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Banking And Politics

British Columbia has decided to establish a bank of its own, the political nature of which is indicated in the appointment of its provisional directors—most of them associated intimately with Premier Bennett's Social Credit government.

No bank can be established without a federal charter, granted by act of Parliament. When Parliament is asked to approve a charter in the next few weeks it is bound to consider fully the true intent of the provincial bank. It must make sure that the new bank, while apparently conforming to federal policy, does not in fact violate it, since the provincial government will be by far the largest shareholder and doubtless the largest depositor as well.

Under our system, the central Bank of Canada controls the money supply and the whole climate of credit affecting every part of the economy. The central bank does not engage, however, in commercial banking and makes no loans to private borrowers. That function is reserved for the privately-owned banks and they are thereby removed entirely from political influence. A new and extremely dangerous principle will infiltrate the banking system if any bank becomes the creature of any government.

This point is made very strongly by the Winnipeg Free Press, which maintains that a conflict between national and provincial policy appears inevitable when Mr. Bennett tries to smuggle Social Credit theories into the banking system by the back door. And if this precedent is established in British Columbia it will almost certainly be imitated elsewhere to undermine the entire structure of national banking.

These dangers would be mitigated if the provincial government would guarantee to withdraw from the new bank as soon as it is firmly established. But despite the pleas of the Liberal opposition and all the leading British Columbia newspapers, Mr. Bennett gives no guarantee, whatever. Instead, he has nailed down his control of the bank by the change of his directorship.

If Parliament refuses him a charter he will complain, of course, that British Columbia is the victim of rapacious financiers and a centralizing national government. But that shouldn't enter into Parliament's main concern, which is to safeguard the public interest.

Will This Be The Formula?

The Montreal Gazette recalls that it is now some four years since Premier Lesage, at a federal-provincial conference, defined his objection to programs in which the federal and provincial governments share the costs. The point of his objection was that the federal government was making the primary decisions in such matters away from the provinces.

It is recalled also that in November, 1961, Mr. Pearson outlined at Quebec his solution of the problem. He then suggested that federal grants-in-aid need no longer be made indefinitely, so that they may tend to become (or appear to become) permanent. "Shared-cost" arrangements would be only to get a program established. Once well established, the federal government

could withdraw. At the time of the withdrawal, Ottawa would compensate the provinces by giving them "more leeway in the field of direct taxation" and increase unconditional aid.

Nor was this all. Mr. Pearson also suggested in November, 1961 that any new joint program, "requiring permanent and fairly regular expenditures," need not have federal participation for more than five years. And in order that no pressure might be brought to bear upon any province to enter a "shared-cost" program, there would be special arrangements, so that any province could stay out "without suffering financial discrimination."

In the statement made by Mr. Lesage in 1960 and that made by Mr. Pearson in 1961, suggested The Gazette, may lie the basis for an adjustment that could be reached in 1964. It would provide that Quebec could not only "opt out" of any program in which it did not wish to participate, and receive tax leeway for carrying on an equivalent program itself. Quebec, if it wished, could decide not to carry out any equivalent program at all, and would be given tax leeway to spend an equivalent amount of money in any way it wished.

If such arrangements should now emerge, they could hardly fail to be acceptable to Quebec, and possibly to Ontario and some of the other big provinces as well. Just where the rest of us would fit in is not quite clear.

A Rousing Speech

In his address to The Canadian Press in Toronto last week, U.S. Attorney-General Robert F. Kennedy made an excellent impression, more than offsetting the somewhat sour note that was struck at an earlier press conference to which he referred on Saturday, in which he said to have "indicated his disapproval of continuing Canadian trade with Cuba."

Mr. Kennedy recently has been in Southeast Asia and other profoundly disturbed parts of the world, in consultation with the heads of government; and in his speech he warned that if we do not help the youth of these lands to achieve their goals against poverty, illiteracy and oppression, they will be driven to making cause with a hostile system.

"If this means that the future is perilous," said Mr. Kennedy, "I must admit that I think it is. But it is also exciting." He emphasized that in the unsettled atmosphere of the world today, there is a premium on the qualities of young people. They are more important to themselves, to their nations and to the ideas that they espouse than ever before.

In Pakistan, for example, 60 per cent of the population is under the age of 25. In the Congo the figure is 54 per cent; in Tanganyika, 62 per cent. Many around the world were students who had initiated uprisings in such places as Budapest, Warsaw, and in Japan and Venezuela. Students played a big role in the overthrow of the Diem government in South Vietnam last November. Other instances were cited to show that, more and more, the young are gaining positions of political power.

Current history suggests that the leaders of the developing nations throughout the world for the next few decades will come from the young intellectuals, the students, the young labor leaders and politicians of today. "These are the ones," Mr. Kennedy warned, "with whom we should be primarily concerned. A conscious effort must be made to seek out the young."

The youthful statesman spoke as the bearer of a trust passed on to him by his late, great brother, President Kennedy, and his words had a stirring effect upon his audience. We can well understand why, for they were a clarion call to participate in this "revolution of the young" and to channel it along lines of world progress and betterment.

EDITORIAL NOTE

According to the latest official report, Canada's areas of high unemployment continue to be the Atlantic Provinces and Quebec. It is reassuring, however, to note that the 12-month drop in unemployment of 93,000 was reflected to some extent in every region.



LEAP YEAR PROPOSAL

Ottawa Report by Patrick Nicholson

Need For Scrapping Partisan Interests

The widespread anxiety aroused by the Quebec situation there has now been added since the election in business circles, of the situation in Canada calls for legislative steps which would not always be immediately

popular—hence no single party could afford to take them—and thus sign its own electoral death warrant. But a National Governor could initiate a "Canada-first" policy.

Watch Those Fine Words!

Never use five words where three will suffice. That's basic instruction for those who essay the career of news reporting. And according to a Boston editor, journalism may be the last citadel against a trend toward improper use of language. Dr. John E. Bissard, director of the School of Humanities at Massachusetts Institute of Technology, finds use of the word "impasse" one of the principal corruptions of language. He says: "Concern is always deep concern, insight is always unique, experience is broad, and progress is never just progress—it is breakthrough."

A Shave For The Premier

Mr. Duff Robin of Manitoba to explain the shaving before it happens. All will agree that he grew it 15 years ago when he went into politics because he wanted to look older—he was 22. But some say there was a cabinet division of a fundamental question of principle: could Mr. Robin best prolong the look of youth by shaving the mustache or by keeping it and making people think that he must be young because he was trying to look older? Others will say that Mr. Robin's public relations people took an opinion poll of the Premier's image and found the proshavers outnumbered both the anti-shavers and the undecided. Opposition members will just say they are glad to see the Premier is at last old enough to shave.

Agree On Channel Tunnel

Transport Minister Ernest Marples announced in the House of Commons that the British and French governments had agreed on the construction of a rail tunnel under the English Channel. He said studies had shown that "construction of a rail channel tunnel is technically possible and that the money which would represent a sound investment of the two countries' resources."

The next step, Mr. Marples continued, would be to discuss the legal and financial problems. "Bearing in mind the heavy burden of the two countries' existing commitments and the many other claims on their resources, it remains to be decided when and how best the expense involved can be sustained."

"At the present stage of the discussions," he said, "the two governments have not yet decided whether there is a role, and if so what form, for the participation of private equity capital in the enterprise." But in any case, the transport minister said, it is clear that whatever happens, the governments will have to have full control of any future operating company. Mr. Marples warned that "the enormous technical difficulties involved" would mean that the project could not be started immediately, neither could a start be made at once on the legal requirements in both countries. One of the problems still to be considered, he said, was whether

New Drug For Smallpox

By Dr. Theodore R. Van Dellen The fight against smallpox is continuing after it looked as though it may have a new treatment. Last year we wrote about a new preventive, Marfan. The drug used in treating smallpox, should it occur, is IDU. This compound, which is a true viral disease of the eye (herpes simplex keratitis) about two years ago. Will it be equally effective against the virus that causes smallpox?

Yes! Dr. Paul B. Calabrese found IDU safer when combined with thymidine, an essential part of the cell's genetic material. The combination was given to people who had not been vaccinated against smallpox for 20 years or more. These vaccinations did not "take" but they did IDU was discontinued by a physician because the viruses in the vaccine were "stopped" by IDU.

More tests will be needed to determine whether this drug will work in smallpox. We do not wish to infer that we will replace vaccination; prevention remains the best way to handle this disease. A scar on an arm or a thorn does not mean "I'm protected." It is a sign of a previous vaccination every five to seven years or more, recommended, except with more frequent prophylaxis. The procedure does not add to immunity. It is a skin reaction. The primary action "take" occurs in a fully susceptible person. A somewhat different response is noted in those who were vaccinated many years previously and who remain partially immune. It begins on the second day with the formation of a single bleb surrounded by a red halo. This is called a "take." It is a localized, accelerated response, as it is called, subsides during the second week, and does not leave a scar. A third type of reaction appears when an immune person is re-vaccinated. It is a localized, accelerated response, as it is called, surrounded by a red halo, occurs within 48 hours, and subsides during the second week. It is a localized, accelerated response, as it is called, surrounded by a red halo, occurs within 48 hours, and subsides during the second week.

WELLAND TRIBUNE

E.B. writes: My husband has been in bed five weeks recovering from what his doctor calls a "myocardial infarction." Please tell me something about this illness.

REPLY: Gen. Dwight Eisenhower had an ordinary heart attack. The development of a coronary thrombosis, or myocardial infarction, is a common occurrence.

H.H. writes: Could severe leg cramps in the form of 56 mean a calcium deficiency?

REPLY: Yes, but it is unlikely because all the muscles would be affected by a calcium deficiency. Poor circulation is a more frequent cause of leg cramps at your age.

IMMUNE TO YAWNS

T.M. writes: I've always heard that yawning is catching, but it seems to be immune. I saw three yawning people on the train this morning and I did not follow suit. Why?

REPLY: It is but perhaps you are all yawned out.

SPINAL TAP

F.L. writes: Why is a spinal fluid test taken?

REPLY: To determine the cause of a variety of neurological disorders. These include meningitis, encephalitis, syphilis of the nervous system, brain tumors, head injuries, and stroke.

A Political Bank?

The Bennett government thus has not only a more effective working control of the bank's stock but also might be able to control the majority of its directors. Rightly or wrongly, fairly or unfairly, the directors are the directors to be viewed as having provincial political implications. No matter how estimable the directors may be or how determined they are to act independently their actions will be interpreted as government policy.

Under the British North America act the banking system comes under the exclusive jurisdiction of the federal Parliament for the good reason that a bank's activities by their nature affect the credit of the nation as a whole.

Few Canadians will care to see such matters influenced even indirectly by a single provincial government, to say nothing of a government as eccentric as British Columbia's. Parliament therefore should withhold approval of the Bank of British Columbia's charter unless the government's policy is to permit citizens to participate in the application.

Cash And Politics

After a look at prospective candidates for the United States presidency, a London-based correspondent in Washington has concluded that there is little likelihood of any non-Prime Minister being in the White House in the 1960s. Men like Johnson, Rockefeller and Goldwater have great wealth; they are considered multi-millionaires.

In Canada the lingering traces of puritanism insist that wealth and political leadership are incompatible. We have yet to accept that the Canadian who has worked his way from poverty to riches or has inherited wealth is the best fit for politics.

BID FOR RUSSIA

MOSCOW (AP)—Russia will bid for installation of two big dams as soon as possible to produce 800,000 and 300,000 kilowatts on the Limay and Nequeun Rivers respectively.

ELECTED ASNE PRESIDENT

WASHINGTON (AP)—Miles H. Wolff, executive editor of the Greensboro, N.C., News, Saturday was elected president of the American Society of Newspaper Editors. Vermont Royster, editor of the Wall Street Journal, became first vice-president.

RIGHT MY SHOES

WRIGHT SHOES

Small parties

The high school bowling league held its closing banquet at the Summerside Legion hall with Bob Schurman as master of ceremonies. Various trophies and prizes were awarded and sponsors of the winning White Star Laundry team were among the guests.

Big parties

Smart parties are holding their parties downtown. In our private suites. Easy to reach. Fine food, living-rooms livable. For big, small, all-size fun plans, let us arrange your next party.

Buying a new car?

Advertisement for a car with a table showing monthly payments for different terms and interest rates.

then see "The Bank"

If you're in the market for a new car, give your nearest Toronto-Dominion Bank Manager a call. A low-cost Personal Loan From The Bank can put you behind the wheel of the car of your choice.

THE TORONTO-DOMINION BANK Where people make the difference J. P. COOKE, Manager—Queen & Kent Sts.

The Charlottetown Hotel