

MAXIMS  
OF A  
MERE MAN  
Life is governed by laws and health and usefulness depend upon obedience to these laws.

# THE CHARLOTTETOWN GUARDIAN

The People's Paper Read by Everybody  
Covers Prince Edward Island Like the Dew

MAXIMS  
OF A  
MERE MAN  
The spectre which strikes a chill into our hearts is but himself disguised in the mist.  
Annual Subscription Delivered \$5.00  
By Mail—P. E. I. \$4.00; Canada and U. S. \$6.00.

Charlottetown Guardian Two Cents. Morning Guardian, Founded 1887. CHARLOTTETOWN, CANADA, WEDNESDAY, SEPTEMBER 13, 1939 8 PAGES

## WAR TAXATION BUDGET IS INTRODUCED

### POLAND'S CAPITAL VALIANTLY DEFENDED

#### NAZI ADVANCE BOGS DOWN IN FIERCE BATTLE

Germans Intensify Pressure In Determined Effort To Take Warsaw.

BUDAPEST, Sept. 13—(Wednesday)—(A. P.)—An official Warsaw radio broadcast said early today nine German divisions had been diverted from the four-day Warsaw siege to the Western European and Visula fronts and that the Nazi invaders now are definitely "on the run."

LONDON, Sept. 13—(Wednesday)—(A. P.)—A Reuters News Agency dispatch quoting a "reliable source" said today that the important city of Lodz had been recaptured by the Poles.

Warsaw began the fifth day of siege with the announcer's statement that the invaders had been stopped and hurled back.

The official announcements said German pressure on the city probably had been decreased because of the withdrawal of the divisions, and that the Germans had been driven back about six miles.

Martial music blared from the Warsaw station last night to tell Europe the dogged defenders of Poland's capital clung to their heavily shelled positions.

Captain Vaclav Lipinski, Polish staff officer in a broadcast declared the German plan to run down Warsaw with tanks and motorized troops "has definitely failed."

Germans Miscalculated  
The Captain said the Germans failed to reckon with Warsaw's "valorous" defenders.

"We will charge a mobile war into stationary warfare," he said. "We are accustomed now to air raids German bombs are badly aimed. Our cellars are safe. If the Germans bring larger forces here, we will do likewise."

Meanwhile, meagre reports from announcers and Polish army headquarters at Low (Lemberg) indicated: 1. German attack has intensified pressure of the giant nut-cracker around Warsaw, while the direct drive from the west continues.

2. Warsaw's defenders are holding firmly to the gains they recently made in pushing German advance troops back from the city's suburbs.

3. Reinforcements determined not to lose their capital are being rushed to the defence through a narrowing lane from the south-east.

4. Failure of the Warsaw radio station to continue news announcements.

#### Swastika Marked Plane Is Sighted

BOSTON, Sept. 12—(AP)—A mysterious plane, bearing markings contradictorily described as a "Swastika" and a "Star," was reported today by an American boat as having circled low over a general area where a strange submarine has been playing a weird game of "hide and seek" with New England's fishing fleet.

#### WAR TAX IN THE KITCHEN

OTTAWA, Sept. 12—(CP)—New taxes of the wartime budget will reach into the kitchen of Canadian homes.

Most apparent to the housewife will be the new impost on coffee and tea, which will raise the price by 10 cents a pound, or five cents for the usual half pound package if the tax is all passed on to the consumer.

The sales tax was unchanged but certain articles lost their sales tax exemption and are now liable to the regular sales tax of eight per cent. To the housewife this will mean an added eight cents for every \$1 worth of canned fish and salted or smoked meats. Household gas and electricity bills will swell by a straight eight per cent of the gas or current used.

#### Tax Changes At A Glance

OTTAWA, Sept. 12—(CP)—Here are today's new war budget taxes at a glance:  
An excess tax on profits of all companies, incorporated or not based on a rate of 50 per cent of all net income in excess of the average profits of the last four years, with an alternative graduated scale ranging from 10 per cent to 60 per cent on profits in excess of five per cent on capital used.

Individual income taxes increased by a surtax of 20 per cent on Corporation income taxes raised three per cent over present level -- from 15 per cent to 18 per cent, and from 17 per cent to 20 per cent on consolidated returns.

Excise duty on spirits increased by \$3 a proof gallon.  
Beer taxes to an effective rate of about two cents on a quart bottle.  
Excise duty on cigarettes increased by \$1 per 1,000.  
Excise duty on tobacco increased by five cents per pound.

Excise tax on all wines doubled.  
Customs tariff on tea increased from five cents to 10 cents a pound according to invoice price.  
Customs tariff on coffee increased by 10 cents a pound under all tariffs.

#### MAN IN STREET VIEW OF WAR TAX ARRAY

OTTAWA, Sept. 12—(CP)—The man in the street faces a new array of war taxes which will affect his personal budget, his business, his household expenses and his spending money.

Luxuries such as "hard liquor" will cost him about 35 cents more for a 26-ounce bottle and 50 cents more for a 40-ounce bottle. His beer may cost him several cents more for each quart bottle, and the excise on wines will be doubled.

Smoking tobacco prices will be increased, but almost imperceptibly, as excise will be up only five cents a pound or about one-third of a cent on a 10-cent package. Cigarettes will cost \$1 a 1,000 more, or less than three cents on a 25-cent package.

A tax of two cents a pound on carbonated acid gas used to carbonate soft drinks will be negligible in the opinion of soft drink bottlers.

If a citizen is subject to personal income tax under existing exemptions, he will have to add a 20-per-cent surcharge on what he pays when he sends his cheque to the Government.

Household bills will run a little higher, since canned fish, salted and smoked meats, and household electricity and gas bills are now subject to an eight-per-cent sales tax. Coffee and tea will be taxed 10 cents a pound, or five cents on the usual half-pound package.

#### New Zealanders Rally To Recruit In Special Force

LONDON, Sept. 12—(CP)—The ministry of information announced tonight that 2,110 men enlisted in the special New Zealand military force today, the first day of recruiting for this contingent, which will be used either to defend the dominion or as an expeditionary force abroad.

This figure represented only enlistments up to noon, it was added. The force will consist of volunteers enrolled for the duration of the war and one year after hostilities cease.

"The men of New Zealand have made the splendid response which everybody expected on the first day opened for the special military force," the ministry announced.

"Queues formed before the recruiting staffs were at their quarters, and by noon today there had been 1,200 enlistments in the south and 870 in Wellington."

"The complete returns for this first day will not be available until later in the week. It is expected that the number of men required, which runs into some thousands, will have been obtained within a few days. In the national military reserve, which was formed last May, enrolments have risen since the war broke out to 18,000 and over."

Population of New Zealand is about 1,600,000 persons, including 80,000 natives.

#### Important Key City Threatened By French Units

Saar Mining Basin Capital Is Allied Objective — "Strong Enemy Reaction."

#### BULLETIN

(By Charles Foltz, Jr., Associated Press Staff Writer) BASEL, Switzerland, Sept. 13—(Wednesday)—(AP)—Reports reaching Switzerland early today indicated a great artillery duel began during the night in the eastern Moselle Valley between Germany's Siegfried and France's Maginot Lines.

Swiss observers expressed the opinion the British and French staffs were building up an actual assault on the Siegfried Line itself in the near future.

(By Taylor Henry, Associated Press Staff Writer) PARIS, Sept. 12—(AP)—French motorized units were reported tonight driving into the suburbs of industrial Saarbruecken, regarded as the key to the advance positions of Germany's Siegfried Line or westwall.

The French drive on the city put a wedge into the advance fortifications of the main Siegfried line at their strongest point east of this capital of the rich Saar mining basin.

French artillery pounded German lines surrounding the city from the heights in the forest of Warndt, region to the southwest captured by the French last week, and the French were reported to have "slightly turned" the defences of Saarbruecken during the day.

Tonight's communique tersely said:—"Continued progress on the same front as yesterday. Strong reaction from the enemy, notably his artillery."

The area in which fighting took place yesterday, according to last night's communique, was a 12-1/2-mile front east of the Saar River. (Dispatches from the Swiss border Monday night said the French had advanced toward Saarbruecken from the east in a pinching movement.)

Two Objectives  
The French drive was concentrated on Saarbruecken for two apparent reasons:— 1. Capture of the city and bridgehead across the Saar River would force a wide breach in the

advance system of blockhouses and machine gun nests through which the French could drive toward their main objective—the Siegfried line.

As a result of the collapse of this key city all the German positions in no man's land between the Siegfried and Maginot lines in this part of the front would have to be abandoned or risk being crushed by a simultaneous attack from the front and flank.

2. The city's fall would give the French possession of the Saar mining basin, which for its size

is one of the richest in Europe. (Continued on page 3, Col 6.)

#### British Prime Minister Flies To France

(By J. F. Sanderson Canadian Press Writer)

LONDON, Sept. 12—(CP) Cable—Prime Minister Chamberlain who flew to France and back today for an important meeting of the supreme defence council, will tell Parliament tomorrow of the progress of the 10-day war against Germany.

The Prime Minister, making his third airplane flight since he assumed his high office, apparently brought back to England with him the material on which his statement will be based. Immediately after his return from his dramatic secret flight in a Royal Air Force plane, he reported to the King.

Mr. Chamberlain was expected also to tell the House of the British troops, now rushing across French soil to join the French divisions pounding away at the Siegfried Line, and to reply to opposition criticism on British censorship, which has resulted in a paucity of official news.

Tight Censorship  
Just how tight that censorship is to be judged from the fact that Mr. Chamberlain left the country, conferred with high French leaders, and returned and until an official communique told of the council meeting "somewhere in France."

Similarly the Duke and Duchess of Windsor, who were reported to

(Continued on page 7, Col 5.)

#### Many Sources Of Revenue Tapped To Finance War

Tax Increases Cover Wide Range Of Commodities To Provide Extra \$62,000,000 Annually.

OTTAWA, Sept. 13—(Wednesday)—(CP)—The Senate adjourned at 1:35 a. m. ADT today until 10:30 a. m., with several bills still unpassed, and held up the conclusion of the special war session.

OTTAWA, Sept. 12—(CP)—Work of the special war emergency session was completed in the House of Commons at 11:45 p. m. EDT (12:45 a. m. ADT) tonight and it was announced prorogation would be at 12 noon tomorrow. The House adjourned until 11:45 tomorrow morning.

(By Frank Flaherty, Canadian Press Staff Writer) OTTAWA, Sept. 12—(CP)—The House of Commons tonight wrote the Government's war-tax proposals into law with a despatch rarely seen in parliamentary proceedings.

Revenue Minister Ilsley introduced his budget in the afternoon and early in the evening it was approved after a Social Credit amendment was turned aside by the overwhelming vote of 190 to eight.

Rene Pelletier (S. C. Peace River, sponsored the amendment which called for creation of a committee to study ways and means of conscripting wealth and ensuring equality of sacrifice.

After Conservatives, Liberals, C. C. F. and Independent members banded together to defeat it, the House approved the taxing resolutions in the budget and gave first, second and third readings to the implementing bills. These amend the Income War Tax Act, the Excise Act, the Customs Act and the Special War Revenue Act.

The measures impose taxes designed to tap the pockets of every Canadian for financial contributions to the cost of the war against Nazi Germany.

While announcing a "pay-as-you-go" finance policy for the duration of the war, Mr. Ilsley did not rule out the possibility of borrowing or of a small degree of credit expansion. The pay-as-you-go principle would be followed as far as practicable. Additional sums would be borrowed from the Canadian people and in the early stages of the conflict some credit expansion might be in order.

The new taxes affect excess profits, incomes, tea, coffee, liquor, beer, wine, cigarettes, tobacco and soft drinks. No increase is made in the sales tax which stands at eight per cent but the tax will apply to salted or smoked meats, canned fish and electricity and gas used for domestic purposes, all of which have been hitherto exempt.

"Grim and Serious"  
"We are engaged in a grim and serious business," said Mr. Ilsley. "Modern war is a conflict in which whole nations are pitted against one another. The issue may be decided not by the relative strength of armed forces but by the magnitude and efficient use of economic power and by the test of human nerves, the strength of the will of peoples to bear burdens and

#### Important Move Afoot In Italy

ROME, Sept. 12—(AP)—Diplomatic circles tonight expressed belief that a move of the "greatest importance" is afoot in conversations between Great Britain and Italy. Some observers went so far as to say they believed the outcome of the war and the future of Europe may hinge on them.

The conversations have been going on for several days between the British Ambassador, Sir Percy Loraine, and Foreign Minister Count Ciano. Diplomatic sources declined to say what is being said but affirmed their conviction that they are important.

#### War Briefs

OTTAWA, Sept. 12—(CP)—Prime Minister Mackenzie King indicated in the Commons late today that there will be no general election in Canada until after the next regular session of Parliament which will be called in January.

OTTAWA, Sept. 12—(CP)—By a vote of 190 to 8, the House of Commons tonight defeated a Social Credit motion which would have blocked approval of the war budget. It called for the setting up of a committee to consider ways and means of conscripting wealth. The motion was proposed by Rene Pelletier (S. C. Peace River).

#### Appointment Announced Of New Lieutenant Governor

HON. B. W. LePAGE  
the Royal Visit.  
Mr. LePage will take office on October 1st.

BLACKPOOL, England—(CP)—A fireman met an emergency for which he had not been trained when he encountered a 12-foot python while extinguishing a fire in an amusement booth. The serpent was captured in a packing box.

OTTAWA, Sept. 12—It was announced by Prime Minister Mackenzie King today that Hon. B. W. LePage had been appointed Lieutenant-Governor of Prince Edward Island.

He succeeds Hon. George D. DeBios who was appointed on December 28, 1938, but whose term of office had been extended owing to

(Continued on page 2, Col 6.)

#### Coming Events

- Talkies—Murray River Thursday, L-785-9-12-21.
- Talkies—Eldon Friday, L-785-9-12-21.
- Dance, CORAN BARR, September 14th, Refreshments, L-842-9-13-21.
- Dance, Iona Hall, Thursday, 14th, L-838-9-13-21.
- Dance at Hartsville School Thursday night, Music by "Scottie Armstrong," L-847-9-13-21.
- Dance at Kozzy Korner, Vernon, Wednesday, September 13th, L-845-9-13-11.
- Cake Sale at Holmans by Milton A. Y. P. A., September 23rd, L-844-9-13-11.
- Card Party and Dance Kelly's Cross Hall, Wednesday, September 13th, L-809-9-12-21.
- Dance Fortune Hall Friday, September 15th, Buckle's Orchestra, Clifford Peters, pianist, L-801-9-13-21.

#### Situation At A Glance

- (By The Canadian Press)
- LONDON—Prime Minister Chamberlain flies to France for secret meeting of British-French Supreme War Council with Premier Daladier; will speak to Parliament Wednesday.
- PARIS—French motorized units reported driving into suburbs of Saarbruecken, key to Siegfried Line.
- BERLIN—Claim German army, drawing iron ring around Warsaw, pounds Poles on three fronts.
- BUDAPEST—Warsaw radio announces Poles throwing Germans back from Capital.
- WASHINGTON—President Roosevelt indirectly but definitely serves notice that Germany would not be permitted to seize British or French territory in new world.
- ROME—British and Italian diplomats hold secret conferences.
- WELLINGTON—6,665 enrol in New Zealand's military force on first day of recruiting.
- BASEL—German town of Hornbach reported to be a no-man's-land under fire for two days by both Maginot and Siegfried Lines.



HON. B. W. LePAGE  
the Royal Visit.  
Mr. LePage will take office on October 1st.  
Hon. Bradford William LePage has been President of the Executive Council of this Province and first became a member of the Legislature in 1919.

THE ONLY PLACE IN THE WORLD WHERE EVERYTHING GOES IS IN A CLOCK STORE

TORONTO, Sept. 12—(CP)—Minimum and maximum temperatures:  
Dawson 27 50  
Vancouver 45 63  
Edmonton 25 46  
Regina 51 61  
Winnipeg 41 78  
Toronto 53 61  
Ottawa 43 65  
Montreal 48 63  
Quebec 48 63  
Saint John 52 65  
Halifax 53 63  
Charlottetown 55 61

Maritime East: Decreasing winds; mostly fair and cool.  
High tide this morning at 10:00 and tonight at 10:45.  
Sun sets this evening at 6:17 and rises tomorrow morning at 5:36.  
New moon Sept. 13 7:21 A. M.  
Summerside tide 2 1/2 minutes later than Charlottetown.

THE CAR FERRY SAILINGS  
Leaves Borden 9:45 A.M., 1:00 P.M., 4:30 P.M.  
Leaves Tormentine 11:00 A.M., 3:05 P.M., 6:20 P.M.