

THE CHARLOTTETOWN GUARDIAN

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WEDNESDAY, NOVEMBER 18, 1931

FOREIGN EXCHANGE

The beginning and ending of foreign exchange is the settlement of debts between the countries of the world without having to transfer gold and that is the problem with which Great Britain is faced today. It is of course usually said that exports are paid for by imports. It is simple to state that France exports wines to England and England sends woollen goods to France, but the point is how each exporter gets his money. The Frenchman requires francs and centimes for his wines and the Englishman wants pounds, shillings and pence for his woollen goods. The explanation is this: On the one hand there is a buyer and a seller in England and on the other a buyer and a seller in France. The French buyer must remit sterling to the British seller and the British buyer must remit francs and centimes to the French seller. The operation is carried out by a banker—it is he who carries the stock. The banker buys foreign debts represented by bills of Exchange from those to whom the money is due and enables funds to be transferred from country to country without the risk and expense of sending gold.

A banker in England buys bills of exchange in connection with the exports to France, sends the bills to his agent in France and in due course the bills are paid, and with the money so received he can meet the payment for his client in England and the same method is carried out by a banker in France for his client. Through the working of what is known as the "gold standard" money is kept steady in what is called the "Exchange Value," i.e., the value when it is turned from sterling into francs and vice versa.

Let us see how it works: Each country has its own currency and each country has also some standard unit of currency for the purpose of financial calculations. In Great Britain, her Dominions and Colonies the unit is the £ sterling. In France the unit is the franc, in Germany the mark, in the U. S. A. the dollar and so on. The standard gold coins of countries that have a gold standard are mixtures of pure gold and an alloy. If the countries mixed the gold and alloys in the same proportion we should have a uniform gold coin. But they don't. British gold for instance is 11-12ths fine gold, i.e., 11 parts of gold and one of alloy. Foreign gold on the other hand is worth 9-10ths fine gold, i.e. 9 parts pure gold and 1 part alloy. In those countries, therefore, that have a gold standard, the relative values of their gold coins can be established by calculating the exact quantity of pure gold contained in each coin. By such means it is found that the British sovereign contains the same quantity of pure gold as the equivalent of 25.22 francs in French gold, 4.87 dollars in American gold, 20.43 marks in German gold and so on, known as the unit par of Exchange.

The reason why the £1 at par has a value of \$4.87 is because the gross weight of a sovereign is 123.27447 grammes, of which 1-12 is alloy and the rest gold, and the gross weight of the American gold dollar is 25.8 grammes of which 1-10 is alloy and the rest gold. The mint par of the two units is found by dividing the number of grammes of fine gold in the pound sterling by the number of grammes of fine gold contained in the gold dollar as shown below:

Table with 2 columns: Description of gold units and their weight in grammes. Rows include Gross weight of £1 gold piece, Less 1-12 alloy, Fine gold in £1, Gross weight of \$1 gold piece, Less 1.10 alloy, Fine gold in \$1 gold piece.

If remittances were made in gold, the rate of exchange would be the mint par of Exchange, plus the cost

of transportation. The commercial or actual rate of exchange however varies daily being influenced by many causes, principally by supply and demand; it may rise higher or fall lower than the mint par of Exchange. It is the balance of indebtedness, the excess of what a nation owes one country over that which it is owed, that causes exchanges to move against the debtor country and resort then has to be made to gold shipment to cancel that excess.

There are limits, however, to the rise and fall of rates of exchange. These limits are determined by the gold point i.e., the point at which it becomes cheaper to send actual gold coin. With countries that have only a silver standard there is no mint par value of exchange. The exchange value of silver coins, therefore, will vary from day to day according to the market value of silver. There is now no fear that Great Britain will remain off the gold standard longer than is necessary to place her financial affairs on a sound basis, especially as her Dominions produced much more than half of the \$403,000,000 worth of gold production during 1929, viz:

Table with 2 columns: Country and Gold production value. Rows include Africa, Canada, Australia.

THE BRIGHTER SIDE

Figures recently published at Ottawa giving a comparative statement of income tax collections, cause the Regina Daily Star to ask, with some surprise, what the outcry of depression is all about. One can understand, says the Star, that in Southern Saskatchewan and other isolated parts of the Dominion conditions have arisen which have caused special hardship, and that there has been considerable stagnancy of trade generally in consequence of the upset of markets. But the financial status of the Dominion has been proved by the success that attended Mr. Bennett's great conversion loan, the increase in deposits in the savings banks and other indications of stability.

Now comes the statistics of income tax collections. It was generally claimed that in the period between 1922 and 1927 the country was in a state of prosperity. Yet the announcement is now made that in the first seven months of the present fiscal year the collections exceed the average collections for the corresponding period between 1922 and 1927 by close upon two million dollars and that they are only less by about the same sum than the average collections of the nine preceding years.

This result has been attained in spite of the lower rates and exemptions conceded to individuals and corporations since 1926. Had it not been for these concessions, it is estimated, the collections for the last seven months would have amounted to no less than \$60,000,000. And there is also the outstanding fact of lower prices for agricultural production and mercantile commodities in a dropping market.

Faced with these figures, says our Regina contemporary, it must be evident that although there has been a general wailing about hard times, the position of Canada, compared with other nations, has been remarkably favorable, and that much of the depression of which we have heard has been created by imagination rather than by reality. That is not to say that there has not been a general lowering of the economic health, but that the disease has not been so generally prevalent as we have been led to believe.

EDITORIAL NOTES

During his visit to Nova Scotia and New Brunswick this week a Maritime exchange predicts that Rt. Hon. W. L. Mackenzie King will meet many friends but few supporters.

NOTES BY THE WAY

The good effects of a stable Government in Great Britain are already being shown. International confidence has improved. Domestic industry is gathering speed. Unemployment is falling. There ought to be nothing to hinder the British people from plodding their way up the hill to as much of their old eminence as can be won in a changed world. They have the dogged spirit. They have the unconquerable courage. They can have—if they choose—the hearty co-operation of the growing and progressive Empire.

The willingness with which the people of Canada responded to Premier Bennett's request to participate in the recent conversion loan is shown by the fact that while the offer was for \$250,000,000, the response amounted to \$700,000,000. It is reassuring to consider that, largely as a result of these operations, the Canadian national debt is largely owed to Canadians. On November 1, 1931, the total Federal debt of \$2,404,321,857.24 was owed as follows: \$1,702,612,820.85 in Canada, \$390,040,900.00 in New York, and \$311,668,136.39 in London.

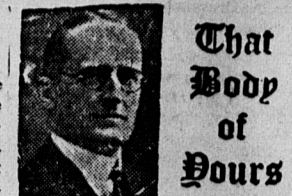
It is of very real interest at the present time to have the views of an Indian ruler upon the problem of India's future. The Maharajah of Burdwan, in addresses he delivered recently, repeatedly stressed the point that to talk of complete independence for India today is a waste of time. The country and the people are not ready for it, he declares; they are unfitted for such responsibility; they lack unity; they have no united policy, and they cannot do without the British in India.

It is because says Sir William Morris I consider our British men such splendid fellows that I hate to see them injured by unfair foreign competition, especially when that competition is from sweated labour, against which we cannot hope to compete. I never want to see wage cuts and, generally speaking, I do not think any employer does. Many would rather increase wages. Most trades are passing through a bad time, and the impossible cannot be achieved. Bread cannot be milled from stones. But I do not want to see any reductions in the standard of life or wages for any workers. In the old days, I know, there were many evil conditions, but the average employer of to-day will do all he can for his workers, and in their turn the employees will do their best for the master.

What with these Chinese and Japanese names of generals and places we can't for the life of us make out whether the Chinese are fighting the Japanese or just indulging an old Chinese custom of fighting among themselves, or who's who or what's what. It's a very devil of a place to have a war, and the League of Nations ought to do something about it, says the Ottawa Journal.

The London Observer said in a recent issue. The Constitutional Club has a long room like a town hall, but it was packed to the doors when Lord Beaverbrook spoke last week. It was an extraordinary scene. It was known before that from the most uncompromising beginnings he had become by degrees an admirably earnest and direct speaker, but this time he rose above that and was an orator. There is no other word. He had risen from a sick bed, but he paid the orator's price. He took the last ounce out of himself by the intensity of his appeal for the life of the British Empire.

Mr. Schwab the great steel magnate reports a conversation he had with a shrewd observer who had travelled extensively. This observer said to him "that the desires of the masses of the people in all parts of the world is for peace. The talk of another war has no place in the hearts of people anywhere." This says an exchange is true enough; and the great problem facing the world to-day is how to find a means of translating this world-wide desire into reality. The ordinary people themselves are converted. It remains only to bring their leaders into line. It was not the common people who brought about the World War. It is not the common people who have kept hatred, suspicion and bitterness alive since the war ended. The world is in a mess today, and has been in one for 17 years, because its leaders could not understand that the race as a whole will respond just as quickly to altruistic idealism as to selfishness and jealousy.



By James W. Barton, M.D. MECHANICAL AIDS FOR SLOW STOMACH DIGESTION

I often think it would be worth while for every individual who thinks his stomach is enlarged, dropped, or slow in emptying, to go to an X ray physician and have a thorough examination of the stomach. After taking the bismuth meal, the X ray operator would put the fluoroscope in front of the stomach and by the use of a mirror the individual could see the size and shape of his stomach. This could all be done in a few minutes and at a small cost, as there is but one visit, whereas in the ordinary X ray examination of stomach and intestines plates must be made in 6 hours, 10 or 12 hours, 24 hours, 48 hours, and 72 hours or more.

This one short examination would not show the rate of emptying of stomach and other conditions, but it would show the position of the stomach, and whether it was dropped too low. If in this position, the food is usually a long time getting out of the stomach into small intestine, and another meal might naturally be eaten before the previous meal has left the stomach. This often causes pain and distress.

Now what can be done for most of these cases of dropped stomach? The entire treatment can be done by the individual himself as no operation or medicine is necessary. First, wearing an abdominal belt which will help to lift the stomach up a little higher.

Second, about two hours after a meal is eaten the stomach should be raised by placing the fingers into abdomen at about the naval or umbilicus and raising them three or four inches. This will just about bring the bottom of the stomach up into line with the stomach's opening into a small intestine. Holding it up for a few minutes two or three times should be all that is necessary.

Third, lie on right side for ten or fifteen minutes just before a meal is eaten. This will help the food still lying in the stomach to syphon or flow out into small intestine and the stomach will thus be clear and ready for the next meal.

Now these simple mechanical aids are only for people with a dropped stomach, or those whose digestion is very slow.

One Stroke Authorship

(Montreal Gazette) Mr. H. G. Wells, once defined the short story as one which can be read in fifteen minutes. He did not himself condense his material within this limit. Perhaps we ought to be glad. Few writers, however, can keep up to proper pitch through twenty volumes. The number of novels dropped into the literary mausoleum each year is appalling. Mass production tends to a slump in values. Out of the ruck of books bearing the name of any popular author, some specimen is salvaged from oblivion as typical enough for practical purposes. It may find place in the so called classics. What is clear is the fact that genius is not to be gauged by bulk or volubility. Brevity is the soul of wit even in bookland. We have heard of single-speech Hamillon. There are writers who have produced one treatise, essay, novel, poem, or memoir, concentrating ten talents and the energy of a lifetime in a single volume, and in the effort seem to have shot their bolt. There have been many examples of authors whose reputation is founded upon one excellent script. The rest of their writings are read, if at all, simply because they draw credit from the masterpiece already established. It took Mr. Shorthouse of Birmingham ten years to write "John Inglesant." The story was worth it. The author struck gold. He never made a second venture. Shorthouse had said all he wished. The effect of colorful autumn upon the spiritual landscape. How did Emily Bronte conjure up "Wuthering Heights" from the Yorkshire moorlands? It was her one offering. The repute of this romance has steadily grown since it was first published in 1847. It was finally accepted on terms that a modern dime novelist would deem an insult.

Within my palm the ruddy glints Call up a lovely, wistful dream. Of Lorn ablaze in autumn tints, Loch Fyne a splendid silver gleam; And brackens, brackens red as rust Flaunting their glory to the skies, Leaving me with the fairy dust For ever in my eyes!

—Elizabeth Fleming in the Glasgow Herald.

Japan's Striking Power

(Ottawa Journal) This Chinese General Msh who is out to whip the Japanese must have more valor than sense. For whipping the Japanese, especially for a divided country like China, is a pretty tall task. The strength of the Japanese Army is causing speculation these days. With trouble looming even more seriously, the threat of an open break becomes imminent. Japan has a standing army of 210,880. Of these some 20,000 have been sent into the battle area in Manchuria. Besides the regular army, there is the trained reserve, numbering some 1,750,000. This reserve consists of men who have served their time with the colors and are ready to step into action at short notice. They require no additional training and really need just a little physical exercise to make them fit for the rigors of a campaign. To patrol the Sea of Japan and make forays into other territory, the Japanese navy counts of tonnage of 798,304. That is a way above any naval force the Chinese could muster. China has some sixty-eight warships, but their total tonnage is less than 40,000, or

For National Deience

(Toronto Globe) There is reason to expect that the people of Canada will respond decisively and favorably to the Dominion Government's invitation to purchase National Service Bonds. There is, perhaps, more money available for such safe and profitable investment than for many years past. The flotation campaign, which commences Nov. 23, should be a decided success.

The primary purpose of the loan is well known. One intention is to transfer as much as possible of the public debt from foreign hands to Canadian hands. The Provinces, in particular, have suffered severely as a result of adverse exchange rates. The loan is intended to minimize such difficulties and prevent their recurrence in future.

The recent remarks of Mr. Beaudry Leman, retiring President of the Canadian Bankers' Association, are worthy of note in this connection. "The disposition on the part of many public bodies of this country to resort to international money markets has received a severe setback in recent months. . . . This experience in foreign borrowing now proving so expensive, will have its compensations if borrowers seek in future to place at home the bulk of their loans. . . . It cannot be too deeply impressed upon the people that borrowing abroad, made so facile in periods of prosperity, means, when prices fall, overstrain on our gold holdings, which they should not be called upon to bear."

Canadians can find a safe, profitable investment in the National Service Bonds. They can also help Canada to solve difficulties now regarding the swifter return of prosperity.

That Body of Hours

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Mr. Weir's Advice

(Regina Daily Star) There is no expectation in the mind of the Hon. Robt. Weir, Minister of Agriculture, that there will be any discontinuance of mixed farming because of the improvement shown in the price of wheat. It would be quite natural if it were so, but he does not believe that the acreage sown to wheat next year will show any appreciable increase over that of 1931.

Mr. Weir has great faith in the future of the livestock industry, hence his prediction. He thinks that the present is a most opportune time for farmers to go into livestock, and has expressed his conviction that cattle prices are sure to show profitable increases in the near future.

Certainly Mr. Weir's optimism has supported in the recent results of livestock shipments to the Old Country. Prices may not yet be as high as could be desired, but this can, to some extent, be attributed to the quality of the shipments. Of late some British buyers have tried to impress on Canadian shippers the need for good quality beasts, and if these are sent to the British market the breeders are likely to receive better value for their cattle.

From reports that come to hand it is evident the prairie farmers are realizing the need for some stand-by when unfavorable wheat growing conditions are experienced. They are beginning to recognize the fact that it is not advisable to have all their eggs in one basket, but that it is far better to make provision for an income when wheat fails.

This has been the contention of the Minister of Agriculture ever since he took office. He believes that livestock production can be made profitable besides being a precaution to be taken against adverse circumstances? And farmers, in these days, are taking much note of Mr. Weir's advice.

When You Can't Save

Your ability to save ceases when you die. Suppose this happens before you have saved enough to enable your family to maintain even a modest scale of living. A Crown Life Policy will guarantee them both what you save and what you hoped to save.

1. Ask it over with a Crown Life Man

CROWN LIFE INSURANCE COMPANY

Branch Office for Maritime: MacBath Bldg., Moncton, N.B. R. E. PHILLIPS, General Agent. J. E. PHILLIPS, General Agent. SUMMERSIDE, P.E.I.

Public Notice As To Applications For Oyster Farming Leases

Applications for leases of Prince Edward Island areas for oyster farming purposes will now be received by the Department of Fisheries, Ottawa.

Leases will be granted in Malpeque Bay and its tributary rivers and in such other areas as are not now public commercial oyster beds and are approved by the Department as suitable for oyster farming. A plan showing the lots available for leasing in the Malpeque Bay area may be consulted, without charge, at the office of the Supervisor of Fisheries, Charlottetown, or at the Biological Station at Ellerslie or the office of any Inspector of Fisheries in the province.

Summary of Major Leasing Conditions

Before a lease is granted, the area applied for is to be examined by the Department's oyster expert. Each lease will be for a term of 20 years and will be renewable for a further like period. Rentals on the following basis will be payable under each lease: \$1.00 per annum during the first three years for each acre or fraction of an acre leased, \$3.00 per annum per acre or fraction of an acre during the next two years, and from that time onward a reasonable royalty per barrel will also be charged on production.

Information as to the most effective methods of oyster farming, obtained by the Department through the investigation which it has been conducting in the Malpeque Bay area, will be made available to applicants for leases, or intending applicants, upon request.

WM. A. FOUND, Deputy Minister of Fisheries, Oct. 21-V-8-31

Ottawa, Oct. 19th, 1931.

COAL ARE YOU READY?

Advertisement for W.D. Gillis & Company Coal. Includes text: Old man winter looks like a disagreeable old soul, but if you have a good supply of our high-grade Coal in your cellar you will find him an agreeable companion. W.D. GILLIS & COMPANY COAL PHONE 176.

Our Christmas Number

Drawing and Story Competitions. To give young people a chance of entering, we are making an early announcement of the Guardian Christmas Number competitions. Prizes will be given in two sections, as follows: (1) BOYS AND GIRLS BETWEEN 13 and 20 YEARS:— For best stories:—1st prize, \$3.00; 2nd prize, \$2.00; 3rd prize, \$1.00. For best drawings:—1st prize, \$3.00; 2nd prize, \$2.00; 3rd prize, \$1.00. (2) BOYS AND GIRLS LESS THAN 13 YEARS:— For best stories:—1st prize, \$2.00; 2nd prize, \$1.25; 3rd prize, 75c. For best drawings:—1st prize, \$2.00; 2nd prize, \$1.25; 3rd prize, 75c. Stories should not exceed 1000 words. The subjects should be of a Christmasy nature. The drawings should be in firm outline in Indian ink without shading lines, and sheet of note-paper. They must, of course, be original work, not mere copies. Entries, addressed to Christmas Number care Charlottetown Guardian and marked "Christmas Story" All entries must reach the Guardian Office not later than December 1st.

Is Your Child Undernourished?

Your child may not be sick, but unless he is a noisy, rollicking, romping youngster—full of activity, energy and life—he is probably undernourished. Undernourishment does not mean lack of sufficient food. It means lack of certain elements in the food—elements that promote energy and growth.

Wampole's Extract of Cod Liver

contain these needed elements in just the right doses and is rich in vitamins—that mysterious "something" that makes children grow and keeps those of advanced years fit and energetic.

We Sell and Recommend It THE 2 MACS PHONE 315 Mail Orders Given Prompt Attention.

Advertisement for Colgate's Ribbon Dental Cream. Includes text: FREE THIS LARGE SIZE 25c TUBE OF COLGATE'S RIBBON DENTAL CREAM with your purchase of any one of these famous toiletries: Palmolive Shaving Cream . . . 35c Colgate's Ribbon Dental Cream . . . 25c Colgate's Rapid Shave Cream . . . 35c Palmolive Shampoo . . . 50c Colgate's Shaving Lotion . . . 50c Palmolive Shave Lotion . . . 50c Vaseline Hair Tonic . . . 40c Colgate's Clover Lotion . . . 35c

Advertisement for E. A. Foster Central Drugstore.

Advertisement for The Chew for You Hickey & Nicholson's Black Twist CHEWING. Includes text: The Chew for You HICKEY & NICHOLSON'S BLACK TWIST CHEWING