The Guardian

Covers Prince Edward Island Like The Dew

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"An Amazing Authority"

It is surely reasonable to expect that a loophole which favors the tax collector will be plugged with the same despatch as one which favors the tax dodger. Parliament is responsible for seeing that such loopholes do not exist in the one case any more than in the other. It is to be hoped that the publicity given to a recent estate tax case in Charlottetown, in which the full amount of a married couple's joint bank account was found taxable at the death of the husband, will bring about a reappraisal of this particular piece of legislation.

In this case the chairman of the Tax Appeal Board, Mr. Cecil L. Snyder, was obliged to rule reluctantly that the terms of the Estate Tax Act of 1959 enabled the Revenue Department to include the whole amount of the couple's joint bank account in the taxable estate.

In commenting on the chairman's statement as reported in The Guardian of February 4, the Toronto Globe and Mail notes that the fact that Mr. Snyder felt compelled to take issue with Parliament on what he called "an amazing authority" given to the department by the act, indicates that the act contains a serious flaw. It notes, also, the board chairman's remark that, to many, the case might have the appearance of being an arbitrary expropriation of the life savings of an elderly couple.

The Toronto paper also quotes the Canadian Bankers' Association, in its submission to the Royal Commission on Taxation, as saying that it seemed unjust that so little cognizance was taken of the part that the wife played in making possible the accumulation of what was, in fact, a family estate.

The bankers commented: "In many cases, especially where there are children, the husband's death will mean a severe curtailment of the family's standard of living and it is contended that their mutual savings should not, at the time of the husband's death, be taxed to the point of adding to the widow's already difficult circumstances."

Our Toronto contemporary argues that the succession duty has never been a soundly based tax and that the Charlottetown case is just one more reason for revising its arbitrary provisions. Unfortunately, there is little hope that even if Parliament acts promptly in this instance, its ruling will be made retroactive.

The Fall Guy

Under the above heading, a commentator in the Toronto Telegram notes how easy and politically fashionable at Ottawa it is to criticize Ontario Premier Robarts for his stand over the Canada Pension Plan, while softpedalling the much less co-operative attitude which the Quebec Premier has taken in the matter.

For the best part of a year now, the Conservative Premier has had to face angry accusations that he is out to "scuttle" the federal plan, that he's in league with private insurance companies and that he's being completely unreasonable about the whole business. All this because he keeps insisting that the pension plan proposed by the Pearson administration contains a number of flaws which should, and can, be removed before it's coming into force.

Ottawa has never rightly explained why Quebec can bow out without a murmur—although there's a widely held suspicion that it's because Prime Minister Pearson needs the political support of Premier Jean Lesage. So it's Premier Robarts that has to be cast in the role of "fall guy".

But it was Premier Lesage—wasn't it?—who insisted, at the last federal-provincial conference, that contributions for the federal scheme be doubled to bring it into line with the premiums that will have to be paid by Quebec residents for the province's own pension scheme. Unless this was done, he said, Quebec would not agree to a constitutional amendment which would allow the federal scheme to include coverage for widows, orphans and dependents. Ottawa promptly bowed to this pressure and said widows and dependents would not be covered.

Premier Robarts wants the federal plan to include these people—but in Ottawa eyes it is he, and not Premier Lesage, who is the villain. And, of course, his background—a corporation lawyer from London, the home of insurance companies—is ideal grist for the Liberal propaganda mill. When he expresses concern over what will happen to the millions of dollars already invested in private insurance schemes, it's easy to say he's working hand in glove with the insurance companies.

But as suggested in these columns yesterday, it won't be so easy to frame any adequate federal plan without Ontario's co-operation. The "fall guy" idea won't help, except as an alibi for failure to obtain such co-operation. And a pretty sorry one it will be, in view of the hopes held out in the platform on which Mr. Pearson and his colleagues were elected to power.

Audit Office Handicapped

In his current report to Parliament, Auditor General Maxwell Henderson reviews more than 50 cases where pointed questions could be asked about government procedure. Most dramatic was the increase in costs of the Montreal International Airport from $11,000,000 to $30,591,000, due to an attempt to speed completion by starting construction before planning was completed.

While other incidents involved smaller amounts of money, they added up to a formidable total and indicated that public servants are not always as meticulous in the handling of public funds as they should be.

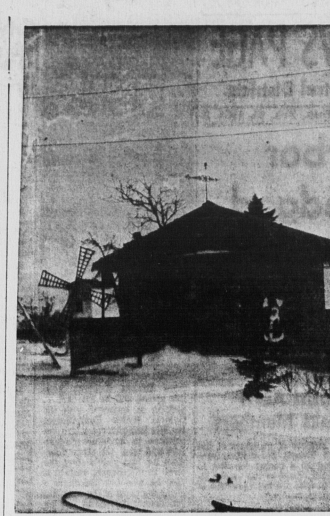
What is more disturbing, however, is the Auditor General's complaint in the introduction to his report that he has been unable, due to insufficient staff, to do his job as thoroughly as he wants to and as he is charged by Act of Parliament to do. He says that a shortage of staff limited the scope of his work for this report and still hinders it during the current fiscal year.

Why, with the spate of officials at Ottawa, should this particular department be shorthanded? The Public Accounts Committee has had this problem under examination since 1960 and has recommended that appropriate steps be taken to authorize the Auditor General to recruit and manage his own staff. As no action had been taken by the Government to implement the recommendation, in whole or in part, by the time the reconstituted committee opened its 1963 meetings on November 8, the committee asked the Auditor General and the chairman of the Civil Service Commission to "explore the problem further and report back to the committee." This was done on Nov. 22, with some modifications in the original proposal.

Mr. Henderson expresses the hope that, following implementation of this arrangement, the Audit Office will be in a position to improve the scope of its work with respect to the fiscal year 1964-65. In the meantime, however, his department will remain handicapped, and the public interest will suffer in consequence.

EDITORIAL NOTE

The Dominion Bureau of Statistics reports that in 1963 deaths caused by traffic accidents in Canada rose to a record high of 4,200. This, notes an exchange, is more than all of the people lost in all of the air, rail and Great Lakes disasters in Canada's history.



GEORGETOWN MUSEUM BUILDING

OTTAWA REPORT by Patrick Nicholson

Employees' Fringe Benefits Listed

As fringe benefits have increasingly formed a portion of the remuneration of workers, in place of straight cash, the taxgatherer has increasingly been losing out. Governments have levied taxes of 15 or 20 per cent on cash income, and that has proved easy to collect. But how can a government collect 15 or 20 per cent on the fringe benefits of a staff canteen or casual week-end enjoyment of a company car?

To simplify the problems of employers and employees, and to try to boost his take without raising tax levels, Hon. Jack Garland, Minister of National Revenue, has issued an information bulletin dealing with employees' fringe benefits. This lists the most common types of such benefits, and explains whether or not their estimated cash value should be included in the calculation of the employee's income.

UNTAXED BENEFITS

Some employee benefits are exempt from taxation, so their value does not have to be included in an employee's income for taxation assessment. These include the following:

1. Discounts on merchandise which are commonly allowed to employees in retail stores when buying from their employer.

2. The transportation passes given to an employee and his family for use on vehicles operated by his employer.

3. Subsidized meals sold in staff canteens unless the charge made is nominal.

4. Distinctive uniforms or protective clothing supplied for employees to wear while at work.

5. Tuition fees for special training or study courses designed to improve the employee's usefulness to his employer.

6. Free or subsidized schooling for the children of employees located in remote or unorganized areas.

7. Transportation from pick-up points to the job site at which, for security or other reasons, private vehicles are not welcome or not practical.

8. Loans advanced by an employer to his employee at low interest rate or free of interest.

9. Recreational facilities provided free or at nominal charge by an employer; incidental board and lodging, as for example at a summer hotel or hunting lodge maintained by the employer, must however be regarded as a taxable benefit.

10. Removal expenses of an employee's family and household effects incidental to employment.

CLASSED AS INCOME

In distinction to these non-taxable privileges, there are certain common "fringe benefits" whose estimated cash value must bear tax. These include:

1. Board and lodging regularly provided as a perquisite of the employment, as in the case of hotel employees and domestic and farm help, whether free or charged at below cost or fair market value.

2. Rent-free or low-rent housing provided by an employer.

3. Personal use of an employer's automobile.

4. Gifts in cash or kind, including Christmas and wedding gifts, except when these do not exceed $25 in value or when the employer does not claim their cost as an expense when computing his own taxable income.

5. Holiday trips, expense-paid vacations or similar prizes, in cash or kind, awarded to an employee for long or meritorious service.

The above general rulings apply only when there is a direct employer-employee relationship, and not necessarily when the employee is also a shareholder or a relative of the owner of the business.

PUBLIC FORUM

CAR INSURANCE

Sir,— Please allow me space in your interesting column to wholeheartily agree with the writer from Eastern Kings on car insurance, Feb. 22 issue.

Why should we truckmen pay $200 a year on a three-ton truck, or some of our boys seven to eight hundred on a tractor trailer for the privilege of meeting in a cutting a car with no insurance, when the driver, nineteen years or over (with a good record) could protect us up to $100,000 for a premium as low as $65.

Let us see what our elected members can do on this matter of protection for everyone without the embarrassment of cancelled license due to financial difficulties.

I am, Sir, etc.,
R.A. ROSE
Lakeville, P.E.I.

LIQUOR AND TOURISTS

Sir,—Just another word regarding the petition of certain restaurant keepers to sell liquor. Their specious plea is the provision of certain amenities to an uncertain percentage of summer visitors who want liquor. Should not equal consideration be had for that other uncertain percentage of visitors for whom the absence of liquor at restaurants is a principal attraction to our province? Should our young people be exposed to the hazard that freer access to liquor would create for the sake of pandering to the wishes of an uncertain number of summer visitors? We seem to have about as many summer visitors as we can entertain. Why jeopardize our present attractions?

I am, Sir, etc.,
REV. R.H. BAXTER
West Covehead.

SEEKS PEN FRIENDS

Sir,— I would very much like a pen friend in your part of Canada. I am 30 years old and married nine years. I work as telephonist for a large oil company and my husband for the Immigration Department. We live in a Sydney suburb right next to the ocean, but were brought up in a country town 400 miles to the north.

We are both interested in the Scout movement, having helped run Cub Packs for 12 years. We are also interested in travel and in 1958 did a 2½ years working trip to Europe working in London and visiting the continent whenever time and money permitted. We also like gardening and photography.

I would be very grateful if you could help me by publishing my name. I guarantee to answer any letters.

I am, Sir, etc.,
MRS. GWEN ARMSTRONG
4 Elizabeth Place,
Brookvale, N.S.W., Australia.

UNIVERSITY PROBLEM

Sir,— I was very much interested in a letter which appeared in your paper recently entitled "A University or P.E.I." The author, who signs himself "Realist", advocates the merging of Prince of Wales College and St. Dunstan's University to form a "University of Prince Edward Island".

He puts forth a very plausible argument but there is one point he avoids mentioning St. Dunstan's is a sectarian university. As such the teachers are mainly clergymen. Great emphasis is laid on the doctrine and teaching of the church, and the whole atmosphere is symbolic of the Roman Catholic religion. If the merger is achieved, does that mean that St. Dunstan's will surrender any of these? I hardly think so. It is difficult to see how a merger of PWC and St. Dunstan's could be achieved that would be fair to students of other faiths.

Much has been said in this column about broken promises. Last year large headlines in the Island paper announced that steps would be taken at the sitting of the Legislature to elevate PWC to university status. Then, just one day before the closing of the House, an inconspicuous notice appeared, tucked away in an inside page of the paper, announcing that for the present at least, no action would be taken. No valid reason was given.

"Realist" thinks one should use good judgment and common sense in dealing with the problem. Is it common sense to advocate a policy that will be unacceptable to approximately ½ on behalf of the population? We trust that at the present session our Premier and his honorable members will justify the trust that has been placed in them by raising PWC to university status and thus give all students on P.E.I. equal educational opportunities.

I am, Sir, etc.,
PARENT
Kings County

NOT GOOD FOR CANADA

Sir,— A statement has been made recently to the effect that Queen Elizabeth II should not visit the City of Quebec when she comes to Charlottetown next October, in connection with the Centennial celebration.

That is something unprecedented in the history of our relationships with the Mother Country.

Such a thing is repulsive to the mind of every true Canadian. Canada is made up of 10 provinces, and therefore, the expressions and actions of any one province, in the eyes of the world, reflects upon Canada as a whole.

It is a serious matter to think that such a very gracious lady as Queen Elizabeth II is, would be endangered in any way, at any time, in any place in Canada.

It is only some hot-headed fanatic or group of fanatics, that would entertain the thought of doing our Sovereign Lady any harm whatsoever.

I am, Sir, etc.,
W.D. JOHNSTON
Montague, P.E.I.

Modifying The Human Cornea

By Dr. Theodore R. Van Dellen

Eye surgeons may be able to correct refractive errors by modifying the curvature of the human cornea with a grinding or polishing machine. But don't be in a hurry to throw away your specs as, to date, the method has been used only on animals. The procedure was worked out by Dr. Jose I. Barraquer of Bogota, Columbia, one of the world's leading ophthalmologists.

The cornea is the transparent membrane covering the front part of the eye (pupil and iris). Dr. Barraquer dissects away the outer layer of the structure, quick- freezes the tissue then grinds and polishes the inside surface to the desired comfort. After thawing, the altered cornea is reimplanted in the eye. The technic is best suited for near and far sightedness.

The Colombian ophthalmologist has an alterate method in which a cornea is removed from a volunteer, shaped like a lens, and inserted behind the cornea of the patient. These procedures sound fantastic and we wonder whether they will be practicable. The eyeball curvature tends to change over the years and it is much easier to get fitted with new lenses than to have a second or third grinding operation.

Nearsightedness, farsightedness, astigmatism, and the changes in near vision that come with the passing years (presbyopia) are the most frequent types of refractive errors. They are corrected easily with glasses.

The myopic is nearsighted because the rays of light converge in front of the retina. This occurs when the eyeball is too long or the lens too convex in shape. As a result, the rays bend so sharply they converge in front of the retina. Farsightedness is the opposite condition, as the rays focus behind the retina. Appropriate lenses bring the rays to a focus on the retina.

Most of us develop presbyopia after age 40. It is part of the aging process and it becomes more and more difficult to read without holding the book farther and farther away. No other condition responds so readily to glasses. At first, specs may be needed only for reading; they are removed when the person looks at someone across the table or in the distance. Bifocals or half-glasses are needed when this chore becomes a nuisance.

M. S. writes: How long does it take to recover from bronchitis?

REPLY

An acute attack usually lasts seven to 10 days. Chronic bronchitis may last a lifetime. Much depends upon the cause and the nature of the irritation and whether lung damage is irreparable or can be corrected.

VIRUS AFFECTS LIVER

S. N. writes: Is the liver involved in mononucleosis?

REPLY

Yes, in the majority of patients. But special tests would be needed to demonstrate involvement. Now and then, hepatitis severe enough to discolor the skin and the whites of the eyes (jaundice).

THYROID ACTIVITY

P. J. writes: Is it possible to have a goiter without an overactive thyroid?

REPLY

Yes. Goiter refers to simple enlargement of the thyroid gland. The structure usually functions normally but may become over—or underactive.

Our Yesterdays

(From the Guardian Files)

TWENTY - FIVE YEARS AGO
(February 25, 1939)

Mrs. J.A. Matheson was re-elected regent at the 27th annual meeting of the Royal Edward Chapter, IODE held this afternoon in the Chapter Room in the Royal Canadian Legion. Mrs. George D. DeBlois is honorary vice- president while Miss Blanche Haviland was elected honorary regent.

South African War veterans were guests of the Charlottetown Branch of the Canadian Legion at a dinner at the Queen Hotel this evening as the 39th anniversity of the Battle of Paardeberg was celebrated. Eighteen Boer War veterans answered the roll call.

TEN YEARS AGO
(February 25, 1954)

Stewart Wright, senior fieldman of the Provincial Department of Agriculture was elected president of the Dominion Provincial Agricultural Conference at the final session of the meeting held at Birch Court today.

The Potato Marketing Board has been advised by Mr. Rand H. Matheson of the Maritimes Transportation Commission that competitive freight rates on potatoes enjoyed by Island shippers for the past few months, will be continued until April 14th.

VISIT B.C. Ppremier

OTTAWA (CP)—Andre Laurendeau and Davidson Dunton, co-chairmen of the Royal Commission on Bilingualism and Biculturalism, will visit Premier Bennett in Victoria March 2, it was announced Thursday. In a telegram received by the commissioners Wednesday night the premier said he would be "very glad" to see them when they arrive at the provincial capital. The commissioners are to visit Vancouver March 3.

NOTES BY THE WAY

Before marriage, he talks and she listens. After marriage she talks and he listens. Later, they both talk and the neighbors listen.—Calgary Herald.

It's a break for a busy restaurant when a customer is a good waiter.—Galt Reporter.

Johnny, enamored of his blonde kindergarten classmate, told his mother about his romance. "Mary spoke to me!" he said. "What did she say?" asked Mom. "I hit her and she said, 'stop that'."— Montreal Star.

President Johnson's order to erase the "U.S. Air Force" label from his personal jetliner will be much appreciated by those who deplore the efforts of the various branches of the armed forces to glorify themselves. Having the White House airplane bear only the legend "United States of America" is a small step, but a step in the right direction.—Portland Oregon.

Liquor has a habit of making married men see double and feel single.—Brandon Sun.

Now that the price of liquor has gone up all those people who have kept their New Year resolution to go on the wagon are getting unbearably smug.—Sarnia Observer.

The continuing search for cures for the baldness suggests that many of us are more worried about what's lacking on the outside of our heads than what's lacking on the inside. — Ottawa Journal.

Members of the Walsh street family were talking about Lent and what it meant, father discoursing on the subject of personal sacrifices many people made during the Lenten period. The 10-year-old daughter who had been listening attentively finally asked a question. She inquired, "Daddy, could I give up school for Lent?"— Fort William-Times Journal.

Those Old Iron Kettles

Ottawa Journal

Remember the old iron kettle that sat in the front hole of the gleaming, woodburning kitchen stove? It had a flange around the bottom to keep it even on the stove, and there were four sturdy legs so that Mother could lift it from the hole and set it back on the stove surface.

It was heavy to handle and the bottom was crusted with soot, but Mother always claimed she could make better chowders, stews and soups in an iron kettle than in the new light weight metal affairs.

In the old days when life was more flavorful and less hurried, housewives cherished their iron kettles. There was a shallow kettle in which they made doughnuts, and the Scotch bowls that made smooth, delicious Indian puddings.

In pioneering days big iron kettles hung from a wooden framework and men boiled their ashes to make potash. Iron kettles sat in brick arches in Summer kitchens to heat water for washing clothes and to make soap from lye and grease. Many farms had a big outdoor kettle to heat water for scalding hogs at butchering time and to boil down sap in maple sugar season.

Old iron kettles have followed bootjacks and buckskaws over the horizon as science has pushed forward. Now you may see one in an antique shop. Summer folks buy them to hold a cluster of petunias or geraniums beside the path to the front door.

The old kettles were heavy to handle, but they represented a step forward when man learned how to cast iron into utensils for his use. Here and there one can find the ruins of an old blast furnace where men used locally dug bog iron and smelted it down with charcoal. The old kettles have gone but they played their role in a developing nation.

Peace Corps At Work

Christian Science Monitor

Yankee, go home. Peace Corps, stay.

This, in effect, has been one paradoxical form of tribute to the effort of young Americans to take time off from affluence and help less fortunate nations. The Peace Corps is still at work in Panama and Ghana, not to mention the many countries where the United States is free of similar trouble.

So shines a good deed in a naughty word. It is some measure of maturing international relationships that this humanitarian operation can be kept separate from political strife.

Not that the Peace Corps is unique, except in its magnitude and in promotion by the full force of government. Quakers have long sent young people to work in areas of need. Britain's Voluntary Service Overseas began before the Peace Corps to give youth an opportunity to serve mankind in this way.

Now it appears that private groups have been encouraged to see what more they can do. We are thinking of the labor union leader in New Jersey who has set up a project called Labor's Peace Corps and Development Program to work on a "people-to-people basis" in attacking poverty and illiteracy in Latin America.

It all reminds us that on March 1 the Peace Corps will be three years old. Many happy returns!

The Poets Corner

THE LION AND THE HARE
(A Parable Poem)

Winter is the lion;
Getting old;
His long ruff
In windy puffs
Muffles his gerontine roars.
The blizzard, his lashing tail
Wields a flashing flail;
Still, in between
Down the quiet troughs
Of the traitorous snow
The hare steals silently.
His dark eye
Scans the lion
Fearlessly.
He waits in the furrows—
No need for burrows—
Then leaps:
Up with the Sun
And springs ahead;
The lion?
Dead.

—William H. Doucette, CSSR
Rolfo Bay and Charlottetown.

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