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Special Articles

The New Taxes.

By H. M. P. ECKARDT.

Conditions in the West.

By E. CORA HIND.

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The Budget

AN acting Minister is seldom called on to substitute in so important a duty as that which fell upon Hon. Mr. Maclean, of Halifax, in the House of Commons on Tuesday last, when, in the absence of the Minister of Finance, he had to make the Budget Speech, a duty which he performed so acceptably as to receive deserved compliments from members on both sides of the House. In a deliverance compressed within a little more than an hour, Mr. Maclean presented a very clear statement of the most material facts respecting the revenue, general and war expenditure, loans and Dominion finance generally. It was not a very pleasing picture that he had to present. An expenditure for war service running far beyond what anybody in Canada could have dreamed of when the war began, and a consequent increase of net debt to nearly a billion and a quarter dollars, are not agreeable things to have to talk about. But stupendous as the figures are, they are not startling. The House and the country are fully realizing, in financial affairs, at all events, what the war means, and there is no disposition in any quarter to shrink from any expenditure that seems necessary for the maintenance of Canada's part in the conflict.

That the large outlay would call for new sources of revenue, new methods of taxation, was well understood, and the proposals made by the Government seem to be pretty generally acceptable to the public. Even more drastic measures than those proposed would find favor in the present state of opinion in the House and the country.

The increase of the income tax in the case of the large incomes is eminently just, for, large as the levy will be to those who are called upon to pay it, it will be much less of a burden than that which has to be borne by those less fortunate in the amount of their incomes. The allowance for children is an improvement on the tax of the past year. The renewal of the excess profits taxes on business and the extension of it to enterprises having a capital of only \$25,000 will not be a surprise. The taxes on commodities will bring some burdens that will be felt keenly, but the recollection of the situation that produces them will tend to prevent much complaint. Tobacco, cigars and cigarettes are always tempting articles to a Finance Minister in need of revenue. The increased prices that will occur will probably check consumption, and doubtless there are many people who will view that result without displeasure. The tax on matches will yield quite a bit of money. In proportion to the value of the article, it is very heavy. The additional 10% on automobiles, gramophones, piano

players, etc., and on jewelry will be regarded as a justifiable levy on luxuries, especially as it is applied to the home-made articles as well as to the imported goods. The tax that will probably be most keenly felt and be viewed with most regret is the imposing of ten cents per pound on tea. Tea taxes are not popular, and Finance Ministers are slow to adopt them if they can be avoided. Yet the tax is consistent with sound principles, and is one that is distributed over all classes of the people. If it could have been avoided the budget would have been more popular.

At another time, under different conditions, some of these taxes would meet with severe criticism and strenuous opposition. In the situation that presents itself to-day the general feeling will be that these levies on the resources of the people are necessary, and must be borne cheerfully as a part of the service that all owe to the great cause in which the British Empire and the Allies are fighting. The Budget of 1918, and the war appropriation of five hundred million dollars, that accompanies it, are a new declaration of Canada's determination to do her part in the great conflict.

The Canadian Pacific

THE annual meeting of the Canadian Pacific Railway Company, held on Wednesday, was of very short duration, the proceedings being for the most part of a very formal character. This in itself was a tribute to the management of the great corporation, for when things were not going well there are usually found inquiring and critical shareholders, who wish to know the reason why. Lord Shaughnessy, the President of the company, submitted, besides the report of the year's operations, a review of the financial operations of the company from the beginning, which was most interesting and instructive.

At a time when the cost of labor and materials had advanced greatly, it was not surprising that the railway companies claimed a right to increase their charges for both freight and passenger traffic. An argument strongly urged against this claim was that, while the other companies were admittedly in straitened circumstances, the Canadian Pacific, the largest of all, was flourishing, and did not need any increase. The claim of the railways was recognized by the Board of Railway Commissioners. The argument being renewed before the Government, on an appeal from the Board's decision, the problem was solved by granting the increased rates, and at the same time imposing a special tax on the Canadian Pacific,