

FINANCE MINISTER WHITE BRINGS DOWN THE BUDGET

Increase of Duty on Apples and Crude Petroleum---Stock Companies With a Paid up Capital of Over \$50,000 Must Share Profits With the Government in Future---Liabilities Piling up.

Ottawa, Feb. 15.—Direct taxation of all profits in excess of "a reasonable and normal return on capital" in all trades and businesses in Canada, is the revolutionary feature of the second war budget of the Minister of Finance.

Instead of again reverting to increased tariff taxes to raise the additional revenue required to meet increasing war charges, Sir Thomas White today proposed to parliament only two tariff changes, namely, increased duties on apples and on illuminating and lubricating oils.

He made the chief source of new revenue for the coming year a tax on all corporations and business firms.

This tax, which is retroactive to the beginning of the war, and is to continue in force for three years, or until August, 1917, will in effect divert to the Dominion treasury 25 per cent. of all profits in excess of 7 per cent. of paid-up capital in the case of incorporated companies and 25 per cent. of all profits in excess of 10 per cent. of the capital employed in the case of non-incorporated firms, partnerships, or individuals.

While in a sense the new taxes are in the nature of taxes on war profits, since they apply particularly to every company which is making abnormal profits during war times, they are at the same time all-embracing. Every business, big or little, which is making big returns of at least \$50,000 of the capital invested, will have to give up one-quarter of the profits above seven per cent. or ten per cent. dividend not-shadowed.

ed above, to help the government finance the war.

Broad Backs Bear the Burden.

This time it is the consumer and the farmer and the salaried man who escapes. The Government kept for the last class in the community which seem to be best able to bear an additional burden of taxation, and the class includes all the big companies, the banks, the financial institutions of all kinds, large manufacturing concerns and every company which has a capital stock of over \$50,000 and which is paying upwards of 7 per cent. or 10 per cent. in annual dividends.

The limitation with regard to exempting companies having a capital investment of less than \$50,000 does not apply to any trade or business dealing in war munitions or war supplies of any kind. Many of these latter companies belong to the "mushroom" class which have sprung up since the war with a small capitalization, but were making large profits out of war orders. They will have to give up one-quarter of all profits over 10 per cent. of all capital stock.

Life insurance companies and all farming or stock raising businesses are also exempted from the operation of the tax. In the case of life insurance companies, however, provision is made whereby they are compelled to invest in government bonds or debentures, thus subscribing to the future domestic war loans which Sir Thomas fore-

He estimated the total investment in this connection at \$15,000,000 during the coming year, and this amount will thus be available towards raising the \$215,000,000 which Sir Thomas said the Government had to provide for during the next fiscal year to meet the war outlays. Another \$150,000,000 is available by loan from Great Britain under an agreement entered into last August, but the Government may not have to draw on this if the additional taxes and the proposed new war loans in Canada realize the necessary amount.

Means Big Staff.

In providing for the carrying out of his scheme of taxing profits of all business firms, the Minister of Finance is keeping the whole machinery in his own department, and at the same time is giving himself considerable latitude and possibly much political power as judge of what shall be considered legitimate profits, what capital stock issues shall be allowed during the three years period, investments for development purposes, etc. It will undoubtedly require a large staff of employees and assessors to determine and collect the taxes in each case.

Provision is made for the appointment of a board of referees, to which all cases in dispute may be referred, and who will have charge, under the minister, of the computation of profits. The working details of the act will undoubtedly cause considerable discussion in parliament.

The financial aspect of the Minister's budget shows an estimated revenue for the year of \$170,000,000, or \$20,000,000 more than his estimate in delivering the budget last session. Increased customs duties, he said, accounted for \$19,000,000 of the increase in revenue, while the special war taxes brought in another \$3,000,000. Ordinary expenditures for the year are estimated at \$125,000,000, thus leaving a surplus of \$45,000,000, which is applied on war expenditures. The capital expenditure of \$40,000,000 was met by the \$45,000,000 borrowed in New York last summer.

The total domestic expenditures for the coming fiscal year he estimated at \$160,000,000, as compared with \$165,000,000 for this year.

Included in the expenditures charged to revenue account for next year are \$22,000,000 additional for interest charges and pensions.

Business Conditions Good.

In regard to general conditions of trade and finance, the Minister reported that all was well, though at the same time he urged continued caution and thrift.

The total trade of the country for the year just closing would reach \$1,200,000,000, a new high record. Exports had increased by nearly \$200,000,000.

Only two tariff changes are made. The duty on apples is increased by 50c. per barrel, a protective measure for British Columbia growers, and illuminating and lubricating oils are taxed half a cent per gallon more. The increased duty on oils is estimated at \$500,000 per annum.

In Effect Today.

The tariff and budget resolutions, as introduced by Sir Thomas White, in the House of Commons this afternoon, announce the following changes to go into effect tomorrow, Wednesday, February 16:

Duty on apples raised to 90 cents a barrel.

One-half cent per gallon extra on oils, exclusive of crude petroleum for refining or lubricating oil. Revenue estimated, \$500,000.

Taxation.

Twenty-five per cent. of net profits since August 4, 1914, on paid-up capital of all incorporated companies exceeding 7 per cent., and in case of all other persons 7 per cent. on capital employed in such business; excepting where paid-up capital or capital employed is less than \$50,000, the business of life insurance, the business of farming or stock raising, banks and companies taxed under the War Revenue Act of 1915. Duration until August 3, 1917. Revenue estimated, \$25,000,000 to \$30,000,000.

Explains Proposals.

Sir Thomas White, in explaining his tariff proposals, said, in part:

"We propose to alter the duty payable in apples to ninety cents per barrel. We regard this duty as indispensable necessary for the preservation of the apple-growing industry in Canada and particularly that of British Columbia, which has been most seriously affected since the outbreak of the war. We also propose a duty of one-half cent a gallon on oils, petroleum, not including crude petroleum imported to be refined, or illuminating or lubricating oils, 8.235 specific gravity or heavier at sixty degrees temperature. This change will include heavy distillates that are now assessed duty at two and one-half cents a gallon, and which have been chiefly imported into the prairie provinces. We expect this item will yield a revenue of about \$500,000. The goods covered by the tariff proposals will be exempt from the provisions of the customs tariff war revenue act of 1915.

"For the reasons which I gave in my last budget speech, we regard it as inexpedient to consider, for the present at least, the imposition of a direct income tax. We find, therefore, the area of taxation considerably restricted. In estimating further sources we have carefully considered can best bear the burden of further special taxation, because it is an axiom of taxation that the burden should fall upon those in the community best able to bear it.

"There are, in time of war, many businesses and industries which, for one reason or another, are able to maintain profits above average return capital in time of peace. There are others whose profits arise directly from the manufacture of munitions, or the furnishing of supplies in connection with the war itself, and are in some instances of abnormal char-

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Here's the remarkable experience of a Nova Scotian:—

"I was once a terrible sufferer with kidney and bladder troubles, and at times I would lose the use of my legs, and could not go away from home without some one with me. I was treated by different doctors for 3 years, and only got temporary relief. My son advised me to take Gin Pills, and after taking the first 2 or 3 doses I got relief. I continued to take them until I got completely cured. I owe my life to Gin Pills.

Yours very truly,
P. M. KEMPTON,
Port Medway, N. S.

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National Drug & Chemical Co. of Canada Limited, Toronto

PATRIOTISM of CANADIAN INDIANS

"Please, sir, may I go to Regina to enlist?"

According to a prominent C.P.R. official the question was put to a government inspector at the File Hills Indian Agency, Balcarres, Sask., and the speaker: "as a tall young Indian."

After looking sympathetically at the prospective soldier the inspector said: "I'm afraid your eyes are not strong enough to pass the sight test."

The Indian stood his ground, and seeing that he was not to be put off without a test, the inspector got a newspaper, and holding it before the eyes of the Indian who was only a few yards off, asked him if he could make out a large letter to which he pointed his finger.

Like many of the white people, this Indian thought he could see everything, though, in fact, he was almost blind. His eyes expanded with enthusiasm. He looked towards the paper; he stretched his neck; his face reddened deeper than before; he paused, and he faltered: "It's-it's-a-a-C."

The letter was O. The youth had lost his chance. He possessed a spirit that could dash into the mouth of a German cannon and hands that could slay a hundred Germans without tiring. These were wonderful gifts, but alas! his sight was too weak to enable him to perform the simple task of making out a letter.

"Good night," was all he said as he left the room.

Altogether there are fourteen of the File Hills Indians in the Canadian army; others are joining the forces, but owing to physical defects and ignorance of the English language, many are prevented from joining. The Indian population of File Hills at present is 84 men 76 women and 164 children, so it must be considered that these people have done pretty well for the color.

Besides the Indian population of File Hills there are 7 men 11 women and 4 children of the white race living there. All unite in doing the best they can for the Empire and the loyalty of the Indians is staunch as that of their neighbors.

Since March, 1915, \$1,100 has been raised for the Red Cross Society which has 16 Indian members. During the fall of 1914, thirty-three members of the Agency gave \$502 for the Patriotic Fund. A Patriotic Fund Association is now in full working order and in one month the Indians have subscribed \$90. Last winter an Indian concert brought \$212 for the Belgian Relief Fund. Last fall an entertainment for the same purpose brought in \$26. The concerts that may be held in the future are not likely to be so successful as the early ones, for ten of the original nineteen players and singers are now wearing khaki.

Between the causes mentioned, the Tobacco Fund, Trafalgar Day, and the purpose of supplying Christmas Presents for the Indian soldiers in France, the Indians at File Hills have given or assisted in raising nearly \$2,000 as their share in helping Canada in the war. Have well-off Christian Canadians done as much?

The Indian women knit socks, make shirts, pyjamas, wristlets, scarfs, handkerchiefs, bandages and belts for the soldiers who are fighting on the battlefields or those who are wounded in hospital. Some very aged Indian women make beautiful beads which realize substantial sums when sold for patriotic objects.

BIG ITEMS IN WAR EXPENDITURES

Ottawa, Feb. 14.—Details of Canada's war expenditure for the first eight months of the war, aggregating \$60,000,000, were given to Parliament today in a fourth volume of the Auditor General's report for the last fiscal year.

The more interesting items and alleged irregularities have already been made public through the medium of the Special War Purchase Investigation Committee of Parliament, and of Sir Charles Davidson. The correspondence between the Auditor General and the Militia Department, contained in the present volume, deals for the most part with the cases which have already been publicly investigated, and throws little new light on what is generally known.

Some of the details of expenditure are of special interest. During the eight months the government spent

\$57,174 for special police for the Ottawa government buildings and public buildings generally. The Thief Detective Service, with scores of operatives working for the Militia and Justice Departments, looking after spies and suspicious characters generally, cost nearly \$28,000.

Internment operations cost nearly a quarter of a million.

Special trains for ministers on war service cost over \$10,000.

The C. P. R. drew over one million dollars for transporting troops.

The Ross Rifle Company got \$933,000 for rifles, etc., up to March 31 last. The total number of new rifles supplied up to that time was given as 14,000.

The cost of Valcartier Camp, including pay and maintenance of the 35,000 soldiers who were there during September and October, was \$2,179,000.

The naval expenditure charged up to war account, totalled \$3,096,125, including \$405,000 for the Niobe; \$206,000 for the Rainbow; \$1,234,000 for the submarines on the Pacific coast, and \$378,000 for Royal Canadian naval volunteer reserves, and coast defence on the Atlantic.

The Trade and Commerce Department spent \$3,008,000 for Canada's gift of flour to the Motherland.

The Printing and Publicity Specialist Talks To His Son

"Say, John, I feel quite sick today," said Mr. Blank. "Please visit the different doctors in town, and find out who will cure me for the least money. Get your quotations tabulated and then let me see them. Of course we will engage the doctor who charges the least."

"Why, I never heard of such a thing," said John. "The idea of getting quotations from a doctor; it's the asylum for you."

"Well now, why not? I am a specialist in printing and publicity. I study my business just as carefully as any doctor can do. If I do say it that shouldn't, I have just as much brains as the average doctor. I strive to give my customers the benefit of my knowledge, my artistic skill and judgement and my ideas on publicity. I give service as the term is understood in the Twentieth Century."

"When some people around here have a little printing to be done, they visit all the printing offices, get quotations from each one, and then give the work to the man who gives the lowest figures."

"The ordinary user of printing knows his own business, but he is no more a judge of the work of printing than he is a judge of what sort of medicine a doctor should give him for the cure of his ailment. If people ask me for quotations and pass me by if my price happens to be a little more than the other fellow, why shouldn't I apply the same method to the doctor, lawyer, dentist and painter? Why not? It's a mighty poor rule that won't work more than one way."

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The Man Who Looks Ahead

Most persons have some goal to which they steer their hopes, but many thoughtlessly unnerve the hand, and dull the brain by faulty living, then wonder why success is not achieved.

Among the every-day habits of life that often upset health are tea and coffee drinking—ancient and respectable customs, but harmful to many.

The average cup of tea or coffee contains from 1 1/2 to 3 grains of caffeine, which, gradually accumulating in the system, often causes nervous prostration, heart trouble, mental depression, etc.

There's an easy way out of tea and coffee troubles—quit both tea and coffee and use

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This pure food-drink is a simple combination of whole wheat roasted with a little wholesome molasses—nothing else. It has a snappy, aromatic flavor, but is entirely free from the drug caffeine, or any other injurious substance.

There are two forms of Postum. The original Postum Cereal must be boiled, 15c. and 25c. packages; Instant Postum, soluble in a cup of hot water, 30c. and 50c. tins. Both have equal flavor, and cost about the same.

For those who appreciate the opportunity and power that goes with health.

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