

Governs Prince Edward Island Like The Dew
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Always On The Alert!

Just how close is the contact between Washington and Ottawa these days, and how much attention does the Pearson government give to keeping the lines of communication open? This question arose in the House of Commons on Monday when Eric Winkler, Conservative member for Grey-Bruce, asked the Minister of National Defense whether the minister could inform the House of any announcement by the U.S. government, "as of this morning," that it was cancelling an important defense contract with this country. Hon. Mr. Hellyer said he knew nothing about it.

Then Mr. Winkler cited a press release from Washington to this effect, and Mr. Hellyer replied that he had not seen it. He inquired of his colleague, the Minister of Defense Production, who said if it existed it had not been brought to his attention either. Mr. Winkler then put his question to the Minister of Industry, Hon. Mr. Drury, and Mr. Drury replied that "as the Minister of National Defense has pointed out, the answer is No." He added that under the terms of a Canada-United States production-sharing agreement, these contracts would be maintained regardless of foreign-exchange difficulties.

Mr. Diefenbaker had time to remark, drily, that "everybody knows about it but the government" before the House went on to other matters. His statement would seem to be substantiated by a transcript of U.S. Defense Secretary McNamara's press conference, at which the facts were spelled out for the whole world to know. Mr. McNamara had said he was ordering a \$1,000 million cut-back in air munitions production and that some new contracts had been cancelled, including one with a Canadian concern for bomb construction.

"It will not be necessary," Mr. McNamara said, "for us to expand in this instance into the use of Canadian facilities. This is important to us because, had we done so, it would have increased the drain on our foreign exchange and simply added to an already serious problem for defense of the adverse balance of payments."

Here was a statement affecting Canada of which the government had not only received no advance notice, but about which three responsible ministers of the Crown knew nothing, hours after it had been publicly made and broadcast across the continent.

At their next flag-wagging ceremony, we hope these gentlemen will have the decency to blush as they join in singing: "Oh Canada, we stand on guard for thee!"

Forging Ahead

With all the briefings that have been going on about our causeway project this week, we can afford to read without envy the progress reports that have been emanating from London about another gargantuan undertaking of this kind—the English Channel tunnel. At one time these two big schemes seemed to be running nip and tuck, so far as we could ascertain. Hopes deferred were making us pessimistic, and we were on the point of predicting that the Britishers would beat us out yet and would be tunneling away before we ever got started on our promised new link with the mainland. But Federal Works Minister McIlraith's statements yesterday were reassuring on this point. Although the British and French governments have now definitely resolved to go ahead with their project, no one expects any digging before 1969, by which time our causeway should indeed be well under way.

The Channel tunnel, though, will be an even more expensive undertaking. Its estimated cost will be \$580 million. An earlier agreement

set into motion a geological survey carried out by the Channel Tunnel Study Group, which will report next month. The main conclusions, however, have already been delivered and these appear to be more favorable than anyone had expected. The geologists are said to have found an unbroken stratum of chalk—thick enough for tunneling purposes—running the full 21 miles from Dover to Calais.

Despite the advances in cross-channel transport, backers of the project believe the tunnel is essential to meet increased traffic, especially if Britain should join the European Common Market. The Times of London takes a gloomier view, arguing that the cost is too high and that the tunnel would benefit France more than Britain, since the French northeast is a far less developed region than the British southeast. It will be interesting to hear what President de Gaulle has to say to that!

The tunnel was first proposed in Napoleon's time, and it was kept from fulfillment essentially by political and military distrust between Britain and France. An exchange recalls that when a detailed plan was first submitted to the British Parliament under Queen Victoria, it was rejected on the plea of a retired general who visualized a French army, disguised as tourists, invading Britain through the tunnel. This feeling that it was all a diabolical scheme to outflank the Royal Navy has persisted until recently. The agreement now signed suggests that Englishmen no longer feel that France is a serious military menace.

Here, of course, the worst invasion fears we could associate with our causeway would be the facilities it might provide for more extensive visitations by Robichaud raiders from the mainland during election campaigns. But no one has raised this objection to proceeding with it as expeditiously as possible, and perhaps the less said about it now the better!

The Fire Of '66

This marks the 100th anniversary of another historic event in Charlottetown—one which we won't be celebrating, though we should be giving thanks that it hasn't repeated itself. It was on July 15, 1866, that a great fire swept through our provincial capital, destroying nearly the whole four blocks in Ward One. Breaking out in what was known as the Bagnall building on the east corner of King and Pownall streets, it spread two blocks wide until it was finally checked before destroying the buildings on Great George Street. The loss was estimated at \$200,000—a lot of money in those days. It represented the destruction of one hundred buildings, leaving thirty families homeless.

We didn't have much equipment to cope with fires at that time. All able-bodied citizens were expected to attend such outbreaks, and work at manhandling them under the direction of the fire wardens. An old-fashioned hand engine was placed as near as could be to the burning building, and between this and the pump a double line of citizens was formed facing each other. Full buckets of water were passed from pump to engine by one line, the engine being passed back by the other.

Soon after this holocaust it was decided to procure a steam fire engine for Charlottetown. Known as the "Rollo," it cost \$5,000 and was brought here from London on the deck of a sailing barque. Later a second and more efficient steam engine, the "Silsby," was imported from New York. Our present efficient firefighting force stems from these early efforts to safeguard us against a repetition of the dreadful experience of Sixty-six.

EDITORIAL NOTES

In a survey taken last year, the Maine Highway Safety Committee found that of 4,000 two-wheeled vehicles that were registered, 181 were involved in accidents resulting in injuries. Now a trio of Portland doctors report that the small type of motorcycles have become "a serious health hazard." A petition by 150 Maine doctors has asked the state to take firm measures to make cycle riding safer.

The music industry is swinging. Last year unit sales in the United States jumped 14 per cent while the dollar value of sales rose more than 20 per cent. One might assume the boom was the sound of rock 'n' roll music played on electric guitar. But according to statistics of the American Music Conference, the adults are the surprise factor. Last year 700,000 of them were studying instruments. That's more than for art or bridge classes.



A LITTLE BIT OF SUGAR

OTTAWA REPORT by Patrick Nicholson

House Grapples With Cost Of Credit

The cost of credit for the little man, and the price paid by the taxpayers for the national debt were both reviewed in Parliament last week. And there is a thread of grave suspicion running through the two.

Parliament has enacted that no chartered bank—that is, no bank incorporated under a charter issued by the Federal government may charge more than 6 per cent interest. In officials' time and clerical work, it costs a bank say \$30 to set up a loan and collect monthly interest and repayments over a period of one year. This cost is virtually the same whether the loan is for \$100 or \$1,000,000. Thus obviously a bank loses money on a small loan, and would prefer to make its limited supply of credit available to the fewest possible borrowers in the largest possible amounts.

Suppose your local bank has \$5,000,000 available as a line of credit; instead of loaning \$500 each to 10,000 housewives at 6 per cent, it obviously prefers to loan the whole caboodle to the Friendly Finance Company, or whatever the name may be in Pukeynodules Corner; the FFC then spends a lot of money advertising its services; and lends those 10,000 housewives each \$500 at say 14 per cent effective interest.

This is tough on the housewife. It is also taking advantage of a legal loophole to circumvent the intent of the Federal Parliament that loans should be available at 6 per cent. Will our MPs never wise up?

SOCIAL CREDIT AGAIN
But let's go back one step in that chain of lending and borrowing money. Credit is a national resource, belonging to all Canadians and based upon the will-to-work of Canadians and upon the resources which a beneficent providence placed in this land. Credit is created, not by the chartered banks, but by the state-owned Bank of Canada. A loan, or a line of credit, costs the Bank of Canada nothing except for that estimated \$30 a year or clerical work.

Now we come to another subject raised in Parliament last week. Mr. R. N. Thompson, national leader of the Social Credit party, asked the Minister of Finance what was the total amount of the national debt last year, how much of that was held by the state-owned Bank of Canada, how much the national debt cost the taxpayers in interest, and how much of that interest was paid to the Bank of Canada in respect of its holding of our national debt.

Hon. Mitchell Sharp replied that our national debt last year totalled \$20,681,000,000 and the total interest paid on it was \$822,000,000. That was the third largest expenditure made by the Federal government during the year. It was slightly more than half our defence bill, and it just fell short of the Old Age pension payments of \$905,000,000. In other words, the national debt, which arises from deficits piled up by Federal governments in 75 of our 99 years since Confederation, costs the taxpayer a packet.

CHARGE PETER, PAY PAUL
But last year, continued Mr. Sharp in reply to Bob Thompson's question, the Bank of Canada held more than 17 per cent of our national debt, and received from the Federal government in interest thereon a huge \$132,400,000.

That raises the interesting question: what is so magic about the figure 17 per cent? Why did the Governor of the Bank of Canada pick on 17, rather than last year's 55? If 17, why not 18, or even 100?

million in interest to the Bank of Canada, which would in due course pay that sum back to the governments as its profit.

This of course is financial heresy: it is Social Credit. Why?

Midsummer Heat

Christian Science Monitor

Sitting in a comfortably air-conditioned office, we have just read that the hottest spot in the 48 (original) states was Buckeye, Arizona, where the temperature had just reached 111 degrees. After having sat for a few moments happily contemplating the nearly 2,000 miles which lay between us and Buckeye, we began to muse on the strange ways of heat and humans.

The impression which has remained most vivid to us occurred on an August day a few years ago. We were driving across Massachusetts beneath "a hot and copper sky." Our first act, of course, was to reach down and turn on the ventilation.

At first the movement of the car and breeze from the ventilation made us feel that the trip might not be so bad after all. But, as though we were in fact approaching Buckeye, the car grew hotter and hotter and hotter. Fast or slow the result was the same. Soon we were all in unanimous agreement that that must surely be the hottest day ever experienced in New England. Was it 100, a 105 or even more? Almost any reading seemed possible. We even tried to make sure that the car was not a fire.

Prohibition of night and Sunday sale of gasoline and oil for motor cars was announced by G. R. Cottrell, oil controller, in a general appeal to Canadians for voluntary reduction by 50 per cent in the non-essential consumption of petroleum products.

TEN YEARS AGO
(July 15, 1956)
The beautiful new Canadian Legion Home in Borden was officially opened with the cutting of the silk ribbon by first vice-president William Muttart.

Our Yesterdays
(From The Guardian Files)
TWENTY-FIVE YEARS AGO
(July 15, 1941)
The Red Army was reported to have wiped out a great segment of German forces driving toward Leningrad while successfully holding the Nazi tide trying to break through toward Moscow and Kiev.

Erroll Nicholson carded a third round score at the Belvedere Golf Club to win the club Junior Championship.

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Cardiac Browsing

By Dr. Theodore R. Van Dellen
A Danish professor suggests that carbon monoxide (CO) may be responsible for the high incidence of heart attacks among smokers who inhale the high oxygen in the blood of smokers with circulatory disorders. The carbon dioxide in the blood flowing through the narrowed vessels had replaced much of the oxygen.

More recently carbon dioxide (not monoxide) entered the circulatory picture in a more beneficial way. According to Drs. Sol Sobel, Martin Kaplitt, and Philip Sawyer, a jet of carbon dioxide under high pressure will strip away deposits within hardened arteries. The affected segment of the vessel is isolated by clamps and the gas is injected between the outer arterial wall and the diseased inner layer. The Brooklyn surgeons found that the outer layer blows up like a sausage and the diseased inner core can be pulled out through a small slit in the artery. The early results in 12 persons with poor circulation to the legs was most gratifying.

Every year several athletes drop dead within an hour after working out. Some were ill with a respiratory, kidney, or gastrointestinal infection. Others collapsed because of the heat. The heart also was blamed even though many had been healthy and participated in athletics for years without developing cardiac symptoms. At autopsy a defect was found that could not possibly have been detected via an examination and electrocardiogram during life.

The paper-thin, soft heart valves make a perfect patch for punctured eardrums. According to Medical World News, Dr. C. Bruce Cornish, a New Zealand ear surgeon has improved the hearing in almost 100 persons by grafting a heart-valve patch in the eardrum.

The valve cusps are obtained at autopsy and immediately freeze-dried. They are kept in a tissue bank until needed. The procedure can be done successfully on persons of all ages including small children.

STUFFY NOSE
D. E. writes: My doctor tells me I have vasomotor rhinitis, which seems to me to be more like a constant cold. Can you tell me something about this condition?

REPLY
Vasomotor rhinitis causes sneezing associated with nasal discharge and obstruction, hence does resemble a cold. The cause is allergy and the most common culprits are dust, animal dander, feathers, and sudden changes in temperature.

TODAY'S HEALTH HINT—
White clothing reflects the heat.

NOTES BY THE WAY

"Come, come, come," said one who was wide-awake to one who was fast asleep. "Get up, get up; don't you know it's the early bird that catches the worm?" "Serves the worm right," said the grumbling sleeper; "worms shouldn't get up before the birds do." — Montreal Star.

"I am delighted to meet you," said the father of the college student, shaking hands warmly with the professor. "My son took algebra from you last year, you know." "Pardon me," said the professor. "He was exposed to it, but he did not take it." — Windsor Star.

Caribbean Relations

By Ken Clark
Caribbean Press Staff Writer

Canada's developing love affair with the Commonwealth areas of the Caribbean raises the question of how far the relationship will go.

The ties that bind include the long-standing ones of common language and Commonwealth membership. There's also considerable Canadian investment in the region, a brisk two-way trade and a dribble of immigration into Canada.

Canadian economic aid has been increasing through the years. It was given another boost at last week's "we-like-each-other" conference in Ottawa between Canada and the 13 Commonwealth Caribbean countries.

Perhaps a more significant conference decision was to put the relationship on a formal basis with the establishment of a committee of officials to meet periodically on trade and related matters.

It was also agreed another conference would be held shortly to cement relations further.

TO STUDY FREE TRADE
One long-range possibility is development of a free-trade area embracing Canada and the 13, of which 10 are still British colonies and the remainder independent. The joint committee is to study free trade feasibility.

Apart from that the long-term prospect is for an enlargement of Canadian political influence in the Caribbean commensurate with a British decline. The remaining colonies are moving towards independence.

These factors raise the possibility of political union, some day, but this is fraught with complications. For one thing the Caribbean countries seem unlikely to want to give up hard-won independence from white rule.

Apart from the economic problem of taking problem countries under its wing, Canada would also be faced with the prospect of changing the predominantly white racial character of its own population.

Political union seems far less likely than the long-term development of a common-market-type relationship.

On this basis—and with generous Canadian aid—the Commonwealth Caribbean countries could enjoy fairly rapid development.

If it was fast enough, it could reduce the pressure of such countries as Jamaica for Canada to take some of the population surplus.

Similarly enhanced economic development of such underpopulated Caribbean areas as Guyana could help solve the population pressures of others in the group.

INVITED IMMIGRANTS
Newly independent Guyana has already invited immigration from others in the Caribbean. But the problem there now would be one of finding jobs for new arrivals.

A better population distribution in the Commonwealth Caribbean group would also be enhanced by regional political unity, with Canada standing apart.

Political unity of this sort seems to dovetail into a basic Canadian aim of the mutual courtship, which is the development of a unified trading partner.

It would be much simpler from Canada's point of view to develop integrated trading policies with one Caribbean government rather than 13. The last try at Caribbean political unity ended with the breakup of the West Indies federation in 1962.

Some indication of the Canadian position on Caribbean unity was supplied by Canada's conference announcement to pay most of the cost of building a radio broadcasting centre for the region. The aim is to bring the groups closer together.

Even if political union between Canada and the Commonwealth Caribbean remains a remote possibility, it is clear a new international grouping is being formed—a Western Hemisphere Commonwealth bloc.

Nobody can say at this stage whether it will become a real force in world councils or a counter to the U.S.-dominated Organization of American States or neither. Neither Canada nor the 13 OAS members.

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