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Of Serious Concern

It has been indicated that the annual conference of provincial premiers will open in Halifax on Aug. 5, and it is expected that one of the major issues to crop up at the two-day session will be fiscal reform. Close examination is anticipated of Premier Lesage's tax ultimatum to Ottawa, demanding a larger slice of personal and corporation tax revenues and succession duties for Quebec.

Premier Robarts of Ontario has said that he finds Mr. Lesage's solution "not too unreasonable," and there are indications that the leaders of both these big provinces will make a determined effort to secure the backing of other provincial premiers. Some commentators express the view that a new Ontario-Quebec "axis" is in the offing, such as the Heburn-Duplessis entente of 25 years ago.

This could be a serious matter. As the Toronto Globe and Mail points out, it could affect the grants Ottawa makes to the provinces for various purposes, particularly the equalization grants on which the redistribution of a part of Canada's wealth to the "have-not" provinces depends.

"What both Mr. Lesage and Mr. Robarts should recognize," says the Toronto paper, "is that the Canada in which they wish to recover their taxing rights is not the same Canada in which their rights were relinquished. The Federal Government now performs many services for which it requires lucrative sources of revenue."

The first fact to be faced, adds our Toronto contemporary, is that Canada does not at this time have the information on which to make a wise reallocation of taxing powers, or of responsibilities. Taxation by the three levels of government has become so complicated, overlapped and meshed with grants and subsidies, that nobody knows for certain who is taxing whom for what. The Royal Commission on Taxation is charged with dissecting this confusion and producing recommendations that will reduce it to order.

Until the Commission's report is received, no intelligent appraisal of the situation can be made, and certainly no major changes can be intelligently undertaken. That is the important thing for the provincial premiers to keep in mind at their Halifax meeting in August.

Political Abstainers

It was NDP Leader Douglas, not Opposition Leader Diefenbaker as we erroneously stated yesterday, who asked for a ruling from the Justice Department as to the legality of the hiring of three outsiders for the preparation of Mr. Gordon's budget. That's water under the bridge now; but there is a matter concerning the action—or rather inaction—of Mr. Douglas' own party in connection with this issue which is being given worried second thoughts by House of Commons procedural experts.

Mr. Douglas and his followers were loud in their condemnation of the Finance Minister. They called his budget "a thoroughly bad one, presented with an unbelievable amount of fumbling, bungling and ineptitude." Yet they refused to vote on the Conservative amendment condemning it. They sat there in full force but cast no votes one way or the other—an unprecedented action which got by only because

Mr. Speaker Macnaughton ruled that, on the basis of a 1945 precedent, he did not have authority to force them to declare a stand.

But as Mr. Diefenbaker pointed out, it has been a traditional rule that members sent to Parliament have a duty to their constituents to declare whether they are for or against every motion put to the House. This tradition is embodied in a treatise by Sir John Bourinot, an earlier authority who is still cited on procedural matters.

A Canadian Press story indicated that the Speaker gave his ruling on Mr. Diefenbaker's point on the spur of the moment, citing a 1906 rule of the British Parliament and a 1945 decision of a former Speaker of the Canadian Commons. But there have been incidents since 1945 which he didn't cite, which appear to support the older interpretation that a member who is in the Commons when a vote is called must either leave the chamber to abstain, or declare his position when the yeas and nays are called.

There is no doubt, as Mr. Diefenbaker pointed out, that a new precedent was established on this occasion when a whole party group refused to vote. No doubt either, as he said, that "a precedent of this kind is detrimental to the proper processes of parliamentary procedure."

Mr. Douglas said, at the time, that it was done "in the public interest." But he hurried away before he could explain what public interest had been served by his party's mass abstention. By the same token, perhaps the public interest would have been equally well served by not sending the abstainers to Parliament in the first place.

Commendable Move

Federal Mines Minister Benidickson is to be commended on his announcement that the federal government's subsidies to Maritime and Western coal miners—formerly granted on a one-year basis—will continue for the next five years. The 5-year extension of current subsidies is intended to end the uncertainty of the last few years and provide stability for a reasonable time.

"This does not infer," Mr. Benidickson emphasized, "that there will be drastic change at the end of the period. It does mean that during this interval the problems will be studied seriously, including the past history and the future prosperity of the industry; and the Government will develop and apply such policies as may seem appropriate."

The mines minister said there have been substantial changes in the coal market in recent years, with large industrial consumers replacing the railways and householders as the principal buyers. The industry is today in a more healthy condition than it has been for some years. While production has not increased, there is full-time operation in most of the remaining mines with the accruing benefits of full employment and stable wage agreements that are necessary. The provision of continued support is assurance to the miners, their families, the dependent service industries, and to the mine owners that they can look forward with confidence to a continuation for some years of these present conditions.

Mr. Benidickson's announcement met with general approval in the Commons on Wednesday. It was—Conservatives pointed out—in line with what they were planning to do before the last election. But it is the Liberals that are putting it through, and by the fortunes of politics they are entitled to full credit for the policy.

EDITORIAL NOTES

Asked in the House of Commons whether July 1 is Dominion Day or Confederation Day, Prime Minister Pearson delivered himself of this answer: "July 1 is Canada's national day, Mr. Speaker." For his information, we can tell him that in this part of Canada, at least, it's still Dominion Day.

Mr. Gordon concluded his defense of his budget ineptitudes with a plea that there be an end to the innuendo and insinuation he has faced. "He forgets," says the Ottawa Journal, "that he set the style in this matter by making his formal budget speech the most biting political document a Finance Minister has presented in recent years."

CAMPING AT STRATHGARTNEY PARK OTTAWA REPORT by Patrick Nicholson

Related Crackdown On Tax Evaders

On the margins of the big clamor at the foot of Parliament Hill, huge letters blazed forth the title of the current attraction: "Tax Strippers." That title could equally have been applied to the almost Shakespearean tragedy being unfolded up on the crest of Parliament Hill, with Finance Minister Walter Gordon in the limelight, and "the strippers" as the mystery characters.

In his Budget Speech, Mr. Gordon rightly criticized a method of tax avoidance which has become "increasingly prevalent in recent years." This involves the distribution of corporation profits to shareholders without the payment of income tax, he said, adding, "It is an abuse which has become expensive to the public treasury." It is known in sophisticated financial circles as "stripping."

"I shall therefore propose that, effective tonight, the Minister of Finance be given power to look through so-called dividend stripping transactions and assess them for income tax," declared Mr. Gordon.

Was it a LEAK? But the Finance Minister slammed the table door after the strippers had boiled. The money markets of Canada are flooded with stories that an unprecedented avalanche of stripping operations had taken place in two or three weeks before his sudden budget measure. Estimates suggest that as much as \$800,000,000 in the profits of hundreds of corporations were thus abruptly paid out in tax-free costs to the public treasury hundreds of millions of dollars in avoided tax.

Was this intelligent anticipation? Or was it prompted by a leak of Finance Minister Gordon's intentions? "While this stripping was possibly the greatest escape from the budget axe, many other eye-opening developments occurred in the days before the budget. Why did some of the high inventories just before the new sales tax of 11 per cent was imposed on building materials? Was it coincidence that speculative positions were taken by investors in oil and pipeline stocks? The budget was followed by Mr. Gordon's ill-timed announcements of amendments to his original proposals. The prices of stocks crashed and soared and crashed again on our stock exchanges, and on foreign exchanges where Canadian stocks are traded. Record volumes of trading aggravated and were caused by distorted fluctuations of prices. Professional traders made fortunes. But private investors got disastrously "caught in the switches."

ALICE POLITICAL Confidence in Canada was gravely shattered. The high hopes of the new Liberal Government collapsed like a puffed balloon within their pledged "Sixty Days of Decision." It

For most of its 15 years as an independent nation, Israel had a reputation for stability. David Ben-Gurion at the helm. His departure from the prime ministryship and resignation from the Knesset inevitably marks a turning point in the country's political history.

There may be a crisis, the white-breasted head of Mr. Ben-Gurion set the tempo for the day. He bobbed along at a dog-trot from office to office, to a kibbutz farm. He maintained that grip on world events and that composure which other world figures lack.

His counsel still will be sought and given. From its early period when only a military policy could have distinguished Israel, when only a sternly military policy could have distinguished the Arab antagonisms engendered, the country is hopefully passing into a period of

factual acceptance. But Israel is changing rapidly. From an agrarian economy the nation is moving into greater industrialization. To some of the younger generation, the Prime Minister undoubtedly epitomized the past rather than the new future. As premier-designate, respected, efficient Finance Minister Levi Eshkol is of almost the same generation as Mr. Ben-Gurion. This leads to presumption that control sooner or later will pass to one of Israel's promising younger men. Among those frequently cited are Moshe Dayan, now Minister of Agriculture, and Shimon Peres, now Minister of Defense. One such man, as Mr. Ben-Gurion himself may have perceived, will be better equipped to guide Israel into the next stage of its development.

'Marbling Adds Fat To Meats

By Dr. Theodore R. Van Dellen The poor pig has been made the goat of the cholesterol controversy. Pork has been considered as synonymous with fat, perhaps because of the expression, "fat as a pig." But most of the edible parts of the hog are protein, which is surrounded by layers of fat. There is some marbling, but the American average American diet contains more than twice as much fat as protein.

According to the American Heart association booklet, lean pork and lean trimmed ham have no more fat than certain cuts of beef and lamb. Bacon is different in that it contains up to 50 per cent fat, more when fried and less when broiled.

All meats are a source of vitamins, minerals and top grade protein. They are not incorporated into the low fat diets so popular today. The secret is to select lean cuts and remove all of the visible fat. Marbling adds to the fat content, as well as to the taste. The wise homemaker knows that the fat content can be reduced by cooking and by not using the drippings.

The trend toward diet as the solution to the cholesterol problem is well established in contrast to the use of medicines, hormones, and vitamins. The average American diet contains three times as much saturated as unsaturated fats. The saturated are derived from bakery products, meats, and certain cooking fats, shortenings, table spreads, and salad oils; the polyunsaturated are obtained from fish, corn, cottonseed, safflower, sesame, soybean, and sunflower seed oils in certain cooking and salad oils.

The recommended diets for those with a high cholesterol level contain only slightly less fat than the normal diet but the type of fat is switched—the polyunsaturated are increased and the saturated decreased. This is done at the expense of meats, dairy products, butter, lard, salad shortenings, regular margarine, chocolate, bakery goods, and fatty desserts. But remember—this applies only to potential heart patients with an elevated blood cholesterol level.

SHAVING THE LEGS D.V. wonder: Does shaving hair on the legs stimulate its growth?

REPLY This is an old fallacy that originated with boys about to grow beards. When there was a noticeable amount of fuzz, they began to shave. More hair grew as a natural process, not because they shaved. When the legs are shaved, stubbles form as the hair grows out, giving the impression that growth is stimulated.

And this is the miracle of Stratford which renews itself every year. Here in Canada, where the cultural scene has a often seemed bleak and forbidding, there is a great center of Shakespearean appreciation which has arisen, which has invited the most discriminating and w.o.n in their respect.

NOTES BY THE WAY

"How much are these tomatoes?" "They're 35 cents a pound, ma'am," said the clerk. "Did you raise them yourself?" "Yes, they were 30 cents a pound yesterday." — Montreal Star.

Needs Close Scrutiny

A suggestion for a federal subsidy for Ontario tobacco production, asked by J. M. Roxburgh (Lib.-Norfolk) to allow for adjustment to a new conditions should be given stern examination. Canada has too many subsidies already and some of them are ill-advised. The member's proposal that federal support should be given to research into the effect of tobacco on health is more worthy. As he suggests, tobacco is a lucrative source, not only to the grower and processor but to the federal coffers through excise taxes. If smoking can be made possible without detriment to the public good, the government and the public would benefit. Yet Ottawa must realize that the reports on cancer incidence and cigarette smoking have placed this industry in a questionable position. If subsidies are provided now "for adjustment," it would seem that Ottawa is supporting a combine of the few established growers if it sets up a subsidy recognizing their right to profit in perpetuity.

SEOU, South Korea (Reuters) — A landslide caused by rains in the island city of Changsuong Tuesday killed 69 persons, including nine policemen, police announced Wednesday, a report from Pusan noted police there as saying there also were 34 missing.

BARGAINS THIS WEEK!

Free Vacuum Cleaner Valued at \$9.50 With the purchase of the SLANT-O-MATIC 500 or 503 in portable and Console models.

Free Burton Hole Attachment Valued at 9.95 With any straight needle sewing machine style 328 or 185 or 192.

30.00 Reduction STYLE-O-MATIC portable sewing machine style 328. Other bargains in demonstrator models and machines.

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Milestone In Israel Christian Science Monitor

For most of its 15 years as an independent nation, Israel had a reputation for stability. David Ben-Gurion at the helm. His departure from the prime ministryship and resignation from the Knesset inevitably marks a turning point in the country's political history.

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IMPROVED SERRA SERRA SERVICE

Now—Seventeen Round Trips daily Between BORDEN And CAPE TORMENTINE

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And CAPE TORMENTINE

Table with 6 columns: LEAVE BORDEN, 7.05 a.m., 7.55 a.m., 8.25 a.m., 10.05 a.m., 10.45 a.m.; LEAVE CAPE TORMENTINE, 8.55 a.m., 9.20 a.m., 9.55 a.m., 11.30 a.m., 12.05 p.m., 1.35 p.m., 2.05 p.m., 2.45 p.m., 3.15 p.m., 3.50 p.m.; ATOMIC DAYLIGHT TIMES

IMPORTANT

The operation of THREE vessels demands tight scheduling if there is to be no disruption in service. Two slips are available at Cape Tormentine but only one at Borden. That's why we ask for your full co-operation. We regret that vehicles arriving by scheduled departure times will have to wait for the next sailing.

LOAD LESS FREIGHT OTTAWA C.P. Railway carloadings in the seven days ending 14 declined 69 per cent to 76,368 tons in the 8 o'clock week ending 14 declined 100 per cent, the bureau of statistics said Wednesday. The bureau said that carloadings last year were probably favored by strikes in the United States and West.

The FLYING BUTCHMAN RESTAURANT "Your Island Steak House"