

CANADA HAS LARGE BALANCE TO HER CREDIT

Budget of Sir Thos. White Contains Many Encouraging Features--Dominion Has Increased Revenue by \$31,000,000, Has No Outstanding Treasury Bills in London Market, Is Financed Up to Beginning of Next Summer and Faces Coming Fiscal Year With Very Bright Prospects.

(Continued from page 1)
(Canadian Press.)

Ottawa, Feb. 15.—In opening the Finance Minister declared that he was happy to be able to inform the House that the scheme of general and special taxation announced in his budget of last session had worked out well. Last March he had anticipated an aggregate revenue of \$50,000,000 for the fiscal year ending with next month, but he now anticipated a total revenue of at least \$170,000,000, or \$20,000,000 in excess of the estimate of a year ago.

He declared that the introduction of his budget last year, with the increased customs duties, had promptly arrested the sharp monthly declines, and by August revenues had been restored to the basis of the corresponding months of the year preceding the outbreak of the war. Since August last there had been a marked and continually progressive increase in monthly revenues, as compared with those of the corresponding period of the previous year, when the profound derangement of finance and commerce resulting from the war was exercising so serious an effect upon imports and general business. From the beginning of the present fiscal year up until Feb. 10th the total revenue of the Dominion from all sources had amounted to \$145,000,000, an increase of \$31,000,000 over the same period the preceding year. Of this revenue about \$22,000,000 had been derived from customs duties; \$19,000,000 from excise; \$14,000,000 from post office receipts, and about \$3,000,000 from the special taxes other than the extra postal taxes. The increase in customs duties derived from the increased duties he estimated at \$19,000,000.

ORDINARY EXPENDITURES CUT DOWN.

As to the expenditure of the current fiscal year, he noted that the policy of not undertaking new works had been rigidly followed. Only works actually under contract had been proceeded with. As a result, outlays for the year, apart from the war had been much less than the estimates of his last budget. Up to the present time expenditure on ordinary account had been round figures, \$93,500,000, a decrease of over \$13,000,000, as compared with the corresponding period of the previous year. On capital account, especially on such works as the N. T. R., the Quebec bridge, Halifax terminals, the St. Lawrence Channel, and the Hudson Bay Railway, expenditures had totalled \$30,500,000, a decrease of \$7,000,000, as compared with the corresponding period of the previous year. Taking into account increased revenue and decreased expenditures there had thus been an improvement of no less a sum than \$51,000,000 so far this year. For the entire fiscal year he thought the net improvement would probably reach \$57,000,000.

Dealing with war expenditures, Sir Thomas noted that the appropriation of last session was \$100,000,000, while \$20,000,000 had been voted at the preceding special session. This session the prime minister would introduce a further measure providing for an additional sum of at least \$250,000,000. From the outbreak of the war to the end of January, 1916, Canada's total war expenditure had amounted to \$150,000,000.

A BALANCE AT HOME AND ABROAD.

"We entered upon the present fiscal year," continued Sir Thomas, "with \$200,000,000 of treasury bills maturing in June. We had also a bank indebtedness of \$5,000,000. These treasury bills were retired upon maturity, and our bank indebtedness has been paid off. The Dominion govern-

ment has no outstanding treasury bills in the London market, and is not overdrawn with any financial institution. On the contrary we have at the present time very large balances to our credit, both at home and abroad. In fact, the government is financed until the beginning of next summer." Summarizing briefly the loan transactions during the year, the Finance Minister enumerated the issue in London of 5,000,000 pounds of four and one-half per cent. debenture stock maturing 1920-25; the New York issue in August of \$25,000,000 of five per cent. notes maturing August 1, 1916, and \$20,000,000 of five per cent. notes maturing August 1, 1917; and the Canadian domestic loan of \$50,000,000 of five per cent. ten year bonds which was afterwards taken up to the extent of \$100,000,000. Of this latter loan, Sir Thomas noted that the government had placed the sum of \$50,000,000 to the credit of the Imperial Treasury towards making payment for munitions and other orders placed in Canada. The total amount of advances by the Imperial Treasury towards Canada's war expenditure, said Sir Thomas, amounted to date to 27,000,000 pounds, or \$135,000,000. Since the beginning of the period of serious decline in sterling exchange from June onwards, the government had been able to finance all war expenditures in Canada without the assistance of the Imperial Treasury, thus saving a large amount of exchange. By reason of improving revenues and of the loan in the United States and Canada that had been no necessity to negotiate any sterling bills since June of last year.

OUTLOOK FOR PRESENT YEAR

"As closely as we can estimate," he said, "the financial outcome of the present fiscal year will be as follows: Revenue from all sources, \$170,000,000; ordinary expenditures, \$125,000,000; surplus, \$45,000,000.

"As the proceeds of the American loan," Sir Thomas went on, "which was especially made to meet capital expenditures, have been more than sufficient for the purpose (the expected expenditure under this heading being \$40,000,000), it has been possible for the government to devote its entire surplus, estimated at \$45,000,000, in payment of the principal of our war expenditure. The House, of course, understands that in our ordinary expenditures is embraced the entire interest charge upon our public debt, which includes our war borrowings. Ordinary expenditure also includes pensions.

BRIEFLY, THEN, THE RESULT OF THE PRESENT YEAR'S TRANSACTIONS AS TO REVENUE AND EXPENDITURE MAY BE SUMMARIZED AS FOLLOWS:

"WE BORROWED IN THE UNITED STATES THE AMOUNT REQUIRED FOR OUR CAPITAL EXPENDITURES. OUR REVENUES WILL EXCEED OUR ORDINARY EXPENDITURES BY \$45,000,000. THIS \$45,000,000 WE DEVOTE TO THE PAYMENT OF OUR WAR EXPENDITURE. BY THE END OF THE YEAR THE NET NATIONAL DEBT WILL BE ABOUT \$60,000,000. AN INCREASE OF \$131,000,000 DURING THE YEAR. HIGH DEGREE OF PROSPERITY DESPITE WAR.

"Turning from the financial transactions and position of the government to the general affairs of the country, we find much cause for gratification and thankfulness. Business has adjusted itself in a remarkable way to the altered conditions. We have been blessed with a most bountiful harvest, the great-

est, by far in the history of the Dominion, and this, coupled with the demand for war material, supplies and munitions, has given such stimulation and impetus to trade and industry that, notwithstanding the war, we are experiencing a high degree of prosperity. Probably the most outstanding feature of our national economy during the year has been the extraordinary change which has taken place in our international trade balance. For the fiscal year 1912-13 it was adverse to the extent of over \$300,000,000; in 1913-14 of \$150,000,000; and in 1914-15 of \$36,000,000. For the present fiscal year it seems certain that we shall have a favorable trade balance in the neighborhood of \$200,000,000. That so great a change has been effected in one brief year is a striking tribute at once to the marvelous productivity of the Dominion and the capability, industry and thrift of our people. Our total trade for the year will aggregate approximately \$1,200,000,000, an increase of nearly \$200,000,000 in exports, and a slight reduction in imports. This is the largest aggregate trade in the history of the Dominion.

"On the financial side stability continues to be maintained. The statements of our great monetary institutions disclose a position of growing strength. The savings of the public are rapidly increasing in volume, thus ensuring adequate credits for the commercial, industrial and agricultural needs of the community."

Coming to the consideration of the finances of the new fiscal year, Sir Thomas declared that it must be made plain at the outset that notwithstanding increasing revenues and diminishing civil expenditures the burden of financial administration would be much heavier in the coming year than it had been in the past year. The War Appropriation Act of this session would authorize an expenditure of \$250,000,000, all of which, and possibly more, would be required for our rapidly increasing forces. How was the money to be raised? There were only two sources, namely, from revenue and from borrowing.

ESTIMATES FOR COMING YEAR

He promised that the government would continue to effect all possible reductions in domestic capital expenditures, and would proceed only with works actually under contract. Should financial exigency so require, "we shall not hesitate to terminate contracts and leave works in an unfinished condition, notwithstanding the immediate and prospective loss and damage involved." He did not think, however, that such a course would be necessary.

Ordinary expenditure for the coming year he estimated at about \$125,000,000, as compared with \$120,000,000 for the year just ending, or \$135,000,000 for the preceding year. Capital estimates were \$30,000,000, as compared with \$48,000,000 for the current year. He estimated an aggregate civil expenditure of \$160,000,000, as compared with \$165,000,000 for the present year, and \$187,000,000 for 1914-15. He drew attention to the fact that included in the ordinary expenditure for the coming year was the sum of \$35,000,000 for interest payment of the public debt, of which no less than \$20,000,000 represented increased interest due to war borrowings. There was a further sum of \$2,000,000 for pensions, payable on account of the war.

He thought the government would be justified in borrowing, as it had done in the past, for all capital expenditures. That would leave, on the basis of present revenue, a surplus of \$35,000,000 to

apply upon war expenditures. Altogether, the government would have to borrow for war purposes about \$215,000,000, and, including capital expenditure, there would thus be at the end of the year an increase in the public debt of nearly a quarter of a billion dollars. He believed that the government was quite justified in placing upon posterity the greater portion of the financial burden of the war, waged as it was in the interests of human freedom, and for their benefit in equal if not in greater degree than for our own.

"I do not desire," he added, "to be understood as saying that we should not endeavor to raise, by taxation a considerable part of our war expenditure. On the contrary, it is my view that it is our clear national duty, and supremely in the interest of our credit, to provide what we reasonably can, without impairing our economic structure. With this statement of general policy, Mr. White turned to the question of taxation, and loans for the coming fiscal year. With proceeds already recruited to the number of 250,000, and with 500,000 aimed at, it was manifest, he declared, that further ways and means must be devised of meeting the expenditures necessary to organize and equip the new contingents and maintain our entire forces.

The tariff and budget resolutions, as introduced by Sir Thomas White, announce the following changes, and go into effect tomorrow, Wednesday, Feb. 16:

TARIFF

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, \$600,000.

TAXATION

Twenty-five per cent. of net profits since August 4, 1914, on paid-up capital of all incorporated companies exceeding seven per cent. and in excess of other persons seven 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 War Revenue Act of 1915. Duration until August 3, 1917. Revenue estimated, \$25,000,000 to \$30,000,000.

Sir Thomas, in explaining his tariff proposals, said, in part: "We propose to alter the duty payable on apples to 90 cents per barrel. We regard this duty as indispensably necessary for the preservation of the apple growing industry of 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, 8235 specific gravity or heavier at six degrees temperature. The 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 \$600,000. The goods covered by the tariff proposals will be exempt from the provisions of the customs tariff revenue act of 1915.

BURDEN FOR THESE BEST ABLE TO BEAR IT.

"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 the question of what classes or classes of persons should 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 profit above the average return to 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 character. It has appeared to the government that persons, firms and corporations whose profits have

been such might well be called upon to contribute a share to the carrying on of the war. Their position being advantageous, as compared with less fortunate fellow citizens, it is just that a portion of their advantage should be appropriated to the benefit of the state. In this connection we have prepared a measure providing for the taxation of profits in excess of a certain percentage upon the capital engaged in all classes of business and industry, including railways, steamship, public utility, financial, commercial, milling, mining, and industrial enterprises. We have fixed upon a rate of profit in the case of corporations and individuals and firms which may be taken as a fair annual return in normal times. We propose to impose taxation to the extent of one-fourth of the amount of net profits upon capital engaged in the outbreak of the war in excess of this fixed rate.

The first payment will not be due until November next. "I am unable to give the House an accurate estimate of what this measure of taxation will realize, but we believe its results will be very substantial, probably as much as twenty-five or thirty-five million dollars, for the period mentioned. It is to be borne in mind in connection with the subject of war profits, which have been much discussed, that many of our industrial companies were obliged during the period immediately succeeding the outbreak of the war to purchase munitions and other dividends owing to the general depression which then prevailed.

"What we propose is a very comprehensive measure of taxation, not confined to those who have since the outbreak of the war made more than their usual profits but applying to all businesses, whether established before the war or established after its outbreak, whose profits exceed the percentages which I have mentioned.

"I have now to direct the attention of the House to the matter of the borrowings by which we shall supplement our revenues to the full amount necessary to meet our war expenditure for the coming year. At present we are financed as to our requirements in Canada until the beginning of summer. We have, however, a large body of troops, over 100,000 overseas, whose pay and cost of maintenance run into large figures and will continue to increase as its number increases. To provide this money, and as an efficient safeguard to our own financial situation in Canada, we arranged last fall for a total authorized loan of 30,000,000 pounds from the Imperial treasury to be availed of, if necessary, at a rate not exceeding 2,500,000 pounds a month during the present calendar year. While this arrangement absolutely ensures the stability of our finances for the year, it will be our most earnest endeavor to avail ourselves as little as possible of this generous provision on the part of the Imperial government, sustaining, as it is, the heavy burden of financing our unparalleled war expenditures, and making loans on a vast scale to Allies. Further, it is our intention, to the extent we may be able, to make advance in Canada to the Imperial government to facilitate its additional purchases here of munitions and supplies.

"The conspicuous success of the recent Canadian loan encouraged us to hope that a large portion of our requirements from this time forward may be raised from our own people. There is no doubt that this can be done if the production of the Dominion continues to increase, and if strict economy and thrift are exercised by our people with the intention of investing their savings in government securities. "To assist in our war financing I have to propose a legislative measure whereby life insurance companies and associations carrying on business in Canada under Dominion license will be obliged to invest and keep invested a certain portion of their assets during this and next year in the currency bonds or debenture stock of the Dominion. We propose that companies whose domicile is outside of Canada, but which are licensed to transact business in Canada, shall make the deposits which they are required to make in 1915 and 1917 as security for their policyholders in the Dominion in such securities, and as to Canadian companies we propose that for the

RUSSIAN OFFICERS AT WORK IN A TRENCH



The Russian artillery, handicapped as it has been in many ways, is now said to be gradually proving its worth in battle, especially the work of the observer. This picture, which describes the observer at work, shows an officer using a range finder in the trenches.

same two years they shall invest in such securities one-half of the increase in their net ledger assets during the years 1915 and 1916, after making provision for increase in foreign reserves and in policy loans. Provisions will be made to meet the case of foreign companies which have already made their deposits for the present year. The aggregate amount of such investments will reach a total of at least \$15,000,000.

"To promote saving among the public, and reflecting upon its varied fortunes, there has grown in the hearts and minds of all an ever-deepening sense of its increasing gravity and menace to the Empire's safety. But the Empire's strength has steadily grown with the growing peril. Never has our national spirit been more high, never our resolve more unshaken, never have we been more supremely confident of ultimate victory than we are today. We have taken the measure of our foe, we have estimated the resources of our manhood and the other elements of Imperial power, and we steadfastly abide the issue in calm consciousness of inherent strength and the eternal justice of our cause. We fight for human progress and for human rights, and we can and shall endure unto the end."

"The conflict has developed and extended upon a scale and to an extent far beyond our expectations or imaginings at its inception. Looking backward over its tragic course, and reflecting upon its varied fortunes, there has grown in the hearts and minds of all an ever-deepening sense of its increasing gravity and menace to the Empire's safety. But the Empire's strength has steadily grown with the growing peril. Never has our national spirit been more high, never our resolve more unshaken, never have we been more supremely confident of ultimate victory than we are today. We have taken the measure of our foe, we have estimated the resources of our manhood and the other elements of Imperial power, and we steadfastly abide the issue in calm consciousness of inherent strength and the eternal justice of our cause. We fight for human progress and for human rights, and we can and shall endure unto the end."

Doctor Advised Operation As Only Cure For Piles

Wife Objected to Use of Knife and Cure Was Effectuated by Use of Dr. Chase's Ointment

Here is the affidavit of a well-known fruit grower who was cured of bleeding piles some years ago by using Dr. Chase's Ointment.

"His doctor could do nothing for him and recommended a surgical operation (Chase's Ointment to all sufferers from piles. My wife had used it for itching Ointment and complete cure resulted from this treatment.

"It is by the cure of extreme cases like this that Dr. Chase's Ointment has won the reputation of being about the only actual cure for piles—itching, bleeding and protruding piles.

Mr. Samuel Parker, fruit grower, Grimsby, Ont., has made the following declaration before Mr. W. W. Kidd, Notary Public, of the same place: "I do solemnly declare that I was troubled with bleeding Piles and was advised to go to the hospital to have an operation performed. My wife said 'No, get a box of Dr. Chase's Ointment. I did so and have used it according to directions while living in Manitoba, and obtained a complete cure, for I have never been troubled with Piles since. I am now 70 years of age and want to recommend Dr. Chase's Ointment to all sufferers from piles. My wife had used it for itching Ointment and complete cure resulted from this treatment.

"I do so and have used it according to directions while living in Manitoba, and obtained a complete cure, for I have never been troubled with Piles since. I am now 70 years of age and want to recommend Dr. Chase's Ointment to all sufferers from piles. My wife had used it for itching Ointment and complete cure resulted from this treatment.

"Mrs. William Schettler, Spy Hill, Sask., writes: 'I have used Dr. Chase's Ointment with great success as a treatment for Piles. About 15 years ago I had this ailment very bad and suffered greatly. By using Dr. Chase's Ointment a complete cure was effected and I have never had a return of the old trouble. It is undoubtedly the best Ointment made and no family should be without it.'

Put Dr. Chase's Ointment to the test, effected and I have never had a return of the old trouble. It is undoubtedly the best Ointment made and no family should be without it.'

CHILD'S TONGUE BECOMES COATED, IF CONSTIPATED

When cross, feverish and sick give "California Syrup of Figs."

Children love this "Fruit Laxative," and nothing else cleanses the tender stomach, liver and bowels so nicely. A child simply will not stop playing to empty the bowels, and the result is, they become tightly clogged with waste, liver gets sluggish, stomach sour, then your little one becomes cross, half-sick, feverish, don't eat, sleep or act naturally, breath is bad, system is full of cold, has sore throat, stomach-ache or diarrhoea. Listen, Mother! See if tongue is coated, then give a teaspoonful of "California Syrup of Figs," and in a few hours all the constipated waste, sour bile and undigested food passes out of the system, and you have a well, playful child again.

Millions of mothers give "California Syrup of Figs" because it is perfectly harmless; children love it, and never fail to act on the stomach, liver and bowels.

Ask your druggist for a 66-cent bottle of "California Syrup of Figs," which has full directions for babies, children of all ages and for grown-ups plainly printed on the bottle. Beware of counterfeits sold here. Get the genuine, made by "California Fig Syrup Company." Refuse any other kind with contempt.

St. John Retail Merchants

Thursday, February 24th

Thursday, February 24th

The Names of the Dollar Day Merchants will be announced in This Paper later --- Watch for the List!