

# The Ottawa Spotlight

By Wilfrid Eggleston

Ottawa, June 9.—Public control of credit, the Canadian National Railways and the powers of taxation to be enjoyed by the provinces in future were the three major issues during the week.

Hon. C. P. Fullerton, chairman of the Board of Trustees which has been administering the affairs of the Canadian National during the last two and a half years, came before the railway committee with an eloquent defence of the Board's administration. He showed that the affairs of the railway have been improving, with economies effected in a number of directions, and the plant maintained in such a way as to be able to take advantage of improving business. His comparisons with the Canadian Pacific and with Class 1 railways in the United States put the Canadian National in a good light.

Nevertheless the government is going right ahead with its plan to replace the Trustee Board with a directorate. Mr. Fullerton's position is a rather anomalous one. He was asked last October to resign, but declined to do so, on the ground that he had been given his position of trust by parliament, and the legislation stated that trustees could only be removed by an address of both houses.

The abolition of the Board by legislation will, however, leave Mr. Fullerton without any official post.

("Gerry" McGeer's Outburst)  
Gerry McGeer's slashing speech on the Bank of Canada act, which he regards as a failure on the part of the government to fulfill its campaign pledges, was the highlight of the week. It was couched in highly insurrectionary terms and was delivered to a tense House. The mayor of Vancouver boasts a flow of oratory slightly of the demagogic variety and he has a capacity for getting under people's skins when desired. Aftermaths were expected in party caucus but the incident was allowed to die down.

The government continues to be able to find cheap money, and one big financing operation was carried on with a minimum of effort. The refunding operations due this year and next should save the country between five and ten million dollars in

interest annually, depending on the success of the next flotation.

(Senate Rejects Tax Charge)  
In the Senate, the Liberal government is still outnumbered about two to one. Before the session started, there were numerous predictions of opposition to government measures. The first veto of ministerial legislation, however, arrived last week when the Senate rejected the proposed amendment of the British North America Act which would have given the provinces the right to levy indirect taxation.

Even that was not a division on party lines; it is quite conceivable that the Senate might have rejected it even with a Liberal majority. The members of the Upper Chamber are alarmed at the possibility that the provinces, empowered to levy indirect taxation, might levy taxes which would act as trade barriers between the provinces. The Senate thinks a step like this demands further study and consultation between provinces and the federal government.

Meantime the province will, one supposes, continue to levy, illegally, certain indirect taxes which they imposed in some cases years ago, and which the amendment to the constitution, had it gone through, would have legalized.

(Federal Invasion of Field)  
The Dominion government is regarded in some quarters as primarily responsible for the situation. It will be recalled that the B.N.A. Act gave direct taxation as a field to the provinces. But during the war the federal government, with its income tax, invaded this field, and nowadays it relies upon the income tax to provide a very substantial share of its revenue.

It is conceivable that instead of legalizing indirect taxation by the provinces, the outcome of all this will be an abandonment by the federal government of direct taxation, an abandonment by the provinces of indirect taxation, and thus a return to the situation as proposed by the Fathers of Confederation.

The Bank of Canada bill, which proposes to convert the central bank from a privately owned institution to one in which the majority ownership and control is in the hands of the government of the day, served to show rather wide gulfs of feeling between the several parties in the House, and even between sections of the Liberal party.

(Two Schools of Thought)  
One school of thought attaches great importance to monetary manipulation, and public control over credit. Another school minimizes the value of these things. One school thinks it all-important that a Central Bank should be under the control of the state; the other school, or one of them, inclines to the view that there is danger of state control becoming political control, with evil effects.

The Liberal party, in the main, steers a middle course. It proposes to secure majority ownership and majority direction. That is all, at the moment. Whereupon 'Gerry' McGeer, mayor of Vancouver, and radical monetary theorist, rises to score his own party on the ground that the election pledges of 1935 are not being fulfilled. He managed to put a great deal of fire and sting into his charge. The ministry didn't like it much; although Liberals are more tolerant of rebellion than some other parties. McGeer moved an amendment referring the whole question back to a committee of the Commons and Senate for study, and secured 'Harry' Stevens to second the motion. It made the gesture rather more refractory than otherwise would have been the case. The chairman of the committee said that the amendment was out of order, so it never reached a vote.

(Favor Inflation)  
'Gerry' McGeer and a few other Liberals favor an inflationist policy, using the central bank as an agency. The ministry, and especially the Minister of Finance, appear to be afraid of inflation. These monetary radicals score the government as being reactionary, and the Social Creditors agree. Those who feel that things would be improved by an era of easier credit and more plentiful money naturally get indignant at the government's refusal to budge. The orthodox Conservatives, however, applaud the caution and reserve of the King administration. It all depends which financial church you attend, how you see it.

Inflation, of course, relieves debtors by reducing debt. If it raises prices, it aids the primary producer for a time, at least. If debtors are suffering from an inequitable change in the price level, then inflation brings them relief to which they are entitled, it may be argued. Inflation reduced the income of the wage-earner, unless wages rise as fast as

prices. It cuts into the income of the pensioners, and fixed-income classes of all sorts. All retired persons. Owners of claims to wealth, such as bonds, lose in a period of inflation. It is difficult to demonstrate that increasing the quantity of money in circulation actually adds any real wealth to the country, but it re-distributes the incomes. Some people get more and others get less. Those who are not violently anti-inflationist usually agree that if it can be controlled it is valuable to bring about a more equitable distribution of income. After a depression, it is called 're-flation'.

(Plenty of Power)  
But whether the ownership of the central bank, or even its control, is the major issue here is hard to tell. There is plenty of power to inflate, if the government wants to. There was plenty of power under the old Finance Act, for that matter. But you have to have more than that. Whether the issue would bring about much of the improvement some theorists think it would is another matter again. It depends whose ox is gored.

Members are beginning to talk about the session ending on or about June 20th. The only really heavy legislation still to come is that which will set up a Canadian Broadcasting Corporation. It has been longer and more eventful than first sessions of new parliaments usually are, but of course the government is overwhelming in numbers and the usual opposition has not been possible. Still, the groups left of the Speaker have performed some useful functions in the past four months.

### HOLDEN-PETRIE

A very pretty wedding took place in Chalmers United Church, Mount Dennis, when Jeannette May Petrie, daughter of Mr. and Mrs. John Petrie, Weston, became the bride of Albert Edgar Holden, son of Mr. and Mrs. Charles Holden of Toronto and formerly of Nobleton. Rev. C. A. Gowans, M.A., B.D., officiated. Mr. Harry Hawman of Nobleton acted as groomsmen and the bride was attended by her sister, Miss Beth Petrie. After the wedding a reception was held at the Oddfellows' Hall by Mr. and Mrs. Petrie after which the guests enjoyed a dance. There were more than 90 guests in attendance from Nobleton, Seaforth, Stratford, Buffalo, Flesherton and Toronto. After a honeymoon to Detroit, Buffalo and St. Thomas the happy couple will reside on Franklin St., Weston.

### MILLER A. HAMILTON

The death occurred on Monday, May 25th, in Orangeville of Miller Hamilton, well known and life-long resident of Ballycroy where he was born 68 years ago. Although in failing health for a considerable length of time his death came as a shock to his wide circle of friends. He farmed since his early days and for several years was postmaster and mail-carrier at Ballycroy. He was a member of the Presbyterian Church, a member and past member of Ballycroy Orange Lodge and a Conservative in politics. He is survived by one brother George and three sisters, Mrs. Woods and Mrs. Withers of Schomberg and Mrs. Somerville of North Adjala. Funeral was held on Wednesday afternoon at the old Presbyterian Cemetery in Tecumseth.

### TRAINOR-KEENAN

The marriage took place at St. Mary's Church, Achill (Adjala Twp.) of Rose Keenan, daughter daughter of Mr. Joseph Keenan and Vincent Trainor, elder son of Mr. and Mrs. M. J. Trainor of Toronto Gore.

Cash prizes will be awarded to the farmers of North York who deliver snouts of groundhogs to the Toronto and North York Hunt Club kennels at the Beverly Farm, Aurora. A total of 14 prizes will be distributed. Samuel Moore of Shelburne died recently in his 101st year.

Rev. J. D. Parks of Carlton Street United Church, Toronto was the guest speaker at a rally of the Young People's Union of the Peel Section of the Dufferin-Peel Presbytery of the United Church, held in Bolton church on Friday evening, May 22nd.

Reuben Lighthouse, grand old man of Peel county, celebrated his 91st birthday at his home at Snelgrove on May 23rd. He was warden of Peel county in 1896 and for many years was clerk and treasurer of Snelgrove Baptist Church which he still attends regularly.

Officers and members of Bolton Masonic Lodge held a "Ladies Night" in the Bolton town hall on Friday evening, May 15th when more than 100 couples attended. Visiting members were present from Caledon East, Woodbridge, Schomberg and Toronto.

### UNIONVILLE PUBLIC SCHOOL MAY REPORT

Jr. IV—Jack Watson 77, Johnny Thompson 76, Eileen Stiver 75, Stuart Campbell 74, Bernice Anderson 70, Ken Stiver 67, Nina Bobson 65, Meryl Smith 63, Marion Mackintosh 62, Naomi Robson 61, Lily Hawkins 60, Helen Ogden 58, Douglas Ogden 57, Velda Perkin 56, James Sabiston 55, Wesley Clements 45.

Sr. IV—Helen Watson 88, Sidney Dymond 86, Jack Kirk 83, Gwen Brown 81, Robert Sanderson 80, Eldred Milne 78, Elinor Wilton 77, Jean Watson 75, Phyllis Parkinson 74, Bill Dymond 73, Doreen Perkin 72, Howard Stiver 71, Viola Benton 70, Mona Sabiston 69, Richard Maynard 65, Jack Clements 62.

Sr. III—Betty Watson, Marjorie Roberts, Charles Minton, Keith Connell, Douglas Parkinson, Lenetta Rainey, Ralph St. John, Glen Kennedy, Norman Allen, Jean Sanderson, Helen Penstone, Rosie Benton, Estelle Brown, Barbara Wasson, Charles Coulson, Bruce Pellatt.

Jr. III—Marein Stiver, Leone Brookfield, Hazel Norton, Harold Roberts, Bill Kirk, Nancy Rae, Doris Coulson, Betty Rae, Myrtle Latimer, Fred St. John, Douglas Trull, Gloria Allen, Roy Minton, Clara Connell, Betty Ogden, Russell Allen, Russell Hemingway, Janet Sabiston.

Verses for a Golden Anniversary  
Dear Hearts, we can so very dimly know  
The dreams that called you fifty years ago.  
We who have journeyed such a little way  
Toward the signpost you have reached today.

We are but novices at loving—how shall we  
Guess at the visions that your eyes can see?  
We have our hopes and longings; ah, but you  
Are looking back on days we never knew.

The promises that we still dimly sense,  
Your hearts have proved by experience.  
Yes, from your love's bright flame on that June morn  
Things greater, deeper, than we knew, were born.

And yet because we love you—will you take  
These golden blossoms for that sweet day's sake  
In memory of the Young Love's marriage bell  
And of the Old Love that has worn so well.

—Fay Inchfawn.

Counsel (in divorce case): "Is it true your husband led a dog's life with you?"  
Wife: "He did. He came in with muddy boots, leaving footprints all over the carpet. He took the best place near the fire and waited to be fed. He growled at the least provocation and snapped at me a dozen times a day."

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