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Highspots in Recovery Made Across Dominion

Under the title "here's poison for the pessimists," Canadian Business Official publication of the Canadian Chamber of Commerce, in its April edition lists the following as high spots in Canada's recovery.

"From a low point of 30.9 in February, 1933, the general index of industrial production rose to 86.8 in January of this year. From a low in January, 1933, of 91.8 total mineral production rose to 120.6 in January, 1934.

"Manufacturing, as a whole, has made steady progress from February, 1933, when it stood at 58.7 up to 80.7 in January, 1934. Construction showed a gain of 17.8 points this January over January, 1933, and electric power output increased from 131.6 in January, 1933, to 162.9 in January, 1934.

"January, 1934, automobile production in the total of trucks and passenger cars was over double that of January, 1933. Both the railways have shown substantial gains in operating revenue. During the second half of 1933 there were 20 per cent less commercial failures than in the first half. Canadian bank clearings for the second half of 1933 show an increase of more than a billion and a half over the same period of 1932, an increase of over 22 per cent.

"The adjusted index of employment for all industries in February, 1933, was 77.0 and this February it had increased to 91.4. In 1933, our favourable trade balance with the United Kingdom increased from \$51,000,000 to \$143,000,000 while our unfavourable trade balance with the United States was reduced from \$95,000,000 to \$38,000,000."

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Paper at Quebec on Taxation of Mines

Noteworthy Address by Balmer Nelly to the Canadian Institute of Mining and Metallurgy. Warns Against Possible Discouragement of Industry.

At the present time there seems to be a tendency for everybody to seek ways and means for taxing everybody else. It is true that taxes have to be raised somehow, but there is always the danger that undue taxation will defeat its own ends. A lot of thoughtless people jump to the conclusion that as the moment the gold mining industry seems to present a mark for extra taxation. A little thought will show that such an idea can be successful only to a limited extent. The Advance believes that the gold mines at present are bearing about all the tax burden that it is wise to impose. Further burdens in this line are very likely to react in unpleasant ways—reductions in wages or lessening of effort, or similar undesirable conditions. In considering the gold mining industry it should always be kept in mind that the successful gold mines represent only a small percentage of the money invested in gold mines. In other words there are enough losses in attempting to establish gold mines that unless there are good returns from the mines that are established no one would care to take a chance in the matter. The efficiency with which existing mines are conducted may tempt the thoughtless to consider that all is velvet in the gold mining industry but the industry has probably more difficulties to face than other lines of activity. Often the suggestion is made that this property or that is making big money, but in such cases it should be remembered that the same company has spent large sums of money on other properties where the returns have been little or nothing. A success has to be good when it does come. There are some people, however, who would make an exception in the case of gold mines to the principle that returns must be in some proportion to risks. The people of the North are vitally interested in the success and extension of the gold mining industry. They should make special effort to see that the industry is not discouraged or upset by undue taxation.

The matter of the taxation of mines was dealt with very ably by Balmer Nelly at the meeting last week of the Canadian Institute of Mining and Metallurgy held at Quebec. Mr. Nelly's president last year of the C. I. M. & M., said in part:—

"Before becoming specific in my comment, may I first point to the facts that so far as mine taxation is concerned, there are two kinds of Canadians. About 99 per cent of all the people of Canada derive benefit from the mining industry without assuming any direct risk, and the remaining, say one per cent, may or may not benefit, but they do assume all the risks incident to an out-and-out venture.

"Let us now ascertain the revenue presently available to the government through direct levy on earnings or so-called profits. In this study we will ignore, for the present at least, the revenue to Provincial and Dominion Governments derived from: Tax on stock transfers; Sales Tax; Acreage Tax; Excise Tax; Stamp Tax; Filing Fees; Stumpage Dues; Licenses of various kinds; Personal Income Tax; Dividend tax on foreign shareholders or where the dividend is paid in a currency selling at a premium of five per cent, over Canadian funds.

"Let us take as our basis of comparison the record of the seven dividend paying gold mines in Ontario for the years 1931, 1932 and 1933. Figures compiled by the Ontario Mining Association show that the total direct taxes collected by the Dominion, Provincial and Municipal authorities were as follows:

1931	\$1,740,346
1932	2,657,160
1933, estimated	4,634,000
(2 years increase over 260 p.c.)	

If we now work these figures out to show the tax per ton of ore treated, the result is as follows:

1931	43c
1932	59 c
1933	31c

"It is interesting too to work these tax figures out as a percentage of the dividends or direct return to shareholders. We thus find that in 1931 12.3 p.c. of the return to shareholders represented the share paid to those who assumed no risk. The relative percentage for 1932 was 17, and in 1933 this figure will amount to about 21 p.c.

"In the case of McIntyre, and I mention this mine only because the actual figures are available to the writer, the direct taxes collected by these three taxing bodies amount to approximately 16 2-3 p.c. of the earnings, or applying the minimum allowance for depletion as we have shown, the real profits are taxed at the rate of over 32 p.c.

"Can you think of any other basic industry taxed at this rate?

"Prof. Mickle, mine assessor for the province of Ontario, one whose fairness, good judgment and common sense are recognized by all familiar with the subject of mine taxation, presented a paper in 1927 to the Canadian Tax Conference.

"He states that the profit making gold mines in Ontario for the years 1924, 1925 and 1926 paid to the various tax-leaving bodies 11.6 p.c. He then concludes, "Putting it in another way, of the amount available before payment of any taxes, 89.6 p.c. goes to the owners and 10.4 p.c. to the public." . . .

"Long experience appears to show that the maximum amount which may be taken from anyone engaged in an enterprise involving hazard, without discouraging him, is about 10 p.c.

"Since the time this paper was presented I understand the tax on race track betting has been reduced, and in the press one is informed that unless still further substantial reductions are made, a number of the race tracks will be forced to suspend operations.

"Here is an industry, race track betting, that was to be taxed out of existence—that apparently is being taxed out of existence, and yet the mining industry, so vital to Canadian development, is being taxed at a rate approximately double the rate imposed on race track betting. Do you think such a levy on mining is in the best interests of Canada? You must draw your own conclusions.

"And now comes the unkindest cut of all. Some have suggested that because the price of gold has been advanced, the gold mines should have an extraordinary tax placed upon them. Listen to the reason advanced. They explain the increased price as a fortuitous circumstance. That is one statement that ruffles a miner's temper. When a man buys real estate and sells at a profit, he is described as shrewd. If he plays the market and succeeds in winning, he is described as farsighted. If he makes money in his own business, he is efficient, but when a miner succeeds, he is described as lucky and presumably as a victim of fortuitous circumstance."

Race Tracks Taxes Reduced

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Ontario Ball Association Advances Residence Date

The Ontario Baseball Amateur Association has broken off affiliation with the Amateur Athletic Union of Canada for one year, during which time amateur baseball players will not be required to take out A.A.U. of C. cards.

At the annual meeting of the O.B.A.A. at Toronto on Saturday, delegates from all parts of the province agreed to amend the constitution making the drawing of A.A.U. of C. cards optional and eliminating the paragraph declaring affiliation with that organization.

It was contended by one faction that the amateur union stood to lose \$600 by the amendment.

W. A. Smith of Galt was elected president of the association and W. J. Snyder of Hamilton was re-elected to the post of secretary-treasurer.

Doings of the Week in the Legislature

Addresses in Legislature on the "Beer by the Glass" programme. Other Items of Interest at Closing of House.

The following is the weekly letter from the Ontario Legislature to The Advance. It deals chiefly with the "Beer by the Glass" legislation:—

Continuing their record for thumping majorities, the Henry Government was sustained in the Legislature in passing in second reading amendments to the Liquor Control Act providing for freer sale of beer and wine in the province, the vote recorded being 89-9, the largest majority the government has so far been accorded this session.

Beneath this division was recorded a spectacle that has not been witnessed in many sessions according to veteran members of the House, when no less than 12 members of the Opposition voted with the government in carrying the measure, including Progressive Leader Nixon. Only nine of the Opposition members voted against the measure, and only three including Dr. G. A. McQuibban, Liberal Leader, W. E. N. Sinclair, K.C., South Ontario, and S. C. Tweed, North Waterloo, spoke against the measure. Mr. Nixon remained out of the discussion but entered the House to record his vote approving the measure.

Premier Henry and Attorney-General W. H. Price led the attack for the government in urging adoption of the government's policy of freer sale of beer and wine. The Premier made the emphatic statement that the measure will not be proclaimed until after the election, leaving the matter to the electors, which he said is the proper form in all measures where government responsibility is involved.

"My record as a man of temperance thought and action is sufficient guarantee for the statement that as long as I am Prime Minister of the province the Liquor Control Board will control," said the Premier in announcing that hotel keepers and restaurant proprietors will, under the proposed regulations governing the sale of beer and wine, be vendors of the province under the direction of the Liquor Control Board.

The new measure he added is strictly no opening of the "beer floodgates," a temperance move, and there is to be no Hotelkeepers and those charged with authority to sell will be governed and watched closely by officials of the board.

"I want to stress as Prime Minister that this measure is moving along temperance lines," said the Premier. "There is no line of parallel between the old-time bar and the refreshment rooms which will be inaugurated under the act. In the old time bar all liquors were available but not so in the refreshment rooms. Any hotel found with hard liquors will not continue to dispense beer and wine. Control of the sale will be in the hands of the Liquor Control Board but the government will dictate the thought, as it has been doing for years."

Continuing the Premier said: "I am quite ready and so are my colleagues and supporters to assume full responsibility for this legislation confident that this is legislation in the right direction and that the freer use of beer will discourage the use of harder liquors. We are moving toward that goal and we will continue to move steadily onwards and from time to time we will amend the law to fit the conditions of the day."

Attorney-General W. H. Price in moving second reading made the declaration that it is the government's policy to provide a "cheap glass of beer" and further the government intends to see that the price is cheap, under the new law. He stressed the point that not all standard hotels would receive "authorities" to sell neither would there be a wide-open sale in restaurants or any licensed eating place. Col. Price felt the new regulation would wipe out the menace of the home-brew "blindpig" situation, under which he said there are 170,000 home-brew permits in the province compared with 350,000 liquor permits. Under this condition he said the home-brew manufacturers are making more beer than the breweries.

Col. Price made a spirited attack on Rev. Ben Spence and Rev. J. A. Irwin, of the Prohibition Union Forces, charging them with delivering bad leadership in leading the prohibition forces up against a stone wall in their policies of insistence of prohibition. Consumption of liquor and beer had declined, Col. Price pointed out, there being a drop in both over the high figures of 1928.

Dealing with the question as to why the government should change the present act, Col. Price pointed to conditions existing at Ontario's boundaries. In Manitoba, Quebec and in the United States he said wider liquor sales exist, and the United States—once a prohibition country—had the loosest law now of any land. The new law would have rigid enforcement.

"We're not afraid to stand behind it," said Col. Price amid applause. "And what's more go to the country on it. We have reached the point where we have to amend this act and bring it up to date so as to give our law enforcement officers a decent chance to control the situation, and give people a chance for cheaper beer."

The Government was sustained on the division to approve the report of the Legal Committee on the case of Magistrate Daniel McCaughrin of Orillia, the voting being 59-11. (59-11). The report found that the magistrate was inefficient, should have been retired, and that there had been no bargaining or trafficking in offices. The vote was asked for by Progressive Leader Nixon who held that the committee should report only the evidence, but it was argued by Hon. Charles McCrea, Minister of Mines, and chairman of the committee, that the committee

was within its rights in making the recommendations as presented. Mr. McCrea also questioned the tactics followed by Liberal officials in having the aged magistrate offer himself to such a proposition in an endeavour to make something out of the case to injure the Conservative party, while it was also recommended that the government give consideration to the question of providing retiring allowances for such officials, who after reaching a certain age are unprovided for.

Under legislation presented by Attorney-General W. H. Price the word "police" is to be removed from the description of Ontario police magistrates and police courts, under an amendment to the Magistrates' Act.

"It is desirable and in the public interest that the word 'police' be dropped," stated Col. Price. "It leads to the mistaken idea that the magistrate and his court are closely identified with the police force. The magistrate does not function for the police, nor is he really connected with the police force. He is one of the judiciary of the province with authority in criminal and other matters to dispense justice."

Attorney-General Price introduced further amendments to the Liquor Control providing for areas which are now dry under the Canadian Temperance Act to vote for adoption of beer or beer and wine in standard hotels or beer in other authorized places and to permit present wet areas to vote for total prohibition. This measure solidified the amendments previously introduced providing for freer sale of beer and light wines.

Hon. Leopold Macaulay, Minister of Highways, introduced an amendment to the highway traffic act providing for commercial vehicles, disabled on the highways, to have lights or flare placed 200 feet from the vehicle to warn oncoming traffic.

Premier Henry in discussing the estimates, criticized Welfare Commissioner Laver in the latter's charges against Toronto employers, declaring that Mr. Laver had not digested the data he had. The Premier held that if Mr. Laver had digested his information on alleged charges of low wages he could not have given this evidence.

Hon. T. L. Kennedy, Minister of Agriculture, introduced legislation providing for the enforcement of the Federal Marketing Act in Ontario.

Shooting of moose anywhere in Ontario south of the French and Mattawa Rivers is prohibited in amendments to the Game and Fisheries Act introduced by Hon. Geo. H. Chalmers, provincial secretary and Minister of Game and Fisheries. The open season for muskrat south of the same rivers will be established annually by order-in-council through another amendment. This is because of variable climate, conditions which make the present definite open season unsatisfactory in many sections. Power to issue badges to hunters is given the Department and if they are issued, hunters will be required to wear them in a conspicuous place. Blinds and decoys used in hunting water fowl in the waters of Burlington Bay are to be placed not more than 50 yards from shore, according to an amendment, the general province rule allowing them to be placed 200 yards out.

To provide emergency measures in all sections of the province to farmers who are in lack of both feed and grain, Hon. T. L. Kennedy, Minister of Agriculture, introduced a bill to provide financing arrangements. Power is given municipalities to guarantee loans raised by farmers to buy seed grain. The province is authorized to repay to municipalities two-thirds of any money lost by the municipality through having to pay the loans it guarantees.

Stratford Beacon-Herald:—Word from Ottawa says that there will not be much change of lesser taxation during the year 1934. That can hardly be classed as news, because news is telling people something which they do not already know.

BEE HIVE GOLDEN CORN SYRUP

A GREAT ENERGY FOOD

Sioux Lookout Woman Seeks Fortune in England

A despatch last week from Fort William says that a fortune worth millions of dollars built on the bleak shores of James Bay in Canada's north, is sought by persons claiming to be descendants of James Hudson, Englishman who journeyed to Canada in the early days to become a noted fur trader.

Mrs. J. Dickson of Sioux Lookout, Ont., described as one of the heirs to the great estate has gone to England where the estate will be administered in the courts.

Moses Frost, 93, residing with his daughter, Mrs. F. Easton, of Port Arthur and Mrs. John Peever of Vancouver are others who hope to share in the fortune. Mr. Frost is a grandson and Mrs. Peever a granddaughter of James Hudson. Another who has laid claim to the estate is J. Carson, of Kenora.

Mrs. Easton said some 200 persons, descendants of the long-dead fur trader, who reside in Canada and the United States, will receive part of the

fortune when it is distributed. A lost or stolen will left by James Hudson is responsible for the delay in settlement, according to Mr. Frost. He said the will was either lost by his mother or stolen from her in 1867. It was written, he said, on a piece of buxkin and rolled on a round piece of wood. His mother, Mr. Frost added, was the daughter of Hudson.

Sudbury Star:—The existence of a "vocal class" which was always talking about war was deprecated by Hon. Wesley A. Gordon, minister of immigration and minister of mines in the Federal Government, in speaking on a resolution proposed by Mr. J. S. Woodsworth, advocating the banning of export of all Canadian nickel designed for armaments.

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