

FULL SUPPORT OF ALLIED WAR EFFORT PLEDGED AT OTTAWA



As the first session of Canada's 19th parliament opened in a spirit of wartime gravity, the speech from the throne indicated the government's determination "to share in the war effort of the Allied powers to the utmost of our strength." Prime Minister King (Left) who received an overwhelming mandate from the electorate in the recent elections is



seen about to enter the federal House. Only woman member of parliament is Mrs. Doris W. Neilsen (Right), who represents North Cobalt. When the last war broke out this soft-spoken Englishwoman was a student in Bruges, Belgium. She has experienced Canadian frontier life for the last 13 years.

J. P. Bickell Refers to High Mines Taxes as 'Downright Waste'

Shows Injury of Excessive Taxation in McIntyre Mine Annual Report.

Looking at the mining industry generally, it is apparent that the future presents certain and very great difficulties, J. P. Bickell, president of McIntyre Porcupine Mines Limited, says in the company's annual report, in discussing the taxation situation.

"Under wartime conditions, when sacrifice is not only demanded but urgently required," he continues, "one cannot be indifferent to the problems faced by our governments, Provincial and Dominion, in providing the necessary funds to play our full part in the present war. We must win the war, at any cost, and all of us must cheerfully submit to any necessary burdens by way of taxation or otherwise, but it seems to us that in the proper and intelligent planning of the necessary wartime financing there should ever be kept in mind the problems that this to provide for a three per cent increase

"The necessary appropriation for taxation has taken another upward surge to provide for a three per cent increase (to 18%) in Dominion income tax levy and an additional three per cent levy made under authority of the Ontario Corporations Tax Act. In addition to these two increases, the Dominion Excess Profits Tax Act, passed in 1939, and which applies to the profits of 1940, provides for a tax on profits in excess of five per cent of the capital employed, or as an alternative, 50% of the profits in excess of the average annual profits for the years 1936, 1937, 1938 and 1939, and unless this act is amended during the coming session of parliament, it will constitute a restraining influence against the increased production of gold in this country.

"The rates presently levied against the mining industry in Ontario do not tell the whole story. To illustrate this point, let it be noted that the Dominion income tax authorities, in computing the so-called profits to be assessed for their 18% levy, allow no deduction for the Ontario corporations tax on income (five per cent), and no deduction for the Ontario mining tax (one to six per cent, graded according to the amount of the computed so-called profits).

"Consistent with the precedent this established by the Dominion government, the Ontario authorities, in establishing the tax payable under the provisions of the Ontario Corporations Tax Act, make no allowance for the tax levied under the terms of the Income War Tax Act or the Ontario Mining Tax Act, and in computing the Ontario mining tax, no deduction is allowed for the Ontario corporations tax paid.

"It is quite apparent then that assessable income and real profits are two entirely different things, or, putting it another way, there are in practice substantial surtaxes added.

"The records in Ontario will we believe show that of all the mining companies organized since 1907 less than one in two hundred has developed into a successful venture. Investors or speculators in unsuccessful mining ventures naturally look to profitable companies to compensate them for the losses sustained in the unsuccessful. The profitable companies must provide for the return of capital invested in their enterprises, and in addition pay profits sufficient to encourage and justify the risking of additional funds in prospecting and developing.

Naybob Gold Mines Had Output of \$43,548 in April

Naybob Gold Mines, Porcupine district is reported to have produced \$43,548 from milling of 4,346 tons of ore for an average recovery of \$10.02 per ton in April, bringing production for the first four months of this year to \$167,390 from 16,724 tons for an average recovery of \$10 per ton. Production for the last four months of 1939 amounted to \$155,584 from 16,228 tons for an average recovery of \$9.59. Gross production since commencement of milling operations, including test milling, approximates \$471,350.

consideration a group of claims worthy of development may offer to sell his claims to an investor on terms which require the investor to assure 100% of the risk involved in development, but, owing to the present rate of taxation, no possibility of retaining more than about two-thirds of the profit, if profit there be. This division of profit, as against the risk, discourages any hope of the continuance of the industry upon anything like its present scale.

"Prospectors are discouraged. Last year in Ontario there were 9,086 mining claims abandoned against 6,772 staked. The reluctance to venture capital under present conditions is indicated by the small number of non-producers under development. Over 91% of Ontario's gold production in 1939 came from properties that were staked and explored more than 10 years ago. Even among our older and larger producing mines, we find in some instances tonnage being reduced, men being laid off, and that in some cases dividends are being either reduced or threatened.

"Excessive taxation destroys ore. It shrinks production, limits jobs and adversely affect general business. In the end it diminishes revenue to be derived from taxation. Further taxation will result in downright waste, for stopes once abandoned are seldom reopened.

"In short, an industry that should be encouraged to the point where it may play a very important part in after-war industrial adjustment, is being sacrificed rather than fostered.

"Gold mining companies sell their product at prices arbitrarily fixed without regard to the cost of production. They cannot transfer the tax burden from their own shoulders, and must therefore adjust the grade of the ore treated to meet the added cost. This means that all ore grading below that needed to meet current requirements must be abandoned and consigned to waste. The gross value of that ore thus abandoned is lost to Canada, and the work involved in mining and milling it is lost to Canadian workmen.

"The future success or failure of Canada's mining industry is not something that concerns the mining industry alone. Whether it is appreciated or not, there are few industries in Canada that have failed to profit by the quickening influence of the new wealth that Canada's mining companies have been distributing during the years that are past.

"The future success or failure of our mining industry is not something that concerns shareholders only. It is a matter of grave concern to our employees and to our employees' families. It is a matter that will determine the future of our prospectors and all those pioneers identified with the development, and colonization of our great Northern areas.

"Criticism of this kind may be resented in certain quarters and described as selfish and unpatriotic, but the truth must prevail, and in times like the present, one must be prepared to pay the price imposed against constructive but unpopular comment."

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North Cobalt Man in Hospital With Bad Knife Wounds

Companion Arrested on Drunk Driving Charge.

The Halleyburian on Thursday last had the following in reference to a serious fracas at North Cobalt:—

Bradren Bolger, aged 20, went to hospital with knife wounds in his chest, and John Molyneux, same age, was locked up on a charge of driving a motor car while intoxicated, as the result of an affray on the street in North Cobalt at about 11.30 on Saturday night last. Bolger is not seriously injured, it is stated, although he lay on the side of the street for nearly an hour after receiving the wounds and lost of considerable blood. Molyneux is being held on the drunken driving charge meantime.

Provincial police headquarters here was called when Bolger was found by Jas. McCauley, and Constables Fred Simpson and Norman Reilly went to North Cobalt to investigate. Before their arrival, the local policeman had also been notified and had the wounded man removed to hospital.

The officers learned that the two men had been out in a car owned by Molyneux's father, together with George Anderson and that quarrel had arisen between Molyneux and Bolger, resulting in the wounding of the latter. The knife, or whatever instrument had been used, was not found by the police, who said that evidently the men had got out of the car to settle their differences. It is alleged they had been in Cobalt earlier in the evening and had been drinking.

Mr. McCauley and his wife had seen the man lying on the roadside as they went out to call on relatives, he told the officers, but paid no attention, believing the man was simply drunk. When he was still there as they returned they looked closer and found that he was injured, then got in touch with the police immediately.

Aerial Photography Plays Big Part in Prospecting

The important part played by aerial photography in the developing of Canada's natural resources is revealed in the Annual Report of the Department of Mines and Resources, Ottawa, for the fiscal year ended March 31, 1939, which is now published.

This is particularly reflected, the report states, in the large number of visits to the photographic library by engineers, prospectors, geologists, timber operators and others to examine photographs covering areas in which they were interested.

Some 55,390 new photographs were added to the library during the year, bringing the total available for examination to about 784,500 prints. These cover an area of approximately 840,000 square miles, well distributed over the different provinces. A total of 18,800 square miles of the drought areas in Saskatchewan and Alberta were photographed during the year. Of the resulting 14,480 prints, some 10,000 were indexed, interpreted, and assembled in municipality folders, of which 112 were forwarded to the western authorities. This work involves a detailed analysis of the air photographs, in which land classification and utilization, natural drainage, water storage, and possibilities of irrigation are studied.

Moneta's Net Profit Totalled \$519,433 For the Fiscal Year

Annual Report for Year Issued Last Week.

Toronto, May 18th—Annual report of Moneta Porcupine Mines, covering year ended March 31, 1940, issued yesterday, shows net profit of \$519,433, equal to 20.4 cents per share upon 2,543,860 shares issued out of total capitalization of 3,000,000 shares, compared with net of \$467,325, equal to 18.3 cents a share upon the same issue in the previous year.

Bullion production was \$1,100,306 and with sundry income of \$24,260 added, total income was \$1,124,567. Operating mine expenses were \$428,152; provision for taxes, \$40,445, and outside exploration, \$9,900, making total of \$478,497 and bringing operating profit down to \$646,067. From that was deducted \$47,727 for preliminary development, \$63,906 for depreciation and \$15,000 for contingencies, leaving net profit as above.

In the previous year production reached \$1,022,456 and sundry income \$8,465, bring total income to \$1,030,921 with total deductions of \$668,142, leaving net profit at \$467,325.

Working Capital Up Balance sheet shows current assets of \$949,215, including cash, \$192,069; bullion, \$43,501; bonds and stocks, \$571,515; call loan, \$140,237; and accounts receivable, \$1,891. Current liabilities were \$165,039, including dividend of \$76,315 paid on April 15, leaving working capital at \$784,175, compared with \$524,835 at the end of the previous year. After payment of four dividends of 3 cents per share each, balance to surplus on March 31, 1940, was \$586,317.

President Walter E. Segsworth, in accompanying report, says ore reserves are sufficient for two years milling operations at present rate, that exploration of the mine will continue vigorously at depth and that the company has taken an interest in two exploration operations in Quebec, with the intention of further widening exploration efforts.

No New Orebodies

Report of J. D. Barrington, mine manager, states that 63,051 tons of ore was milled during the year, a daily rate of 173.9 tons. Recovery was further increased by installation of additional flotation equipment. Recovery during the year was \$17.45 per ton milled, or \$13.71 per ton for all material hoisted. Shaft has been deepened to 1,455 feet and stations cut at 1,125, 1,275 and 1,425 feet. Lateral work was carried out on 1,425 level and additional work on levels above 975 but nothing was done on the 1,125 and 1,275 levels. The above work has not shown any new orebodies, though extensions of the original body were developed below the fourth level, particularly toward the south and southwest.

Reserves at year-end are placed at 135,229 tons grading \$19.46, of which 8,340 tons of broken ore is estimated to run \$16.43 per ton and 126,889 tons still in place grading \$19.66. At the end of the previous year reserves were estimated at 182,279 tons, grading \$19.53. Cost per ton milled during last year was \$6,728 per ton, compared with \$7,793 in the previous year.

Twenty Years Ago

From The Porcupine Advance Files

One of the chief matters of discussion at the meeting of the town council twenty years ago was the report of Town Engineer Henderson who recommended a number of changes in the waterworks by-law. He called special attention to the fact that the installation of water pipes inside houses was improperly done in a great many cases. In many instances the pipes were not even protected from frost. He also pointed out that the running of taps during cold weather to keep the water from freezing cost the town about \$400 per month. He suggested an inspection of premises before the following winter so that orders might be given for improvement of conditions. Council gave him the necessary authority for the proposed inspection. The council also agreed to have a new waterworks by-law prepared under the direction of the town solicitor. The amended by-law was to provide that schools should pay water rates, but churches were to be exempt, though required to pay for repairs. It was also decided to have a new plumbing by-law separate from the waterworks by-law. The council made a grant of \$500 to the Halleybury hospital in view of its service to this part of the North. Timmins people had contracted debts at the Halleybury hospital to the amount of \$1300 still unpaid, and council also considered the fact that the Halleybury hospital had never turned away any patient no matter where they came from or whether they could pay or not.

Reference was made in The Advance twenty years ago to a new prospecting and exploring company formed in the Porcupine. It was called the Herman Exploration and Development Company, Limited, and the officers elected were: president, C. V. Gallagher, South Porcupine; vice-president, W. R. Sullivan, Schumacher; secretary-treasurer, J. R. Todd, Schumacher, directors, J. E. Boyle, Jos. A. Herman, C. B. Morgan, of South Porcupine.

The St. Matthew's tennis club organized for the season twenty years ago. The officers elected were:—Rev. R. S. Cushing, honorary president; H. C. McDonald, president, Mrs. R. W. Robbins, vice-president, W. S. Macpherson, secretary-treasurer; G. S. Lowe, captain.

Twenty years ago the Timmins lodge of the Loyal Orange Young Britons observed the anniversary of the founding of their lodge here by attending divine service in a body. The local L. O. L. was represented in the parade and there were about 30 in the line of march to the church. Rev. J. D. Parks delivered an inspiring and appropriate address to the lodge.

The Advance twenty years ago said:—"Messrs. J. Ryley and Harry Enderson left this morning for Windsor, the latter intending to stop over at Toronto for a few days to visit friends there. Messrs. Ryley and Enderson have been at the Hollinger for some years past and have made many friends in the camp who will wish them all sorts of success and good luck in their new homes in the south. Mr. Ryley has also been a faithful and efficient member of the local fire brigade for some time past and will be much missed."

There was an enthusiastic gathering of baseball fans held twenty years ago in the council chambers, Timmins, to organize the Timmins Baseball Association for the season. The following officers were elected:—president, H. C. McDonald; vice-president, J. W. Fogg; secretary-treasurer, W. Woodbury; honorary presidents, A. F. Brigham, Dr. McInnis, C. M. Auer. The meeting decided to have a twilight league to include teams from the town only and also favoured a Porcupine Baseball League to take the Porcupine-Dome, Schumacher, Hollinger and Timmins teams.

The mass meeting called twenty years ago to discuss the proposition of a community building or G.W.V.A. building as a memorial was attended by about twenty people. In opening Mayor Dr. McInnis expressed regret at the lack of interest the small attendance seemed to suggest. The mayor outlined the need for a community building here. He thought such a building, with special accommodation for the returned men, would be the best sort of memorial for those who went overseas for this district. There were three plans put forward. One was for a municipal building and community building, but Dr. McInnis thought the cost of this plan was prohibitive for the time being. The second plan was for a community building on the athletic grounds, with a swimming pool, gymnasium, all accommodation for sports, etc., and special quarters for the G.W.V.A. This scheme he thought quite practical and proper. A brick building to answer that purpose would cost \$47,000 while a stucco finish structure would come at around \$5,000 less. J. W. Reed said \$400 cash had been promised for the proposed community building with around \$6,000 more in sight. He did not think the scheme could be carried through. T. F. King thought the subscriptions taken should be returned, as he did not think the necessary finances could be raised. Rev. R. S. Cushing referred to the need for a community building, especially for the young people. He thought the necessary amount could be raised if the matter was kept well to the front. Councillor E. L. Longmore, while in favour of the proposed plans in a general way, doubted whether the financing could be done. Fire Chief Borland favoured the community building. He referred to the number in population who never gave a dollar to these causes yet would benefit from a community building and he suggested that financing by town debentures might make it so that all would contribute equitably. G. A. Macdonald said that some of the difficulties encountered so far were

Premier Churchill Finds Relaxation in Painting Pictures

British Statesman Recommends Painting as Hobby

(By Percy Givett)

At Centre Island the other day there was a frosty nip in the air. Spring was certainly at hand, the blue and white scillas, the yellow and mauve crocuses in the flower beds, announced with confidence. Hundreds of wild ducks—brown specks on the silver bay—were sure of it too, for they swam diving and flew with unmistakable springtime enthusiasm. Here and there on the banks of the lagoons chilly anglers stood patiently and tried to believe that spring had returned, though their red floats bobbed only with the surface ripples and not with the snap of a fish. But, with collar turned up and hands thrust deep in the pockets of a snugly buttoned coat, we knew that spring had come to the Island.

For the trunks and branches of the dogwood bushes were as red as the wings of the airplane above us. Long rows of willows had come to life in that yellow, almost orange garb of early May. Trees still in the dark lacy of winter branches displayed sticky buds, soon to make a lovelier pattern. From the rocks of the breakwater the lake shone with a million flashing facets of light, and looking east toward Scarborough, the hills were soft purple.

Painting Eased Mind

So there you are—red shrubs, yellow trees, purple distances and a lake of liquid fire! It is because an artist tries to paint such things that we see such extraordinary results sometimes. Yet his most vivid tint or haunting hue becomes a drab and sober shade beside the radiant originals of nature—when you hunt for them.

And should you yearn for a guide in this quest for radiant colour in land or seascape, we commend you to the care of Winston Churchill. At the moment his attention is concentrated on the destiny of an empire. But, in one of his books, "Amid These Storms" the story of his adventures with a paint brush provides a fascinating chapter for all who like to think of art and art appreciation as an accessible joy, and not as a monopoly of the highbrows.

Churchill's state of mind when he turned to painting for joy and serenity amid the storms of war and politics, is thus confessed. "When I left the Admiralty at the end of May, 1915, I still remained a member of the Cabinet and of the War Council. In this position I knew everything and could do nothing; I had vehement convictions and no power to give effect to them; I had enforced leisure at a moment when every fibre of my being was inflamed to action."

Lady Urged Him Splash

And the thing that brought peace to his restless mind was a child's box of paints. He toyed with the water colours one Sunday in the country. Next

due to the confusion resulting from some advocating one plan and some another. All were agreed on the need for a community building, but at the same time consideration for the Veterans should be the chief consideration. He suggested the meeting go on record as in favour of starting a campaign for a community building, with ample accommodation for the G.W.V.A., and with the distinct understanding that if the amount for the larger plan could not be secured as expected, the amount actually obtained should be used to provide suitable quarters for the G.W.V.A. This plan would show whether the people were willing to support the larger or the smaller plan.

day he bought a complete outfit for painting in oils. It was while he was making his first small and timid stroke of blue sky on an immaculate canvas that the wife of Sir John Lavery portrait painter, descended upon him and laughed at his timidity. She grabbed the biggest brush, splashed it into the turpentine, "walloped" it into the colours on the palette, and then made bold and fierce strokes in the canvas. Churchill was fascinated. "I seized the largest brush and fell upon my victim with Berserk fury," he says. "I have never felt any awe of a canvas since."

Many an amateur artist, however, will tell you that the production of pictures either at fever heat or plodding pace, is not necessarily the chief delight of painting. All too often the creations are flat and lifeless daubs. What does bring an unfeeling thrill is the vastly enhanced appreciation of form and colour that makes every stroll in the country a miracle. There develops a heightened and sharpened sense of observation, a mental habit of composing a glowing landscape at every turn of the road, that is its own rich reward.

Met Cezanne Followers

That was the reaction of Winston Churchill. For forty years, he says, he had admired the colors of the hillsides, the tints of far horizons and the reflections in still waters only in a general way. Now, he notes, these beauties with such concentration as the artist knows, for anon, they will be transferred to canvas, sometimes with "startling obedience."

In a secluded nook near Marcellus one day, the statesman came upon two disciples of the French artist Cezanne. It was a wonderful day for Winston. For them, the forms and surfaces of nature around them were not the main focus of interest. Nature for them was shimmering light, a riot of radiant color. Under the influence of this conception, Churchill waxes eloquent. "Look at the blue of the sea," he demands. "How can you depict it? Certainly not by any single color that was ever manufactured. The only way in which that luminous intensity of blue can be simulated is by a multitude of tiny points of varied color all in true relation to the rest of the scheme. Difficult? Fascinating!"

Ghent X-Rays Rembrandt

Some months ago we had the privilege of making an x-ray study of a painting by that master artist, Rembrandt. We had read that he worked with such speed and precision that there was never any fussing, over-painting or painstaking corrections. And the x-ray investigation furnished final proof of the claim. In itself the radiograph was a thing of beauty, every line was perfect, every detail sharply defined and unaltered as left by the genius of Rembrandt. Yet no x-ray machine is needed to enrich and amplify the joys of art appreciation. Try painting a picture or two yourself, and a visit to the art gallery takes on a new and practical interest. As Churchill points out, you look at the masterpieces of art with a more understanding and analyzing eye and the hope is renewed that some bright day you will make a sketch that you can gaze upon without a sigh.

Pleading the cause of his hobby, Churchill exhorts all and sundry to buy a paint box and splash at a canvas. It would be a pity, he thinks, to shuffle along through all one's play-time with golf and bridge, when all the while and close at hand awaits "a wonderful new world of thought and craft, a sunlit garden gleaming with color—new mental food and exercise, an added interest in every common scene, an occupation for every idle hour, an unceasing voyage of entrancing discovery." And Winston Churchill concludes: "These are high prizes, I hope they may be yours."



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