

'ESTATE DUTY' MAKES DEATH EXPENSIVE FOR ENGLISHMAN

LONDON, England, October 1.—The formidable "estate duty" of England makes death just about the most expensive thing that can happen to a wealthy Englishman.

The government inflicts a tax, the celebrated "death duty" on every person the value of whose property, real and personal, "settled or not settled" is more than one hundred pounds sterling (roughly \$500) at the time of his death.

The tax begins modestly enough, 1 per cent is charged on estates of 100 pounds. Then it rises steeply. An estate of 10,000 pounds (\$50,000) is assessed 5 per cent or \$2,500; an estate of 100,000 pounds (\$500,000) is charged 20 per cent, or \$100,000; an estate of 2,000,000 (\$10,000,000) or over is taxed a full 50 per cent, which means that a man worth \$10,000,000 when he dies is worth half this, or \$5,000,000, to the government.

Levied on Aggregate

The estate duty is levied on the aggregate value of the property of the individual. Companies are not taxed.

The heirs of an individual are also subject to what are known as "legacy and succession duties," viz., they are taxed on the interest which they derive from inheritance. Exemption is granted on estates under 100 pounds, after which taxation begins at 1 per cent.

Every chancellor of the exchequer is glowingly interested, when he formulates his budget, in the number of old millionaires who may be expected to die within the year. Such "windfalls" may make or break his budget.

Helps Balance Budget

For instance, Sir John Ellerman, the shipping magnate, died in the summer of 1933. His fortune was roughly 40,000,000 pounds and of this the government calmly took half, or no less than 20,000,000 pounds. This went a long way toward keeping the 1933 budget in balance.

In the year 1933-1934, the estate duty brought £75,485,476 to the British treasury, and the legacy and succession duty the sum of £9,741,750. The total British revenue in this year, from all sources, was 724,567,000; the death duties together thus contributed about 11 per cent of the whole amount.

Death duties began under Sir William Harcourt in 1894. His idea was to devise an additional method for determining capacity to pay taxes; the criterion of income, in his judgment, was not enough. So the tax began as frankly a capital tax.

Increased by Lloyd George

The duties were low, and were not increased till Lloyd George introduced his "people's budget" in 1909. He needed more money for social services, marked increases occurred in 1919, after the war, and in 1925, under conservative chancellors of the exchequer, Austen Chamberlain and Winston Churchill. Finally, the duties were again hoisted in 1930 by Philip Snowden, labor chancellor.

Chamberlain and Churchill justified their boosts by citing the rise in the aggregate value of property from about 1921 till 1929-1930. Then property values began to fall. Even so, the yield of the death duties continued to rise, because the rates were higher. But in 1931-1932 the yield fell sharply—about 18,000,000 pounds below the estimate. This was probably due to the fall in stock exchange values and other prices, also because of the diminution in number and size of the great war fortunes. In 1934 the yield, in tune to the general return of British prosperity, picked up again.

Rich Pay the Most

The bulk of the death duties are levied on a comparatively small number of large estates, those of 50,000 and upwards. It is the rich who pay the most.

This is done partly because the terrific British income tax—the standard rate is 4s 6d on the pound, or 22½ per cent—mainly hits those of small and middle incomes. The death duties are aimed at the very wealthy so that people who get off comparatively lightly under income tax are severely caught by inheritance taxation.

Sir Austen Chamberlain quoted Montesquieu as follows in justifying the death duties: "Taxation in that part of a citizen's wealth which he gives in order to secure the possession of the remainder."

The British are very hard-boiled about taxes and they deny that the death duties are confiscatory. They say that inheritance tax simply fulfills the mission designed for it by Harcourt, namely that it acts as "a complement to income tax in assessing capacity to pay."

Has Confiscatory Effect

Nevertheless it is quite clear that such draconian taxation has had a confiscatory effect. The breakup of the old landed estates was, for instance, caused by the death duties as much as by any other single factor.

Opponents of the death duties say that such taxation discourages thrift

HENRY FORD OF THE GANGLING LEGS AND KNOWING FINGERS REVISITS A STORIED SCENE OF HIS YOUTH

DETROIT, Mich., Oct. 1.—Down a dusty road on a summer day 50 years ago, strode a gangling man, cast in the pattern of Lincoln whose name was to become as much of a household word. Then 22, the gaunt youth strode along, looked up next to the barn of Chris Rath where men were gathered about a silent steam engine, and strode in.

"Want me to fix it?" said the gangling man to the sweaty workers about the motionless engine. He knelt, the men withdrew to watch as his long, skilled fingers wheeled the machine into noisy motion. They went back to their threshing.

Years later, a volunteer mechanic, no longer a gangling youth but the man whose mechanical skill and methods revolutionized American productive methods and made him one of the world's wealthiest, was to come back. He was Henry Ford.

The Facts Become a Legend

Thus he came back to one of the legends which was to grow up about him. A legend lifted out of that past and made a different story. The story that all America, which has heard endless Ford jokes, knew. This is the story.

A man at the roadside tinkered at his stalled car. Up drew a limousine. From the limousine stepped a tall man.

"Want me to fix it?" he asked.

And bending into the hood of the car, the tall man twisted this, linked that. Soon the motor chugged.

"Boy, said the heartened motorist, "you sure can fix 'em".

"I ought to be able," said the man, and as he returned to his limousine he added, "I make 'em". And Henry Ford drove on.

America laughed at the joke. However, that joke was rooted in fact, although transplanted to an episode that Henry Ford cherishes, that day he fixed Chris Rath's threshing machine.

Again, Ford Returns

And back in time spun Henry Ford this week. Exactly as he did 50 years ago, Ford, his steps still buoyant, strode again into that yard filled with overalled men and women in gingham. He went back to Chris Rath's and, who knows, maybe to strip himself and the problems of a turbulent world of today, to live again as a carefree youth who strode down a road, his time his own and his name unknown, willing to lend a hand.

Those who were there remember

this. At noon, dusty men and the damp-browed women went in from the fields and kitchen to eat. And, in solitude, Henry Ford stood beside that same old machine his fingers had awakened 50 years before. And his eyes turned from the old wood-burner to the piles of fragrant wheat piled high beside the barn. And he stood there thinking. And those thoughts, retrospective or of something new for the farms which have held his interest over the years were private thoughts.

And the farmers, who from the region near Milan, Michigan, had gathered for an old-fashioned threshing bee that time has not altered, came back to ply their flails or work as speed feeders. The man they talked to was no industrialist. He was something of kin, a bright, blue-eyed man who watched their work with an agriculturist's eye and talked their tongue. Possibly that was a clew to the thoughts he had thought alone.

Soybeans (And Fertilizer)

How were the soybeans coming? Is the earth still rich? What fertilizer do you use? How many potatoes in? "I hope you got enough to the hill, it's easier thinning them than getting hollow hills". And the farmers talked and pointed out one another for this and for that.

Then he retreated to a tree's shade—no longer wanting to keep them from their work—and with small boys stumbling over his long legs he watched them, tossing their bundles to the feeders, standing along the ledge that separates wheat from chaff. And his eyes turned often on that old engine, the old wood-burner whirling the long belt.

And out of the dust that might have been yesterday's walked a youth. Tall and gaunt. The neighbors recognized him as Wilbur Donaldson, of the Henry Ford Greenfield Village School, a philanthropy. The youth, as another had, walked from the road to the old engine, twisted this, that, adjusted levers, checked the steam. The youth wore a dandy blue shirt, white collar, black tie. There was the high vest and belted trousers covering the tops of strong leather shoes. From deep down a chuckle arose in Ford. That was him, that was yesterday and it was flattering.

And the engine, newly adjusted, snorted, gathered a finer head of steam and roared into faster production. Henry Ford settled back, satisfied.

THE AMBITIOUS YOUNGER CHILD

If Jealousy and Quarrels Arise Because Big Brother or Sister Steals the Spotlight, Give the Little One Her Own Work

Jane's misfortune was that she happened to be David's little sister. It was a role that did not suit her. She was an extremely capable young person.

At two she could lay the table, at three make a creditable attempt at a darn. She could handle scissors, jug and water, cooking utensils, to some purpose. She would carry dishes from the table until mother's "David, help Jane, she might drop it", stopped her efforts.

Jane was convinced that she could do most things from playing leap frog with David to frying eggs for Daddy's breakfast. But David would spring easily over the backs of his friends, whereas Jane's fat little legs brought her down to earth in more senses than one. As to Daddy's eggs, Mummy would say, "Now let me crack them, Jane. You can do them

and is partly responsible for the persistence of industrial depression. But the Colwyn committee set up in 1927 to examine questions of public finance concluded that the death duties were not more damaging to public saving than income tax.

The bulk of annual national saving in England comes from public companies, institutions like building societies and insurance companies and savings banks and none of these are affected by death duties. Savings of surtax and death-duty paying classes for 1930 were estimated at 25,000,000 pounds, whereas total national savings for that year were £280,000,000.

It has been argued that since death duties are a tax on capital the revenue derived from them should specifically go to expenditure of a capital type, like debt redemption. But this has not been done. Death duties are a part—and a highly important part—of the general pool of British revenue, and they are used for all types of spending.

Sir John Ellerman, dead, may have built a cruiser, paid widow's pensions, contributed to the salary of many thousands of postoffice workers, or settled Ramsay MacDonald's expense account at Geneva—and in any case it is his family and heirs who suffer—not Sir John Ellerman.

them by yourself when you're as big as David.

"Little Sister"

A simple instruction would be regarded by Jane as a humiliation. She would reject it with an attitude of obstinate immobility. Well-meaning visitors who said, "How lucky you are Jane to have such a big brother", or to David, "How nice for you to have a little sister like Jane", saw a mulish stubbornness overcast her face, and thought, "What an unpleasant child". Jane became difficult. She could be neither coaxed nor driven. Her "nay" was "nay". It began to be common to hear, "It's no good talking to Jane, today. She's in the sulks again".

Jane seems to be suffering from the defects of her virtues. Just because she is capable, vigorous and self-reliant, it is gall and wormwood to her to be rubbing elbows day in day out with someone just old enough to achieve with ease all the things she strains to do. She spends her life trying to prove that she is not quite as inferior by comparison with David as she fears.

Understanding, tact, and ingenuity should have been used, to avoid putting her into a position, where this is brought home to her. The many things she could do so well should have received positive appreciation, without bringing David into the picture.

Sulks indicate an inner storm of rage and bitterness which can find no outlet. This chewing the cud of one's misery means intense unhappiness while it lasts, as many an adult melancholic knows. It is necessary, but not easy, to help such a child.

She should be encouraged to express her anger, however, violent, without criticism or reproach. "Hard words break no bones". An occasional scrap between the children, without interference from above would be salutary. Such feelings are better worked off than shut in.

A good nursery school should be found as soon as possible. For a child like Jane, three would not be too young. By pitting her qualities against her equals in age, occasional failures would lose much of their bitterness.

At home, mother should give her things to do on her own, such as baking a cake, getting tea ready,

Of Interest to Women

TID-BITS FOR TEA TIME MADE IN MINUTE

Attractive Little Cakes Essential at Buffet Parties

Sandwiches and beverage, and what else? is the question in every hostess' mind as she plans an afternoon tea party, bridge, or supper refreshments. Even these smartly original women who have plenty of sandwich substitutes, must have some interesting sweet for her guests to nibble with their last cup of coffee. These little "nibbles" cakes add much to the appearance of the tea or buffet table. They may be delicately puffed, or crisply thin, but either way should look dainty and most popular.

Macaroons have been one of the prettiest and most popular little cakes since some clever cook invented them. And the standard macaroon can be made in a minute from this carefully tested recipe. That funny "soapy" taste that is often found in Macaroons comes from stale, poor quality cocoanut. Fresh, moist cocoanut is easily obtained in air-tight packages and cans—the long shredded type is called southern style, and the short shreds to be used in batter and liquids, premium shred. For macaroons of course, the long, tender shreds are used.

Cocoanut Macaroons

5 tablespoons sugar
2 egg whites, stiffly beaten
¾ cup cocoanut, southern style
¼ teaspoon almond extract
Beat sugar into egg whites and continue beating until mixture stiffens again. Beat in cocoanut and almost extract. Drop by teaspoons on waxed paper on baking sheet. Bake in moderate oven, 325 degrees F. 20 minutes or until done. Cool slightly, dash cold water on under side of paper on which macaroons were baked, and remove macaroons with spatula or broad blade knife. Makes 18.

Cocoanut Date Kisses

2 egg whites
1 cup powdered sugar
1 cup cocoanut, premium shred
1 cup finely chopped dates
Beat egg whites until foamy throughout; add sugar, 2 tablespoons at a time, beating after each addition until sugar is blended. Then continue beating until mixture will stand in peaks. Fold in cocoanut and dates. Drop from teaspoon on ungreased heavy paper. Bake in slow oven, 325 degrees F. 20 minutes or until delicately done. Makes 2½ dozen kisses.

Cocoanut Dreams

1 cup sweetened condensed milk
4 cups (½ pound) cocoanut, premium shred
1 tablespoon vanilla
1-8 teaspoon salt
Combine milk, cocoanut, salt and vanilla, and mix well. Drop from teaspoon on greased baking sheet. Bake in moderate oven 350 degrees F. ten minutes. Makes three dozen cookies. If desired, ¾ cup chopped figs, candied cherries or currants may be added to mixture before baking. These cookies have the chewy texture and sweetness of macaroons.

Household Uses for Salt

Most recipes for any type of food or dish call for a pinch of salt. When baking a cake, whether the recipe calls for it or not, a pinch of salt will find adds flavor that you cannot get in any other way.

Serve Substantial Desserts When Nippy Days Pep Up Appetites

A "fella's feeling at his best," when

David's jobs need not overlap. Garden work would provide a good opportunity for some co-operation between the two. Dancing lessons might give Jane a chance of excelling in a sphere where she would never have to share the limelight with David. Incidentally, it might happen to earn his admiration, balm, surely, to her ambitious spirit.

A gentle, loving, uncritical attitude will help Jane, while developed powers, a readier vocabulary, friends and work will lessen the violence of her reactions and lead to more control.

the frost is on the pumpkin, sang an American poet. These invigorating autumn days do put plenty of pep and punch into people and send them home simply starving for dinner. Summer desserts are light and cool but as colder weather comes, the sweet course should have more "body," or as the men say "something to bite into."

Cocoanut custard pie and its dusky cousin, pumpkin, are two of the world's most popular desserts. Cafeterias have reported that men order more cocoanut custard pie than they do of any other variety.

Cocoanut Custard Pie

3 eggs, slightly beaten
3 cups milk, scalded
½ cup sugar
1-8 teaspoon salt
1 cup cocoanut, premium shred
Line a 9-inch pie plate with pastry, rolled to 1-8 inch thickness. Combine eggs, salt, and sugar; add milk gradually, then add cocoanut, and mix thoroughly. Pour into pie shell. Bake in hot oven, 400 degrees F., fifteen minutes; then decrease heat to moderate 350 degrees F. and bake thirty minutes longer. Cool.

Delicious Pumpkin Pie

2 cups cooked, mashed pumpkin
1 cup sugar
3 tablespoons melted butter
3 eggs, slightly beaten
2 cups milk, scalded
1½ cups cocoanut, premium shred
½ teaspoon mace
½ teaspoon allspice
½ teaspoon cinnamon
Line a 9-inch pie plate with pastry, rolled to 1-8 inch thickness. Combine ingredients in order given and mix thoroughly. Pour into pie shell. Bake in hot oven 400 degrees F. for fifteen minutes, then decrease heat to moderate 350 degrees F. and bake thirty minutes longer.

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