

SOME OTTAWA GLIMPSES

Special Correspondence by H. F. Gadsby.

The New War Taxes.

Ottawa, Feb. 27.—As time goes by the answer to Sir Thomas White's budget becomes clearer. The answer is that all is not gold that glitters. In other words, it is only a pinchbeck imitation of Lloyd George, not being animated by the same spirit of love for the democracy, but rather by a judicious desire on the part of a rich man's government to deal delicately with its friends. That is to say, they take a little away lest an indignant people demand much more. Their discipline of wealth and privilege, such as it is, is more in sorrow than in anger, and is only temporary at that.

"Make 'em be good," says the pressure of the times. "All right," the Government answers in substance, "but you'll understand that this is only for the period of the war." There is no danger that these altruistic outbursts will be carried over into the piping times of peace. Of course there is no doubt that Sir Thomas talked matters over very thoroughly with the interests concerned before he sprang his budget and got a mighty definite idea of how much the traffic would bear and how long it would bear it.

One great outstanding fact is that high protection was not interfered with by the Conservative Government. High protection as high as it is now, has come to stay as long as they stay. That it was not made higher is due to the fact that the goose that lays the golden eggs has all it can do now. To press it further would be to kill the amiable fowl. A Conservative Government will never be guilty of foul play like that.

Sir Thomas' hint that there will be a system of rural credits after the war supplemented by Government assistance for those who want to get on the land, is founded on no particular love toward the farmer whose wheat lies rotting on the ground in the north-west provinces because the Government denies him the American market, but on the enlightened selfishness which rich men always display toward themselves. If high protection is not to suffer, if it is Sir Thomas' own words, "Canada's economic strength is not to be impaired," then there must be production for high protection to bleed and to ensure production, nothing must be done that will scare the producers away. In short, this is another case of considering the golden goose which will be worked to the limit, but not permanently disabled.

Some of the shrewder critics are wondering why Sir Thomas did not raise his extra twenty-five million interest charges by means of a stiff income tax, appropriately graded for all earned and unearned incomes over five thousand dollars a year, an adaptation of the English idea.

It is Sir Thomas' fine gift to make beautifully clear what he wants to make clear and to leave beautifully clouded what he would rather not mention, as for instance the fact that we have borrowed one hundred and fifty million dollars from England since the war began. There was also his juggling with the fact that the net national debt at the end of 1916 will be \$550,000,000, whereas

the real debt is more like a billion. However, as Mr. Kipling would say, that is another story. The point he did make, talking rapidly the while so that the quickness of the hand should deceive the eye, was that the accumulations of wealth in Canada were not such as to warrant a drastic income tax. What he meant no doubt was that the accumulations of wealth were not generally distributed, and that the few hands that held them objected to loosening up. If the British North America Act can be amended to give the Government another year's life it follows that it can be amended to permit the Government to impose a federal income tax.

Another criticism is that unless the Government's new born desire for thrift leads them to use the local assessment rolls as the basis of their business tax it will mean the creation of an expensive army of officeholders for the collection and assessment of the new taxes. Still this is a minor consideration. The great question is, Will the new taxes do the work properly and efficiently? Does the Finance Minister's budget get at each rich man, corporation or partnership in the exact and just proportions in which he should be got at?

The first answer is that the profiteers, the men who made money out of the Empire's danger, particularly the shell-makers, got off lightly, while the legitimate businesses of long standing are hard hit. It stands to reason that a war profiteer can more easily afford to pay twenty-five per cent. of his enormously swollen gains above seven per cent. than a legitimate business can of its normal gains above seven per cent. or ten per cent., as the case may be. In other words, no distinction is made between the sheep and the goats. The man who is satisfied with fair profits on a routine business is put on exactly the same footing as the get-rich-quick shark who has leeches the Empire's life-blood and tried to distract attention from his highness by contributions to the Patriotic Fund. The Finance Minister should have it in his heart to make the rewards for moderation greater than the rewards for ruthless greed. Besides—and here is a disturbing thought—how is the Government going to get at the beneficiaries of the old Shell Committee and the new Imperial Munitions Board—since all that has taken the ground that it had no specific knowledge of their operations, their business being a confidential one with the British Government, whose money it was they were absorbing. If they don't know these people how are they going to tax them? The very thing of their "coughing up" will dispose of the Government's hollow sophistry that it knows nothing about them and washes its hands of them. Thus is Sir Wilfrid Laurier provided with a new argument for an inquiry into the Shell Committee, which the Government so far has refused.

The new taxes place a premium on watered stock. Some of the biggest corporations in the country are the most heavily watered—so heavily watered that the water drowns out what would be a considerable dividend over seven per cent. on a legitimate capitalization. Thus it happens that of all the railways in Canada perhaps only the C. P. R. will contribute—its share is said to be two million dollars a year—to this new source of revenue. Although the C. P. R. has made a practice for years of burying its treasure in subsidiary companies, melons and increased capitalization, it is still fat and prosperous and in a position to "come through."

Not so the G. T. P. and the C. N. R. They have no profits to spare. William Mackenzie at all through Finance Minister White's speech with a brooding air. Perhaps he was brooding over the lordly jest of Baron Shaughnessy, who the other day utilized four thousand miles of new copper wire for long distance telephone of Vancouver whether the C. N. R. train stalled in the snow two weeks ago had arrived yet. An Irish trick of Baron Shaughnessy's, but when these Olympians joke they joke. Or perhaps he was brooding over his chance to grab off another forty millions or so. At all events when Sir Thomas mentioned railways and spoke of their paying, a cynical smile overspread his countenance. The C. N. R. is not in the habit of giving money to the Government—its practice is rather to take. The chances are not so bright this season for a subsidy or a credit guarantee, and Sir William does not haunt the House of Commons as much as usual, but he is not without hope.

The opinion is generally expressed that the ultimate consumer will, as usual, do the paying. The corporations will find a way of passing the tax along. For example the transportation companies can recoup themselves by a horizontal increase in fares and freights. The banks have it in their power to increase their rates for loans or decrease their interest rate on deposits. The life insurance companies can charge more for life insurance and so on. There will, as Finance Minister White says, be readjustments, which freely translated, means that the big fellows will "pass the buck."

—H. F. G.



"WHAT BOOTS IF AT ONE GATE TO MAKE (SUCCESSFUL) DEFENCE, AND AT THE OTHER TO LET IN THE FOE."—Milton.

Exports Now Touching New High Records. Toronto, Feb. 28.—Canadian paper mills, according to trade authorities, are experiencing a strong demand for all lines of their output, the demand being in part a natural sequel of the strong market that has developed in paper in the United States. Exports of news print from Canada in November, according to the latest statistics available, were valued at \$1,753,013, a new high record for any month and of the total more than \$1,400,000 went to the United States. Chemically prepared pulp has been notably strong recently. With exports rising and imports virtually cut off, American paper authorities are talking now of a paper famine in the United States. As long as this condition continues Canadian mills can count on a continuance of the present capacity operations.

Utah Dividend To Be Advanced. New York, Feb. 28.—The forthcoming dividend declaration on Utah Copper Company may total \$3 a share, probably in the shape of \$1.50 regular and \$1.50 extra. It is estimated in official quarters that at the least Utah will earn this year \$20,000,000 for the stock, or over \$12 a share.

New Imperial Bank Director. Toronto, Feb. 28.—At a meeting of the Board of Directors of the Imperial Bank to-day, J. W. Woods, president Gordon, Mackay, & Co. was elected a director. Mr. Woods fills the vacancy on the board caused by the death of the late J. K. Osborne.

Lumber Industry Picks Up. Vancouver, B.C., Feb. 28.—American capitalists show confidence in the future of the British Columbia lumber industry by heavy investments. The recent transfer by American representatives of a quarter of a million cash involves the sale of two hundred and fifty million feet of fir and cedar. The purchasers will operate a mill employing two hundred men beginning March 10th.

Peace River Purchase. Vancouver, Feb. 28.—A syndicate of old country capitalists, of which trials. Commercial Notes. A group of eastern business men and automobile experts have formed American Motors Corporation, capitalized at \$1,250,000, to manufacture modern priced cars. The munitions output of the Canadian Car and Foundry Company will from now on be further increased as Lord Rhonda, Llanwern (D. A. Thomas), the Welsh coal baron, is head, has acquired the Peace River Trading and Land Company, in Northern Alberta and the Peace River district the result of the placing in operation this week of the smokeless powder plant at Drummondville, Que., by the Aetna Chemical Company. This latter company is controlled by the Aetna Explosives Company which is handling a large portion of the orders of the Canadian Car.

Ingersoll Chief Dismissed. Ingersoll, Feb. 29.—Chief of Police A. W. Gummerson has been dismissed for alleged incompetence. Gummerson came here from Thorold, Ont. Great men have many friends—and many more enemies. A bad man is far less dangerous than a cunning one.

BIG GUNS BLENDEN FORT

Berlin Correspondent Says 17-inch Ones Used.

CARNAGE OF GERMANS

AT VERDUN WAS TERRIBLE, THE WOUNDED SAY.

The Enemy Could Not Have Chosen a More Inopportune Time for the Offensive Against Verdun. London, Feb. 29.—The London Daily Mail prints the following from its correspondent at Rotterdam: "A German war correspondent says Fort Douaumont was entirely destroyed by the concentrated fire of 12-inch and 17-inch guns, which blew the steel and concrete cupolas to fragments.

"One fort nearby was blown up by a single heavy high explosive shell which penetrated the magazine. Wounded soldiers say that the carnage of Germans had been simply terrible. At many places the German dead formed huge dams across the ravines, impeding the water on its downward course to the Meuse. Every now and then one of these dams gives way and the reddened stream swirls on again, carrying with it hundreds of corpses.

The French have plentiful supplies, and if the battle ends for lack of munitions that lack will be on the German and not on the French side. A delayed despatch from the correspondent of Reuter's Telegram

Company at British Headquarters in the field, dated Thursday, says that the Germans could not have chosen a more inopportune time for the offensive against Verdun. At the beginning of the attack the weather suddenly changed to the most severe winter spell in several years, and the heavy snow and frost seriously hampered their movements.

CHANGES IN LIGHTS.

Several Fixed Lights to Be Replaced By Flashers. Detroit, Feb. 29.—Several lights and a beacon will appear changed when they are restored to service at the opening of the 1916 season of navigation, according to announcement sent out by United States Bureau of Lighthouses.

Intensity of the light at Beaver Island Station, in Straits of Mackinac, will be increased from 200 to 1,700 and flashing light to 14,000 candlepower. Duration of flash will be 1.8 seconds.

Monroe, Michigan, light at the west end of Lake Erie is to be made a flashing white light, showing a flash of 3 seconds every three seconds. The light will have 230 candlepower and will be visible 12 miles. It is exhibited 34 feet above water from a white, square, pyramidal skeleton steel tower placed on crib.

The characteristic of Port Huron Gas Buoy No. 1, Lake St. Clair, will be changed to a flashing white of 3 second duration, showing every three seconds. The light will be 70 candlepower.

The Charles Spruce Horizontal striped wreck gas buoy, south end of Lake Huron, will have 200 candlepower flashing white every three seconds, duration of flash being 3 seconds.

Sydney C. McLouth Wreck Buoy No. 2 to be established at south end of Green Bay will be a third-class spar, anchored in 13 feet of water, east of the wreck, which is four and three-quarter miles, 174 degrees, 30 minutes from Oconto South Pierhead light.

As a man grows thinner with age his wife usually grows fatter. Bliss comes with the honeymoon; after that comes the bilinear.

THE STANDARD BANK OF CANADA HEAD OFFICE - TORONTO Efficient and Prompt Service in every Department SAVINGS BANK at all Branches. KINGSTON BRANCH, H. E. Richardson, Manager

Canadian Government and Municipal Bonds Canadian Government and Municipal Bonds constitute an investment of the very highest order, affording as they do the maximum of interest yield consistent with security. The following are legal for Trustee Investments in the Province of Ontario, and are equally suitable for the investment of private funds. They can now be purchased to yield from 5 1/4% to 5 3/4% Dominion of Canada Province of Saskatchewan City of Stratford County of Bruce Town of Burlington City of Hamilton Town of Ridgeway Township of Nepean City of North Bay City of St. Catharines City of Port Arthur We shall be glad to furnish full particulars upon request. Wood, Gundy & Co. Canadian Pacific Railway Building New York Toronto London

Such a help in cooking! OXO CUBES save many an hour for busy cooks. So many dishes can be improved by simply dropping in one or two OXO CUBES. OXO CUBES

Bring's Roses to the Cheeks CONAN'S Selection COCOA

Mutt Must Have Thought the General Had a Grudge Against Will By Bud Fisher

