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

CHARLOTTETOWN, FRIDAY, OCT. 13, 1950

Constitutional Landmark

Far more significant than the deliberations of the recent Dominion-Provincial Conference at Quebec is the decision of the Supreme Court of Canada that it is unconstitutional for the Federal Government and the Governments of the Provinces to delegate their powers to one another.

Those agreements, it will be recalled, were entered into by certain of the provinces with much reluctance. Effect of the agreements was to make the Federal Government the exclusive taxing authority in many fields of taxation belonging, under the British North America Act, to the Provinces.

Thus, the principle of "delegation" upon which the Federal Government relied so heavily as a device to brush aside the constitutional obstacles in the way of the welfare state and unlimited centralization of authority, has been declared invalid by the highest judicial body in the land.

Army Benevolent Fund

Much to be commended is the action of the Army Benevolent Fund Board in taking steps to acquaint veterans in rural areas of the assistance they and their families may be able to receive.

Unexpected contingencies and unforeseen calamities, as from sickness, accident, death, fire, flood, wind-storm, epidemic or temporary dislocation of finances, fall at least as frequently upon the countryman as upon his brethren in the city and the requirement that the assistance given be not merely a stop-gap but must assist in providing a permanent solution, is generally more readily met under rural rather than urban conditions.

The hard-hit farmer can often be put on his feet financially by funds to purchase stock or equipment, while to the wage-earner the whole problem is more often that of obtaining steady employment.

Senate Appointments

A number of Canadians were asked by the Financial Post how they thought the Senate could be made "more useful and effective." The following reply by Mr. John Hackett, distinguished former M. P. is quoted approvingly in the Ottawa Journal.

"The Senate can hardly be made more useful and effective than it now is for the purposes for which it is used; i.e.—That of maintaining and increasing the strength of the political party wielding the power of appointment. Who in the last 50 years—with two or three exceptions—has been appointed to the Senate to make it useful and effective as an agency of government?"

"The method of recruiting the judiciary is also subject to many limitations on sheer suitability; the candidate must belong to the right political party, must live in a certain place, speak a certain tongue, and worship in a certain temple, yet in the main, the executive appoints to the bench men well suited to the exercise of the judicial office, as it appoints to the Senate men well suited to keeping vigorous and strong the party appointing them."

"Should perchance the purpose of the Senate be changed, should it become an agency of government as distinguished

from an agency of party, there is much good work for the Senate to do and many available to do it. It is the purpose of the Senate, not its personnel, that requires scrutiny."

EDITORIAL NOTES

Sheep farming is going to be a more profitable occupation in the future. With the use of hormones, sheepmen will soon be inducing ewes to have a second lambing in the summer, resulting in a sixty per cent jump in the natural increase.

Pakistan has adopted legislation abolishing "Untouchability", the defiling quality of a low-caste Hindu from the point of view of a strict high caste Hindu, which in the past has caused oppressive restrictions on India's submerged millions.

While Canada is still wondering what to do with her Special Service Force, President Truman, now in the Far East, is probably wondering when he can expect the return of American forces vital to the defence of the United States.

Mr. R. R. Bell has been mentioned as a prospect for Conservative nomination in the Federal vacancy for Queen's. It is doubtful whether he would consent, having recently accepted the Provincial leadership of the Party, which includes the arduous duties of organization and leadership.

The probability is that His Worship Mayor MacDonald will not allow his name to go forward for nomination for the vacancy in Queen's. Mr. MacDonald has a large business to supervise which would be impracticable had he to spend six or more months a year at Ottawa.

The steadiness of the Canadian dollar at about five per cent discount to the American shows that its release from the arbitrary ten per cent discount was not premature. The narrowing margin does not itself work to the advantage of island exporters but the general easing of restrictions made possible is all to the good.

That "Friend of Little Children", Mrs. H. S. Henderson, is continuing with her usual energy and success the campaign for the maintenance of the Protestant Orphanage. It is magnificent to have an institution like that "nursed" and strengthened year-out-year-in by the devoted service of a self-denying and aggressive campaigner like Mrs. Henderson.

Consumers in this country receive something of a shock every time they compare prices with those of previous months or even weeks. In the U. S. the trend is even more markedly inflationary. While retail prices have risen only about five per cent this year, all of it since April, wholesale prices are up almost 35 per cent in the same period.

Eamon de Valera, Irish statesman, born this date 1862. His mother Irish, his father Spanish, he was an American citizen until he entered Irish politics, and rose to insurrection leadership, ultimately becoming Premier in the Republican Government of Ireland (Eire). He assumed independence in World War activities, and still controls, unofficially, leadership in both local and international affairs.

President Truman has formally authorized the drafting into military service of doctors, dentists and veterinarians below the age of fifty. The Presidential order requires the registration of doctors, dentists, veterinarians and "allied specialists" below the age of fifty who are not already in the armed forces or reserves and who have not already served for twenty-one months on active duty. The President fixed Monday, Oct. 16, for the registration of the group subject to first call under the law.

According to a Canadian Press despatch discipline in certain Scottish prisons is a great deal worse than in some Canadian prisons. Chief Constable William Merrilees of the Lothians and Peebles Constabulary told the Business Men's Club of Dunfermline that things were inclined to be made too comfortable for criminals, since the advent of a Labour Government presumably. "Such things as whisky, sherry and roast beef have been carried to the prisoners," he said. "I know of one Glasgow prisoner who has never missed his week-end joint of roast. What's more, warders are even being sent to London for training courses to enable them to operate movie projectors." Merrilees charged that leniency of the courts and "mollycoddling" of prisoners were adding greatly to the difficulties of police forces, already understaffed. "Three years ago," he added, "we used to worry about people escaping from Saughton Prison. Now we are worried about people breaking in and carrying food to their pals."

The New Alumni Association: A Further Bond



PUBLIC FORUM

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

FARM SURVEY APPRECIATED

Sir,—I've just read that fine survey of the agricultural scene in Prince Edward Island by W. R. Shaw, Deputy Minister of Agriculture, in your Oct. 7 issue, with keen interest.

I like the emphasis placed upon the inter-relationship between not only the various farm commodities but also between the folks down on the farm and up in the city. From my urban angle, for example, the following assertion is admirable and timely and right on this rural-urban target: "While prices on most of our primary products have been at substantial levels during the year now drawing to its close, it must not be assumed that the farm people are making an extraordinary profit. Costs have increased at a tremendous rate. There have been additional freight rates, very abrupt increases in farm machinery, fertilizers, feed grains, and in the things the farmer has to buy these costs—back to the front window of marketing—must be considered not only by the producer himself, but by the consumer who may occasionally grumble at the amounts he has to pay for foodstuffs. The price of foods has not advanced as rapidly as the prices which the consumer is paying for many other commodities."

So far as my reading guides me, when the city consumer pays out a dollar for meat, he (or she) is sending about 56 cents back to the livestock farmer, and when 21 cents is expended by the same consumer on a quart of milk, if I remember correctly, 11 cents accrue to the dairy farmer—and out of this share, he pays the freight.

One of the Prairie columnists makes this timely contribution to this rural-urban cost theme: "It is characteristic of the urban masses that while he cannot afford to pay rent, he can afford an automobile; that while he cannot afford to pay medical bills, he can afford to play the horses; and that, while he cannot afford to buy milk for his children, he can afford to buy beer and tobacco. In brief, while he cannot afford the necessities of life, he can afford the luxuries." (R. J. N., in Calgary Herald.)

I am, Sir, etc. ON THE PAVEMENTS, Toronto, Ont.

Inflation

"The forces of inflation are again in the ascendancy," concludes the Bank of Montreal, after analyzing the government's new interim budget in its latest Business Review. Whether these forces are aggravated or mitigated will depend as much on public attitude as on any steps government can reasonably be expected to take.

For the majority of Canadians, the report begins, the budget was an unexpectedly painless operation. "However, the budget speech demanded consideration for the closed government's plan to fit additional defense expenditures into an economy already in a condition of virtual full employment, and doing so without aggravating inflationary pressures. "Moreover, while the proposals appear to offer the first instalment of the program at low initial cost, the taxpayer is, by implication, warned that the second instalment may be in higher figures."

"On a budgetary basis, therefore, the stage is set for 'pay as you go' for the present fiscal year. No estimate is made, however, of the probable size of any extra-budgetary items which may affect the gross debt." A major factor here, the bank adds, may be changes in official holdings of gold and U. S. dollars, which increased by \$128 millions (U.S.) in the first four months of the fiscal year. This and any later additions must be financed in the same way as accretions to any other government-owned "stock-pile."

Speaking of the Minister of Finance's warning about inflationary dangers, the B. of M. stresses that in recent months both wholesale prices and living costs in Canada have been steadily rising and are now at all-time peaks. Into this picture there now comes increased military demands plus any additional net exports of Canadian war materials. Nearly half the full year's yield

The Poet's Corner

FROM "THE WORLD"

O Earth! thou hast not any wind that blows Which is not music; every weed of thine Pressed rightly flows in aromatic wine; And every edgeword flows, er that grows, And every down bird that doth sing, Hath something greater than itself, and bears A living Word to every living thing. Albeit it hold the Message unaware. All shapes and sounds have something which is not Of them; a Spirit broods amid the grass. Vague outlines of the Everlasting Thought Lie in the melting shadows as they pass; The touch of an Eternal Presence thrills The fringes of the sunsets and the hills. —Richard Realf.

Old Charlottetown

(And P. E. I.)

LEGISLATIVE LIBRARY

"In the House of Assembly on Thursday a bill was brought in by the Hon. George Coles to regulate the Legislative Library. Mr. Coles had opposed to the Government taking the management of it out of the hands of the joint committee of the two branches of the Legislature, but afterwards it was agreed that the Government should have the appointment of Librarian, for whom a salary of \$40 was provided, that the committee should make rules and regulations for keeping the Library in proper order, and the Government should see it carried out. It was understood that the Librarian should attend every week day during the year, and that Members of the Legislature might give strangers a ticket to admit them for a time to read the books in the Library." —Hazard's Gazette, April 11, 1855.

from the new imposts is expected to come from higher corporation taxes, the report says. Apart from the possibility that increased rates may deter new capital projects, it is "difficult to see that this new levy will have any specific contra-inflationary effect. Indeed if higher taxes result in increased prices, the consequence may be the reverse."

The bank is not convinced that the various consumption taxes will be "wholly anti-inflationary." To the degree that they fail to reduce consumption the most likely result will be an increase in cost to the consumer. But insofar as they reduce demand the government foregoes revenue. However, if declining demand should bring cutbacks in output, some materials and productive facilities would be released for the defense program. But, the review points that it is difficult to see "how surplus capacity for making such things as candy, chewing gum, soft drinks or jewelry could quickly be turned to defense account."

Commenting on the government's request that public authorities and businessmen confine themselves to construction and investment projects that are "within the limits of immediately essential undertakings," the bank suggests that the individual businessman will wonder what "criteria he should apply in deciding whether or not his own expansion project is essential."

"A review of the official policy as a whole impresses one with its essentially interim nature. The new taxes do not ensure a balanced budget in the next fiscal year, while on the economic side the anti-inflationary impact of the program as a whole does not promise to be great."

But it would be unrealistic, the B. of M. states, to leave the whole problem in the government's lap. "The forces of inflation are again in the ascendancy. Whether they are aggravated or mitigated will depend as much on the attitude of the public as on any steps which government can reasonably be expected to take." Any formal anti-inflationary defences would be weak in the face of "scarce buying" or prices kept spiralling by wage demands out-running the rise in living-costs.

The Age-Old Story

After these things the Lord appointed other seventy also, and sent them two and two before his face into every city and place, whither he himself would come. And the seventy returned again with joy saying, Lord, even the devils are subject unto us through thy name. And he said unto them, I beheld Satan as lightning fall from heaven. Behold, I give unto you power to tread on serpents and scorpions, and over all the power of the enemy; and nothing shall by any means hurt you.

National Production And Expenditure

(Monthly Review of The Bank of Nova Scotia)

"If the tendency today in Canada is toward inflation—as it is—it is not because there is any weakness in the record of production, but rather because so much is being demanded," says the current Monthly Review of The Bank of Nova Scotia in the first of two numbers on the national production and expenditure. Surveying the increases in production between 1939 and 1949, the Review observes that it has been big enough in physical quantity to raise personal consumption of goods and services by 75%, to increase the output of new housing by 150%, and to permit a rise of 70% in the volume of government outlays for goods and services. On top of all this, production has been sufficient to allow record annual additions to productive capacity. "Here is an economy which is not only producing much the highest standard of living in its history but is also adding rapidly to its capacity to produce."

In total the quantity of the national production appears to have increased by about 70% over the decade from 1939 to 1949. This much enlarged production was turned out by a working force which had increased by only 18% but which in contrast to 1939 was fully employed—employment had risen by 35% over the decade. In addition, the increase in production reflects the more effective use of the greater utilization of machines and equipment and an improvement in organization as compared with pre-war days. This is true in many branches of industry, particularly as a result of the heavy capital investment of the last four years, and it is true of agriculture where a considerably smaller working force is now turning out a larger production in pre-war days.

Referring to the position in 1950, the Review states that demands on the economy are even larger than in 1949. Though exports to overseas countries have declined substantially, there has been a roughly corresponding increase in the value of sales to the United States, and of U. S. demand for many basic Canadian exports has never been stronger. Dollar outlays for housing and for plant and equipment are expected to be even larger than in 1949, and inventories, which showed little change last year, may be increased.

Then again, even before the Korean explosion, government expenditures on goods and services were expected to be somewhat larger than in 1949, reflecting increased outlays for schools, highways, and other public works, as well as for defence. Finally, personal expenditures are likely to be higher, particularly in view of the substantially increased spending on automobiles and certain other durable goods.

The renewed upward movement of prices, the increasing demands from the United States, and the step-up in defence plans both at home and abroad indicate that the total demands on the national productive capacity are again becoming excessive. To put it another way, the balance of economic has again swung over to the inflationary side.

The Review, which analyzes the national expenditure by its main groupings, states that the physical quantity of personal consumption in 1949 was some 75% larger than in 1939 and about 85% greater than in 1929. After adjustment for the increase in population, these increases indicate that consumption per head in real terms in 1949 was

Notes By The Way

A man of 80 appeared in Calgary police court last week, and was given the choice of paying a \$300 fine, or spending three months in prison. (He paid the fine.) His offence was that at one o'clock in the morning he had sold a taxi driver a case of beer; price \$3.50. — Calgary Herald.

Controversy rages in Coronado, California, whether orange trees should be planted along Orange avenue, the town's main street. Opponents of the project fear that mischievous boys would use the fruit to "snowball" pedestrians and motorists. It just shows how a few thousand miles and freight can alter the status of a commodity. — Hamilton Spectator.

Weather is a subject about which an infinity of words has been spoken and written. Each autumn editorial writers and high school students look up their Keats and their color charts and write about the glories of "The Mellow Time." In the spring, "Nature's Renaissance" is the topic of a timely piece, and in the summer and even in the winter, odes to weather are a refuge of tired minds. How many millions listen to their radios in the early morning—a time when the peace and quiet is the perfect atmosphere—in order to discover whether the weather is to be fine? The subject of weather may be as suitable for the explorations of

nearly 50% greater than in 1939 and 40% in excess of 1929. Personal expenditures on goods, the Review notes, have increased a good deal more than outlays for services, partly because the prices of services have increased less than those of goods but partly also because the increase in the quantity of services purchased has been smaller. Among the various classes of goods, the biggest percentage increase from 1939 to 1949 has been, as might be expected, in durable goods—autos, household appliances, and furniture—and there is no doubt that this year the pattern of consumer spending has swung more toward the durable items, particularly automobiles. Nevertheless, though the greatest proportionate rise is in durable goods, the marked increase in personal consumption over pre-war is spread over the whole range of commodities and services and a large part of the improvement in living standards is in the form of better diet and more clothing.

The Review draws attention to the extremely large increase in investment outlays, which were about two and one half times as great in quantity in 1949 as in 1939. Last year they amounted to around 20% of the gross national product, a higher rate of investment than those prevailing in the United States and Great Britain. "Indeed," the Review observes, "few other countries appear to have been devoting so large a percentage of their national production to capital expansion."

In his talks to telegraph messengers, Mr. V. B. Johnson, Canadian Pacific safety engineer, warned that one of the chief perils to bicycle riders is the habit of some drivers of getting out of their motor cars on the left-hand side. Traffic records in Ottawa bear out this warning. Frequently persons on bicycles passing a motor vehicle on the left as the law requires have been bowled over by car doors suddenly opening in front of them. Nothing in traffic regulations forbids a motorist from emerging on the left-hand side but he is held responsible if any accident results from his action. He has no recourse, for example, if a passing truck takes the door off his car. The cautious driver makes sure that the traffic following him is not too close before he opens the door on his left.

To shake the superstitious faith of Sudanese natives is a curious notion-like creature with no joints who sleeps standing up against a tree, the Egyptian government offers a \$280 reward for each "Wabb" captured and delivered to the authorities. O. K. We'll ship over our office boy, but we predict that the Egyptian government is going to go broke when the others catch on. — Ottawa Citizen.

The herring has no friends. From birth to death he is pursued by voracious enemies. He leads the life of a terror-stricken fugitive. Out in the Bay of Fundy he is chased by countless hungry bigger fish, whose appetite sometimes leads them to grief—as in the case of the forty-two-foot whale that got tangled up in a herring weir at Grand Manan the other day and finally had to be killed with a dynamite blast. Fishermen along the coast are often grateful to the whales and other sea denizens for driving the herring schools in toward their weirs. Very often, though, they have cause to regret the enthusiasm of the pursuers, which get enmeshed in the nets or weirs and do serious damage. Occasionally, too, a tuna weighing from 400 to 800 pounds thrashes around in a coastal weir before escaping or being harpooned. The poor herring, in such circumstances, finds itself literally between the devil and the deep blue sea. If it stays around, the tuna will eat it; if it ventures out into the bay, dogfish and dozens of other species will welcome the tidbit. Usually, of course, the herring that finds its way into a weir is safe, behind the net curtain, from pursuit by its huge adversaries; safe, that is, until the fishermen's dorries arrive and it starts the journey to the cannery. — Saint John Telegraph-Journal.

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