

# ALLIES MORE UNITED AS WAR GOES ON

## THE WEATHER.

Maritime—Moderate winds, fine and a little milder.

# The St. John Standard,

NEW BRUNSWICK, CANADA.

## OPERA HOUSE

TODAY MATINEE 2:30

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## PUT TAX ON THOSE BEST ABLE TO BEAR IT, FEATURE OF SIR THOS. WHITE'S BUDGET

### BUDGET BROUGHT DOWN IN PARLIAMENT YESTERDAY

**Tax of One-Fourth of Net Profits in Excess of 7% on Paid-Up Capital Imposed on Incorporated Companies With Capital of \$50,000 or Over—Special Provision for Insurance Companies—Agriculture Exempted and No Income Tax—Finance Minister Able to Report Splendid Results and Bright Prospects.**

#### SPECIAL TO THE STANDARD.

Ottawa, Feb. 15.—Taxation of those who are best able to bear it was the feature of Sir Thomas White's budget which was presented to parliament today. The direct income tax which was anticipated has not been imposed and agriculture is exempted. On the other hand the Minister of Finance has gone for the increased revenue which is necessary in this war time to the businesses and industries which have been able to maintain profits above the average return to capital during times of peace, also to those 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," said Sir Thomas, "that persons, firms and corporations whose profits have been such should 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."

#### THOSE AFFECTED BY MEASURE.

The measure which he introduced to the House provides for the taxation of the profits in excess of a certain percentage upon capital engaged in all classes of business and industry, including railway, steamship, public utility, financial, commercial, mining, oiling and industrial enterprises. A rate of profit has been fixed which might be taken as a fair annual return in normal times.

The following are the taxation and tariff changes: The duty on apples is increased to 50 cents per barrel, with a British preference of 33 1/3 per cent. A duty of one-half cent per gallon is imposed on oils and petrol, and under the British preference the duty will be one-third of a cent.

The duty on crude petroleum will be 7 1/2 per cent, intermediate and general tariffs and five per cent, British preferential.

Upon all incorporated companies carrying on business in Canada, except life insurance companies otherwise dealt with and those engaged in agriculture, there is imposed a tax of one-fourth of the net profits in excess of 7 per cent, upon paid up capital.

Upon individuals, firms and partnerships and associations, there is imposed a tax of one-fourth of the net profits in excess of ten per cent, of capital engaged in their business. These taxes will apply to every accounting period since the outbreak of the war.

**ONLY FOR THOSE WHOSE CAPITAL OVER \$50,000.**  
The taxation will not apply to persons, firms, or companies whose capital is less than \$50,000, excepting when they are engaged in manufacturing or dealing in munitions of material of war and supplies for war purposes.

The duration of the measure is limited to August third, 1917. Provision is made for preventing evasion of taxation by further stock issues or the incorporation of companies for the purpose of taking over existing businesses.

Provision is also made for preventing the postponement of taking of profits on orders and contracts wholly or partially performed. Life insurance companies and associations carrying on business in Canada under Dominion license are obliged to invest and keep invested a portion of their assets during this and next year in the currency bonds or debenture stock of the dominion.

Canadian companies will be compelled to invest in those 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.

Insurance companies whose domicile is outside Canada but which are licensed to transact business in Canada will make their deposits required of them in 1916 and 1917 as security for their policy-holders in the Dominion.

Provision is made to meet the case of foreign companies which have already made their deposits for the present year.

The courage which Sir Thomas White has displayed in presenting to the country a budget so radical in its proposals took parliament by storm. Never has it been so potently laid down by a Canadian finance minister that the rich must pay. Agriculture, the basic industry of the country, is untouched, thus showing the keen mind of the nation builder. The wage earner will go on as he has been going and what he pays to the great funds, such as the Patriotic Fund, will continue to be voluntary.

But the rich man, the man who can afford to travel, the man who has been making money out of the nation's woes, the individual who has been making money out of the manufacture of munitions, and supplying all the needs of the Canadian soldiers generally will all dip into their pockets. They will pay not only out of the profits that they are going to make, but out of what they have already made, for the measure is retroactive. The tax upon profits goes back to the beginning of the war.

#### GRIT CRITIC FORESTALLED

So complete a surprise was the budget that A. K. McLean, of Halifax, the opposition financial critic, was unable to proceed, and moved the adjournment until he had time to think over what it all meant. What he had intended to argue the government should do he was astounded to find it had done, and he was speechless.

It is a far reaching taxation, and it will be some time probably before the country is thoroughly acquainted with the extent to which the government is prepared to go to get funds to help defray the cost of the war. One thing, however, is abundantly clear, and that is that those of the people upon whom the cost of the war has fallen heavily, and who have suffered because of it, are untouched by the new taxation. (Continued on page 3.)

### HUNS BREAK THRO' PART OF BRITISH LINE

Switch Attack from French to British Front and Break Through for 600 Yards.

#### RENEWED ACTIVITY

AROUND DVINSK REGION.

Desperate Fighting in Neighborhood of Dvinsk — Austrian Force Wiped Out by Cossacks.

Switching their offensive from the Artois and Champagne regions to France to the Belgian sector around Ypres held by the British, the Germans have smashed their way, by an artillery bombardment and infantry attacks, to a British front line trench over a distance of between 600 and 800 yards. Berlin gives the distance as 800 yards and the British official communication in admitting the gain asserts that it was on a front of about 600 yards.

Berlin says that a majority of the positions north of Tchaure were repulsed, but that one officer and several dozens of soldiers were made prisoner.

In the Artois region between Lens and Bethune the crater of a mine, blown up by the Germans, was occupied by them, while the French gun have been busy shelling German organizations in the neighborhood of the road to Lille. The French also bombarded German positions north of Viller-Ardennes, and to the northeast of Soissons, and in the Argonne exploded a mine and occupied the crater.

In Champagne, Berlin asserts, French infantry attempts to regain lost positions north of Tchaure were repulsed, as likewise was a similar attack in the Vosges near Oberstein.

#### Fierce Fighting Around Dvinsk.

There has been a considerable renewal of activity on the Russian front around Dvinsk, to the south of the Pripiet river, and along the Upper and Middle Stripa river, but no important changes have occurred.

The Italians are still using their guns and shells in attempts to retake from the Austro-Hungarians the positions recently captured on Monte Rombo, but all attempts have been repulsed with heavy losses, according to Vienna. Both sides are well supplied by the Austrians, and positions in the Seebach Valley and on the Austrian front between the Pella Valley and Viesch mountain, also have been heavily bombarded by the Italians.

The Russians are still on the offensive against the Turks in the Caucasus region, but Constantinople reports their attacks have been halted by counter-attacks.

In Mesopotamia, the situation around Kut-el-Amara and Fehak, where the British are operating against the Turks, is unchanged.

At the re-opening of the British parliament both Premier Asquith and Secretary for War Kitchener made speeches in which they reviewed the situation, and expressed confidence in ultimate victory for the Entente Allies. Premier Asquith informed the House of Commons that the government was taking stock of all its munitions, men and finance and industrial reserve, and as to be in a position to put forth its maximum strength. He indicated that another credit of large amount would be asked for at an early date, and announced that a general conference of the Allies is to be held in Paris, at which all the strategic and political aspects of the war will be considered.

**Germans Building New Railway From Uskup to Monastir.**  
Paris, Feb. 15 (10.55 p. m.)—News from the hostile lines is that the Germans are directing the construction of a railway from Uskup to Monastir by way of Krusevo, and the line is (Continued on page 3.)

### NATION'S LIABILITIES HAVE REACHED FIGURE WHICH STAGGERS IMAGINATION

**New Taxes, Fewer Imposts, Cutting Down Expenditure and Abolishing of Luxuries Only Means of Meeting Burden—England Now Has Ten Times Original Number of Men in Field—Kitchener Says Future Still Holds Dangers and Difficulties, but Spirit of Army and Determination of the Nation Will Overcome These to End That Victory Which Should Ensure Peace for Many Generations Would be Won.**

### LEGISLATURE OPENING ON MARCH 9TH

Government Decides to Postpone it Two Weeks in Order that Premier May Have Chance to Fully Recover from Recent Illness.

#### Special to The Standard.

Fredericton, Feb. 15.—At the meeting of the provincial government held this evening it was decided to postpone the opening of the legislative session two weeks, making the date of opening March 9 instead of February 24th. The postponement was decided on in order that Premier Clarke might have the benefit of a much needed rest, after his recent sudden illness, before taking up the arduous duties of the session.

Hon. J. B. Baxter was chosen to succeed Hon. J. E. Wilson as one of the board of governors of the Boys' Industrial Home.

S. A. McLeod was appointed high sheriff for Kings county to succeed the late Sheriff Freese.

J. D. Creighton was named a member of the Returned Soldiers' Aid Committee for New Brunswick to represent Northumberland, in place of Ernest Hutchinson who finds himself unable to fulfill the duties and who will be away from the province.

Attorney General Baxter, Hon. J. A. Murray and Hon. Dr. Landry arrived this evening and joined Premier Clarke and Hon. John Morrissey who arrived at noon. Others who arrived this evening included Government Whips H. W. Woods, M. L. A. for Queens and Dr. O. B. Price, M. L. A. for Moncton City.

Dr. Price, it is announced, will move the address in reply to the speech from the throne. The name of the speaker has not yet been announced. Because of the recent illness of Premier Clarke this evening's meeting of the government was held in the attorney general's room at the Barker House instead of at the executive council chamber.

### NEW HEAD AND NEW SHIPS FOR GERMAN FLEET?

London, Feb. 16.—The Times naval correspondent has expressed the view that the recent increased activity of the German fleet is due to the appointment of a new commander-in-chief, whose name has not been divulged, and the passing into service of certain new vessels, and probably faster and heavier torpedo craft.

### U.S. CONCEDES ALLIES WITHIN THEIR RIGHTS?

Under Prevailing International Law in Arming Merchantmen for Defensive Purposes, High Authorities at Washington Say.

Washington, Feb. 15.—The United States, it was said by high authorities at the State Department today, concedes that the Entente Allies are within their rights, under prevailing international law, in arming merchant ships for defensive purposes, no matter what conditions exist on the seas. Consequently it is admitted that should the Allies decline to adopt the American suggestion to disarm merchantmen, founded primarily upon a desire to save the lives of innocent non-combatants, this government cannot announce approval of the intentions of the Teutonic Powers to torpedo without warning, after Feb. 23, all armed vessels.

It is said that the United States, in the near future, may make some inquiries as to how the Central Powers intend to determine whether merchantmen encountered by their submarines are armed.

### GERMAN "U" BOAT THAT CAN CROSS THE ATLANTIC?

London Daily Mail Believes New Type will be Used when Campaign Against Armed Merchantmen Begins.

London, Feb. 16, 2:33 a. m.—The Daily Mail expresses the opinion that the first of March, when the German memorandum comes into effect respecting armed merchantmen, will see the inauguration of a new German submarine campaign with newly built vessels of an alleged tonnage of 5,000. These vessels are reported to be capable of crossing and re-crossing the Atlantic without needing fresh fuel or water, and, according to the Mail, they will act as long-range commerce destroyers.

### SENATOR YOUNG DEAD

Ottawa, Feb. 15.—Senator Findlay M. Young died this afternoon at his home in Killarney, Man., according to advices received here tonight.

London, Feb. 15.—Shorn for the first time since the death of Queen Victoria of the pomp of a Royal procession, the new parliamentary session was opened today.

Following the reading of the King's speech, the proceedings adjourned until four o'clock. The speech from the throne was read in the House of Commons when it re-assembled. The passage in it in which Great Britain's foe was described as mistaking force for right and expediency for honor was loudly cheered.

Ian McPherson moved the address in reply to the speech from the throne. He said the first thought must be one of thankfulness that the King, the centre of the Imperial unity, should now have recovered from the mishap which he sustained when with his troops at the front, where the hearts and hopes of so many of his subjects were.

The speaker emphasized the unity of parliament, and said that the King's speech was the embodiment of the determination of a determined people. He paid warm tribute to the work of the navy, and emphasized the fact that "six million men, of their own accord," had rallied to the colors to make the supreme sacrifice, and that a "million or more" older men were training because their one crime, that of age, had made them ineligible for the army.

Francis S. Jackson, the famous cricketer, seconded the address.

Premier Asquith

The Prime Minister, Herbert H. Asquith, in his speech, said that a short interval had elapsed since the close of the last session, and he did not think that anything had taken place in the theatre of war which called for mention, with one or two exceptions.

In France there had been, during the last few weeks, a recrudescence of activity on both sides, and the Allies had well held their own. Looking to the other spheres of war, the Allies might recognize with satisfaction that largely owing to the assistance of Italy the Serbian army had been successfully withdrawn from Albania, and was now being retrained. He hoped that the Serbian army would become an effective factor in the future conduct of the war.

Turning to East Africa, the Premier declared that the idea of the appointment of Gen. Smuts to the supreme command of the forces there had originated in England. With respect to Mesopotamia the situation had materially improved. General Townshend, at Kut-el-Amara, was holding his own, and had supplies which would last for a considerable time. He thought there was every ground for hoping that the forces of Gen. Aslymer and Gen. Townshend would unite, and that anything in the nature of a serious British check would be averted.

#### TIME STRENGTHENING BOND BETWEEN ALLIES.

During the last three months said the Premier, the outstanding feature of the general European situation had been the growing intimate relations, co-ordination and concentration, unity of direction and control among the Allied powers. That development applied to diplomacy, just as much as to strategy. The French Premier, M. Briand, had visited both England and Italy, where he met the most cordial reception, as was expected, and these visits were to be followed, the Premier hoped, at an early date by general conference of all the allied powers in Paris, at which both the political and strategic aspects of the war would be reviewed. (Continued on page 2.)