

(Continued from Page 3)
fixed or constant charge but subject to very drastic revision in case of a recurrence of a depression period."

EXPENDITURES, 1957-58

The elements of expenditure for the present fiscal year are based upon nine months' actual results and three months' forecast. "From a study of former years" said Mr. MacDonald, "I have found that our forecast expenditures have been reasonably accurate. As a matter of fact they have been greater in some instances than the actual results compiled some months later after the close of the fiscal year."

ON ORDINARY ACCOUNT

Function	Estimates 1957-58	Forecast 1957-58	Increase or Decrease (-)
Debt Charges	\$ 1,730,200	\$ 1,660,954	\$ - 69,246
Health	1,648,338	1,602,201	- 46,137
Welfare and Labour	802,900	1,050,135	247,235
Education	1,535,490	1,562,170	26,680
Attorney-General	237,590	237,390	4,800
Legislation	97,230	106,430	9,200
Agriculture	510,840	517,373	6,533
Resources	110,230	99,755	- 10,865
Fisheries	27,960	29,879	1,919
Highways, Bridges, Ferries, etc.	1,448,560	1,439,850	- 8,710
Public Works	30,700	31,000	300
Refunds of Revenue	351,000	646,846	295,846
Grants & Assistance to Municipalities and Incorporated Villages	129,709	136,045	6,336
Insurance Premiums	30,000	30,000	-
Insurance Reserve Fund	20,000	20,000	-
General Government	426,280	495,360	69,080
Total Ordinary Expenditure	\$ 9,132,417	\$ 9,665,388	\$ 532,971
CAPITAL AND OTHER EXTRAORDINARY			
Highways Bridges, etc.	\$ 5,340,000	\$ 3,175,000	-\$ 2,165,000
Fixed Assets	340,000	207,300	- 132,700
Loans and Advances	200,000	134,479	- 65,521
P. E. I. Frosted Foods Limited	Sufficient	280,000	280,000
Other Extraordinary Expenditures	423,000	252,648	- 170,352
Rural Electrification	250,000	250,000	-
Total Capital and Other Extraordinary	\$ 6,553,000	\$ 4,299,427	-\$ 2,253,573
Total Ordinary and Capital Expenditures	\$15,685,417	\$13,964,815	-\$1,720,602

CAPITAL RECEIPTS

Against the above Capital and Other Expenditures the Province will have received during the year certain Capital Receipts: On Federal - Provincial Highway Projects including Trans-Canada Highway a federal contribution of \$550,000; on Hospitals Construction from Ottawa \$57,460; interest earned on Sinking Fund Investments \$150,070; sale of Lands and Hangar \$4,585; refunds of Loans and Advances \$59,665; for a total of \$821,780, leaving a net capital disbursement for the current year of \$3,477,647.

DISTRIBUTION

"During the present fiscal year we forecast, according to the Interim Statement, a total expenditure of \$14 million. In round figures, here is how the money was distributed:
34 per cent
Health and Social Services 19 per cent
Debt Charges 12 per cent
Education 12 per cent
Productive Services, including Tourist Promotion 8 per cent
Sundry items, such as loans and advances, capital grants, and assistance to rural and senior high schools, and municipalities, etc. 6 per cent
Refunds of Revenue, including repayment to Ottawa 5 per cent
Legislation, Justice and General Government 4 per cent.

DEBT FORECAST

Following is the forecast debt position of the Province as anticipated at March 31, 1958 -
Total Expenditures including transfer to Sinking Fund Account \$14,114,885.
Total Revenues \$11,350,759
Gross deficit \$2,764,126.
Deduct from the above total the amount provided for Debt Retirement and transfer to Sinking Fund Account \$762,633.
Net Increase in Debt For 1957-58 \$2,001,493.
The Net Debt as of March 31, 1957, according to the 1956-57 Public Accounts was \$21,591,609.
Forecast Net Debt - March 31, 1958 \$23,593,099.

Function	1956-57 Actual	1957-58 Forecast	1958-59 Estimates
Federal Government	\$ 647,182	\$ 647,182	\$ 647,182
Statutory Subsidies	4,214,368	4,136,000	4,136,000
Tax Rental Agreement	-	-	2,500,000
Assistance Grant	-	-	2,500,000
Disabled Persons' Allowance	65,844	107,793	150,000
Blind Pensions	31,267	35,772	45,000
Old Age Assistance	98,298	133,224	190,000
Unemployment Assistance	109,069	62,350	50,000
Health Grants	277,569	295,977	310,000
Limestone	35,761	36,000	36,000
Other Subventions	49,677	72,000	42,950
Total from Federal Gov't.	\$ 5,529,035	\$ 5,526,298	\$ 8,107,140

Under the 1957 Tax Rental Agreement the Province will receive \$4,136,000 (plus our subsidies grants), under the provision included in the Act that no province should receive less than it would have received had the 1952 tax-rental agreements been extended for the next five years. The result of this provision is that Prince Edward Island will receive a stabilization payment

Function	1956-57 Actual	1957-58 Forecast	1958-59 Estimates
Provincial Source	\$ 36,098	\$ 40,000	\$ 40,000
Income Tax-Electricity	-	90,000	75,000
Gasoline Tax	1,805,913	2,150,000	2,175,000
Amusement Tax	92,986	89,000	90,000
Liquor Tax	273,182	274,500	273,000
Tobacco Tax	150,398	205,000	210,000
Motor Vehicle Licenses	552,598	569,700	550,000
Corporation Licenses	37,345	60,125	59,850
Other Licenses, Permits & Fees	273,163	255,704	260,350
Temperance Act	913,646	915,000	910,000
Fines and Penalties	41,186	40,000	40,000
Other Revenues and Refunds	813,597	813,652	302,546
Total from Provincial Sources	\$ 4,499,112	\$ 5,002,681	\$ 4,985,746
Total Ordinary Revenue	\$10,028,147	\$10,528,979	\$13,092,886

as shown by the Public Accounts. I can safely say, however, that when the accounts are made up as of March 31st, 1958, they will reflect a much better picture than now forecast."

The 1957-58 budgetary proposals approved at the last session called for an expenditure on Ordinary Account of \$9,132,417. The forecast expenditure, as shown is \$9,665,388 - a difference of \$532,971, attributable largely to an increase of \$247,235, in Welfare and Labour and \$225,221 refunded to Ottawa under the 1957 revised terms of the 1952 Tax Rental Agreement.

"A comparison of the forecast expenditures with estimates for both Ordinary and Capital, including Loans and Advances, and Rural Electrification is as follows:

Function	Estimates 1957-58	Forecast 1957-58	Increase or Decrease (-)
Debt Charges	\$ 1,730,200	\$ 1,660,954	\$ - 69,246
Health	1,648,338	1,602,201	- 46,137
Welfare and Labour	802,900	1,050,135	247,235
Education	1,535,490	1,562,170	26,680
Attorney-General	237,590	237,390	4,800
Legislation	97,230	106,430	9,200
Agriculture	510,840	517,373	6,533
Resources	110,230	99,755	- 10,865
Fisheries	27,960	29,879	1,919
Highways, Bridges, Ferries, etc.	1,448,560	1,439,850	- 8,710
Public Works	30,700	31,000	300
Refunds of Revenue	351,000	646,846	295,846
Grants & Assistance to Municipalities and Incorporated Villages	129,709	136,045	6,336
Insurance Premiums	30,000	30,000	-
Insurance Reserve Fund	20,000	20,000	-
General Government	426,280	495,360	69,080
Total Ordinary Expenditure	\$ 9,132,417	\$ 9,665,388	\$ 532,971

Of the forecast increase of \$2,001,493, for the fiscal year 1957-58, there is included in this total \$554,814, representing the net amount of loans and advances made during the year. Although these loans temporarily increase the debt for the year, nevertheless they are recoverable at a later date.

DEBT INCREASE

While the over-all indebtedness increased by \$2 million, this amount is reflected in additional revenue-producing assets incurred, such as Highway Construction, Bridges, and new Machinery at a total cost of \$3,175,000; we also acquired new and additional buildings and other facilities at a cost of \$207,300, and gave \$140,000 assistances to rural and senior high schools. In addition, we spent \$250,000 on rural electrification, a made capital grants to hospitals, exhibitions, loans to municipalities for fire fighting, and financially assisted industrial establishments, all of which, together, amounted to another \$461,000. A total investment acquired of over \$44 million.

"Despite our debt of 23 1/2 million dollars" said Mr. MacDonald, "we are reasonably solvent; so much so, that during the year (one of high interest rates) we floated a 20-year 4 1/2 per cent Debenture Issue to cover capital expenditures incurred for highways. The cost to us was in close proximity to that received at that time by the richer provinces and is in no small degree due to a wide-spread recognition throughout Canada that the bonds of Prince Edward Island are a sound investment. It also is a test that our total indebtedness is not disproportionate to our income and resources."

1958-59 ESTIMATES

The estimates for 1958-59 show a total revenue on Ordinary Account of \$13,092,886; \$8,107,140, comes from the Federal Government in subsidies, tax-rental, and subventions, and the balance \$4,985,746 from local sources. For comparative purposes these revenues are summarized for the past, present and the forthcoming fiscal years:

Function	1956-57 Actual	1957-58 Forecast	1958-59 Estimates
Federal Government	\$ 647,182	\$ 647,182	\$ 647,182
Statutory Subsidies	4,214,368	4,136,000	4,136,000
Tax Rental Agreement	-	-	2,500,000
Assistance Grant	-	-	2,500,000
Disabled Persons' Allowance	65,844	107,793	150,000
Blind Pensions	31,267	35,772	45,000
Old Age Assistance	98,298	133,224	190,000
Unemployment Assistance	109,069	62,350	50,000
Health Grants	277,569	295,977	310,000
Limestone	35,761	36,000	36,000
Other Subventions	49,677	72,000	42,950
Total from Federal Gov't.	\$ 5,529,035	\$ 5,526,298	\$ 8,107,140

on the basis of the federal calculations to bring its allotment up to the level of its present compensation. In addition to the tax-rental payment we will receive a further amount of \$2,500,000, as our portion of the additional grant to the Atlantic Provinces. This latter sum shall be paid for each of the four successive fiscal years commencing on the 1st day of April, 1958.

Function	1956-57 Actual	1957-58 Forecast	1958-59 Estimates
Provincial Source	\$ 36,098	\$ 40,000	\$ 40,000
Income Tax-Electricity	-	90,000	75,000
Gasoline Tax	1,805,913	2,150,000	2,175,000
Amusement Tax	92,986	89,000	90,000
Liquor Tax	273,182	274,500	273,000
Tobacco Tax	150,398	205,000	210,000
Motor Vehicle Licenses	552,598	569,700	550,000
Corporation Licenses	37,345	60,125	59,850
Other Licenses, Permits & Fees	273,163	255,704	260,350
Temperance Act	913,646	915,000	910,000
Fines and Penalties	41,186	40,000	40,000
Other Revenues and Refunds	813,597	813,652	302,546
Total from Provincial Sources	\$ 4,499,112	\$ 5,002,681	\$ 4,985,746
Total Ordinary Revenue	\$10,028,147	\$10,528,979	\$13,092,886

ations is expected to yield the same as this year, some \$60,000 roughly.

"Collections from the tax on tobacco will, in all probability, go up as high as \$210,000, some \$5,000 more than is forecast for the present fiscal year.

"Amusement Taxes are steadily declining and, although we are hopeful of collecting \$90,000 next year, it could drop down to \$85,000 and yes, to \$80,000, the result of the impact of television on theatre-going, and perhaps, to some degree, the changing habits of the people. The Government has fully appreciated the reasons advanced by our rural theatre operators for a substantial reduction in the tax on admissions to theatres in rural communities but had to defer action until it was quite clear that the budget position would permit the resultant loss in revenue.

LIQUOR SALES

"Although profits and tax received from the sale of liquor and permits has been hovering around the \$1,200,000 mark these past two years I have every reason to believe that the coming year will see a slight drop. However, we are estimating \$273,000 from the tax portion and only \$910,000 profit.

"I believe that because this source of revenue was the first to reflect general prosperity it will be the first to bear the impact of any recession or tight money. It is a matter of caution also because there was without doubt a considerable volume of non-recurrent free - spending money in circulation in the calendar years 1955, 1956 and 1957.

"Revenues will drop in certain categories which happens each year but I do not look for any drastic changes in next year, rather a levelling-off and gradual stabilization in line with indications that are becoming more apparent every day."

CURRENT EXPENDITURES

Mr. MacDonald analyzed the estimated current expenditures for the 1958-59 fiscal year as follows:

Function	Estimates 1958-59	Increase or Decrease (-) over Forecast
Public Debt - Service Charges	\$ 1,126,938	\$ 78,547
Debt Retirement	699,250	86,687
Health	1,733,902	131,701
Welfare and Labour	1,252,660	202,525
Education	1,725,662	163,492
Attorney-General	238,460	1,070
Legislation	102,650	- 3,760
Agriculture	552,200	34,827
Industry & Natural Resources	104,987	- 29,840
Fisheries	29,840	- 29
Highways, Bridges, Ferries, etc.	1,441,990	2,140
Public Works	27,960	- 3,040
Refunds of Revenue, including Gasoline Tax Rebates	649,221	2,375
Other Expenditures, including Grants to Municipalities and Incorporated Villages	193,970	7,925
General Government	496,180	820
Total Ordinary Expenditure	\$10,375,870	\$ 710,482

The total estimated expenditure provides for an increase of \$710,482 over the forecast expenditures on Ordinary Account for the current fiscal year, just ended.

The first two individual items for servicing the public debt and the amount proposed is \$1,126,938 for interest, and \$699,250 for debt retirement. The former is \$78,547 and the latter amount \$86,687 more than forecast for the fiscal year 1957-58. These increases are due to increased borrowings for the current and next fiscal years for capital expenditures, in line with the continued expansion of provincial services.

HEALTH EXPENDITURES

Health expenditures for the ensuing year are estimated at \$1,733,902, an increase of \$131,701, over the present year's disbursements. The largest increase \$70,000 is in the cost of operating Riverside, Hillsborough General, Hospitals and the Provincial Infirmary. The other increases are in control of tuberculosis \$15,000; mental health, other than institutional operating costs, \$3,000; sanitary engineering services \$10,000; public health nursing \$3,000; laboratories \$11,000 and professional training \$7,000. All of which reflects the high cost of maintaining the many health services provided by the Province.

EDUCATION

"For the Department of Education the Minister is recommending an expenditure on Current Account of \$1,725,662, an additional \$163,492 over the forecast expenditure of \$1,562,170 for the present fiscal year; mainly for teachers salaries and supplements \$65,000; Transportation and Tuition \$50,000; Prince of Wales College \$22,000; Teacher Training Loans and grants \$10,000; Vocational Training another \$12,000, and Textbook Subvention \$5,000 more.

"In addition to the proposed current expenditure of \$1,725,662, the Minister is requesting \$125,000 for assistance to rural and

senior high schools; \$50,000 for assistance to regional high schools; and \$120,000 for Vocational School; all of which are shown under the capital section of the estimates.

"Estimates for the Department of Attorney-General total \$238,460, practically the same estimate as the forecast expenditure for this year.

AGRICULTURE

"Agriculture estimates are increased to \$552,200, an increase of nearly \$35,000 over the current year's expenditure. Two new items appear - \$8,000 for field inspection of table stock potatoes and \$5,000 for forestry fire prevention. Grants to students is up to \$3,000; the amount of \$10,000 for Potato Industry Promotion Committee is again being proposed for approval. Limestone continues to be bonused and a vote of \$70,000 is included in the estimates.

CAPITAL EXPENDITURES

The estimated receipts for the year total \$1,904,000. (Federal contribution toward the cost of Hospital Construction \$145,000; For Highway Projects, including Trans-Canada Highway, \$1,709,000; for Vocational Education \$50,000).

Capital Expenditures, etc. and advances for industrial promotion purposes recommended for the next fiscal year, are as follows:

Function	Estimates 1958-59
Highway Construction	\$1,600,000
Culverts	40,000
Bridges	300,000
Federal-Provincial Highway Projects	2,250,000
New Machinery	100,000
Beach Grove Infirmary	80,000
Provincial Infirmary	4,000
Riverside and Hillsboro General Hospitals	40,000
Falconwood Farm	8,000
Provincial Sanatorium	28,000
Old Post Office Building Renovation	20,000
Government Garage - Charlottetown	29,000
Government Garage - Summerside	30,000
Scale House - Wood Islands	10,000
Health Centre	20,000
Vocational School	120,000
Sundry Buildings	6,000
Prince Edward Island Frosted Foods Limited	200,000
Assistance to Rural and Senior High Schools	125,000
Assistance to Regional High Schools	50,000
Charlottetown Driving Park and Provincial Exhibition Association	10,000
Farm Improvement	20,000
Fisheries Development	3,000
General Hospitals Construction	290,000
Subsidy - Gulf and Northern Shipping Co. Ltd.	20,000
Rural Electrification	250,000
For a total Capital and Extraordinary Expenditure; and Promotion and Development Loans of	\$5,653,000

UNGRADED EGGS

Our paying price to producers for ungraded eggs delivered Charlottetown today is -

Grade A Large	35c
Grade A Medium	32c
Grade A Small	24c
Grade B	24c
Grade C	16c
Cracks	16c

For quick payment and prompt return of empty cases, ship your eggs to

CANADA PACKERS LIMITED

Charlottetown

of only one vice-president (a man), Miss O'Brien now directs some 4,000 employees and 25,000 dealers (mostly housewives) across the U.S.

IS BANK DIRECTOR

She also is a director for three banks, is active in several philanthropic organizations. Her annual income from salary and investments is more than \$100,000. Miss O'Brien doesn't believe in surrounding herself with "yes men." But she has little trouble dealing with her own male executives, and explained with a smile:

"I'm in a fortunate position I hired most of them myself over the years."

What causes most women to fail to achieve success in business?

"Unwillingness to pay the price," said Miss O'Brien firmly. "The price of success for a woman is loneliness. If she isn't willing to make her job her life, she should give up the idea of that kind of success."

"To have