

# Tax Collections At Highest Point

## Mr. Dunning Announces \$13,775,000 Over-all Deficit. Tax Revenue Was \$62,000,000 Greater Than Last Year

OTTAWA, June 16 (CP)—The fiscal year 1937-38 was eventful and dramatic, said Finance Minister Dunning in opening his budget speech today. Last year he stressed the dependence of Canadian economic progress on the preservation of peace and lessening of international friction. No one then could have forecast the degree to which international relations had become disturbed in the interval.

Canadian economy, however, had given a good account of itself under the shadow of disturbing world events. The physical volume of business had expanded eight per cent from March to November, 1937, and then a decline had set in until April, 1938, when it was nearly nine per cent under April, 1937. Since then it had advanced 5.3 per cent.

In neither the United States nor the United Kingdom had there been the same reversal of the downward trend as in Canada. The lag between the downward trend in Canada and other important countries was more remarkable in view of the crop failure in Western Canada. Crop prospects for this year were favorable as compared with the previous year.

Although the 1937 crop failure inevitably had an adverse effect on Canadian business the nature of the recession indicated external factors were of predominant importance. There was no lack of balance or other unsoundness in the internal situation. Speculation had not got out of hand and the upward trend had expanded on a rational basis. There was no evidence of undue piling up of inventories.

A critical examination of all the major factors leads to the firm conviction that, had it not been for economic depression and political tension abroad, Canadian business would have trended upward with only a moderate slackening in its rate of advance," he said.

### Export Trade

International factors were chiefly evident in their effect on Canadian export trade and the minister proceeded to review the figures for the latter part of the year. He stated that declines in the latter part were not sufficient to offset advances in the earlier months. Total export trade was 8.6 per cent above that of the previous year.

The favorable balance of trade continued and during the year Canada was able to pay off foreign indebtedness on a large scale. Canadian securities held abroad to an estimated amount of \$215,000,000.

Canada's dependence on world factors left this country in a position where only alternative sufficiency which would mean lower standards of living in times of prosperity as well as depression.

"There are some, of course, who appear to believe that the government should not pay interest at all or, indeed, should issue debt free certificates to finance its expenditures or to retire its interest-bearing debt or to do both of these things. It is incredible that this hoary fallacy should persist after so many his- torical and practical examples of its devastating possibilities.

"Perhaps I underestimate the insidious appeal of a program which would make something out of nothing. It is not possible for one more than for a Minister of Finance should such a program have seductive charm.

"I am sometimes criticised because I do not accept the so-called 'New Economics,' which in fact is nothing more than a return to the first Monarch who, finding it difficult to replenish the Royal Coffers from funds from the pockets of his subjects, resorted to printing money.

"When first introduced this currency debasement gave some temporary stimulus to trade, because there was a circulation more of the Sovereign's Coins. Albeit it had a lower intrinsic value. But when the smoke cleared away the net result became evident, namely, the Sovereign had obtained a larger share of the product of his people's labor.

Manufacturing activity in the production of capital or producers' goods was one of the bright spots of the year, particularly in the iron and steel industry. The mining industry was responsible for the greatest stimulus to national economy and production was well over the previous year. Results in the forestry industries were less encouraging. Exports of newsprint fell off toward the end of the year.

Common stock prices had suffered a drastic decline along with markets in the United States. There were dangers as well as advantages in the close contracts between Canadian and American securities markets.

Depression psychology might spread to Canada when conditions here did not warrant it. Capital might fly from Canada overnight if American investors lost confidence in any phase of the Canadian position.

The bond market gave a better account of itself than the stock market. New flotations were substantial and the yield on Dominion Bonds was lower than ever except for a short period in 1936.

Despite an increase of \$1,000,000 in Dominion debt since 1930 the carrying charges were now lower than on the smaller debt of pre-depression years. Interest rates had been brought down to a level comparable with those paid by the oldest and wealthiest countries of the world. This was no small achievement and reflected careful administration, persistent efforts to reach a balanced budget, healthy economy and an easy money policy efficiently carried out.

### Scores 'New Economics'

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# MY NEW KODAK IS CERTAINLY KEEN!

You'll marvel at the grand pictures you'll take with one of these newer cameras

NEVER before was picture-taking so popular! That's because people are finding how easy it is to take swell snapshots with a camera that has the new refinements.

And there's the smart appearance of these newer cameras, too. You're as proud of their looks as you are of their action!

One of these five smart models is the camera that will bring your picture-taking up-to-date. See them at your Kodak dealer's. He has Kodaks as low as \$5; Brownies from \$1.25.

In Canada KODAK is the registered trade mark and sole property of Canadian Kodak Co., Limited, Toronto, Ontario.

### Cine-Kodak Eight

Brings home movies within the reach of almost everyone. Gives you 20 to 30 black-and-white movie scenes—each as long as the average news-reel scene—on a roll of film costing \$2.60.



\$39.50

### \$5 Jiffy Kodak V.P.

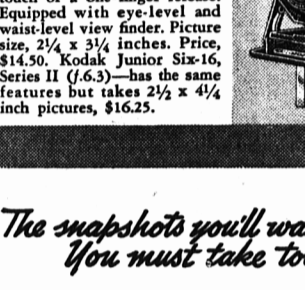
"V.P." stands for vest pocket and this smart little camera really fits. It is of ultra-modern moulded construction and has the famous "Jiffy" action—pop, it opens—click, it takes the picture—no focusing or other adjustment.



\$5

### Kodak Junior Six-20

gives you lens power to make snapshots early or late, regardless of most weather conditions. This smart model is one of the most popular. Opens at the touch of a button, closes at the touch of a one-finger release.



\$14.50

### Baby Brownie

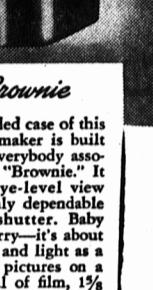
Under the smart, molded case of this grand little picture maker is built the trustworthiness everybody associates with the name "Brownie."



\$1.25

### Kodak Senior Six-16

gives you a fine lens plus shutter speed up to 1/100 of a second. This means you can make snapshots in almost any kind of weather, "stop" most action. Body shutter release. Optical direct view finder. Makes 2 1/4 x 4 1/4 inch pictures.



\$23.00

The snapshots you'll want tomorrow—You must take today

Additional government owned enterprises, 1936-37: 50,940,000; 1937-38: 44,218,000; 1938-39: 44,833,000. Additional other charges, 1936-37: 515,000; 1937-38: 19,179,000; 1938-39: 1,718,000. Total, 1936-37: 156,736,000; 1937-38: 136,429,000; 1938-39: 116,504,000. Less other credits, 1936-37: 54,000; 1937-38: 661,000; 1938-39: 3,384,000. 1936-37: 156,720,000; 1937-38: 135,768,000; 1938-39: 112,120,000. Additional deficit or deduct surplus as above, 1936-37: 317,000; 1937-38: 197,000; 1938-39: 99,345,000. Over-all deficit or increase of direct debt, 1936-37: 159,989,000; 1937-38: 77,851,000; 1938-39: 13,775,000.

Department of Public Works, 1936-37: 10,043,785; 1937-38: 7,088,000. Department of National Defence, 1936-37: \$3,746,849; 1937-38: \$75,000. National Harbors Board, 1936-37: \$4,733,256; 1937-38: \$1,565,000. Department of Mines and Resources, 1936-37: 2,182,794; 1937-38: \$1,474,000. Department of Agriculture, 1936-37: \$1,048,738; 1937-38: \$1,937,000. Department of Agriculture, 1936-37: \$1,048,738; 1937-38: \$1,937,000. Department of Transport, 1936-37: \$1,152,035; 1937-38: 682,000. Miscellaneous and sundry department, 1936-37: \$940,773; 1937-38: \$1,258,000. Special drought area relief, 1936-37: \$1,925,000. Unemployment relief (feed and fodder and freight on live stock), 1936-37: \$3,607,333; 1937-38: \$1,688,000. Foodstuffs, 1936-37: —; 1937-38: \$974,000. Totals, 1936-37: \$78,003,702; 1937-38: \$68,532,000.

\$13,775,000 Deficit

The grand total of expenditures was \$530,467,000 which with total revenues of \$516,692,000 resulted in a deficit of \$13,775,000. "While naturally I am disappointed to have to report any deficit, I believe it is a cause for gratification over this close approach to a balanced budget after eight years of very large deficits. It will be recalled that for 1936-37 the realized deficit was \$77,851,000 and that when I delivered the budget speech last year I did not venture to forecast a deficit for 1937-38 of less than \$35,000,000.

"That we have done so much better than that forecast is all the more gratifying when we consider the abnormal item of \$3,000,000 added to the annuities reserve and the substantial unanticipated increase in our expenditures resulting from the crop failure in Western Canada. "As I have already indicated, the increase in our special expenditures resulting from intensified drought conditions was over \$20,000,000 and the increase in the C. N. R. deficit was at least \$7,000,000. Had it not been for this unfortunate catastrophe, it is clear that I could have been able to report an overall surplus.

mark of saintliness, and where the babies are brought to the welfare centre with gashes across their stomachs, made for the express purpose of allowing the veil spirit to escape from within! The women arrive with what appears to be their entire wardrobe wrapped round them and with their babies strapped on their backs. "The mothers are horrified at the thought of washing babies; they will surely die, they say, and this, in spite of the fact that the Shereefa of Was-an, a splendid Englishwoman who has always held her position as wife of one of the most important Shereefa in Morocco to influence the Moorish population on the side of hygiene and civilization. Indeed it was she who first introduced vaccination into Morocco.

"A woman I met when I was in Tangier was telling me that a friend of hers was losing her Spanish maid, and she was bewailing the fact. "Why does she want to go?" asked my friend. "That's what puzzled me at first, her friend replied, "because she seemed quite happy, but she told me she wanted to get back to Spain as she was tired of not seeing blood. It is unnecessary to add that such a remark is unthinkable and impossible in Great Britain. We do not realize the position is not a fully Europeanized country; nor is Morocco completely African."

### MR. MALCOLM J. McPHERSON

The death occurred at Kinross after a lingering illness on Thursday, May 26th of Mr. Malcolm J. McPherson. The deceased was born April 1st, 1861; he was the eldest son of the late John M. and (Mary McLeod) McPherson.

He bore his suffering with fortitude and resignation to the Divine Will and passed away to his Heavenly home with full trust in the merits of his Redeemer. He was a member of Orwell Head Church, a man of sterling qualities, strong in his devotion to his church, family and friends, and his death will be mourned by those who are left to realize their loss. His wife, nee Jessie Murchison, predeceased him thirteen years ago. He leaves to mourn two sons, Alexander on the north end and John A. and one daughter, Mary, Mrs. Alex. Barrett, both residing at Ottawa; also one sister, Mrs. John Livingstone, Hopefield.

The funeral service, which was largely attended, took place in Orwell Head Church by his pastor, Rev. A. J. Ebbutt. Pallbearers were Messrs. M. D. McDonald, S. D. Campbell, Donald Livingstone, W. B. Scott, R. C. McLeod, and Edison McLeod.

### GOING DRASTIC ON HEART BALM

BOSTON, June 16—(CP)—Whether or not there was balm in Gilead, heart balm in Massachusetts is soon to become a thing of yesterday. The Transcript points out. Damages in breach-of-promise suits are no longer to serve as "balm for hurt minds."

The General Court legislature in its wisdom has decreed that "breach of contract to marry shall not constitute an injury or wrong recognized by law." The governor has signed the bill.

"There is no doubt that breach-of-promise suits have been in a great many cases—disputed quite simply at extortion," the paper says. "That fact has long been suggested to the cynical by the term 'heart balm,' dear to the hearts of the headline writers. A condition arose that might pertinently be described as the heart-balm racket."

"Mrs. Katherine A. Foley, member of the Massachusetts House of Representatives, wins fame as sponsor of the measure which

### ADVISES BRITISH COURT BLESSINGS

LONDON, June 15—(CP)—"How I long to make every lucky woman in the Old Country realize the state of affairs in non-Christian countries," said the women's editor of Overseas. "It is so difficult, if not impossible, to make others feel what one has felt oneself and knows from first-hand experience to be true. Hence the supreme importance of travel.

"Consider for a moment the difficulties in a country where, for instance, lunacy is regarded as a

## A GIFT! For THE BRIDE

If you find it hard to think of a suitable gift for the bride, drop into Holman's China Department—Hundreds of smart suggestions are there waiting for you. May we remind you that at Holman's you'll find a grand array of Silver Holloware? New Silver Tea Services, Cake Plates, Casseroles, Water Pitchers, Candle Sticks, Vases and many more. All new! All qualities! All prices! All in gift boxes!

### HOLMAN'S

SUMMERSIDE AND CHARLOTTETOWN

### Eastern Guardian

This column is reserved for news of local interest but advertising of a newsy nature may be inserted as a word strictly payable in advance.

SUBSCRIPTIONS to the Charlottetown Guardian may be handed to their Rept. Archie Hume.

WOOLE & THOMPSON, LIMITED for more bargains in discontinued lines of Paints, Varnishes and Enamels. L-139-6-11-11.

TROUBLESOME BLACK-BIRDS—Chicken raisers report losses of the small chickens by black-birds. Those greedy birds drive away the chicks from the feeding boards, beating them until they kill them or they die shortly from the wounds inflicted by their sharp beaks.

### PERSONALS

Mr. and Mrs. Dougald MacDonald, Sydney, are visitors to Montague.

Mrs. John Power, New Perth, is a patient in the Kings County Hospital, Montague.

Dr. and Mrs. Earle Grant, Sydney, are visiting Dr. Grant's parents, Dr. and Mrs. T. V. Grant, Montague.

Friends will hear with regret of the illness of Mrs. R. G. MacDonald at her home in Montague.

Mrs. Frederick Wood of Janzen, Sask., with her daughter Helen, are visiting Mrs. Wood's mother, Mrs. F. Gordon, Rosneath. They intend to remain about a month and will visit friends.

### BALTIC SCHOOL

Standing of Baltic School for May: Grade X-1. Ronald Delaney; Grade VIII-1. Robert Pierce; 2. Jean Holmes; Grade VII-1. Eunice Clark; 2. Doris Matthews; Grade VI-1. Evelyn MacDonald; 2. Ethelwood MacKenzie; 3. Eldon Harding; Grade IV-1. Archie MacDonald; 2. Harold MacKenzie; 3. Keir Clark; Grade III-1. Reuben Wall; 2. Mauriel Wall; 3. Billie Woodsie; Grade II Sr.-1. Earle MacKenzie; Grade II Jr.-1. David MacKenzie; 2. Janette Clark; Grade I Sr.-1. William Cousins; 2. Eric Holmes; 3. E. Gordon Anderson; Grade I (a)-1. Marion Campbell; 2. Arthur Cousins; 3. Jackie Carr; 4. Vivian Holmes; 5. Ethan Campbell; 6. Barth Holmes. Teacher, J. Weeks Murphy.

### MARSHFIELD SCHOOL

Honor roll for the month of May: Grade X-1. Dorothy Gibson; 2. Helen Dennis; Grade VIII-1. Ferne Mill; 2. Beth Gibson; Grade VII-1. Athol McBeath; 2. Allison Scott; Grade V-1. Andrew Black; 2. Gladys Thompson; Grade IV-1. Lois Scott; 2. Alva Nuttall; 3. Olga Scott; Grade III (a)-1. Bessie Thompson; (b) 1. Isabel Gibson; 2. Peter Black; Grade II-I. Roy Boswall; 2. Jackie Carr; 3. Irving Boswall; Grade I (a) Thompson; (b) 1. Arthur Jenkins.

Perfect attendance: Dorothy Gibson, Ferne Mill, Beth Gibson, Athol McBeath, Allison Scott, Peter Black and Jackie Carr.

Marguerite Terrell, teacher.

## SWEET CAPORA CIGARETTES

"The purest form in which tobacco can be smoked."

### Financial Statement

Summary of revenues and expenditures, 1936-37: Ordinary expenditures, 1936-37: \$72,539,000; 1937-38: 387,112,000; estimated 1938-39: 410,994,000. Ordinary revenues, 1936-37: 272,222,000; 1937-38: 445,029,000; estimated 1938-39: 510,399,000. Deficit (-) or surplus (+) 1936-37: -317,000; 1937-38: 197,000; 1938-39: 99,345,000. Special expenditures: 1936-37: 102,047,000; 1937-38: 78,004,000; 1938-39: 65,532,000. Less special receipts: 1936-37: 320,000; 1937-38: 8,464,000; 1938-39: 3,099,000. Balance: 1935-36: 101,727,000; 1936-37: 69,540,000; 1937-38: 65,828,000. Additional capital: Expenditures, 1936-37: 6,544,000; 1937-38: 4,462,000; 1938-39: 4,490,000.

The Minister tabled the detailed statements of revenues and expenditures for the last three fiscal years.

When maladjustments become too pronounced, the speculative boom collapses and depression sets in. Surely we have suffered too much from the inflationist experience of the war and its sequel to deliberately embark upon such a program again.

"Not only that, but the inflationist expansion of currency and credit which it contemplates is found to initiate unhealthy speculative activity and to result in over-expansion of particular industries. When maladjustments become too pronounced, the speculative boom collapses and depression sets in. Surely we have suffered too much from the inflationist experience of the war and its sequel to deliberately embark upon such a program again.

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## George Burns and Gracie Allen

Gracie's Uncle Has the Key

WELL, GRACIE, I CERTAINLY ENJOYED SOJOURNING UP NORTH!

SOJOURNING UP NORTH? WHY GRACIE, I DIDN'T KNOW YOU WERE IN THE ARMY.

QUIET, GRACIE! I SAID SOJOURNING-NOT SOLDIERING. I WAS VISITING MY RELATIVES.

WHAT'S THE DIFFERENCE? THEY'RE ALWAYS FIGHTING!

GRACIE! THEY'RE LOVELY PEOPLE. I GOT UP EARLY EACH MORNING AND USUALLY WITH MY AUNT AND UNCLE.

IS THAT SO? WE USUALLY EAT OUR GRAPE-NUTS WITH CREAM AND FRUIT.

ALL RIGHT-LET IT GO! MY UNCLE SAYS THAT GRAPE-NUTS ARE THE KEY TO KEEPING FIT.

THAT'S NOTHING-MY UNCLE SAYS THAT GRAPE-NUTS ARE THE KEY TO THE JAIL. AFTER TWO SERVINGS HE'S SO STRONG HE JUST BENDS THE BARS AND WALKS OUT!

YOU'RE SURE YOU'RE NOT EXAGGERATING?

OF COURSE NOT! EVERYBODY KNOWS YOU CAN'T EXAGGERATE HOW NOURISHING AND DELICIOUS GRAPE-NUTS ARE!

UNKIE SAYS TO TELL ALL YOU FOLKS HOW THAT GLORIOUS NUT-LIKE GRAPE-NUTS FLAVOR WILL BRIGHTEN UP YOUR BREAKFASTS, AND GRAPE-NUTS IS WONDERFULLY NOURISHING, TOO—FOR JUST TWO TABLESPOONFULS WITH WHOLE MILK OR CREAM AND FRUIT PROVIDES MORE VARIOUS NUTRIMENT THAN MANY A HEAVY MEAL. GRAPE-NUTS ARE MADE IN CANADA. GET A PACKAGE TODAY.

LISTEN IN TO GEORGE BURNS AND GRACIE ALLEN EVERY MONDAY EVENING ON NETWORKS. SEE NEWSPAPERS FOR TIME.