

The Herald

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An Objectionable Tax

Announcement that the British Government intends to abolish the Excess Profits Tax over there, stated by Mr. Auston Chamberlain, Chancellor of the Exchequer, heralds the approaching doom of the similar tax in the United States, and we hope in Canada. As an emergent war measure, a measure to raise money when circumstances made necessary the getting of Government revenue by hook or by crook, the Excess Profits tax was excusable; but as a reconstruction or peace tax, it is probably one of the worst taxes ever devised by the wit of man, for it tends to kill business expansion, upon which all taxes depend.

Once the war ended and with it the necessity of war revenue and an approach towards a time when abnormal profits made by many in business during the war, the operation of the tax tended to become both a check to business and an encouragement to reckless expenditure.

In many cases the knowledge that profits would be subjected to this tax led to the incurring of expenditures, which were frequently unnecessary, sometimes extravagant, even though those expenditures were sometimes for plant improvement or plant extension. The combination of these two factors—taxation and high expense ratio—operated so as to prevent the accumulation of any large liquid reserves. And now when the period of advancing prices and good times has been followed by the inevitable period of falling prices and hard times, a much larger number of firms than might be imagined are finding themselves in an embarrassing position, some of them in serious doubts whether they will be able to survive the ordeal or not.

Such reserves as they have are largely in the form of plant that is at present unproductive and stock that is at present unsaleable except at prices that would be ruinous. Everywhere banking credits are being reduced under the strongest kind of pressure and liquidation even at a loss is being forced. And it is just at this time when business men are feeling the pinch as never before, that they are being presented with tax bills on profits earned from one to two years ago, bills which in some cases can only be paid by further liquidation or by the hypothecation of securities which should be available for the saving of their enterprises.

A great deal of loose talk has been indulged in about profiteering and a great many people have come to look upon the successful business man as one who has accumulated wealth more by good fortune than by good management. While it might not be unfair to take from those who amassed fortunes by speculating in a rising market a substantial portion of the profits made so easily, it is decidedly unfair to submit to the same measure of taxation the man who only managed to succeed by dint of hard effort, shrewd management and real business efficiency. The man who fails in business is no asset to the country at all, but the man who because he is efficient succeeds in building up a prosperous

enterprise is a real asset to the country, and care should be exercised to see that under any system of taxation he is left with sufficient incentive to continue an endeavor that is not only to his own advantage but to the advantage of his country. Particularly at a time like the present with so much unemployment, it is of the utmost importance that those who would otherwise be willing to risk their capital in productive enterprises are not deterred from doing so by the removal of the greatest of all incentives, namely the prospect of a reward proportionate to the risk incurred. There are always open to capital two kinds of investments, those that bring a small return but that are absolutely safe, and those that offer the prospect of a larger return but that are more or less speculative. The investment of capital in the latter class will increase employment, stimulate production and expedite the return to normal conditions. But if by removing the incentive capital is deflected to low interest bearing securities, many of the difficulties with which we are at present faced will only be aggravated.—Ottawa Journal.

Canada's Only Means of Paying

The principle of protection of Canadian industries might be ignored entirely in present consideration of the tariff question and there would be sufficient foundation for the existing policy. That foundation would be the present financial position of the Dominion. We have enormous obligations to meet. We can only meet them and have prosperity by producing and selling. We must produce and sell more than we buy or we will have nothing with which to pay our debts and make for prosperity. We cannot do that if we make it easier for our chief producing competitor to sell to us than it is for us to sell to him.

Mr. Meighen presented the case concisely in his address to the citizens of Montreal. Canada owes two billions of dollars and has annual interest charges to meet of 240 millions. This interest must be paid by the profit from our production and sales—on the margin of our sales over our own purchases. "If," said the Premier, "we lower our tariff, against other nations while theirs is maintained against us, we make it inevitable that instead of buying less we buy more and produce less ourselves." The fact has been repeated so often that every body must be aware now that during the last war we bought nearly four hundred million dollars worth of goods from the United States more than that country bought from us. The Americans are not going to provide facilities for an increase of our sales to them. "Is it conceivable, then," asks the Premier, "that this country could seriously think of making their sales easier here?"

The United States industries already have the advantage of our Canadian industries in their larger scale of production. That advantage they employ to the utmost, and it is one of the reasons why we are buying at the present time nearly half a billion a year more from them than we are selling to the United States. Remove the protection our industries have under the tariff and what chance will there be for them? To what sum will the adverse balance of trade of four hundred million of dollars with the United States grow?

Canadians credit themselves with having a high average of common sense. The most unlearned among them have only to exercise their common sense a very little to recognize the absolute necessity for adequate protection and to realize the certain consequences of lack of protection

Tariff is The Real Issue

Montreal, Feb. 3.—The Right Hon. Arthur Meighen, Prime Minister of Canada, speaking as the guest of honor at the citizens' banquet tonight at the Windsor Hotel, made it clear that he was not there to make any new pronouncements, that he would attempt to expound and emphasize the broad lines of policy the Government was following, and in this connection he referred to Canada's national position, pointing out that "the elevation of our status as a British nation has through all the years been a matter of growth rather than of a change, and so it will always be."

Speaking of racial misunderstanding, the Premier said that he had not in all the years of his public life been a party to a statute that in a single line was unfair to English or to French, and he added that he was anxious for a fair distribution of the duties of government which, he stated, did not exist today. He said that a fair distribution of public offices of every kind was a principle that both the great races of Canada should recognize as essential.

As to the policy of the Government in regard to finance and the taxation, "I say look to your tax bills and wait for the budget speech," he said, and pointed out that the country was facing a two billion dollar war debt, which entailed some \$240,000,000 of interest, while its commitments in railways—inseparably unremunerative for some years to come—and other obligations, made up a total of revenue required in the neighborhood of \$400,000,000 yearly.

"The gospel, I preach on this subject is the gospel of pay as you go. A programme of expenditure and borrowing is usually more popular, but we are just at the time when such a policy would be foolishness.

"To get money to pay as we go, new taxes have been imposed, and the principles we have followed are these: We have taken the broadest possible basis of taxation, aiming first to have all, or nearly all, contribute a little."

"Ability to pay would, he said, be mainly the principle of all taxation within the limit that success should not be penalized nor capital burdened.

Hon. Hugh Guthrie, Minister of Militia, also spoke and made the point that just as Premier Taschereau had been elected to the Premiership of Quebec, so the Prime Minister of Canada had in the same way succeeded Sir Robert Borden in the Federal Government. Both procedures were equally constitutional. Mr. Guthrie urged that Quebec should be represented in the Government and deplored the fact that representation from that Province was so meagre in the Cabinet.

Hon. P. E. Blondin, Postmaster-General, urged that all prejudices should be laid aside, and that all should unite for the sake of Canada's destiny. He made a passionate arraignment of those who had reproached him because of his loyalty to the Government of which he was a member. They did not realize the need for unity in a time of great danger, he said.

The hall at the Windsor Hotel was crowded beyond capacity, in all 780 attending the banquet including a deputation of fifty from Quebec. There was such a gathering of citizens as is seldom assembled together, including men of all political parties. Those present included Right Hon. G. J. Doherty, Minister of Justice; Hon. P. E. Blondin, Postmaster-General; Hon. Hugh Guthrie, Minister of Militia; Hon. C. C. Ballantyne, Minister of Marine and Fisheries; Sir Thomas White, ex-Minister of Finance; Sir H. Laporte, Sir Olivier Taillon, who presided with Dr. George Armstrong, and C. Pelletier, Esq., Mayor of the Quebec Bar.

Discussing the tariff policy of the Government, Premier Meighen laid down the exact lines of the Government's position, summing it up in the sentence that, "I want the goods we make in this country to be made here still—add more besides—even though they are the necessities of life," and he urged that success was impossible and that Canada could not grow "as a one-sided field-products country." He also urged

Domination of Canada

Turning to the speech of Hon. W. S. Fielding last night on behalf of the Liberal candidate in the West Peterboro by-election, he said that the report of that speech, in which Mr. Fielding did not suggest the lowering of a single duty in respect of goods manufactured in Peterboro, was in direct contradiction to the Liberal tariff platform as announced at the Liberal convention in Ottawa eighteen months ago. He quoted from that platform showing that the Liberal party had pledged itself to a downward revision of the tariff on many goods which plants in Peterboro were manufacturing, and denounced Mr. Fielding's speech as "a proclamation of infidelity."

"Those of you who have had experience in public speaking will understand my feelings as I attempt now to say something worthy of this event," said the Premier. "There are those who expect, who are always expecting, and who are pronouncing pronouncements of great lines of policy. This country has undoubtedly heavy tasks ahead. It has the special inequalities and evils to ameliorate; it has some class antagonisms to dissipate; it has, unfortunately, racial misunderstandings to dispel; it has to steer a sane and helpful course in the evolution of labor and capital; it has the commercial handicap incident to a young nation to overcome; it has vast resources to develop and at the same time the just interests of the whole people in these resources to preserve. Perhaps you people in Montreal will say as well that have immense railway difficulties to surmount, and you are right. Besides the purely domestic affairs there is the ever-present, and indeed, increasing responsibility of the relationship of the country with our Empire and the rest of the world; of its growth within the Empire, and of our voice in the common concerns of the British Commonwealth compatible with that growth. All these problems are before us; all of them rightly engage the concentrated attention of our public men, and ought to engage the thoughtful study of our people. Even to approach unanimous agreement as to what we should do on any of these subjects is impossible, but in general the principles which the present Government believes sound in the working out of them are known. They have been clearly affirmed in practice as well as in public speech."

"What I have to say, therefore, will not be in the nature of new pronouncements. It will be an humble attempt to expound and emphasize the broad lines that we are following, and that I think we ought to follow in the great work of keeping things right and making things better; of sitting on and getting up as a nation; of resisting mistakes and delusions; of really improving our position and the well-being of our people."

Battles With Death  
New York, Feb. 4.—A real fight for life was held above New York today when fifteen army airplanes bombed the city with smoke bombs and rattled a tank with machine guns in a sham battle to stimulate recruiting for the air service.

While thousands of persons out to their noon day lunch watched the thrilling spectacle, Lieut. Edward Black, an observer in one of the machines, was fighting, unknown to the crowds below, a fire which threatened the destruction of the machine and the lives of his pilot, Lieutenant Ulysses G. Jones, and himself.

Lieut. Black was painfully burned, Black, who was in the gunner's pit behind the pilot, was dropping smoke bombs when one of them exploded in the pit. His face and hands were burned and his clothing and the fuselage of the plane caught on fire. Jones turned and saw the struggle, but was powerless to help. He kept an eye on the nearest river, ready to plunge 2,000 feet below if it should be necessary.

"Black kept his head, however, and grasped a fire extinguisher and pumped its contents on the flames. When Jones saw that his companion had won the grim battle he turned his plane towards Lincoln field, 20 miles away, making the trip in ten minutes.

Province of Prince Edward Island

In the Probate Court, 11th George V. A. D. 1921. In Re Estate of Patrick McKenna, late of Scotchfort, in Queen's County in the said Province, deceased, testate. By the Honourable A. Bannerman Warburton, Surrogate Judge of Probate, &c., &c. To the Sheriff of the County of Queen's County or any Constable or literate person within said County.

GREETING:

Whereas upon reading the petition on file of John McKenna, of Charlottetown, in Queen's County aforesaid, Executor of the last Will and Testament of Patrick McKenna, above named, praying that a citation may be issued for the purpose hereinafter set forth: You are therefore hereby required to cite all persons interested in the said Estate to be and appear before me at a Probate Court to be held in the Court House in Charlottetown, in Queen's County in the said Province, on Tuesday, the eighth day of March next, coming at the hour of Eleven o'clock, forenoon of the same day, to show cause, if any they can, why the Accounts of the said Estate should not be passed and the Estate closed, as prayed for in said petition, and on motion of John McKenna, Esquire, said Petitioner. And I do hereby order that a true copy hereof be forthwith published in some Newspaper published in Charlottetown aforesaid, once in each week for at least four consecutive weeks from the date hereof, and that a true copy hereof be forthwith posted in the following public places respectively, namely, in the Hall of the Court House in Charlottetown aforesaid, at the Store of J. A. MacDonald at Tracadie Cross in Queen's County aforesaid, and in front of the Parish Hall at Tracadie, in Queen's County aforesaid, so that all persons interested in the said Estate as aforesaid may have due notice thereof.

Given under my Hand and the Seal of the said Court [L.S.] this Thirty-first day of January, A. D. 1921, and in the Eleventh year of His Majesty's reign. (Sgd.) A. B. WARBURTON, Judge of Probate.

February 2, 1921—4i



Mail Contract

SEALED TENDERS addressed to the Postmaster General, will be received at Ottawa until noon on Friday, 25th March, 1921, for the conveyance of His Majesty's Mails on a proposed Contract for four years, six times per week, on the route, New Wiltshire Rural Mail Route No. 3, from the 1st July, 1921, next. Printed notices containing further information as to conditions of proposed Contract may be seen and blank forms of Tender may be obtained at the Post Office of New Wiltshire, and at the office of the Post Office Inspector, JOHN F. WHEAR, Post Office Inspector, Post Office Inspector's Office, Ch'town, Feb. 8, 1921, February 9, 1921—8i



Mail Contract

SEALED TENDERS addressed to the Postmaster General will be received at Ottawa until noon on Friday, 11th March, 1921, for the conveyance of His Majesty's Mails, on a proposed contract for four years, six times per week, on the route, Charlottetown Rural Mail Route No. 3, from the 1st July next. Printed notices containing further information as to conditions of proposed Contract may be seen and blank forms of Tender may be obtained at the Post Office of Charlottetown, Bonshaw, Hampton and Clyde River, and at the office of the Post Office Inspector, JOHN F. WHEAR, Post Office Inspector, Post Office Inspector's Office, Ch'town, January 25, 1921, January 26, 1921—8i

J. D. STEWART Barrister, Solicitor and Notary Public.

OFFICE: NEWSON BLOCK Charlottetown. Branch Office, Georgetown

NEW! Boots & Shoes AND..... New Prices Our New SPRING SHOES are coming every day, and its New Prices make you feel good. Every Shoe in our store reduced down to to-day's price. Farmers and Working Men should look here for extra good values in Work Shoes. We have the Stock. ALLEY & CO. Ltd 135 QUEEN ST., CHARLOTTETOWN FASHIONABLE FOOTWEAR

Try Eureka Tea THE TEA that has pleased our Customers for Twenty Years. 60 Cents per Pound. Fleischman's Yeast We are Agents for the celebrated Fleischman's Yeast used by all First-class Bakers. Sold by all City Grocers. R. F. MADDIGAN & CO. CHARLOTTETOWN Now the Prices you've been waiting for are here FOR OUR January Carnival of Economy The old year took away forever, we hope, the old burden of war prices. For months conditions have been working toward the great climax that brought the remarkable merchandise that is here assembled for this our greatest January Carnival of Economy. The results came in two ways: 1st. The drastic lowering of prices on our own stocks, down to the new low basis, and often far below it—to double your interest in January buying in our store. 2nd. We have combed the markets—taking utmost advantage of the opportunities created by far sighted manufacturers who were ready to co-operate with us in presenting to you now the lowest prices that will be possible, for the next six months, at least. We can just see the delight of our Customers when they see the splendid assortment of goods, in every department of our store, and then realize that prices are away down to the bottom, where it is a pleasure to buy things. Many Manufacturers have ACCEPTED LARGE LOSSES. We shall forgo a large part of our profits on the new goods and accept large losses on our own mark-downs—to inaugurate this first New Year under the New Management and THE MOST STIRRING JANUARY PRICE-UPSET THAT THIS COMMUNITY HAS EVER KNOWN. No matter what you need or desire, now is the best time for months to come to buy it. Some of the reasons are told on this page; but scores of others are here that can get no mention today, even in this broad space.

Sale for Ten (10) Days Only Discounts are 1-5, 1-4 and 1-3 We Will Sell All Our Goods at Replacement Prices Patons, Ltd January 5, 1921—4f

Mail Contract

SEALED TENDERS, addressed to the Postmaster General, will be received at Ottawa until Noon on Friday, February 18th, 1921, for the conveyance of His Majesty's Mails on a proposed Contract for four years, six times per week, on the route, Charlottetown, P. E. Island, and Pictou Post Delivery, from the Postmaster General's pleasure. Printed notices containing further information as to conditions of proposed Contract may be seen and blank forms of Tender may be obtained at the Post Office of Charlottetown.

G. C. ANDERSON, Post Office Department Mail Service Branch. Ottawa, December 23, 1920. Jan. 5, 1921—3i

W. J. P. McMILLAN, M.D. Physician and Surgeon Office and Residence 105 Kent Street CHARLOTTETOWN - P. E. I.

McKinnon & McLean Barristers, Attorneys-at-Law CHARLOTTETOWN, P. E. I.

MONEY TO LOAN

Legislative Assembly

Prince Edward Island Rules Relating to Private Bills. 36 All petitions for Private Bills must be presented within fourteen days after the commencement of the session exclusive of adjournment.

37 No Private Bill shall be brought into the House, but upon a petition first presented, truly stating the facts at the petition of the petitioners, and such petition must be signed by the said petitioners.

38 A committee shall be appointed at the commencement of every Session consisting of five members of whom three shall be a quorum, to be denominated The Private Bills Committee to whom shall be referred every Private Bill; and no proceedings after the first reading shall be had upon such Bill until such Committee has reported thereon to the House.

39 So soon as the Committee has reported any Bill, such Bill together with any amendments that may be suggested by the Committee, shall be printed at the expense of the parties, who are suitors for such Bill, and printed copies thereof delivered to the members before the second reading if deemed necessary by the Committee.

40 No Bill for the partition or interest of any person or persons, Corporation or Corporations or body or bodies of people shall be read a second time until all fees be paid for the same into the hands of the Clerk of the House.

41 No Bill moving for its object the vesting in or conferring upon any person or persons, Municipality or Body corporate his title to any tract of land shall be received or read in the House unless at least four weeks notice containing a full description of the land in question has been published in the Royal Gazette and one other newspaper in this Province of the intention of such person or persons Municipality or Body Corporate to apply for such Bill. H. E. DAWSON, Clerk Legislative Assembly

Mail Contract

SEALED TENDERS addressed to the Postmaster General, will be received at Ottawa until noon on Friday, the 4th March, 1921, for the conveyance of His Majesty's Mails on a proposed Contract for four years, six times per week, on the route, St. Peter's Bay Rural Mail Route No. 1, from the 1st July, 1921, next. Printed notices containing further information as to conditions of proposed Contract may be seen and blank forms of Tender may be obtained at the Post Office of St. Peter's Bay, and at the office of the Post Office Inspector, JOHN F. WHEAR, Post Office Inspector, Post Office Inspector's Office, Ch'town, January 21, 1921, January 26, 1921—3i

D. C. McLeod | W. K. Bentley, K.C. McLEOD & BENTLEY Barristers, Attorneys and Solicitors

MONEY TO LOAN Offices—Bank of Nova Scotia Chambers. Charlottetown, P. E. Island