

NEW TAXES IN PRINCE EDWARD ISLAND

Made Necessary by Large Increase in Expenditures, Says Premier in Budget Speech—Higher Expenditure on Education

REVENUE of \$760,000 and expenditure of \$740,000 for the year ending December 31st, 1920, were estimated by Hon. J. H. Bell, premier of Prince Edward Island, in his budget speech delivered on May 17th. Last year the actual expenditure was \$739,000, but revenue was only \$506,000. In order to provide for big shortage in revenue it was necessary to levy additional taxes. The new taxation bill, which is now before the house, will give between \$250,000 and \$300,000 additional revenue. Teachers will receive \$100,000 more from the government in 1921 and about fifty thousand more in 1920, as their increase in salaries will not start till July 1st. There will be large increase in expenditures for public works. The government is going to take advantage of the federal highway grant. They will borrow \$250,000 by funding the auto license fees and receive \$165,000 from federal government on the 60-40 basis.

This is the first budget brought down by the new Liberal government, and Mr. Bell stated that upon assuming office the first man they approached was the auditor, who informed them that the government that had just gone out had not only expended the two half-year's subsidies from Ottawa, but \$137,000 additional. He also informed them that the government that had just retired had gone behind by \$230,000. It was no use trying to go on without taxation and history bore witness to the fact that governments that put on taxation, invariably went to the wall. They pursued their investigations further; they went to the public works department and there they found the expenditure had been \$306,000 up to September 7th. Asked how much of this had been authorized, they were told the government had not only spent what had been authorized but \$110,000 more.

New Taxation Was Necessary

They, the present party, decided to put the province on a sound financial basis. This they carried out, taxing the rich. There was opposition. The leader of the opposition regarded it as a suicidal undertaking. He also had another argument against taxation, namely, that the Liberal party had promised to carry on the affairs of the province without taxation. It may have been that certain parties and certain newspapers had made such statements, but the Liberal manifesto did not say so. In any case would any reasonable man to-day say that it would be possible to carry on the affairs of this province without taxation. He claimed that the conditions discovered by the Liberal governments on assuming office justified additional taxation.

Hitherto, said the premier, the revenues of the province have been about \$500,000 annually; now they would have to raise about \$750,000. To raise the additional revenue, personal property would be taxed; a poll tax of \$3 would be levied; the income tax would be enforced; lands would be assessed according to their actual value; and a change in the tax on foxes would be made. Mr. Bell also referred to claims of the province against the Dominion government.

Criticizing the budget speech, Hon. A. E. Arseneault, leader of the opposition, said that the government was now introducing measures which it had formerly opposed, and that it was now proposed to levy greatly increased taxes whereas when in opposition the Liberals had been advocating economy.

The Island legislature was prorogued on May 22nd, after being in session since April 6th. One of the last acts increased the salaries of the premier, commissioner of agriculture and the commissioner of public works, from \$1,500 to \$2,000. The attorney-general's salary was raised from \$1,200 to \$2,000, and the sessional indemnity of each member from \$200 to \$500. The total increase will be \$11,500. Only one member, a Liberal, opposed the increases. The opposition leader was offered a salary of \$1,000, which he declined to accept.

LLOYDS' BANK, LIMITED

The available profit of Lloyds' Bank, Ltd., at the end of 1919, after all allowances and deductions, amounted to £2,876,302, to which was added the total brought forward from the previous year, making a total of £3,349,057. During the year the West Yorkshire Bank, Ltd., was taken over and the holdings in the National Bank of Scotland were increased to 96.66 per cent. of the issued stock of that institution. The holdings in the London and River Plate Bank, Ltd., were also increased to 98.15 of the issued shares. Investments in the two institutions now total £7,375,422. Other investments amount to £1,917,786. Total assets are now £377,113,928, and the reserve fund, £9,675,105.

ANOTHER PRIVATE BANKING BUSINESS PURCHASED

J. W. Scott and Son have sold out their private banking business to the Bank of Montreal, the transfer to take effect after the 31st of this month. Neil L. Scott, who is a member of the firm, and has been for a number of years in the office, will be the local manager. J. W. Scott is one of the oldest and best-known private bankers in the Dominion, having conducted a large private banking business in Listowel for nearly fifty years, as well as having offices in Palmerston, Clifford and Atwood, and with the late J. A. Halstead, in Mount Forest, Shelburne and Wingham. Mr. Scott has large business interests outside of banking, and, with T. L. Hamilton, who has been with him for nearly thirty-five years, will continue to look after these, with offices over the Bank of Montreal.

HIGHER TELEGRAPH RATES AUTHORIZED

Increases averaging 32 per cent. in eastern Canada and 20 per cent. in western Canada are allowed on commercial telegraph messages throughout Canada in a judgment handed down by the Railway Commission on May 21st. The companies will be allowed to subdivide the existing rate zones east of Sudbury, Ont., and extend the zones to Quebec province. Flat rates for the zones are increased from 25 cents per message to 30 cents per message, and excess words will cost two cents instead of one cent a word. Scaled increases from 10 cents to 25 cents a word are allowed on the \$1 trans-continental rate, with a special provision to permit the Grand Trunk Pacific to charge \$1.55 to Prince Rupert. Tariffs may be filed at once, based on the commission's rulings, and the rates will come into effect as soon as the commission ratifies the tariffs. The increased rates do not apply to press despatches or leased wires.

In 1916 the board reduced telegraph rates 17 per cent. Between 1915 and 1918 wages have increased 60 per cent. and materials 85 per cent. The increased wage resulting from the application of the McAdoo award in 1918 has so increased the burden of wages as to necessitate increased rates.

In the judgments which Chief Commissioner Carvell and Assistant Chief Commissioner McLean have written, it is pointed out that very little opposition to the increased rates developed at the sittings which the commission held in Victoria, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Fort William, Ottawa, St. John, N.B., and Halifax. Business interests in Winnipeg definitely objected, and formal objection was made on behalf of the merchants in Vancouver, Victoria, Saskatoon, Belleville, Toronto and Charlottetown. Elsewhere it was conceded that the increases should be granted, providing the Railway Commission found that they were justified. Only a limited number of the long list of parties served with notice of the hearings made any submissions at all.

Hon. Mr. Carvell rules that the increased rates may be applied to the portion of the Great North Western Telegraph lines which were formerly the Montreal Telegraph Company in Ontario, Quebec, Nova Scotia and New Brunswick. The legality of this was called in question at the hearings.