

## FEDERAL TAX COLLECTION MACHINERY IMPROVING

**Busiest Department at Ottawa—Prosecutions are Invariably Successful—Burden of Increased Railway Expenses to be Shifted to Public**

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**T**HERE are evidences that there will be a political awakening in Ottawa shortly. Hon. Mackenzie King, the Liberal leader is preparing to make a nation-wide tour. From his standpoint everything depends upon this tour. With his following in the house, he has not made a great hit, and last session did not strengthen his position. However, if he can carry the fiery cross to the country with enough zeal to arouse the old-time Liberal spirit he will rehabilitate himself. He is young and will grow, and unfortunately for himself with his following in parliament always suffers with the very natural comparison with Laurier.

The new Prime Minister, Hon. Arthur Meighen, if he can tear himself away long enough from his duties at Ottawa will also take to the stump. The country has a new ministry, a new party and a new platform, and the country would like to get better acquainted with all three. Mr. Meighen will make his first public appearance in Portage La Prairie, his home constituency, where he will be given a public reception. This will be followed by several other meetings, and then he will plunge into the coming bye-elections. Upon these bye-elections depends the fate of the government and his own future. Judging by the Nova Scotia results, Hon. F. B. McCurdy will not have easy sailing in Colchester. Colchester was carried by the farmers in the provincial fight. Altogether Mr. Meighen has a couple of anxious months ahead. The outlook ahead is enough to daunt one with less vigor and less courage.

### Imperial Press Congress

Just at present Ottawa is chiefly interested in the coming Imperial Press Congress. In addition to the meetings of the conference itself, which promise to be of more than passing interest there are a whole series of functions and fetes, which so delight the heart of Ottawa, and this at a time when such events are not usually looked for.

It is a heartbreak to try to do business with Ottawa departments these days. All government offices close at four o'clock, and there is no overtime. There is a grand scramble as soon as the clock ticks four and the chances are that the man you are looking for has slipped away ten to four. Then follows Ottawa's famous Sparks Street and Plaza parade. Fifth Avenue has nothing on riots of colors, gaiety of frocks and variety of costume.

### Collection of Taxes

There is just one man in Ottawa who never seems to cease work, that is R. L. Breadner, commissioner of taxes. There is no end to taxation, so it is perhaps fitting that Mr. Breadner keeps up his eternal vigil. There is an all round tightening up in the enforcement of the act. Last month, he tells me, he prosecuted sixteen people for not making returns. He was successful in every case. The boast of the department, indeed, is that it has not yet lost a prosecution. When income taxation was first proposed, Mr. Breadner told Sir Thomas White it would take five years to build up an organization which would be at all efficient. It is now only three years since the income tax was first introduced, so that the commissioner of taxation naturally is well satisfied with the results. In two more years he claims he will have such an organization completed that, few, if any fish, will be able to slip through the net.

### Certain Increase in Railroad Rates

There is much interest in Ottawa in the official announcement from Vancouver, made there by Hon. J. D. Reid, minister of railways and canals, that the Canadian National

lines will accept the schedule of wage increases for railway-men granted by the American Railway Board. There would seem to be no alternative for the government—having accepted all through the war the McAdoo award. However, increased wages makes certain a jump in railway rates, both passenger and freight, the hearing for which will be heard shortly by the Railway Commission. Increased rates means increased cost of living and there you go.

In a statement made in the house, Hon. Dr. Reid pointed out that the wage bill for the Canadian National Railways—this was without the Grand Trunk—was in 1919 \$73,000,000, having owing to the McAdoo awards, jumped from \$54,000,000 in 1918. The minister made the rather startling statement that out of every dollar earned seventy-eight cents passed directly by way of wages to the employees. He also added that in 1914, the average wage per year of the railway employees was \$700, and in 1919, on the National Railways, it was \$1,447. The new award will increase these figures and for all this the poor public will pay.

Action by the Department of Trade and Commerce in regard to the increased freight rates between Halifax and St. John and West Indies points have been deferred pending the return to Ottawa of Sir George Foster, minister of trade and commerce. Some time ago the department had an application from the steamship companies concerned asking for an increase of 10 per cent. in the rates between points on this route. Now a protest against the increase has been received from St. John, N.B., city council, and it is expected that the city council of Halifax will join in opposing the increase. The matter will stand over, in any event, until Sir George Foster returns from his trip down the St. Lawrence.

### Five Million for Highways

Five million dollars will be spent this year in making better the main highways of the country through federal and provincial grants. Of this amount, the Dominion government will contribute two millions and the provincial governments three. This is the first year in which the road money has been available, and in view of the time taken in preparing plans the initial year's outlays will not be so heavy as in some succeeding years.

The improvement scheme, however, is general. Before the Dominion government makes any grant for the purpose the provinces have to file general plans, and every one of them, from coast to coast, has done so already. The detailed plans also need approval by the Dominion government, and this has been done in several instances, and work is already under way. While the provinces may improve whatever roads they choose to, the Dominion grant of 40 per cent. of the cost is restricted exclusively to main or trunk highways.

Messrs. W. E. Scott and Russell Wilson, who have been in the British Isles acting as a Selection Committee of the Soldier Settlement Board of Canada, have returned to Ottawa. They held eighty-three sessions in many parts of Great Britain and Ireland, and a large number of men who wish to settle on farms in Canada appeared before them.

### Duplication in Income Taxes

Methods to obviate the duplication of income taxation are receiving consideration from the minister of finance. The present system is admitted to involve considerable hardship. In some provinces the individual is called on to pay three income taxes—federal, provincial and municipal. Two sets of income taxes is an ordinary process. There are hopes that, by means of negotiations with the different provinces, some understanding may be reached whereby income tax may suffice, this tax being under the auspices of the federal authorities. Some compensating process for the provinces will be necessary, and taxes on land values open up one possible avenue. Investigations which have been made are not favorable to the land tax as a federal institution, but as one operated by the provinces, if they are so disposed, the outlook is more favorable. Where the federal tax would be, inevitably on one common basis, such a tax, imposed by the provinces, could be governed by local conditions.