

Dollars and Cents

Financial News and Views. Intricate Financial Matters discussed in language that anyone can understand.

BANKING :: INSURANCE :: FINANCE

DRAYTON'S FIRST BUDGET

THE Toronto Globe states, "There is little in Sir Henry Drayton's first budget speech to brighten the lives of the Canadian masses." In this respect Sir Henry is no worse than any of his predecessors. A budget speech that would brighten the lives of the masses would be something very extraordinary. Taxation has never been popular, and notwithstanding the fact that we are changing conditions and affairs with remarkable rapidity, we have not yet reached that delightful stage when taxation of any kind will be really popular with the people.

The nation as a whole will greet with satisfaction Sir Henry's announcement that the country has finished borrowing and will now proceed to pay its way. The minister of finance declared that revenue from taxation would be obtained sufficient to pay the expenses of running the affairs of this country from now on. This is good business and will commend itself to citizens of all shades of political opinion. The policy is a good one but the taxation methods proposed to be adopted in carrying it out will meet with strong opposition from Western Canada. Free traders and tariff reformers will get small comfort from the budget speech.

The new taxes proposed are as follows:

(1) One per cent tax on all sales of manufacturers, wholesalers or importers, except on coal and food for man and beast.

(2) Taxes of 10 per cent on the total selling prices of goods to be paid by the purchaser, as follows:

On boots, shoes, etc., costing more than.....	\$ 9.00
On men's and boys' suits costing more than.....	45.00
On fur coats and robes costing more than.....	100.00
On women's dresses costing more than.....	60.00
On men's and women's overcoats costing more than.....	50.00
On hose, hats, neckwear, shirts, purses and gloves cost more than certain specified prices.	
On all fans, opera cloaks, ivory handled cutlery, cut glassware, velvet and silk fabrics, lace, ribbons, silk embroideries and sporting goods.	
On trunks costing more than....	40.00
On valises and suit cases costing more than.....	25.00

(3) Taxes of 20 per cent on the total selling prices of goods, to be paid by the purchaser, as follows:

On cigar and cigarette holders and pipes in excess of \$2.50 each; on all humidors and other equipment for smokers, hunting, shooting and riding

garments, fancy pocket knives, gold, silver, ebony and ivory toiletware, household or office silver articles, jewelry, fur wearing apparel, except those previously referred to, liveries, oriental carpets, expensive carpets and curtains and chandeliers.

(4) A tax of 10 per cent payable by the manufacturer or importer of boats, yachts, canoes and motor boats to be used for other than commercial purposes; on cameras, candy and confectionery, firearms, shells, cartridges, pianos, organs, musical instruments and plated household ware.

(5) A tax of 20 per cent on mechanical player pianos, gramophones, mechanical musical instruments and records used therewith.

(6) A tax of 50 per cent to be paid by the purchaser, on articles of gold, not otherwise referred to, adapted for household or office use.

(7) A tax of 15 per cent on automobiles adapted to passenger use.

(8) Sundry taxes on beer, wine or spirits.

(9) The existing stamp tax on cheques, notes, etc., is increased to 2c. for every one hundred dollars or part thereof. In consequence a cheque for \$210 will now have to bear 6c. in stamp tax.

The income tax has been increased insofar as it affects incomes of \$5,000 and over by the imposition of an additional tax of 5 per cent on top of the existing taxes both for individuals and joint stock companies. As a result of this the tax on a personal income of \$5,000 has been increased from \$100 to \$126 and on a personal income of \$50,000 from \$5,782 to \$9,649. With corresponding increases on all other incomes over \$5,000. The tax affects the incomes of corporations when they exceed \$5,000 similarly. As an instance, a corporation with an income of \$100,000 will have to pay \$10,500 under the new tax as compared with \$8,000 under the old tax.

The business profits tax still remains although determined efforts were made by the business interests to have it removed. It has been cut down to some extent, the new tax being figured on the following basis:

On profits in excess of 10 per cent but not exceeding 30 per cent—50 per cent tax.

On profits in excess of 15 per cent, but not exceeding 20 per cent—30 per cent tax.

On profits in excess of 20 per cent, but not exceeding 40 per cent—50 per cent tax.

On profits over 30 per cent—60 per cent tax.

The old act provides a different scale of taxation for the profits of business with capital of not less than \$25,000 and not more than \$50,000, being 25 per

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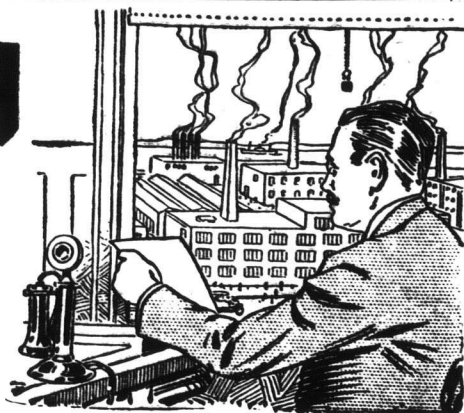
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A FEW FROM A FIVE-THOUSAND FLOCK IN ALBERTA

The Drumheller Valley not only boasts mines which produce good coal, but it is also the home of one of Canada's largest sheep ranches. The above picture was taken at Many Island Sheep Ranch, Manuzul, by Samuel Drumheller, when from 4,000 ewes to 800 yearlings; are now running. These are Rambouillet sheep, a breed which Mr. Drumheller prefers because they are particularly good wool producers. They are also hardy and stand up well through Canadian winters.

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