

The Herald

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At The Federal Capital

The all-important Parliamentary event of the week ending May 22nd was the presentation of the budget speech in the House of Commons by Sir Henry Drayton, Minister of Finance. The presentation of the financial statement of the country is, of course, the most important matter of public policy that comes before Parliament, from year to year. While this is absolutely true, generally speaking, special importance and interest have been attached to the budget speeches of our Parliament during the last five or six years, in consequence of the extraordinary conditions existing during, and arising from, the war. Another element that heightened the interest and expectation of members of the House of Commons this session, is the fact that the Finance Minister, Sir Henry Drayton, is new to his office and to Parliament, and has occupied a seat in the House of Commons only a few months. It is fair to say that expectation, and anxiety, if you will, were manifested more or less from day to day as the session had arrived at that stage when the budget might most naturally be expected. It judged by their numerous questions, asked from time to time, as to the probable date of the delivery of the budget, the members of the opposition side were very much more anxious and curious regarding the anticipated financial statement than those supporting the Government.

When Sir Henry Drayton rose to deliver his budget speech on Tuesday, May 18th, there was almost a full attendance of the members of the House of Commons, and a very large audience in all the galleries. During the two hours delivery of his speech, he had the unflinching attention not only of the members in the chamber, but of the greater part, at least, of the ladies and gentlemen occupying the galleries. Much speculation, of course, was indulged in as to what form the first budget speech of the new Finance Minister would take, but the annual financial statement is one of the things, probably one of the few things, concerning which no definite advance knowledge can be secured. Speculation may be rife and all manner of guessing may be indulged in, but the secret of what the financial statement of the country and the ways and means of furnishing the money for the current fiscal year are most carefully guarded. It is most proper that this should be so, for should any advance information leak out it would have an extremely demoralizing and unsettling effect upon the business of the country. It would be impossible within the scope of this correspondence to describe even to the smallest extent, all the important phases of the budget speech. All that is intended is to lay before our readers a brief summary on the most salient features of the financial statement, and the means intended to be employed for raising the money necessary for the public business of the country for the year ending March 31st, 1921.

Before disclosing the actual financial position of Canada...

financial position of Canada... ending March 31, 1920, the Finance Minister, in a general way, laid before Parliament, in a retrospect, an account of Canada's trade and her progress in the development of her natural resources, as well as her manufacturing industries, for several decades past. Under these different headings, it is certain the unfolding of the various operations were gratifying in the highest degree, and absolutely prove that Canada was quite equal in her resources and her energies and her progressive business methods to meet even the heavy obligations imposed upon her as a consequence of the war. The same patriotism, the same energy and the same self-sacrifice aroused during the war, if practised even to a moderate degree, are all that is necessary to overcome what may at first blush seem most formidable and intricate public problems. Without undertaking to present any figures regarding the progress that our country has made in trade and commerce during recent years, a summary of our national debt and our annual revenue and expenditures will now be presented. The Finance Minister showed that the gross debt of the country on the 31st day of March, 1920, amounted to \$3,014,483,772. This gross amount, of course, is to be reduced by various assets, so numerous that it is impossible to mention them here in detail, and the difference between the gross and the various assets constitutes, as everyone will readily understand, the actual net debt of the country. According to the books of the Finance Department, properly audited and everything being accounted for, the net debt is shown to be \$1,935,946,312. At this point, the Finance Minister did a very courageous thing. He enumerated several assets, charged against the gross debt, which he considered were not realizable at least in the immediate future, and he considered it more prudent and more business-like to set them aside, to place them in a suspense account, at least, rather than that they should be calculated as living assets against our gross debts. These various items, of at least doubtful realizability, amount to \$337,359,124. These, subtracted from the total asset for reducing the gross debt increases the net debt by that amount, thus placing our actual net debt at \$2,273,305,436. This, it will be admitted, is a very considerable debt, but it must be remembered that all of it, with the exception of about \$336,000,000, has been incurred by the country in consequence of the war.

Turning now from the country's debt account to the fiscal operations of the year 1920, we find, according to the figures presented by the Finance Minister, that the ordinary revenue of Canada for the fiscal year ending March 31, 1920, was the largest in her history, amounting to \$388,000,000. The ordinary expenditure, on the other hand, reached \$340,000,000. In all these statements round figures are given; the detailed amounts of hundreds and units are not set down, as it is altogether unnecessary to overburden with figures and tax the patience of the reader. According to the language used in describing the fiscal operations of Canada, this leaves a balance on the right side of the ledger amounting to \$48,000,000 or thereabouts, which is applied on the reduction of capital expenditures. As is well known, apart from ordinary revenues and expenditures, there are always expenditures of an extraordinary character, investments and capital outlays annually requiring large amounts, and generally speaking, these are far in excess of the moneys received in the ordinary revenue, and are provided for by...

...taxation, loans, or some other extraordinary means of securing money. For the fiscal year which we are considering, ending March 31, 1920, the capital expenditure amounted to \$187,856,991. These two amounts, that is to say, that for the ordinary expenditure and the capital expenditure raised the total expenditure for the past fiscal year to \$586,741,110. This constitutes the total financial outlay of Canada for the year ending March 31, 1920, for all purposes apart from war. Let this last statement be carefully understood. War expenditures are certainly of an extraordinary nature, and they are in a class by themselves, and considered separately from other outlays. The figures presented for the fiscal year ending March 31, each year dispose of those financial transactions, and leave with us the actual balances created, for or against the country, for that period.

Now the Finance Minister turns his attention to the current fiscal year, that is to say, the year ending March 31, 1921, and presents to Parliament the estimates of first of expenditure and then of the possible revenues to meet these expenditures for the same period. He estimates for the current year a total ordinary expenditure of \$574,000,000, to which must be added an amount of probably \$25,000,000 or more for railway purposes, besides floating debts and obligations maturing during the twelve months, amounting to \$74,058,400, making a grand total of about \$673,000,000, in round figures. Against this revenues are estimated as follows: From ordinary sources of revenue \$381,000,000, cash in hand and outstanding accounts, including balances due from Great Britain, about \$199,000,000, making a total of \$580,000,000. This, subtracted from the total estimated expenditure will leave a balance of about \$100,000,000 to be raised by some extraordinary means. It may be here mentioned that the Finance Minister has eliminated the extra war tax of 7 1/2 per cent. This tax produced revenues of about \$30,000,000 a year. This will be lost in the operations of the current year. How, then, is the deficit of \$100,000,000 to be made up? The Finance Minister announces that there will be no loans, and that the necessary money to bridge over the difference between ordinary revenue as above outlined and the total expenditure will be made up by means of direct taxation. This tax is of various kinds. There is the excise tax, luxury tax, business profit tax, and increase in the income tax. No attempt will be made here to describe these various taxes, as it will take the people a little while to understand them thoroughly. They will require to be instructed more or less, and it is altogether likely that they will not be attractive. It is needless to say that taxation of any kind is, as a rule, not regarded as a very agreeable subject, and in whatever form it may be presented it is certain there will always be a number of people who will object. When it comes, as the greater part of our taxation has been for many years, as a tariff, paid through the customs, and thus in a sense unknown to the customer and consumer, it is perhaps least disagreeable. A great many have hailed against it, however, and have, from time to time, expressed the desire that we should have direct taxation, so that every one would know what he was actually paying. Under the new arrangement, then, there should be sufficient variety for all, as we shall have direct and indirect taxation. Now it remains to be seen whether or not those who may not have considered the indirect taxation quite palatable will take kindly to the direct variety. These are subjects, of course, that will take considerable time to work out. In any event, the intention of the Finance Minister was and is that the direct taxation, considered necessary to meet the balance of expenditure over ordinary revenue, should be paid by those best able to afford it. That is to say, it is regarded and stated to be a luxury tax generally. Whether or not the line between luxury and necessity has been sufficiently advanced remains to be seen. It is possible that whether or not the various forms of direct taxation presented by the Finance Minister will have the...

effect of producing as much revenue as he hopes, they have the effect of lowering prices and thus reducing, to some extent at least, the high cost of living. Should that come about, at least one good effect shall have been achieved by the new fiscal proposition of the Finance Minister.

Ordination at Kelly's Cross.

In St. Joseph's Church, Kelly's Cross, on Sunday morning at 10 o'clock, His Lordship, Bishop O'Leary, ordained to the Holy Priesthood, Rev. Francis McDonald, and Rev. William Monaghan, both natives of the Parish. There was a very large congregation and the full and significant ritual of the church was carried out in all its details. His Lordship was assisted by Rev. Dr. Monaghan as archdeacon and the Rev. Owen Kirgis as chaplain, while Rev. Dr. McGuigan acted as master of ceremonies. The newly ordained priests were assisted by Rev. Maurice McDonald and Rev. Dr. Smith of Kirkcra. During the ceremony the candidates for ordination lay prostrate in the sanctuary offering themselves to God the choir chanted the Litany of the Saints and the Veni Creator Spiritus. The preacher for the occasion was Rev. Dr. Monaghan, who preached ably from the text: "You have not Me but I have chosen you that you may go forth and produce fruit and that your fruits may remain." In his discourse the Rev. preacher dealt on the nature and powers of the priesthood and of how through the apostles and their successors Christ still continued the work of mercy and love which He personally began in Judea and Galilee. He congratulated the young levites on the dignity to which they had been raised and prayed that Christ might guard their annals and their lives and that God might bless and fructify their holy ministry. Rev. Father McDonald is a graduate of St. Augustine's Seminary, Toronto, and Father Monaghan of the Grand Seminary, Quebec, where he won the degree of Doctor of Divinity. Both young priests made their classical courses at St. Dunstan's University.

Bank Robberies in New England States

Boston, May 30.—Several bank robberies and thefts in various parts of the New England States have been reported during the past few days. There was also an attempt to loot a national bank in this state. The city of Vergennes (Vt.) was startled yesterday when it was announced that Charles Strong, cashier of the First National Bank, had shot and killed himself with an automatic pistol. National bank examiners are at work on the books to see if there is a shortage in the accounts, as feared. Strong was widely known in Vermont. Some years ago, Vergennes was the scene of a notable bank wreck, when the Farmers' National Bank closed its doors, and the cashier and vice-president, the latter the lieutenant governor of the state, were arrested charged with extensive embezzlements. As a peculiar coincidence the same state auditor elected on the same ticket, and who afterwards became senator, was arrested and convicted on a charge of embezzling funds from the state of Vermont. Augustus H. Schroeder, teller of the Phoenix National Bank of Hartford, (Conn.) is under arrest charged with misappropriating \$24,000 of the bank's funds. He has been employed by the institution for thirty-three years. Frank Tymn, formerly an actor is under arrest in Chicago, on a charge of embezzling \$21,000 from the Old Colony Trust Company, one of the largest banks in Boston. According to detectives the actual thief is Oscar Buzzell Jessemann, a bank messenger, who was found dead on a train near Rawlins, (Wyo.) last week. Tymn says that after leaving Boston together with the money the two played air on the vaudeville stage in Canada and this country.

Local and Other Items

Subscribers Admonished. As we have not of late made any specific reference to the payment of Subscriptions, we should be exceedingly pleased if our friends would give this matter practical consideration at this particular season.

Farmers of the United States, through the Farmers' National Council, asked Congress for from \$25,000,000 to \$40,000,000 for the purchase of live stock, machinery and other necessities to keep the farms productive.

Advices of May 28th from Saskatoon say: The heaviest wind storm of the season is doing considerable damage to the wheat crop, particularly on high land. Grain in many places is now sufficiently well advanced to avoid damage, but there is no doubt that today's wind will do considerable damage.

The American people are eating candy at the rate of a billion dollars a year, yet they complain of a sugar shortage. Secretary of the Treasury Houston declared in an address before the Bond Club of New York. He said the volume of the national confectionery feast was estimated on the basis of tax receipts for this year.

Bulgaria's 1919 crops were among the greatest in the country's history, and those of this year promise even greater abundance. The country now has so much wheat and maize on hand that she is exporting part of it to Belgium and Poland. The present stocks of these cereals amount to nearly 6,000,000,000 pounds.

A treaty between Canada and the United States covering the "sock eye" salmon fisheries was signed at Washington on May 27 by the Secretary of State, Mr. Colby, for the United States, Ambassador Geddes for Great Britain, and Sir Douglas Hazen for Canada. The treaty provides for the protection, preservation and propagation of the "sock eye" species of salmon, and for the fisheries in waters contiguous to Canada and the United States, and in the Fraser River system.

On May 26th Mr. C. S. Signes, Vice-President, Mr. A. L. Currie, Superintendent, and Mr. E. L. Gibson, Divisional Engineer of the Quebec, Montreal and Southern Railway, were coming towards Montreal in a truck automobile on the Napierville Junction. Railway, when nearing a switch at La Tortue, now St. Mathieu, the automobile left the track and turned turtle. Fortunately all three were spilt out of the automobile and received but few scratches and slight bruises. The motor car is very much wrecked.

The largest Zeppelin in the world, the super Zeppelin L-1, originally designed by Germany to bombard New York and the eastern coast of the United States, will arrive at Pulham from Germany within a few days, having been delivered to Great Britain in accordance with the terms of the Peace Treaty. The Zeppelin, which far exceeds any other ever built in size, has a flying radius of 12,000 miles, a speed of 100 miles an hour, and is one-fourth larger than the R-33. England's biggest dirigible, it has double the latter's engine power. Another super-Zeppelin, somewhat smaller, will be surrendered to the United States by Germany.

Major W. R. Schroeder, holder of the world's record airplane altitude flight, told members of the Chamber of Commerce whom he addressed in Cincinnati on the 27th, that in a few months he expected to make a high altitude flight across the continent, having breakfast at San Francisco and dinner at New York. "At an altitude of 40,000 to 45,000 feet," said Major Schroeder, "the high velocity anti-trade winds alone will carry us over 250 miles an hour, and our engines will add more than a hundred miles an hour to the speed. These terrific winds of the upper atmosphere will make a morning spin from New York to Paris a common occurrence."

Mail Contract

SEALED TENDERS addressed to the Postmaster General will be received at Ottawa until noon on Friday, the 16th July, 1920, for the conveyance of His Majesty's Mails, on a proposed contract for four years, as required, between the Charlottetown Post Office and the Street Letter Boxes, Parcel Receipts, Branch and Sub-Post Offices, on and 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 offices of the Postmaster and the Post Office Inspector, Charlottetown. G. C. ANDERSON, Superintendent. Post Office, Ottawa, May 31st, 1920. June 2, 1920.—3i

CANADIAN NATIONAL RAILWAYS

Change of Time—P. E. I. District

Commencing Monday, May 3rd, 1920, Trains will run as follows WEST. Daily, except Sunday, leave Charlottetown 7:00 a. m., arrive Emerald Junction 8:25 a. m., Borden 9:10 a. m. and Summerside 9:55 a. m., passengers for Summerside transferring at Emerald Junction; returning leave Borden 4:10 p. m., arrive Summerside 6:15 p. m., Charlottetown 7:00 p. m. Daily, except Sunday, leave Charlottetown 7:00 a. m., arrive Emerald Junction 8:25 a. m., Borden 9:10 a. m., arrive Summerside 10:50 p. m., Charlottetown 11:20 p. m. Daily, except Sunday, leave Charlottetown 2:50 p. m., arrive Emerald Junction 4:55, connect with train from Borden; arrive Summerside 6:15 p. m., Tignish 10:00 p. m. Daily, except Sunday, leave Charlottetown 4:40 p. m., arrive Emerald Junction 7:10 p. m.; leave Emerald Junction 9:50 p. m. on arrival of train from Borden; arrive Summerside 10:50 p. m. Daily, except Sunday, leave Tignish 6:00 a. m., arrive Summerside 10:15 a. m.; leave Summerside 11:30 a. m., arrive Charlottetown 2:25 p. m. Daily, except Sunday, leave Tignish 9:00 a. m., arrive Summerside 12:25 p. m., leave Summerside 1:55 p. m., arrive Emerald Junction 3:25 p. m., Borden 4:45 p. m., connecting with second trip of Car Ferry for Mainland points. Daily, except Sunday, leave Summerside 7:05 a. m., arrive Emerald Junction 8:10 a. m., connect with train for Borden and arrive Charlottetown 10:50 a. m. Daily, except Sunday, leave Borden 7:10 a. m., arrive Emerald Junction 8:10 a. m., Summerside 9:55 a. m., Tignish 5:20 p. m. Daily, except Sunday, leave Borden 4:10 p. m., arrive Summerside 6:15 p. m., Tignish 10:00 p. m. Daily, except Sunday, leave Emerald 5:05 p. m., arrive Borden 8:05 p. m. EAST. Daily, except Sunday, leave Charlottetown 6:35 a. m., arrive Mt. Stewart 8:30 a. m., Georgetown 11:30 a. m., Souris 11:25 a. m.; returning leave Souris 1:15 a. m., Georgetown 1:15 p. m., Mt. Stewart 4:15 p. m., arrive Charlottetown 5:50 p. m. Daily, except Sunday, leave Elmira 5:30 a. m., Souris 6:50 a. m., Georgetown 6:45 a. m., Mt. Stewart 8:45 a. m., arrive Charlottetown 10:00 a. m.; returning leave Charlottetown 3:10 p. m., arrive Mt. Stewart 4:15 p. m., Souris 6:05 p. m., Elmira 7:20 p. m. SOUTH. Daily, except Saturday and Sunday, leave Murray Harbor 6:45 a. m., arrive Charlottetown 10:40 a. m., returning leave Charlottetown 3:30 p. m., arrive Murray Harbor 7:25 p. m. Saturday ONLY—Leave Murray Harbor 7:30 a. m., arrive Charlottetown 10:25 a. m.; returning leave Charlottetown 4:00 p. m., arrive Murray Harbor 8:45 p. m. District Passenger Agent's Office, Charlottetown, P. E. Island, April 28, 1920.—4i

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