

as individuals, but now the fagots have been gathered into a bundle. When it comes to terms of reconstruction, the project of "Mittel Europa" is likely to receive as determined opposition in the United States as in any of the Allied countries.

Meanwhile, the work which must be done to thwart Pangermanism is being prosecuted in good faith, and with ever-increasing vigour by the nation which had affairs of its own to settle before it could enter the fray.

WAR TAXES

It is not unlikely that our war taxes will lead certain important citizens to take a much keener interest in politics. Hitherto the active and prosperous business man has found it more advantageous to accept penalizing taxes than to display energy in fighting those who imposed them. Though he might grumble or scoff at the politicians, he none the less went on his way, buying and selling, planning and contracting, while the taxes were assessed by legislators of whom he disapproved, or whom he even despised. In short, the burden of taxation was not a large factor in his affairs. Time being money, the tax meant a much smaller fine than was represented by the crusading which would be necessary to change it.

The scale of the new taxes is such as to change these conditions altogether. Henceforth, the proportion of taxes to net profits will be very high—so high that this item in the year's budget will assume a relative importance never possessed before. Indeed, few other business problems will be more pressing. In consequence a great many people of high talent, who before gave only casual attention to taxes, will have a fresh incentive to cope with these problems of citizenship which affect the distribution of public burdens.

It will require a great deal of clear, impartial thinking—based on knowledge—to adjust this distribution fairly. The short cut, of course, is to come down hard upon exceptional profits—a process by which the Government possesses itself of ready money that is in sight. But the case is not so easy