the surface, having been lifted and thrown out by the frost. "Those who are ignorant of the effect upon the traveller who drives over this corduroy, may be enlightened by driving in a wagon over a succession of wood piles, such as are occasionally seen in front of farmers' houses, or the better wooded parts of the Island. A trot over this part of the road is out of the question. As to the road over the wet clay lands, it is so soft that horses and carriages sink deep into the well-worked beick-clay upon its surface. "What a glorious field for the Hon. Robert Haythorne and his crusher. There he may experiment upon road-making to some purpose. If he will but construct a good highway from Miscouche to Tignish, he will have accomplished the grand object with which he entered politics, and his eponymous name will be mentioned in after ages with the names of Apples Claudius, Julius Caesar, Telford, and MacAdam." — The Islander, April 30, 1909.

The Poet's Corner

FROM 'THE FLOWERS' Buy my English posies Kent and Surrey may— Violets of the Undercliff Wet with Channel spray: Cowslips from a Devoncombe— Midland furze afire— Buy my English posies And I'll sell your heart's desire! Buy my English posies! You that scorn the May. Won't you greet a friend from home Half the world away? Green against the draggled drift, Faint and frail and first— Buy my Northern blood-root And I'll know where you were nursed! Robin down the logging-road whistles, "Come to me!" Spring has found the maple-grove, the sap is running free. All the winds of Canada call the ploughing-rain, Take the flower and turn the hour, and kiss your love again! —Rudyard Kipling.

The Sales Tax Issue

Canadian Tax Foundation, issued by the Canadian Retail Federation (Concluded from yesterday's issue)

The argument that a sales tax levied on the retailer rather than on the consumer would be easier and less costly to administer is not convincing. The Provincial Government would not be relieved of any of the burden of auditing returns, the principal cost of administration. The only real saving that could be effected would be the cancellation of the compensation now paid to retailers for collecting the tax. This allowance ranges from 2 per cent in Quebec to 4 per cent in Saskatchewan, and it could, of course, be discontinued under the existing legislation.

As far as the feasibility of administering a tax on the consumer is concerned, five Provinces are now using it effectively, and it is perhaps significant that several of the American states are using this type of tax in preference to a tax on the retailer, even though they are not compelled to do so by constitutional limitation.

The argument that a hidden tax is less unattractive than a direct one may appear advantageous from a political viewpoint. When it really is hidden, as in the case of the manufacturer's sales tax, it is forgotten by many taxpayers. But it is doubtful if a sales tax levied on the retailer would be hidden. In the United States retailers almost universally quote the tax separately, even if they are not required to do so. The direct tax, separately voiced, to the virtue of reminding the consumer that he is a taxpayer, and that there is no such thing as a "free" government service. According to St. Paul, "the things which are seen are not seen, are eternal" (2 Corinthians 4:18). The application of this concept to taxation deserves consideration.

The suggestion that a constitutional amendment of the provincial taxing power is a necessary adjunct to the proposed old age security programmes seems to be unrelated to the facts. Under the Government's proposal the Provinces would be responsible only for one-half of the cost of pensions for persons between 65 and 70 who are unable to work. The provincial share is estimated at \$32 million, slightly less than the cost that they now bear under the joint programme of assistance at the age of 70. There may, of course, be an increased cost in the case of a particular Province, but it seems unlikely to be great enough in any case to require an amendment of the constitutional taxing power.

The implication of the amendment points to a turnover tax on retail net sales. The only limitations on such a tax in the draft amendment are (1) the rate of 3 per cent; (2) goods shipped outside the province; and (3) the non-discrimination clause in respect of goods produced within and outside the province. Thus a Province would be enabled to levy the tax on all retail sales, including foodstuffs. Such a tax is in effect a gross income tax, similar to the tax used in Indiana, and its imposition would, in principle at least, seem a violation of the agreements by eight of the Provinces to refrain from the taxation of income.

Retailers are opposing such a tax because of the likelihood that they will be unable to recover all the tax through increased prices to the consumer. Consequently some part of the turnover tax would rest on their profits. There are many technical points regarding the incidence of a turnover tax that require careful study. For example, what is likely to happen in the case of small purchases? Under the existing sales tax legislation small sales are exempt. Presumably there would be no such exemption under a turnover tax, and the retailer would bear the tax he paid in respect of such sales, unless he could add more than the actual tax to sales made in higher brackets. This appears unlikely, even under existing market conditions.

It seems certain, however, especially in view of the strong sellers' market of today, that a very considerable part of a turnover tax would be passed on to the consumer. In most cases it would probably be hiked separately, as in many parts of the United States. The extent to which the tax could be recovered would depend upon the type of goods handled, the conventional merchandising and mark-up practice and the competitive condition of the market. The existence of partial shifting of the tax would make it very difficult to allow it as a deductible cost of doing business for federal income tax purposes, as suggested by some observers.

There is little doubt of the need of many Provinces and municipalities for increased revenue. But opening the door to indirect taxation by the Provinces via a constitutional amendment at this time is no answer to the problem. Indeed, it represents a retreat from it, and should be reconsidered for the following reasons. First, it will be remembered that a similar proposal was debated fully in the Commons and Senate in 1936. It was rejected because of the fear of discrimination against interprovincial trade. The draft amendment prepared by the Department of Justice last December attempts to safeguard against such discrimination. But the implications involved in opening the direct tax field to the Provinces are far-reaching and should be given very careful consideration before such a radical change is made in the constitution. Second, the nature, incidence and economic effects of a turnover tax on retail sales are matters which have been given little study in this country. Answers to such questions as the effects of a turnover tax on retailers' profits, on merchandising methods, on the final price of consumer goods, as well as the relative cost of administering a sales tax compared with a turnover tax, all should be prepared impartially. Fact finding of this nature requires careful analysis, and cannot be done quickly. Third, the likelihood of increased consumer taxes by the Federal Government, for financing the defence programme points to the urgent need of integrating the sales tax structure at the Federal, Provincial and municipal levels. An uncoordinated programme of additional consumption taxes to meet the revenue needs of various governments may well result in a serious rise in the cost of living for many Canadian families. The 8 per cent Federal tax (which has now been increased to 10 per cent under the Budget of last Tuesday) is already pyramided through the mark-up on tax-paid invoice price by distributors. Increased Federal excises seem inevitable. The imposition of Provincial and municipal sales taxes on top of Federal sales taxes is especially undesirable when we are faced with what promises to be a crushing tax burden for defensive purposes.

Considerable progress has been made in the integration of personal and corporation income taxes to the net advantage of the nation. The present tax structure is much better than it was before World War II, because much of the pre-war labyrinth of overlapping Federal, Provincial and municipal taxation has been swept away by the Federal-Provincial tax agreements. The time has come to extend this process of tax integration to sales taxes which are now levied at all levels of government, rather than take the backward step of a constitutional amendment which would intensify the overlapping of such taxes. What is called for now is a serious and searching study of the such sales tax problem, preparatory to its inclusion as a topic of discussion when the Federal-Provincial tax agreements come up for negotiation. Only in this way can there be any rational approach to a basic solution of the problem.

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IMPORTED WHEAT Poor harvests in 1951 and 1952 in Quebec necessitated importing wheat and flour from France.

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