

### Prices might have been higher

A report tabled by Consumer and Corporate Affairs Minister Herb Gray in the House of Commons last month finds that the budgetary measures of February 19 have affected significantly some consumer prices. Many price reductions occurred as a direct result of the tax and tariff reductions, and some price increases which would have occurred because of increased costs were either avoided or reduced.

The data collected and analyzed, the report says, provide evidence that the benefits of the tax reductions were passed on mainly to consumers.

The report on price-monitoring indicates that the changes in sales and excise tax had a more noticeable impact on prices at the consumer level than did the tariff reductions. Substantial price decreases, equal to the full amount of the tax change, were reported in many cases on soft drinks, confectioneries, chocolate bars, children's clothing and footwear and on a broad range of cosmetic and toiletry articles. These reductions were implemented in most cases shortly after the budget announcement and in many instances the prices remained below their pre-budget level for a number of months.

### Tariffs checked advance rate

In contrast, however, the report noted few price reductions directly attributable to the tariff changes. The major effect in this area appears to have been a reduction in the rate of price advance which would otherwise have occurred. Cost savings resulting from the tariff reductions permitted a number of companies to absorb cost increases without raising prices, as had been earlier contemplated. Others were able to cut back on the size of price increases which otherwise would have resulted.

The report concludes that the full impact of the tariff reductions was obscured because of substantial cost increases which had been experienced in the period both preceding and following the budget announcement.

The revaluation of world currencies, which took place during the period, resulted in substantial cost increases for many importing firms. Other cost pressures occurred because of higher

selling prices charged by foreign suppliers. These reflected increasing world demand and tight supply conditions in some commodities. Increases in transportation and labour costs were also experienced by all firms in the survey sample.

The study found that, in some cases, a long time elapses, before the full impact of tariff and sales and excise tax changes is reflected in retail prices.

### The Royal Society of Canada

*"to promote in every practical way, the Arts, Literature and Science, for the best interests of Canada"*.

The Royal Society of Canada owes its origin mainly to the imagination and initiative of the Marquess of Lorne (later 9th Duke of Argyll), who was Governor General of Canada from 1878 to 1883. With his encouragement a group of Canadians met in Montreal in December 1881 to consider forming a "Society for the promotion of Literature and Science within the Dominion". They prepared a provisional constitution, which after some modification was ratified by the society at its first general meeting.

This general meeting was held in Ottawa in May 1882. On May 25, in the Senate Chamber of the Parliament Buildings, Lord Lorne welcomed the members of the society and delivered an inaugural address. Thereafter the members devoted themselves, as they have annually since, to reading and discussing papers connected with the various branches of learning represented in the sections of the society. Queen Victoria permitted the new organization to use the prefix "Royal". In 1883 the Royal Society of Canada was incorporated by an act of the Dominion Parliament and in the same year Parliament began the practice of making an annual grant to assist the society in financing its publication program and its activities.

In 1882 many Canadians thought that the formation of a "learned" society of this sort in their country was premature. An Ottawa newspaper, commenting on the first annual meeting, observed, "Scarcely have we felled the trees of the forest before we are asked to make flower beds among the stumps." There were predictions that the society would

be short-lived. It nevertheless continued to exist and, in an unostentatious manner, to extend its influence and its activities on behalf of science and the liberal arts in Canada. It now occupies an established place in Canada's cultural life and can claim a record of valuable contributions to it.

### Charter members

Among the charter members of 1882 there were many who are still remembered as Canadian "giants": Sir William Dawson, the first president, distinguished naturalist and geologist and principal of McGill University; Pierre Chauveau, eminent educator and first premier of Quebec in 1867; Louis Fréchette, celebrated poet; Sir Daniel Wilson, historian and president of the University of Toronto; G.M. Grant, author and principal of Queen's University; Sir Sandford Fleming, engineer and originator of Standard Time; Sir William Osler, perhaps the greatest physician of his day. There were others of only less celebrity. Since 1882 a high proportion of the persons distinguished in literature or scholarship in Canada have been Fellows of the society.

### Influence of RSC

Since its formation the society has used its influence with government and with the public to help bring into existence, or to promote the development of, a large number of institutions important to the country's intellectual life. Among these have been the National Museum, the Public Archives of Canada, the Historic Sites and Monuments Board, the National Gallery of Canada, the Dominion Astrophysical Observatory, and — the most recent creation — the National Library. The society encouraged and applauded the formation in 1915 of the National Research Council, and since that time the two bodies have maintained close relations. The Royal Society was one of the bodies that advocated the institution of a distinctively Canadian order of merit to make it possible to reward distinguished service to the nation. When in 1967 the Government established the Order of Canada, the president of the Royal Society was designated as one of the members of the small advisory council charged with nominating individuals for appointment to the Order.