Revenue Estimate By Finance Minister Ilsley

The following estimate of Federal revenue for the fiscal year 1945-46 in comparison with the revenues of 1944-45 was given by Finance Minister Ilsley in his budget speech in the House of Commons last night:

	1945-46	1944-45
Custom Duties	$ 120,000,000	$ 115,000,000
Excise Duties	175,000,000	152,000,000
Sales Tax (Net)	225,000,000	210,000,000
War Exchange Tax	75,000,000	98,000,000
Other Excise Taxes	250,000,000	236,000,000
Income Taxes:		
Personal, Corporate & Excess	725,000,000	768,000,000
Profits Tax	710,000,000	742,000,000
Interest and Dividends	29,000,000	28,000,000
Succession Duties	20,000,000	17,000,000
Miscellaneous	8,000,000	8,000,000
Total Tax Revenue	2,337,000,000	2,374,000,000
Less Refundable Taxes	72,000,000	219,000,000
Net Tax Revenue	2,265,000,000	2,155,000,000
Non-Tax Revenue	150,000,000	145,000,000
Total Ordinary Revenue	2,415,000,000	2,300,000,000
Special Receipts	100,000,000-x	387,000,000
Total Revenue	2,515,000,000	2,687,000,000

x-Arbitrary estimate.

"It is indicated in the table that under the present tax laws we anticipate some declines in the sales tax and the war exchange tax, though the declines will be partly offset by the reduction of refunds on purchases for other governments," Mr. Ilsley said.

"We anticipate some increase in revenues from excise duties and from excise taxes on tobacco. We likewise anticipate that there will be moderate increases in the revenues from excise taxes on retail purchases, gasoline, amusements and similar taxes.

"Personal income tax would be expected to decline somewhat were it not for the channeling back through this tax of repayments of the portion of family allowances which duplicates the tax credits allowed to taxpayers in respect of dependent children.

"We look for some substantial decline in the combined revenue from the corporation income tax and excess profits tax."

Produce

(By The Canadian Press)

MONTREAL, Oct. 12 — Produce prices today reported by the Dominion Department of Agriculture follow:—

Eggs: Ont. and Que. A Large 50 1-2; A Medium 48 1-2; A Pullets 45 1-2; B 43 to 45 1-2; C 35 to 36. Receipts 4329 cases.

Butter: Wholesale Que. jobbing pasteurized No. 1 35 3-4; No 2 35 1-2; current receipts Que. No. 1 pasteurized 35 1-2; del. Montreal; No. 2 34 1-2 del. Montreal; first grade creamery prints job price 36 1-2 to 37; first grade solids, job price 36 to 37. Receipts: 6 boxes.

Cheese: Current white and western 20 F.O.B. F.S.P.; wholesale white for local and export trade, western 20 11-16 to 21; Que. 21 1-4 to 22. Receipts 7927 boxes.

Potatoes: 75 lb. bags Que., N.B., P.E.I., 1.75.

Relieve Headache Quick!

To *prove* how fast Aspirin is ready to go to work, just drop one in a glass of water. "Clock" its disintegrating action with a stopwatch. Within *two seconds*, you'll see it start to disintegrate. It does the same in your stomach. That's why it stops headaches so quickly.

Get Aspirin today! The "Bayer" cross on each tablet is your guarantee that it's Aspirin.

ASPIRIN

NOW—New Low Prices!

Pocket box of 12s . . . . only 10c
Economy bottle of 24 . . only 29c
Family size of 100 . . . only 79c

Personals

Friends are glad to learn that Mrs. Homer Provencher is much improved after a serious operation in the P E I Hospital.

Major D. A. MacDonald of Moncton and Charlottetown, arrived in the Province yesterday to attend the unveiling ceremony at Wheatley River Sunday.

Friends will regret to learn that Vincent Docherty, infant son of L Cpl. and Mrs Earl Docherty Kingston is at present a patient in the P E I Hospital.

County Quotas For 9th Victory Loan Announced

A quota of $1,700,000 for Queen's County in the 9th Victory Loan which opens October 22, was announced last night by the Provincial Committee of the National War Finance Committee. The quotas announced at the same time for the other two counties are: Prince County, $1,175,000; King's County, $425,000.

These quotas represent a slight increase over those for the 8th Loan, but with the coming loan allowing purchasers 12 months to pay instead of only six months as formerly each Victory Bond buyer will be able to add to his savings through taking twice as much as before. This "two-in-one" feature is considered the most attractive selling point of the new loan. The 9th Victory Loan, because it represents the borrowing for an entire year rather than for just six months, is a double loan in that it permits each person to buy double their usual allotment of bonds with only the same monthly deduction from savings or payroll as in past loans.

Many people who formed a definite savings plan to enable them to buy or build a home, or purchase needed articles, in the future, will find their last chance to add to their Victory Bonds their greatest opportunity to assure their own future. Since it may be the last time people will have the chance to purchase this safest of investments it is hoped that early purchases will give this province its quota first.

Stock Markets At A Glance

WINNIPEG, Oct. 12 — (CP) — Rye futures prices on the Winnipeg Grain Exchange today rallied from earlier declines on commission house buying and other demand of a modest character which found offerings light. Trading was dull and there was little outside interest in the market in view of the holiday in the United States.

TORONTO, Oct. 12 — Stock gathered strength as today's session advanced and the close was around the top price range for the day. Heavy trading marked a group of the junior golds and they swelled the aggregate turnover to 2,933,000 shares. Both mining groups had small index gains and the western oils weakened slightly.

Hasaga stood out in the gold share list with a price advance of 45 cents to 2.10 and it traded in volume of 83,000 shares. Goldcrest traded 277,000 shares and gained 18 cents to 1.10.

MONTREAL, Oct. 12 — (CP) — Papers and industrials worked their way through a cautious phase to close on an upswing in trading today on the Stock Exchange and Curb Market. Both divisions went to new eight-year highs in the indices. Papers owed their resiliency to announcement that wartime restrictions on newsprint were to be lifted Dec. 31. Constructions were featured in industrials. The balance of the key groups persisted in early hesitancy till the bell.

Trading box score: Total sales: 139,100 shares; industrials, 67,600; mines, 171,500; stocks higher 69; lower 42, unchanged 71.

PICKLED CURED CODFISH

We have now ready for shipment and will deliver at your nearest station (within the province). Freight paid in fifty pound lots or more at following prices:

CHOICE LARGE CODFISH .... 16 cents per lb.
CHOICE MEDIUM CODFISH ... 14 cents per lb.
CHOICE SMALL CODFISH ..... 11 cents per lb.

Send Money Order for quantity required and you will receive prompt delivery.

MATTHEW & MCLEAN Limited

Souris, P. E. I.

10-6-stt-6i.

CENTRAL GUARDIAN

This column is reserved for news of local interest, but advertising of a newsy nature may be inserted at five cents a word, strictly payable in advance

COME TO BAZAAR TONIGHT, plenty of merchandise and prizes on hand in different booths.

ST. PETER'S CATHEDRAL. — Thanksgiving services will be held on Sunday at 11 A. M. Evensong will be said at 5 P. M. At 7 P. M. the Sacrament of Confirmation will be administered by the Lord Bishop of Nova Scotia. All will be welcome at this service.

CHARTERED ACCOUNTANTS MEET — A special meeting of the Institute of chartered accountants of Prince Edward Island was held at the office of H.R. Doane and Company on Wednesday evening, October 10th. Two members of the Institute who had just returned from service in the Armed Forces were welcomed home, S. Ldr. William E. Massey and Wing Cmdr. Donald F. Archibald. A number of matters of importance to the profession were passed upon, including provision for awarding Fellowships in the Institute to members for meritorious service. The report of the delegates to the annual convention of the Dominion Association, held at Winnipeg, was received and approved. A number of recently discharged men, now employed by practising members, were admitted as registered students for the Chartered Accountant's degree. It was noted that the meeting was the most largely attended in the Institute's history, and that membership was also at its peak.

MEMORIAL SERVICE—The Odd Fellows and Rebekahs of Charlottetown are holding their annual Memorial Day service at their hall on Monday evening, 8.30 p.m., the 15th inst. Within the past year 11 members of the city lodges have passed on, and since the establishment of the Order in Charlottetown over 200 of its members have answered the silent call. The service will be of the usual pattern with appropriate addresses and a suitable decoration ceremony to remember the members who have gone. It is the desire of the members of the Order in the city, that any person who may desire attend this service, and visiting members especially are invited to join in the remembrance service with the city brethren.

TRINITY Y. P. U.—The members of Trinity Y.P.U. met in the Social Hall for their regular weekly meeting Friday evening at eight o'clock. The meeting opened with the business period conducted by the president. A series of classes were begun which will continue for several weeks. During the series Rev. Mr. McLennan will lead a group in a discussion on the Bible. Lt. Col. W. W. Reid will discuss the subject of "Physical Fitness and Christian Living." Another group under the leadership of Mr. L. W. Shaw will study "Education and Christian Living," and a fourth group will discuss "Politics and Christian Living" under the supervision of Mr. W.E. Bentley. A period of lively recreation followed. The worship service, which brought the meeting to a close, was conducted by the Citizenship Convenors Don McLennan and Vernon Clarke assisted by Fred Norton, who took as their topic "The Meaning of Christian Citizenship."

Looking Ahead with Hal Bohaker

"I believe in insurance," a man said to me the other day.

"That's fine", I said. "I wish everyone were like you."

"Yes," he went on, "I'm sold on it. I've covered my house against fire for $4,000; I've covered my car for $1,000; I've covered my furniture for $2,000; I've got some nice antique stuff, you know."

"Do you reckon you'll be able to replace the damage if you have a fire," I asked.

"Just about," he said. "And, by the way, I've got a life assurance policy, too".

"Splendid," I said. "And, if it's not being impertinent, how much life assurance have you?"

"Five thousand bucks," he said proudly, grinning all over his face.

"And you reckon that will replace the damage if you die?" I asked, perhaps a little grimly.

Of course, my friend had made a common mistake. When thinking of his house, his car, his furniture, he quite properly figured their value before he insured. But when it came to his own life, he just thought that $5,000 looked nice on paper. It was better than nothing, of course, but it didn't take him long to realize that he was worth more than "five thousand bucks."

You too, are probably worth more life assurance than you now carry. Think it over — then give me a call. I will gladly discuss — in confidence — any problems concerning your life assurance arrangements.

H. C. BOHAKER
Unit Manager
148 Richmond Street
Phone 835
Charlottetown, P.E.I.

UNVEILING AT WHEATLEY RIVER — Eight servicemen from Wheatley River and vicinity who made the supreme sacrifice during the Second Great War will be honored at a ceremony Sunday afternoon. Their names have been added to a monument at the village, erected to the dead of the First Great War, and will be unveiled by Lieutenant Governor J.A. Bernard at 2 p.m. Sunday. The names to be added in action: Pte. Arthur H. Gamester, Aug. 13, 1941; WO. Frederick L. Bulmer, April 23, 1944; Cpl. Lorne A. Cudmore, Sept. 15, 1944; Pte. P. Rudolph Gallant, March 30, 1945. Died of wounds: Cpl. Wesley G. Ross, April 6, 1942; Pte. J. Alfred Blanchard, July 24, 1944; Gnr. Wilfred C. Watts, Oct. 1, 1944; Pte. Danny Whitlock (date unavailable). Speakers at the service, which will be held in the hall, will include in addition to the Lieutenant Governor, Dr. W. J. P. MacMillan and Rev. Neil Herman. The Wheatley River choir, under the direction of Mr. Harold Chandler, will assist.

16 PER CENT—

(Continued from Page 1)

ductive equipment, applying as it does to imports as well as domestic production.

"We should, wherever possible, remove taxes which result in higher (production) costs. Particularly, we should remove those taxes which, imposed far back in the productive process, increase costs out of proportion to the contribution they make to revenue.

"It is especially important that if such reductions in taxation are to be made they should be made now so that industries should not face the future with inflated costs of construction and equipment."

The sales tax exemption will be on that machinery and apparatus which the Revenue Minister deems necessary to production and manufacture and will be effective from midnight tonight.

The Minister had some good news for the women. He so changed the tax on furs as to reduce the general impost slightly and substantially lower the cost of fur used in trimming wearing apparel.

At present the excise tax of 25 per cent is imposed on all furs at the point of dressing and dyeing. There was no sales tax on furs as such.

Now the tax on furs is reduced to 10 per cent and the sales tax of eight per cent also is imposed on all furs as well as fur-trimmed garments.

Help For Tourists

The bothersome and often inefficient collection of the sales tax on articles brought in from the United States by tourists exercising their privilege of entering $100 worth of purchases free of duty, is ended by removing such articles from the tax list.

Of the excess profits tax the Minister said it was a war measure "which has commanded overwhelming support." But, he added, "in this period of reconstruction, it is becoming a barrier to expanding employment."

He said the tax had been particularly severe on sole proprietorships and partnerships where the principals paid income tax as well as the heavy business taxation.

He announced removal of the 15 per cent general tax on total profits of such businesses but leaving them, "for the time being," subject to the excess rate.

All businesses, whether incorporated or not, will enjoy an increase in the standard annual profits permitted them in assessing excess profits tax.

The minimum at present is $5,000 a year. That will be increased to $15,000 and those whose standard profits were in excess of $5,000 will be increased by half the difference between the existing minimum and $25,000. Those which were in excess of $25,000 will be undisturbed.

This will mean, the Minister said, that more than 12,000 businesses will be relieved entirely of excess profits taxation.

To Encourage Business

Mr. Ilsley said the Government believed that the 100 per cent rate of excess profits tax could not be justified in a period when it was desirable to encourage business and employment.

As an "interim step toward the ultimate abolition of the excess profits tax," he announced reduction of the rate to 60 per cent and abolition of the 20 per cent refundable portion.

These changes in the excess profits tax will be effective as from Jan. 1, 1945.

They will cost the Government $72,000,000 in a full year and the abolition of the refundable portion will mean the loss of a similar amount as a borrowing source. The change in standard profits bases and removal of the 15 per cent tax on total profits of unincorporated firms, will cost $22,000,000 in revenue.

Other changes in administration of the excess profits tax removes the administrative control on the amount a firm can charge to advertising.

The existing exemption of profits on new base metal mines for the first three years of operation expires at the end of this year. It now has been extended as from Jan. 1, 1946, and new gold mines producing certain strategic minerals will be similarly exempt for the first three years.

It is proposed also to extend for another year the tax credits allowed mining and oil companies for off-property expenditures on exploration and deep-test wells.

The income tax, which provides about one-third of the total Federal revenue, must remain a major element in the taxation system, said Mr. Ilsley.

"There are clear and obvious reasons for as early a reorganization and simplification of this tax as is practicable."

This was not the time, however, for that reorganization particularly when negotiations with the Provinces are pending, on proposals made by the Federal Government.

"If they (these proposals) are accepted the government will bring forward legislation for extended social security measures involving a contribution which, whatever its form, will have an important bearing on the equitable distribution of income tax rates."

The cut of 16 per cent was "an interim measure of prompt and unquestionable relief," to be applied to the current tax reductions at the source as soon as the necessary changes can be made.

It will apply as from Oct. 1, 1945, and thus will cut the income tax of the current calendar year by four per cent.

There were additional changes involved in administration of the Family Allowance Act and other alterations arising from acceptance of the report of the commission on taxation of annuities and family corporations headed by Mr. Justice Ives.

In brief these changes exempt all but the interest element in contractual annuities and annual payments under wills or trusts are taxable only to the extent they are paid out of income.

Contributions to pensions funds are to be tax exempt up to $900 a year a person both from employers and employees, from the present $300 exemption.

The collection of seven per cent at the source on payment of dividends, royalties and registered interest is abolished but the disburser must continue to report such payments to the income tax branch.

The present deduction from taxable income for major health expenses is enlarged to cover the costs incurred through death of a taxpayer.

The exemption granted service personnel engaged in flying or serving afloat, and to civilians flying with the Royal Air Force Transport Command, is abolished.

To forestall profit-making in speculation on Alberta bonds during the period of negotiations for their redemption at full value, a 100 per cent tax is imposed on profits from such speculation between Jan. 31, 1945, and Aug. 7, 1945, the period during which negotiations were carried on.

The Minister said consideration would be given requests for a revision of the tax as applied to farmers and fishermen so that their income tax rate might be based on the average of a period of yeas, due to the variability of their incomes.

Mr. Ilsley offered little hope that the refundable portion of income taxes collected during the war years up to last year when it was abolished, could be paid before the time fixed in the act. The provision was that these refunds would be made not later than the end of the second fiscal year commencing after the end of hostilities.

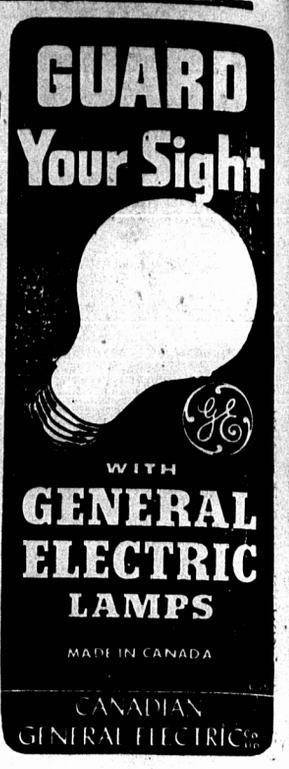
Succession Duty Act

Two simple changes were made in the Succession Duties Act. No duty will be collected on the value of a pension receivable as taxable income.

A percentage reduction will be allowed in the succession duties where the same property passes again as the result of a second death within a period of five years from the first death.

Mr. Ilsley appealed for support of the forthcoming Victory Loan from which he hopes to make up much of the deficit between an estimated expenditure of $4,000,000,000 and estimated revenue of $2,000,000,000.

There will be no other Victory Loan in the next 12 months, he said. "There is still a great national need for systematic saving and prudent spending. Hostilities have ended but men have still to be brought home and re-introduced to civilian employment."



THUNDER.

Not like the rumble of the distant guns
Where Man turns inward on himself and hacks
His future from the past. Not like the sun's
Convulsions, roaring in the comet's track.
Not like the tidal tyranny that throws
The sea far up the shore. Not like the sound
Of dynamite, or anything that sows
The seeds of death and ruin in the ground.
This is a peaceful thunder that we hear—
Immortal stirrings in the upper air,
As if some young, exultant god were there
To prod the drummers with his lightning spear,
To spread the heavens with his glad refrain,
And sing the earth his rhapsody of rain.

—Sgt. Harold Applebaum in the New York Times.

NEW QUININE SOURCE

Cinchona plants in the Belgian Congo are expected to begin producing quinine this year.

OFFICIAL FILMS REVIEWED

LONDON — (CP) — Film censorship officials of the ministry of information have reviewed 15,000,000 feet of film since July, 1940. Altogether 36,264 films were examined, including operational pictures from all the battle fronts. Their lengths varied from 60 feet to 20,000 feet.

A new worm remedy called phenothiasine is saving livestock producers millions of dollars annually. For results compare healthy lambs shown on the left with the nodular worm-infested animal on the right.

Rayon Doffs Battle Dress to Serve Canadians in Variety of Peacetime Roles

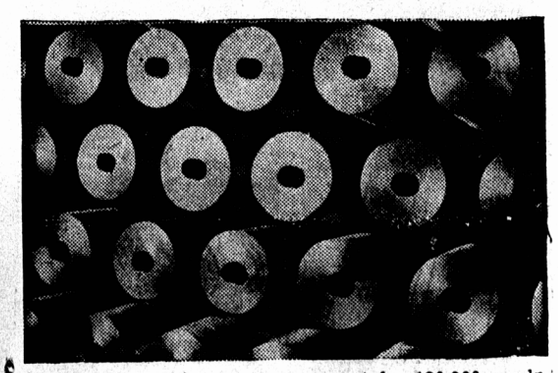
Felled in one of the Dominion's extensive forestlands, these spruce logs are bound for a paper mill to become woodpulp. Sent on to a silk mill, the pulp will become viscose, basic material from which rayon is made. The rayon yarn is woven into cloth for a wide variety of articles including gowns, upholstery, gloves, hosiery.

Wood pulp comes to the rayon manufacturer in gleaming white sheets which, after an acid bath and drying, are torn by this shredder into what the trade calls crumbs.

A liquid, viscose, obtained by processing these crumbs, becomes rayon yarn being used by the girl in this photo to weave cloth to be sent to garment firms, glovemakers.

Gossamer Artificial Silk Made from Woodpulp Used in Tires, Parachutes, Uniforms In War

Like so many other Canadian products, rayon played an important part in the promotion of the Dominion's war program and now has turned to the more pleasant task of providing beauty and comfort for a nation at peace. A unique feature of rayon is its origin in the forest. Literally, rayon is made from wood. The fine, shimmery material is produced, however, only after a long, complicated series of processes. These are always kept under the strictest control and are constantly checked and tested by highly-trained laboratory staffs. Fine quality, high tensile strength and necessary dyeing properties are demanded in the rayon yarn by the makers of articles ranging from trim gloves and full-fashioned hosiery to glamorous gowns and upholstery that keeps its beauty for years.



Each of these shiny, neat cones contains 120,000 yards of rayon yarn. Rayon is also produced in skeins which hold from three to forty thousand yards of the yarn.

The limitless variety of designs that appear on rayon garments, gloves, upholstery, are produced in several ways. This design is applied by the silk-screen method.

(NFB Photos by Chris Lund)