

MAXIMS
OF A
MERE MAN

The mood of melancholy diminishes whenever we learn to look on life with quiet eyes.

MAXIMS
OF A
MERE MAN

In the name of God let all incompetence, sloth, compromise and undisciplined living go.

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HIGHER INCOME, SERVICE AND COMMODITY TAXES

Soviets Forced to Fall Back At Kharkov 3rd War Budget Has Compulsory Savings Plan

Axis Forces In Advance On Egypt

CAIRO, June 23 (AP)—Heavy Axis mechanized formations, bringing with them the threat of impending attack, advanced toward the Egyptian frontier today as the Egyptian forces joined the United States bomber force with a devastating raid on the Axis supply base at Bengasi.

A dispatch filed by an Associated Press correspondent with the British forces near the Egyptian frontier at noon today said big armored units under the command of German Field Marshal Gen. Erwin Rommel have moved toward the British border positions.

"There is no indication when the battle will be joined but the enemy seemed to be moving the greater part of his armored forces toward this area," said the correspondent, Harry Crockett.

Sevastopol Defenders Still Hold

Situation At Black Sea Port Remains Very Critical.

(By Henry C. Cassidy, Associated Press Staff Writer)

MOSCOW, June 24 (Wednesday)—(AP)—A powerful new German offensive on the Kharkov front has forced Marshal Timoshenko's forces to fall back to new positions while Sevastopol's defenders continue to hold off numerically superior Nazi forces after closing breaches torn in their fortifications by the enemy, the Russians announced early today.

"On the Kharkov front our troops conducted operations against advancing German troops," said the Tuesday midnight communique. "Our troops were pressed back to new positions."

In the battle for Sevastopol, the Russian defenses about the Crimean base stiffened after Red forces threw the Germans out of their newly-pierced fortifications but despite this the peril to the Russians there remained of the utmost gravity.

While the haggard garrison continued to repulse repeated violent assaults, the Soviet Black Sea Fleet helped by shelling enemy lines and bringing in supplies through a cascade of steel and fire, military dispatches said.

The Black Sea fleet, built around (Continued on page 6, Col 3)

War Situation Last Night

(By KIRKE L. SIMPSON, Associated Press War Analyst)

Unless his conferences with President Roosevelt produce some very concrete results to lighten British gloom, Prime Minister Churchill probably will head into the worst squall of his storm-tossed career when he returns to London.

He must account for a British defeat in Libya far more difficult to explain than the loss of Singapore and Burma. Egypt and the Suez Canal are closer home for Englishmen than the far Pacific-China Sea symbols of empire; and in Libya for the first time in this war a British army supposed to be on substantially equal terms with its foes have been badly worsted.

That of itself makes lost Tobruk a more bitter dose for the British people than even lost Singapore. They had long awaited the day when British and Axis forces would confront each other somewhere evenly matched in air power, tanks, guns and men. They were supremely confident that British valor must bring victory under such circumstances.

That day has come in Eastern Libya—and gone in a British defeat that Cairo and London spokesmen do not seek to minimize. The contrast permits the use on such words as "trout," "disaster" and "debacle" in dispatches describing what happened.

Mr. Churchill's lieutenants in parliament breathed the first winds of the political storm armed only with assurances that the imperiled Egyptian frontier had been and was being reinforced. They also made no effort to explain or soften the blow. They even added for the first time the toll of recent British naval losses in the Mediterranean, heavy losses even if outmatched by casualties inflicted by British-American air forces on the Italian fleet.

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Income Tax Increase Is Proposed

To Combine National Defence And Income Tax; Part To Be Refunded After War.

(By James McCook, Canadian Press Staff Writer)

OTTAWA, June 23 (CP)—Combining all of the present National Defence Tax and the graduated income tax into a single assessment to be collected at the source when possible, and a plan of refunding a portion of such taxes after the war, were proposed by Finance Minister Isley in his budget speech tonight.

The total assessment—in part a flat-rate tax on the total income and in part a steeply graduated income tax—will be made at rates higher than those now existing.

As at present, single persons with incomes of less than \$600 a year and married persons with less than \$1200 a year will be exempt from tax, and the tax will not reduce incomes below these starting points.

Mr. Isley said it is proposed to make a portion of the increased tax refundable within a specified period after the war, with accrued interest at two per cent.

The minister estimated that the present income tax, including national defence tax, would yield about \$410,000,000 in a year.

The proposed increase in rates and changes in exemption would, he believed, yield an additional \$115,000,000 in a full year in the form of tax revenue.

It would also impose a minimum savings requirement of about 250,000,000 in addition to what is expected to be met by alternative contractual forms of saving, such as pensions funds and insurance premium payments.

Possibly \$125,000,000 would be left as the yield of refundable taxes.

Present payments for superannuation or pensions, life insurance premiums on policies in force before the budget, and principal payments on a past mortgage will be allowed as offsets against the collection of the refundable portion.

(Continued on page 7, Col 7)

Delivers Budget



Finance Minister J. L. Isley who last night delivered the budget in the House of Commons.

Finance Minister Isley Calls Upon People to Sacrifice Willingly For Victory.

(By C. R. Blackburn, Canadian Press Staff Writer)

OTTAWA, June 23 (CP)—Heavy and steeply graduated income tax increases, coupled with a compulsory savings feature, and new and increased taxes on personal commodities and services were announced in the annual budget presented tonight in the House of Commons by Finance Minister Isley.

SACRIFICE FOR VICTORY

Faced by an over-all expenditure for war and normal government costs of \$3,900,000,000 in the current fiscal year and a likely deficit of \$1,850,000,000, the minister called upon the people to sacrifice "willingly" for victory.

House of Commons galleries were crowded to capacity as the minister in a two-hour address, declared the new impost will reduce the standard of living.

NOT AT NECESSITIES

Direct taxation on incomes and profits, and indirect taxation on commodities and services, without striking at the necessities of life, were the chief methods by which the minister announced his hopes of obtaining an additional \$377,000,000 in the current fiscal year.

Bullitt Gets New Position

WASHINGTON, June 23 (AP)—William C. Bullitt, former Ambassador to Russia and France and more recently a personal representative of the President, was sworn in today as a special assistant to the Secretary of State.

The Navy issued an announcement that "The duties of Mr. Bullitt's office are for such special assignments as the Secretary of the Navy may make."

"Mr. Bullitt, personal representative of the President of the United States with the rank of ambassador, resigned that office effective today."

Budget Highlights

Income and National Defence taxes combined and sharply increased.

Income tax to be collected at source, or in compulsory instalments.

Part of increased income tax treated as "minimum savings" refundable after war.

All war service pensions exempt from income tax.

Tax on spirits increased from 77 to 84 a gallon.

Tax on Canadian brandy increased from \$6 to \$7 per gallon.

Customs tariff on imported liquor raised to correspond with increased excise tax.

Wine tax increased from 40 to 50 cents a gallon; sparkling wine tax from \$2 to \$2.50 a gallon.

Malt tax increased from 12 to 16 cents a pound; similar increase in tax on malt syrup and beer.

Cigarette tax increased from \$6 to \$8 a thousand.

Manufactured tobacco increased from 35 to 51 cents a pound.

Canadian raw leaf tobacco tax increased from 10 to 20 cents a pound.

Graduated cigar tax increased by 25 per cent.

Cigarette papers tax increased from five to six cents a 100; cigarette tubes tax from 10 to 12 cents a 100.

New 30-per-cent tax on candy and chewing gum.

New tax of one cent a bottle on soft drinks, beer and pullman tax increased from 10 to 15 per cent.

New 10 per cent tax on charges to customers in night clubs, restaurants and dance halls.

New tax of 25 cents a month on extension telephones in homes.

Call on long distance telephone calls increased from 10 to 15 per cent.

Carbonic acid gas tax increased from 25 to 50 cents a pound.

Tax on furs increased from 12 to 25 per cent.

New taxes imposed on long list of personal articles.

Additional two per cent tax imposed on life, fire and casualty insurance premiums.

Plebiscite Vote Seen As Full Speed Ahead Signal

Col. Ralston Speaks On Conscription In Commons Debate.

OTTAWA, June 23 (CP)—Deputy Minister of War Affairs, Col. Ralston, told the House of Commons today that the manpower plebiscite vote was "a green light to the government to go full speed ahead."

Col. Ralston spoke in debate on the government bill to amend the national resources mobilization act to permit the imposition of compulsory service for overseas by order-in-council.

He said he believes the plebiscite means that the government wanted the government to raise men in any way thought necessary to win the war.

"I want to state in my appreciation of the unmistakable response which 3,000,000 of the people gave," he said, speaking of the result of the plebiscite, "but he would not say the vote was a mandate for overseas conscription or a directive for overseas conscription."

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Mr. Douglas Aitken, Fortune Bridge, was elected president of the Holstein-Friesian Association at the annual meeting held yesterday in Prince of Wales College. A feature of the annual gathering was the presentation of certificates to the Holstein-Friesian breeders which took place at a luncheon in the Blue Room of the Old Span.

Other officers elected were: Vice President, Mr. R. A. Profit, Free-town; Mr. Cecil J. Stewart, Hampton; Secretary-Treasurer, Mr. J. Walter Jones, M.L.A., Bunbury and Walter Buntant and Son, Rustico.

Mr. Andrew Jardine presided yesterday and the morning session got underway shortly before eleven o'clock.

The matter of holding a field day or exhibition was discussed by the meeting. Mr. Jardine explained there was no grant for this purpose.

(Continued on page 6, Col 4)

Regulations Re Refrigerator Cars

OTTAWA, June 23 (CP)—To avoid a shortage of refrigerator cars, transport controller T. C. Lookwood has instructed Canadian railway companies to distribute refrigerator cars for the shipment of perishable products only, the transport department announced today.

"In the past, certain commodities, such as canned and bottled goods, have been loaded in these cars during the winter season to prevent freezing and damage, but such traffic can move during the spring, summer and fall season without damage, in boxcars," the statement said.

"During the winter season, butter and similar commodities can move in boxcars, as these products do not require refrigerated equipment during cold weather."

Ch'Town Native Passes In N. S.

NEW GLASGOW, N. S., June 23 (CP)—Mrs. Eva M. Saddon, widow of the late John L. Saddon of St. John's, Nfld., died this afternoon at the home of her daughter, Mrs. Martin L. Fisher, New Glasgow.

She was born in Charlottetown 82 years ago, the daughter of Mr. and Mrs. James M. Fisher. She spent her girlhood in Halifax.

Dried Eggs Go On Sale Today

LONDON, June 23 (CP CABLE)—Dried eggs from Canada, Australia, the United States and Britain will go on sale in Britain tomorrow, spelling the end of imported shell eggs except those from the United States.

Some 19,000,000 tins, each containing 12 dried eggs, have been distributed to retailers and an additional 15,000,000 tins will be distributed in the next three weeks. Each tin will sell for 42 cents and it is expected that within five weeks one container will be available every two months to each person. The present individual egg is approximately one egg a week.

"This is not an egg substitute," Lord Woolton said. "It is egg, minus its water and shell."

Coming Events

Rate for Notices in this column 3 cents per word

- Talkies—Malpeque Wednesday, 6-23-21.
- Talkies—Souris Monday, 6-24-21.
- Talkies—Crapaud Thursday, 6-23-21.
- Talkies—Canoë Cove Friday, 6-23-21.
- Reserve Wednesday, July 1st for Long Creek Baptist Picnic, 6-24-21.
- Dance, St. Peter's Friday 26th, Clifford Peters & Aces Orchestra, 6-23-21.
- Modern and old time dancing at McDonald Barn, Covehead Wednesday, June 24th, 6-23-21.
- "See 'Henpecked Henry' by Victoria players in Winsloe Hall, June 24, 6-18-22-24.
- Dance at Corran Ban Hall Friday, June 26th, Good music, 6-24-11.
- Dance by George Chappelle in Hope River Farmers Hall, Friday, June 26th, 6-24-21.
- Quick, efficient typing service. Rates reasonable. Doris J. MacPherson, Kilmuir, P. E. I., 6-19-61.
- Talkies—Montague Friday and Saturday—Sun Valley Serenade—St. John's Henie, 6-24-21.
- "The Coming of Pep" in St. George's Hall, Monday, June 25, 6-19-20-22-24-26-27.
- Collecting hops every Friday. Please list with Leslie McDowd, Fredericton, 5-19-20-twif.
- "See Wiltshire players present 'The Dust of the Earth' in Cavendish Hall, Thursday, June 25, sponsored by Bayview Women's Institute, 6-24-21.
- Trucking hops as usual for the summer months. List your hops with A. C. Green, Albany and G. C. Green, Emerald, 5-6-7-11-W-T-M-G, 6-24-21.
- Victoria Players present "Henpecked Henry" in Hampton Hall, July 26th, Auspices L. O. B. A., 6-24-21.
- Summerfield players present "The Irish Millionaire" in Kelly's Cross Hall, Wednesday, June 24, 6-23-21.
- Unloading car Bulk Wheat Thursday 25th and Friday 26th. Priced right off car. Bring bags, Dilon & Spillit, 6-23-21.
- Chicken Supper by Meadow Bank W. I. at Robert Jewell's on Thursday, June 25th. Supper served 6:30 to 10, 6-24-21.

Silver Fox Sales Conclude

MONTREAL, June 23 (CP)—Officials of Canadian Fur Auction Sales Company announced today the results of silver fox sales at the concluding session of the firm's June auction last week. Prices ruled lower in comparison with April sale values.

Results follow: Special—42 per cent sold, \$39.50 average, no comparison; selected, halves to three-quarters—32 per cent sold, \$28.45 average, decline seven per cent; average, halves to three-quarters—74 per cent sold, \$23.66 average, decline six per cent; selected full silvers—40 per cent sold, \$36.99 average, decline 16 per cent; regular full silvers—48 per cent sold, \$27.83 average, decline 11 per cent; inferior types—67 per cent sold, \$18.11 average, decline 11 per cent; low grades—59 per cent sold, \$6.99 average, decline 26 per cent.

13 Ships Sunk In 12 Days

WASHINGTON, June 23 (AP)—The United States navy announced today that 13 United Nations merchant vessels "were victims of enemy submarine action" in the Caribbean area during a 12-day period beginning June 3.

Most if not all of the vessels were sunk, it was understood here, either by torpedoes or by shell fire or in some cases by both.

A series of survivor stories obtained from "The Associated Press" covering nine of the sinkings, showed a total of 23 men listed as dead, 188 missing and 364 rescued, do not require refrigerated equipment during cold weather."

U. S. Plans For 4,500,000 Army

WASHINGTON, June 23 (AP)—History's largest legislative cheque for war expenditures—an appropriation of \$42,820,000,000 was endorsed swiftly today by the House of Representatives.

After five hours of discussion, the House passed the measure 352 to 0 and sent it to the Senate. Military chiefs informed congress it would pay, outfit and equip an armed force expanding to 4,500,000 men by July 1, 1943.

Isley Reviews Farm Income

OTTAWA, June 23 (CP)—With good crops this summer the cash income of Canadian farmers will come close to the best records of the past, Finance Minister Isley predicted in his budget speech in the House of Commons tonight.

"Excluding wheat which has been in surplus supply since the beginning of the war and has required special measures," he said, "the prices of farm products on the average are now about two per cent above the level of 1928 and prices of animal products are relatively still higher."

"Farmers are assured of these prices on a wide range of this season's crops and will receive, by government action, higher prices than those now ruling for wheat, flax, soy beans, sugar beets and apples."

In connection with wheat the minister announced the setting aside of a reserve of \$12,771,000 to meet deficits resulting from the operations of the Canadian wheat board, not previously provided for.

This item coming under the head of special expenditures and added to \$29,659,000 spent on wheat acreage reductions payments and \$11,326,000 on advances to the Prairie Farm Emergency Fund, more than offset balanced reductions in unemployment relief, relief projects and drought area relief.

As a result special expenditures totalled \$62,756,000 in 1941-42 compared with \$42,889,000 in 1940-41.

Smash Nazi U-Boat Base

LONDON, June 23 (CP)—The R. A. F. and the R.C.A.F. smashed again last night at the Nazi submarine base and shipbuilding port of Lorient, pending it with a tremendous weight of explosives as they continued their offensive to obliterate German ports and industrial cities one by one.

Canadians from many parts of the Dominion were aboard aircraft that roared in over the city, one of the main suppliers of the U-boats which haunt the Atlantic, and the men of one Halifax reported that the burning bombs, flares and fires they saw as they flew over made the scene as light as day.

Below them they could see illuminated the docks of submarines and surface vessels. It was Ender's third pasting in four nights. Bad weather held up the parade of bombers the night before last.

Tricolor Legion To Fight Russians

VIOHY, June 23 (AP)—Blaring headlines in the collaborationist French press trumpeted today the formation of a Laval government-sponsored "tricolor legion" which will fight Russian barbarism and also against American imperialism or Anglo-Saxon greed.

This new organization was described as an "enlarged, officialized legion of French volunteers" which will replace the original French unit recruited by Laval for service with the Germans on the eastern front.

News Briefs

OTTAWA, June 23 (CP)—Labor Minister Humphrey Mitchell, in a telegram to machinists and blacksmiths in Vancouver, B.C., said that the proposed action in striking was illegal and that the Department of Justice had already appointed a special prosecutor to take action against them.

OTTAWA, June 23 (CP)—The Institute of London Underwriters announced today that under a new schedule effective June 24 war rates between North and South America and Australasia via the Panama Canal and Pacific Ocean would be increased from five to 15 per cent.

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High tide this morning at 6 and tonight at 7.

Sun sets this evening at 7:50 and rises tomorrow morning at 4:14.

Full moon June 28, 7:09 a.m. Summerside tide eighteen minutes later than Charlottetown.

CAR FERRY SERVICE
DAILY EXCEPT SUNDAY
From Borden — Leave 6:30 a.m. 9:25 a.m. 1:00 p.m. 4:45 p.m. 7:55 p.m.
Leave Cape Tormentine—7:45 a.m. 11:00 a.m. 2:15 p.m. 6:45 p.m. 9:10 p.m.

SUNDAY SERVICE
(May 3 to Dec. 27 inclusive)
Leave Borden 9:00 a.m. 12:00 noon 1:45 p.m. 7:15 p.m.
Leave Summerside 10:15 a.m. 2:30 p.m. 6:00 p.m. 8:30 p.m.

P. E. I.—N. S. FERRY SERVICE
Leave Wood Islands 7:00 a.m., 10:30 a.m., 2 p.m., 5:30 p.m.
Leave Carleton Place 8:45 a.m., 2:15 p.m., 3:45 p.m., 7:15 p.m. *Crossing will be made on Friday, Saturday and Sunday only.

AIR SERVICE
Charlottetown—Summerside—Moncton
Leave Charlottetown 6:35 a.m. 12:45 p.m.
Leave Summerside 7:10 a.m. 1:20 p.m.
Leave Moncton 11 a.m. and 6:10 p.m.
Daily except Sunday.

BLOSSOM CANADA FLOUR EXCELS IN THE KITCHEN