

### Mascioli Theatre, Schumacher

FRIDAY AND SATURDAY, AUGUST 19th and 20th  
VICTOR McLAGLEN AND LOUISE HOVICK IN  
"BATTLE OF BROADWAY"  
ALSO: POPEYE CARTOON

MONDAY and TUESDAY, AUGUST 22nd and 23rd  
MIDNIGHT SHOW, SUNDAY, AUGUST 21st  
JANE WITHERS and THOMAS BECK in  
"45 FATHERS"

and  
"LONDON BY NIGHT"

With GEO. MURPHY and RITA JOHNSON

WEDNESDAY and THURSDAY, AUGUST 24th and 25th  
DANIEL DARRIEUX and DOUGLAS FAIRBANKS Jr. in  
"RAGE OF PARIS"

ADDED: COLOURED CARTOON AND NEWS

FRIDAY and SATURDAY, AUGUST 26th and 27th  
"DEAD END KIDS" HUMPHREY BOGART and GALE PAGE in  
"CRIME SCHOOL"

PLUS: "ALI BABA and 40 THIEVES" (Popeye Cartoon)

### Social and Other Schumacher Events

#### Mrs. Campbell Angus Honoured. Other Schumacher News.

Schumacher, Aug. 17, 1938.—(Special to The Advance)—Mrs. Z. Fournier and daughter, Pauline, left on Thursday for Toronto.

Born—Sunday, August 7th, to Mr. and Mrs. Frank Lyons—a daughter.

Mr. N. Kennedy, who has been visiting in New Carlisle and Picton for the past two months, arrived home Friday.

Mr. and Mrs. H. Douglas and family left last week for a vacation in Arnprior and Ottawa.

Mr. Ranson Armstrong and Neil MacMillan, of Toronto, were guests of their uncle, Gerald Armstrong, last week.

Ranson Armstrong had worked here nearly twenty years ago with I. E. Dunn, and was amazed at the way the town has grown.

Born—Thursday, August 11th, to Mr. and Mrs. L. Kennedy, 78 1/2 First avenue—a son.

Mrs. C. Stevenson and children are visiting Mrs. Stevenson's parents in Ottawa.

Mrs. E. Angrignon accompanied her husband back to Bellevue Mine, Que.

Miss Raycroft and Miss McOrter, of Ottawa, are visiting Miss Raycroft's sister, Mrs. H. Barrie.

Mr. and Mrs. Carl Prentice left Sunday for a vacation in Fort Stewart.

Miss L. Wing, health nurse, returned last week from a vacation in Halifax Nova Scotia.

Mr. and Mrs. Frank Corris entertained a number of friends on Tuesday evening in honour of Mr. and Mrs. R. Neil, who are visiting here and in the north, from the Ile of Man. Mr. and Mrs. Neil were pioneer residents of Cobalt, returning to their native land a few years ago and this summer decided to pay a visit to the North Country, where they had many friends, all of whom were pleased to see them again.

Mr. and Mrs. W. Douglas, and Mr. and Mrs. R. Douglas spent the week-end visiting in Kirkland Lake.

Mrs. W. Webber and son, Don, left Tuesday for a vacation in New Liskeard and Copper Cliff.

The Child Welfare Clinic will be held in the public school on Friday afternoon, August 19th, from three to five o'clock.

Mr. E. Dunston left Friday for three months' vacation in the British Isles and will attend the annual cricket finals held in London.

Messrs Jim Dillon and Dick Smith, of Toronto, were guests of Miss Nora Dillon, last week.

Mr. and Mrs. M. Capless and family left Saturday for a vacation at Manitowish and Huntsville.

Mr. and Mrs. W. Small left Tuesday for a few weeks' visit in Fort Stewart and New Carlisle.

Miss D. Smith, of Toronto, is visiting at the home of Mrs. C. Swanson.

Mr. G. Armstrong and daughter, Bessie, left Sunday to visit at their home in Birdsville.

Mr. J. Ladouceur, who has been a patient in a Toronto hospital, returned home on Friday morning.

Mr. Frank Warner left on Friday to join his wife and visit his parents in Unionville.

Mrs. Charles Brown left Thursday to visit her mother in Windsor.

On Wednesday evening Mrs. Roy Heath entertained the officers and Past Matrons of the Arbutus Chapter of Eastern Star of Timmins, and also to honour one of their members, Mrs. Campbell Angus, who is leaving shortly to reside in North Bay. The evening was spent playing bridge. The prizes were awarded to Mrs. Greenidge, first; Mrs. White, second; Mrs. Angus, third; and Mrs. McGhie, door prize.

On behalf of the members, Mrs. Angus was presented with a handsome leather hand bag, as a token from the Chapter. Refreshments were served by the hostesses at the close of a very enjoyable evening.

Mr. and Mrs. C. Goode and baby left on Friday for two weeks' vacation in Toronto.

Mr. and Mrs. S. J. Kitchen and sons are spending their vacation at Wawa-tin Falls.

Mrs. Klochhoff and son, John, who have been visiting at the home of Mr. and Mrs. Walter Smook, left for their home in Toronto on Tuesday.

Mrs. S. Hancock, of Hoyle, spent the week-end visiting her daughters in town.

Mr. and Mrs. W. Mair left Saturday to spend a vacation at Temagami.

Mrs. Eytolfson, of Kipling, who has been visiting her daughters, left on Wednesday for her home. Mrs. Buck-

ley and baby, accompanied them on the trip back.

Mr. Lavoie, manager of the local Beamish store, returned Saturday with his bride and will reside on First avenue.

Mr. and Mrs. Clarence Fiendel, who were in town for the Robertson-Bugera wedding, left on Monday to visit at the Sullivan Mine, Quebec.

The Bingo party of the C.W.L. ladies on Tuesday evening in the church hall drew a large crowd and all had a very pleasant time. The draw took place for the winner of a candle-wick bed spread that was won by Mrs. John Skertich, seven Second avenue.

Congratulations are extended to Mrs. J. Sandwith, of town, on her remarkable playing in the golf championship at Iroquois Falls last week.

Mr. and Mrs. E. Welt and son are spending a camping holiday at Wawa-tin Falls.

### Schumacher Manse Scene of Wedding

#### Other Items of Interest from Schumacher and District.

Schumacher, Aug. 17.—(Special to The Advance)—A quiet but pretty wedding took place in the United Church manse on Friday morning by Rev. F. J. Baine, when Helen Mary, eldest daughter of Mr. and Mrs. Sieve Luchen, became the bride of Albert William Roach, son of Mrs. and the late Mr. Roach, of South Porcupine.

The bride, given in marriage by her father, chose an afternoon dress of dusky rose crepe with bolero jacket to match, and wore a brown felt hat, with matching accessories and wore a corsage of sweet peas and snapdragons. She was attended by her sister, Lily Luchen, as bridesmaid, who wore a beige sharkskin dress, and brown accessories, and corsage of pansies. Mr. Sam Roach, brother of the groom, acted as best man. After the ceremony a wedding breakfast and reception were held at the home of the bride's parents, 112 Fourth avenue, where the mother of the bride received the guests wearing a navy blue sheer dress and blue accessories and corsage of roses. She was assisted by Mrs. Roach, mother of the groom, wearing a flowered sheer dress and matching accessories and wore a corsage of roses. Later the young couple left by motor for three weeks' honeymoon to Lake Superior, the bride travelling in a green ensemble and brown accessories. Upon their return Mr. and Mrs. Roach will reside in South Porcupine.

Mr. B. Finlay, of Quebec, was in town last week for the Robertson-Bugera wedding.

Mrs. E. O. Hallett and Mrs. A. Doig entertained at an evening tea, and kitchen shower on Friday evening at the home of Mrs. Hallett, in honour of Miss B. Waddell, a bride of next week.

Born—On Friday, August 12th, to Mr. and Mrs. J. Ladouceur, 105 First avenue—a daughter.

Mr. M. Cavanagh was called to his home in Sault Ste. Marie last week, owing to the illness and death of his father.

Mr. and Mrs. R. Lafferty and family returned Sunday from a vacation in Haliburton and their cottage at Barber's Bay.

Born—Thursday, August 11th, 1938, to Mr. and Mrs. Mauries Wilson, 109 First avenue—a son (Gordon).

Mr. and Mrs. A. Hannah and daughter and Sheila Moran, left Sunday for Snow Road.

Mr. and Mrs. Neil McCalpine, who have spent the past three weeks visiting in Mattawa and Eau Claire, returned home Sunday.

Miss Jean Armstrong, of Kirkland Lake, is visiting her cousin, Edith Armstrong.

Mr. Frank Crooks left Sunday for a vacation in Toronto.

Miss Joan Davies returned home Sunday from a vacation with her parents in Shillington.

Mr. and Mrs. R. Hembluff, of Matheson, accompanied by Mr. and Mrs. Vanhorne, of Mantoulin Island, and Mrs. Nevils, of Mindamow, were guests of Mr. and Mrs. H. Gris, Gold Centre, over the week-end.

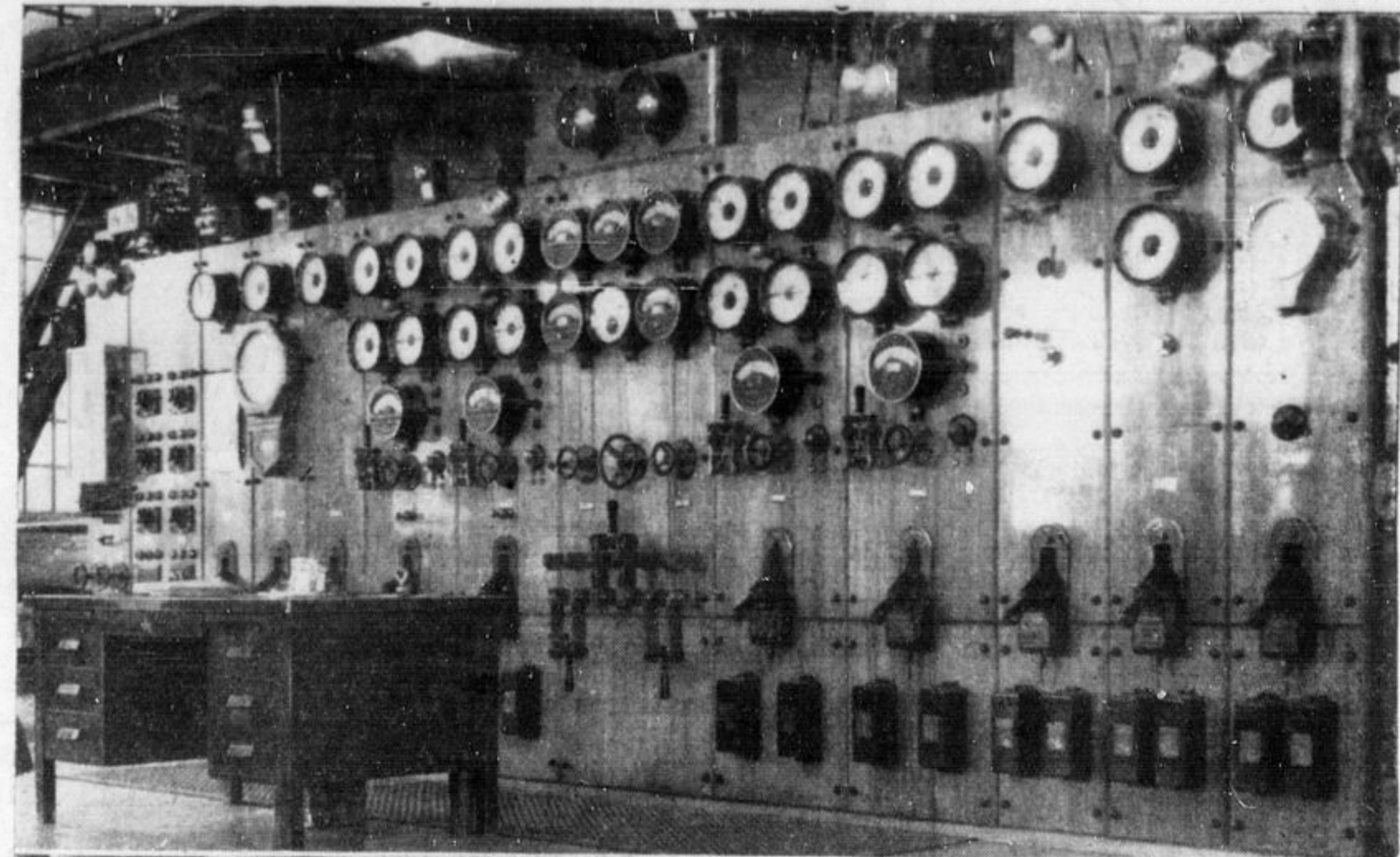
Mr. and Mrs. Lawson Driver left Friday for a vacation in Thessalon.

Mr. H. Waddell, of Mud Lake, is visiting at his home in town.

Mr. A. Sinclair left Saturday for a few days vacation in Larder Lake and Rouyn.

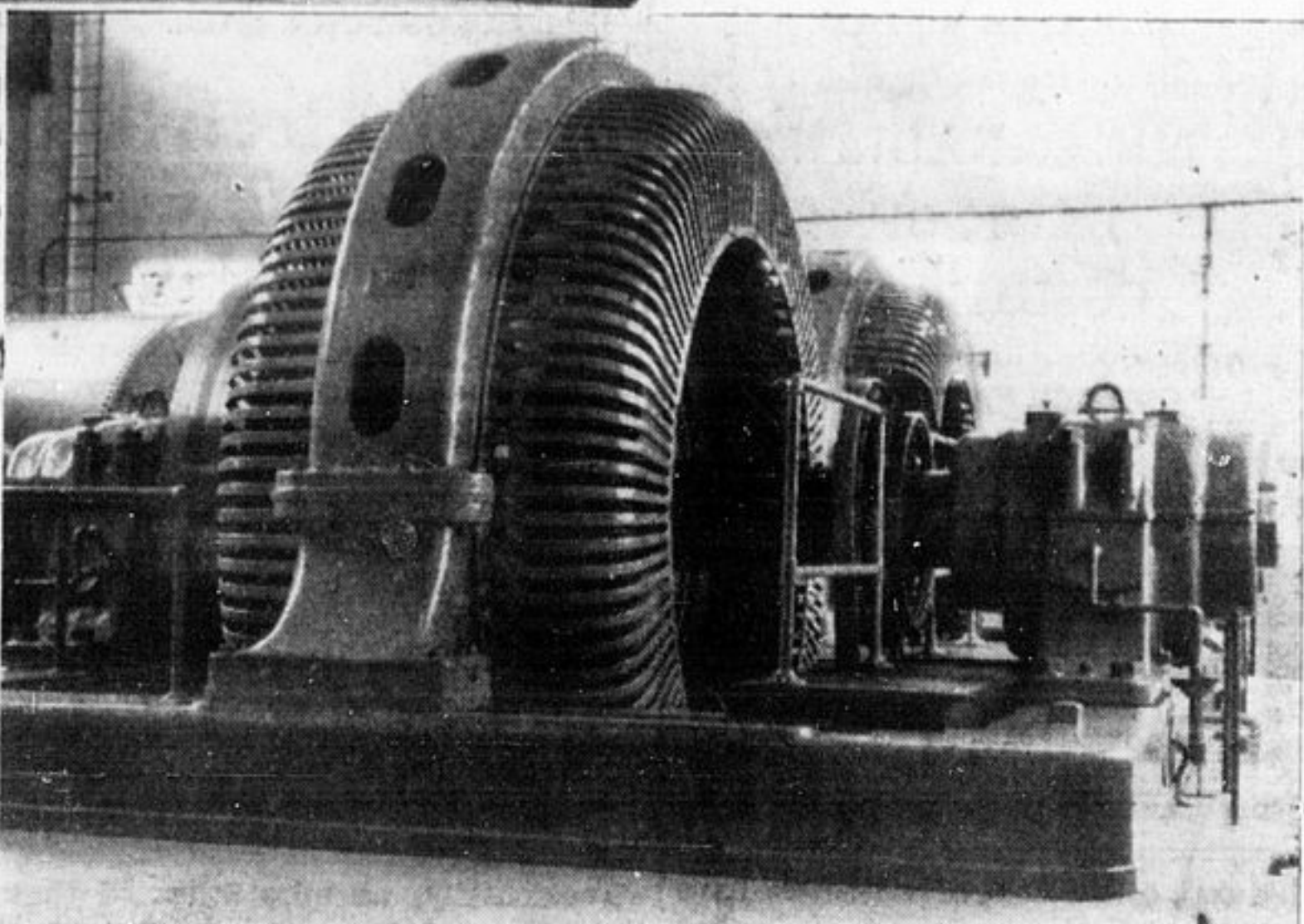
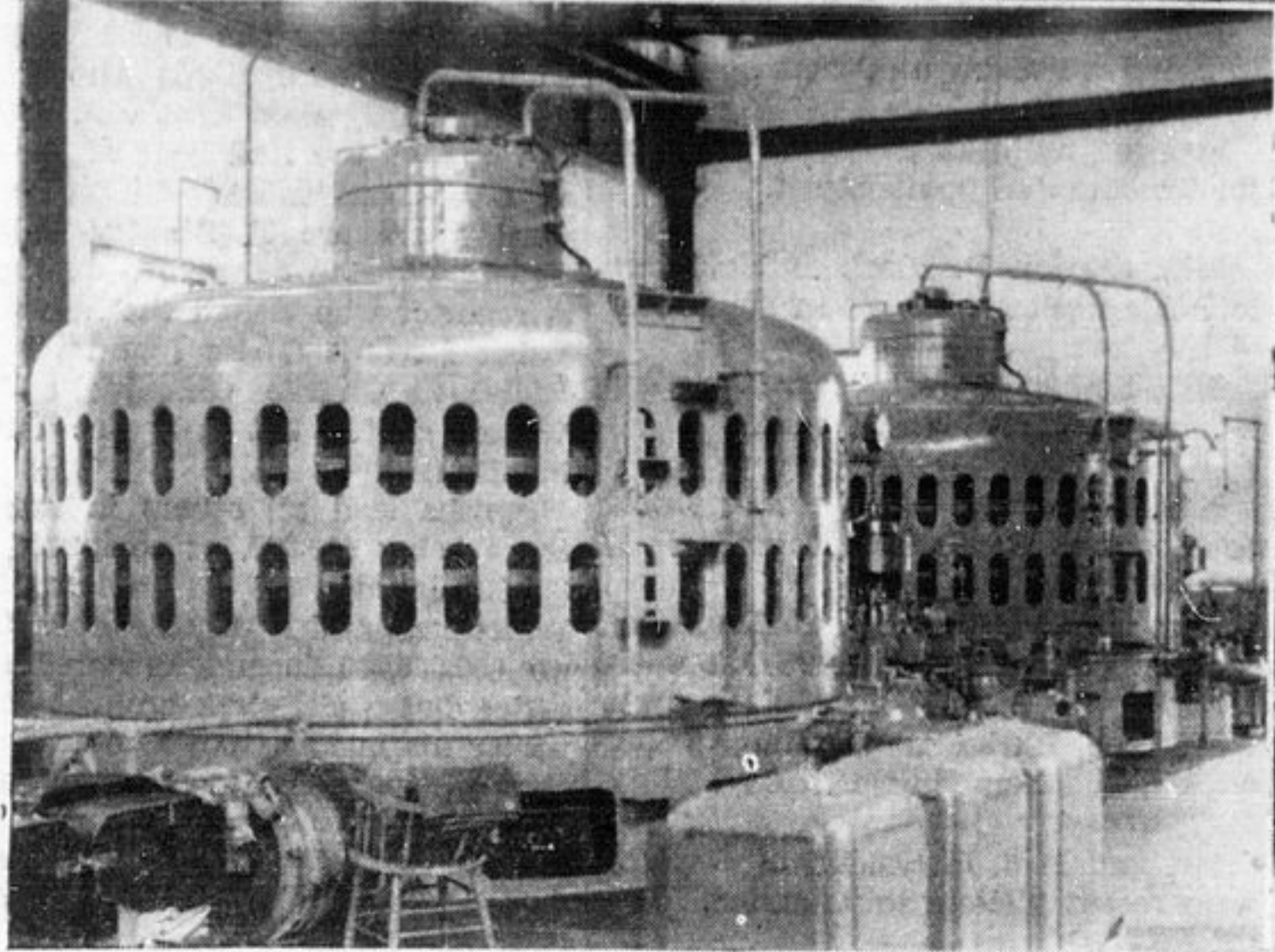
Sudbury Star.—Then of course we are still for the merit system in the public service, even if it turns out, occasionally, that nobody can have more merit than a chap with a couple of brothers in politics.

### CANADA NORTHERN POWER CORPORATION PLANT AT WAWAITIN FALLS,



The Wawa-tin Falls generating plant on the Matagami River, is one of the most important units in the system operated by the Canada Northern Power Corporation and is united with smaller plants at Sandy Falls and Lower Sturgeon in supplying power to the Porcupine Camp. In addition, power is also brought into the hook-up from Quinze River in Quebec, a tributary of the Ottawa. At the left may be seen the huge switchboard controlling operations at Wawa-tin, while at the bottom are views of the two types of generators in use, the pair at the left being of newer design than those at the right. A staff of twelve men is maintained at the plant which has a capacity of approximately 12,000 horsepower. At Sandy Falls 4,000 horsepower is produced and double this amount at Lower Sturgeon.

(Advance Photo and Engraving)



### Wins at Schumacher as Bathing Beauty

#### Miss Grace Yuill, of Timmins, Awarded the Prize. Nine Contestants.

Miss Grace Yuill, of Timmins, was the winner of the Schumacher Lions' Club Bathing Beauty contest, staged at the formal opening of the Schumacher Lions' Club community swimming pool, on Wednesday afternoon. Nine lovely girls took part in the contest, which was managed by Mr. Cully Abrams of Schumacher. A very close runner-up for the title of Schumacher Lions Club Bathing Beauty, was Miss Dannie Presby, of Cochrane.

The winner of the title, Miss Grace Yuill, of Timmins, is a tall and striking brunette. On Wednesday afternoon she wore a green Ripley bathing suit, and after being declared bathing queen, was presented with a beautiful boudoir set, and a purple and gold satin ribbon, bearing the title "Lions' Schumacher Queen". Born in Sturgeon Falls, Miss Yuill is seventeen years of age, and has been a resident of Timmins for eight years. Her home is at 120 Maple street south, and Miss Yuill has made friends in town, who are all happy to know that she was chosen Beauty Queen, and who will all congratulate her on this success. In speaking to The Advance reporter after the event, Miss Yuill said, "There were so many lovely girls in the beauty contest that I gave up all hope," and added, "It was a surprise, but I'm very happy and excited about the whole thing." The ribbon that bears her title, Miss Yuill said she would save and admire in years to come, and the boudoir set she wanted to show to all her friends.

### Minister Replies to Premier's Criticism

#### Defends Amendments to Gift and Income Taxes

Ottawa, Aug. 17.—Amendments to the Income Tax Act passed at the last session of Parliament in respect of gifts and stock trading companies were for the sole purpose of checking tax evasions and constitute no increase in taxation, no taxation of capital gains and no discrimination against the mining industry, Hon. J. L. Isley, Minister of National Revenue and Acting Minister of Finance, said in a statement issued this week.

The Minister was replying to criticism of the amendments recently made by Premier Mitchell Hepburn of Ontario and certain mining interests.

In order to clear up misunderstandings as to the application of the new provisions to mining enterprise, he said, representatives of the industry would be invited to confer with C. Fraser Elliott, Income Tax Commissioner, on the drafting of explanatory departmental rulings.

#### Beyond Comprehension

Mr. Isley said Premier Hepburn's charge that the amendments constituted an affront to the Rowell Commission was "beyond my comprehension." The Commission was a fact-finding body investigating the financial relations between the Dominion and the provinces. It was hoped its report would show a way to the solution of the financial difficulties with which certain provinces had been confronted in recent years.

Following is a partial text of the Minister's statement:

The two income tax amendments which have called forth criticism in certain quarters were passed not for the purpose of imposing any new form of taxation but solely with the object of preventing evasion of existing taxes.

The two amendments which were passed at the recent session of Parliament were intended to strengthen still further the Canadian law against the possibility of tax evasion.

The first amendment related to the gift tax, which was first incorporated in Dominion law in 1935 and which itself was intended to discourage wealthy individuals from making substantial gifts to children or near-relatives in order to place themselves in a lower bracket of income subject to a lower rate of tax.

#### Justified by Results

No one at the time believed that it would yield directly any considerable amount of revenue—and it has not—but it was felt that, especially because a heavy surtax on investment income was being added to the ordinary rates of income tax, already high in the higher brackets of income, there would be a strong inducement for wealthy individuals to make gifts to their near relatives, unless such gifts were subject to a penalty in the form of a gift tax. That was the purpose of the gift tax, and I think it has justified itself by its indirect results.

At the same time, it is abundantly clear that the amendment will not adversely affect provincial revenues. On the contrary, if it accomplishes to any extent the purposes which the Dominion Parliament had in mind, it will tend to maintain unimpaired the sources from which the provinces as well as the Dominion derive income taxes and to preserve intact the estates on which ultimately provincial succession duties will be levied.

The second amendment to the Income Tax Act to which objection has been raised provides that where on winding up or otherwise a company

distributes any assets to its shareholders without sale or at a sales price substantially below the fair market price, "which assets if sold at the market price would create income of the corporation within the meaning of the Act," the Minister of National Revenue shall have power to determine the fair market price of such assets and the company shall be deemed to have sold such assets at the price so determined and thereby to have received income subject to tax and the distributable portion received by the shareholder or member shall be deemed to be a dividend.

#### Prevent Tax Evasion

It is clear from the very wording of this clause that its sole purpose was to prevent tax evasion. The particular case which made it necessary to introduce such a clause was that of a company engaged in the buying and selling of securities, in other words, a trading company, and which for some years had paid without question the corporate income tax on its net profits, but which now proposes to wind up and distribute to its shareholders the securities held in its portfolio without effecting a sale of such securities at current market values which are substantially higher than the book cost to the company.

I do not think that any one would consider that this government had come its duty if such a transaction were allowed to go free of any tax either in the hands of the company or in the hands of the shareholders of the company.

It has been alleged that the new clause involves discrimination against the mining industry. This charge is also without foundation. The clause is wholly general in its terms and applies to companies in all lines of business.

Insofar as the mining industry is concerned, any liability that would have existed under the general terms of the law before the amendment continues to exist in exactly the same manner and to the same extent.

#### Principles Involved

The principles involved in the general law and which are, as principles, unaffected by Section 32B might shortly be stated as follows:

If that which is acquired is work, labor and capital, improved with the intention of selling it as a profit, and it is so sold, then the profit would appear to be taxable on the principle of carrying on business with a view to profit on the very thing that is done.

Or, on the other hand, if that which is acquired is, by work, labor and capital, improved with the intention not of selling it, but of developing it to the point of self-production, out of which production a profit is expected to be made, then, if during the course of the development, or after it has come into the production stage, the thing acquired should be sold at profit, the profit would be a capital gain and not income subject to tax.

Therefore, it is clear that each case must be determined in the light of its own particular facts to ascertain whether that which is secured is an income or a capital gain.

It is clear from what has been said that Section 32B does not impose any special or discriminatory taxes, or indeed any new tax, on the mining industry. Nor is it true, as has been alleged, that the government has been guilty of a breach of faith because of any promise that may have been made not to impose any further taxes upon the mining industry during the lifetime of this Parliament.

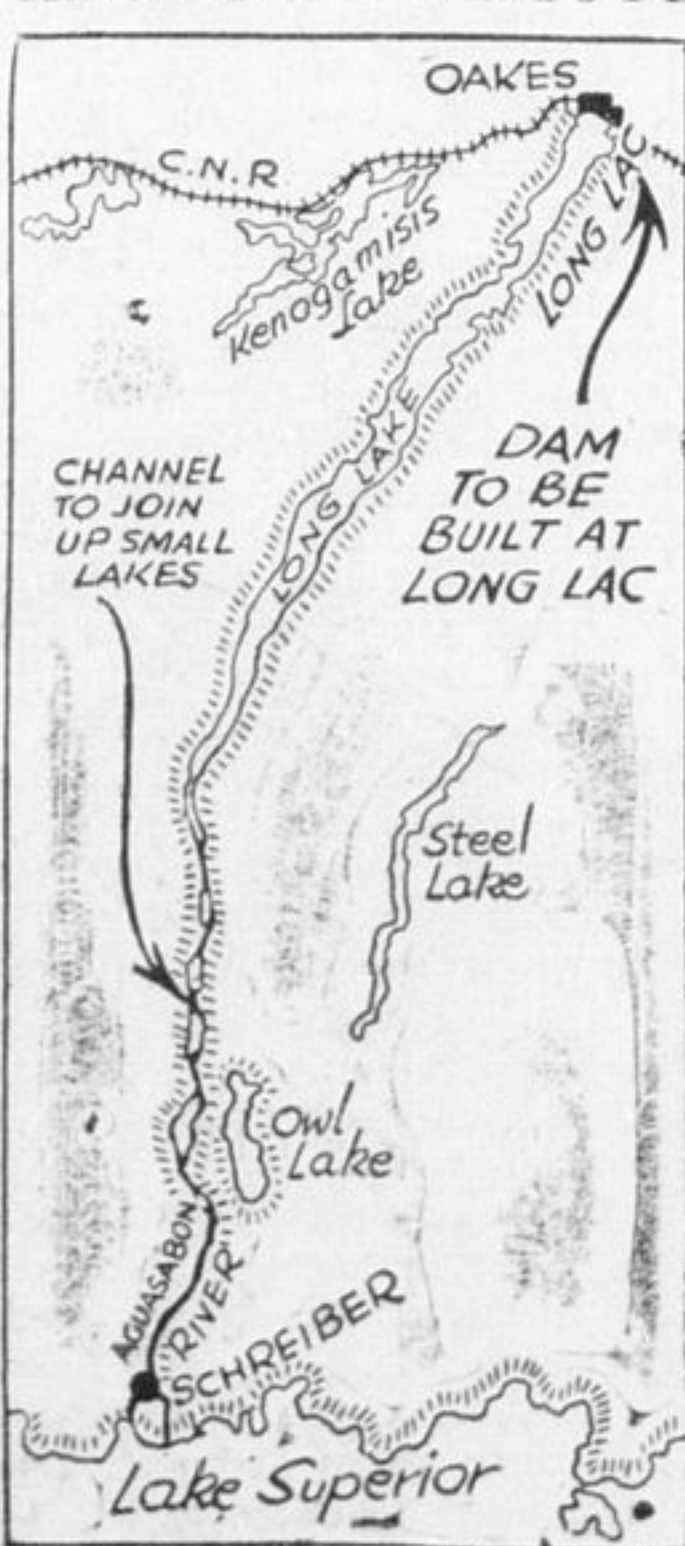
That promise was to the effect that this government would not impose any special or discriminatory taxes on the mining industry.

The Commissioner of Income Tax has just returned from Europe. He is preparing rulings in accordance with principles which have been outlined above, but before they are published, he will confer with the appropriate representatives of the prospecting and mining organizations in order that the misinterpretations which have been prevalent in regard to the new section 32B may be dissipated.

#### No Reflection on Probe

In conclusion, I may refer briefly to the contention that the passing of the two amendments to the Income Tax Act which have been discussed above constitute an affront to the Royal Commission on Dominion-Provincial relations. From what has already been said, the baselessness of

### ARCTIC WATER TO FLOW INTO GREAT LAKES



by the end of the year, according to reports from Fort William, Ont. The map, LEFT, shows location of the development. A \$600,000 dam has already been constructed at Kenogamis lake, 50 miles north of Long Lac Station and a second will be built at the head of Long Lac. The entire project, which will add a flow of 1,250 cubic feet of water per second to the Niagara river either to flow over the falls or for power development and also making possible an increase of \$1,000,000 per year in the revenue from Ontario's forests, is under the control of the Ontario Hydro, headed by Dr. T. H. Hogg.

## Specials

FOR THIS WEEK-END

<b>MINERAL OIL</b>	<b>39c, 69c</b>
Dee-Tee Brand, 16 and 40 ounces	
<b>A. S. A. TABLETS</b>	<b>25c</b>
5 grains each, 100 in bottle	
<b>MILK of MAGNESIA</b>	<b>27c</b>
L. D. A. Brand, 50c value, 16 ounces	
<b>SEIDLITZ</b>	<b>2 BOXES 19c</b>
POWDERS, fresh and fizzy	

Castoria	.59	L.D.A. Kidney Pills—48 doses in box	.29
Pabulum	.45	Gin Pills	.39
Steedman's Teething Powders	.25	Idaphos Tonic and Nerve Food	1.00
Stomach Pdr 3 ounces, L.D.A. Brand	.49	Face-Elle Cleansing Tissues 400's	.25
Welch's Grape Juice 27c	.49	Lady Esther Face Powder Large size	.47
Sal Hepatica Saline laxative 30c, 50c	1.15	Mum Deodorant Easy to apply, Large size	.53
Evo's Fruit Salt; health drink 20c, 47c	.79	Modess Sanitary Napkins 12's	.21
Doan's Kidney Pills	.47	Absorbine Jr. For athlete's foot	.98

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