## The Toronto World

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WEDNESDAY MORNING, AUG. 21.

### Tax-Exempt Bonds Raise the Interest Rate.

There is more and more criticism of our minister of finance's plan of issuing tax-exempt war bonds, and continuing to do so notwithstanding the and their families to exist? It is abpolicy of England and the States of making all income—even from war should have to pay greatly higher bonds-subject to a uniform and universal national income tax on account of the war or anything else for which ing the coal and storing it which the of the war or anything else for which ing the coal and storing it which is such a tax, may be imposed. The operators talk about should be regulated by the fuel controllers and spread over the year. It is not said:

FUTURE LIBERTY LOANS AT 4% P.C.

Chicago - Secretary of the Treasury McAdoo says: The next Liberty Loan and any others that may follow will be on a 41-2 per cent. interest basis. The public should realize that if the rate were raised, they should simply be lifting themselves by their own boot straps. If interest rates were to be increased it would mean just that much more burden on American people. The situation should be kept sound by stabilizing the rate of 41-2 per cent. interest. It is to the interest of the people, banker and business mad, because if the government raises its bid for money, then all industry will have to pay proportionately more for new capital.

Our interpretation of Mr. McAdoo's position is that if you give favors- stark face of winter has another say tax-exemption-you increase the rate of interest, and you put that much more burden on the public. If we give favors to our bond-buyers,

some one will have to pay for them and that someone will be the people; and the beneficiary will be the bond-

For various reasons we do no ers have stored it away safely until eem to be able to act with the same times as famine prices may tempt them to unload. A year ago Sir George Foster talkis not less need. ed about putting Canada on coal rations, and everybody at once set

about anticipating such a move. BOLSHEVIKI PROLONG Those who could afford it and could induce the co-operation of a coal dealer have furnished themselves forth in good time for next winter. and perhaps the winter after. While fuel controllers have been appointed, it does not appear that any real control has been exercised or even at-

In two months the enquiries - for

May we ask once more what has of the Ukraine state's wealth. been done to meet the demands of

those who, having the right to live on the earth when the snow is on the ground as well as when the flowers are in bloom, have not been able to prices for fuel than they do who have plenty of money. The cost of carryfrom The Wall Street Journal, Aug. 8.) fair that the poor man should have to

pay all the extra charges on the vear's consumption of coal. But even this anomaly could be overlooked if the unfair discrimination against those who can only buy in small quantities were abandoned. Except for the cost of delivery, half a ton or a quarter of a ton should be sold at the same rate as the full ton.

If we have not sufficient coal stored at the present time, there will be all the greater difficulty in meeting the demand when it becomes brisk. The problem of distribution must thenbe faced, and it is one in which the unification of the railways is a prime factor. The government, if it fails to have this unification effected before snow comes, will find itself confronted with charges of criminal culpability. It is all very well to put these matters aside when the thermometer is stanging from 70 to 100. But the aspect, and hardens men's hearts

when they sit down and discuss governmental failures.

The Globe and C.P.R. Stock!

The Globe-had a more than peculiar article vesterday in regard to the buyer, who therefore buys for invest-ment and not for patrictism. We believe Canadians will take the bonds at very reasonable interest and with-

## THE TORONTO WORLD

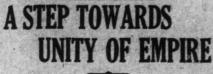
HAS SOWED SEEDS. definiteness and decision as our neighbors, altho by all accounts there

Germany in East Has Assumed an Intolerably Heavy Washington, Aug 20 .- Reports of the

Russian-Ukraine peace negotiations have been received at the state department from Berlin thru the Swedish it does not appear that any real con-trol has been exercised or even at-tempted. There have been notices sent out, and injunctions to be good, but there have been no slaps and no strappings. In two months the enquiries for

TRUCE WITH UKRAINE

been settled, and there is a diffe coal will be insistent and piercing. of opinion regarding the distributio



London Press Comment on Arrangement for Imperial

War Cabinet.

DOMINION PRESTIGE

Premiers, When at Home, Will Be in Direct Communication With Heads.

Canadian Press Despatch. London, Aug. 20 .- It is quite certain

ernments concerned have felt their way, keeping their feet on firm ground, testing every step in advance. The provision for the direct communication between the prime ministers of the dominions and our own abolishes the necessity of such communications taking place thru the medium of the colonial office, and we think it desirable, having regard to some comments which have already been made, to point out that this involves no dis-paragement of the actions of that department and certainly is no reflection upon the Right Hon. Walter Long, the present colonial secretary. We believe

but praise for the manner in which he and his staff have carried out their duties in connection with the interview of the central alliance, and only as crushing military defeat. duties in connection with the imperial war cabinet. The matter is rather one



Political Burden.

CHAOS IN RUSSIA

Bolshevik Regime Falling and Incoming Government Will

Be Anti-German.

Ottawa, Aug. 20 .- A cable dealing with political and economic conditions in Russia, and in countries of the central alliance has been received from the British ministry of informa-tion. The cable reads: Recent/ military events are having

a markedly depressing effect on Ger-man public opinion, despite all attempt to camouflage the real state of things. The conviction obviously things. The conviction obviously grows that not only the German summer campaign on the western front has failed, but Germany in the east has assumed an intolerably heavy poll-tical burden. From the chaos of Russia emerges the fact that the Bolshevik regime is falling, while the succeeding government of whatever form is not likely to be friendly to German imperialism, which has sup-ported the Bolshevik.

Germany took advantage of the temporary revolutionary distraction to sow seeds of trouble in Russia, and now will reap the whirlwind on its own account. Meanwhile the Czecho

Slovaks, are constantly exhibiting very superior force and superior London, Aug. 20.—It is quite certain that the point now arrived at in the arrangements just made public for the representations of the dominions on the imperial war cabinet is not a final stage in the development of the unity of the empire, says The Daily Tele-graph. Continuing, the paper says: "It is simply a point to which the gov-ernments concerned have felt their exasperated by German military me-thods, are giving obstinate trouble to their oppressors, while Bulgaria and Turkey almost openly reveal condi-tions of dissatisfaction with each

other and Germany. In Austria conditions are worse. Even harmless women and children assembled before shops for bread, are reported to have been fired on by troops, while dissatisfaction corrupts the army, and open revolts among units are now not uncommon. Never-theless these symptoms must be dis-counted, for Germany is still the pillar of the central alliance, and only

Washington, Aug. 20,-An amend-ment was adopted 9 to 7 by the house military committee late today, providing that men above the age of 20 at very reasonable interest and with-out any special trimmings on the goods such as exemption from war the Canadian Pacific Railway, and



WEDNESDAY MORNING AUGUST 21 1918

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tax, and as Mr. McAdoo correctly that now is a good time to go in and they are at home. There is no diminu-tion of the responsibilities of the suffer if we raise the price of inter-est, and that is what Sir Thomas White is doing. We would like The Globe to tell us

White is doing. Here is another instructive angle from which to view the situation, contained in a letter in The Globe of policy? We have seen no such state-yesterday: ment as yet; but The Globe is very governments stand, and remove what INCOME TAX AND TAX-EXEMPT anxious to have it appear that it is

BONDS. To the Editor of The Globe: May be the organ of the Union govern-have been dictated both by simple rea-

I as one probably less learned than ment. It assumed that office for a sons of business and a sense of poli any of your editors, be permitted to time.

disagree with your recent editorial But it looks very much in line with apprehension has arisen in some indicating that the income tax is that mysterious despatch in The quarters about the official announcehere to stay?

ciple is not denied, it being gener-ally agreed that both necessity and tribute some months ago to the superequity indicate that as much as excellencies of the blue eye of Lord possible of the debt incurred by the Shaughnessy.

war should be paid by those best If The Globe is for boosting C. P. R. taken on matters relating to the war. able to do so, but your editorial stock let it first explain what the The proposal of direct communication overlooks what labor is beginning to effect is on the company's fortunes consider the joker whereby the idle of the United States Government tak- sible, after the dominions statesmen rich escape all income tax by in. ing over one-fifth of its total mileage, have left the country. It implies n vesting all their funds in Victory and canceling all its special agreebonds at their very favorable rate ments with its own lines and other of interest, the result being to shift lines in the States. Also explain what paid a generous tribute. The goverthe burden of paying for the war is happening to its express lines and to labor and industry, which is the telegraph lines as a result of that very thing an income tax is in- action by the Government of the

United States. This is a subject which may be

enlarged upon almost indefinitely, Chicago Labels Alien Musicians. but appreciation for the value of your space prohibits my trespassing the United States. The republican neither the United States nor in Great Britain are tax-exempt bonds now issued.

Income tax and tax-exempt Victory bonds are incompatible. We can law. It may work hardship in some tory bonds are incompatible. We can have one, but not both, and the de-cision must be made quickly be-fore the terms of the next loan are Consident. the enemy. Montreal, Que,

The Coal Situation.

Shortage of grades of coal essential to the navy and in steel production has reached such limits in the United States that the authorities have in mind the curtailment of many of pearances with his orchestra in the the lesser industries which at first it Mendelssohn Choir concerts, has been was the intention to allow to escape. a member of the Musicians' Union Government steel requirements ap- since 1895. He took out his first Winnipeg. proach 23,000,000 tons for the next naturalization papers, but they were five months, and many blast furnaces invalidated and he never completed are threatening to shut down for lack his citizenship. Two years ago he of by-product coal. This has brought again applied for his first papers, the fuel administration and the war when objection was raised to his industries board both into activity, and standing. He is now registered as

new coalfields may be developed. This is only one among many of The American musicians are not Por: McNicoll and Burketon-Bobcay-geon. the signs of the times in coal affairs, afraid to put themselves on record, and it is a new warning to the Cana- because they know the authorities Aver exist, as far as any difference in the coal situation is concerned. It is stated in the United States that at least 25,000,000 tons of anthracite have entirely disappeared from sight there, the supposition being that the deal-

we take to be the last vestige of any other sort of relation

tical proportion." The Morning Post says that a mis-Ottawa, Aug. 20.-Except in mat-ters of discipline and military opera-tions, Canada now has complete control over all her troops overseas. Re Globe's Ottawa special of a fortnight ment that the prime ministers of the dominions will have the right to com-The fairness of that tax in prin- ago about the Bolshevik tendencies municate direct with the prime miniswhich have brought the change about are regarded here as the most mo-mentous since Confederation. "They indicate," remarked one cabinet min-ister today, who attended the imper-Post points out, Mr. Lloyd George has presided at their regular meetings, whereat important decisions have been ial conference, "that recognition is now given to Canada's status as a The change in control over Cana continues' this arrangement on a per manent footing, so far as this is dian troops comes after continued negotiations with the imperal government. From the outbreak of Canada has controlled her troops till reflection on the administration of the colonial office, to whose help and cothey were despatched overseas. arrival in Great Britain, they were operation the statesmen from overseas taken over by the war office. nors-general and the secretary of state except as regards military operations and discipline, the Dominion Governwill, of course, be kept fully informed ment retains control. of all that passes.

CONSUL-GENERAL PROMOTED.

nels of communication" is regarded as being of vital importance. Direct Montreal, Aug. 20.-C. E. Bonin, consul-general for France in Montcommunication between the minister of Canada and the treal, has been appointed to the French legation at Teheran, Persia, minister of Great Britain, it is felt, with the title of minister plenipotenwill do away with delays incidental to the old method of communication conception of equality is logically tiary and envoy extraordinary of the realized. Either a citizen is what he French Republic in Persia. The new viz: the governor-general' and claims to be and entitled to the consul-general, M. Ponset, will arrive colonial office. In regard to com-

privileges of citizenship, or else he is in Montreal next month. not a citizen, and therefore an out-law. It may work hardship in some cases, but war is war, and there is WESTERN CANADA.

Thousands of men are required to help in the work of harvesting the western crop. The C.P.R. has comand the British embassy. In Chicago the Federation of Musipleted arrangements to transport to the west this great army of workers.

developments in imperial cians have passed a resolution the For those going from points in O ..-tario to Manitoba, Saskatchewan and are given as: effect of which is to prevent Fred-Direct communication erick Stock, conductor of the Chicago Alberta extra trains will be operated British prime minister. Control over Canadian troops. Symphony Orchestra, from acting in thru to Winnipeg (the distributing that capacity. Mr. Stock, who is well point) without change.

Going trip west, \$12.00 to Winnion the imperial war cabinet. peg. Returning trip east, \$18.00 from

Winnipeg. Consult C.P.R. agents regarding transportation arrangements west of verseas. Going Dates. August 20-All stations in Ontario west of Smith's Falls, up to and in-

cluding Toronto, on Lake Ontario Shore Line, and Havelock-Peterboro line; also from stations Kingston to Renfrew Junction, inclusive, and from stations Toronto to Parry Sound inclus-ive. From stations, Bethany Junction to

seon. August 22-From stations west and south of Toronto, up to and including Hamilton and Windsor, Ont, on Owen There's no such thing as loneliness

# WOULD NOT RETIRE

We are now fighting on the old battlefield of the Somme of 1916, a difficult field of the Somme of 1916, a difficult country, networked with abandoned trenches and wire left by the Boche when he fell back to the Hindenburg line in the spring of 1917. Whether he intends now to make a determined stand this side of the Somme remains to be seen. His losses, not only of men, but of guns and all kinds of ma-terial. in the battle of the Marne and

terial, in the battle of the Marne and the second battle of Amiens, have been so enormous that it is doubtful whe-ther he can undertake ieckon you all have most spoiled me Brian woke her: again."

so enormous that it is doubting where a ther he can undertake anywhere a strong offensive, and he has had re-cently a too ruinous experience of the have paid a decorator for the work, have paid a decorator for the work, have paid a decorator for the work, any breakfast," he told her. For a moment Ruth lay trying to re-alize where she was. It was only half past six. She had been sleeping until

passive defensive. Captured official documents give some idea of his confusion of mind and proof of his low morale. How the the taborer is worthy of his hire,' Yet know," she quoted. the taborer is worthy of his hire,' Yet know," she quoted. the taborer is worthy of his hire,' yet know," she quoted. the taborer is worthy of his hire,' and proof of his low morale. How different is the spirit of the Canadian force, fully up to strength after ten days of hard fighting, with splendid reserves to draw upon, enriched by many batteries of enemy guns, both heavy and light, and, above all, con-tineed above is worthy of his hire, but I LOVED to do it!" Ruth re-turned. "And really would you have I aid a really, truly professional man all that?" The cheque was a large one. "Yes, perhaps more." "The second parting was in some

many batteries of enemy guns, both heavy and light, and, above all, con-vinced of its invincibility. Here is a story told of a Quebec bat-talion that won imperishable fame at Courcelette. It was directed to throw out a strong patrol. The officer was wounded and the patrol returned with

would de and the patrol returned with nine men missing. On the evening of the following day two men came in. "Where have you garcons been?" was the enquiry. "We did not understand the patrol was to retire," came the set her so betoved, that long and loudly. She had expected to return with Ruth from the moment the patrol was to retire," came the discrete the set her so. Set her thoughts in motion. Now, they wandered on and on of their own voli-tion Try as she would, Ruth could not divert them into another channel. She went to the drawer where she the patrol was to retire," came the reply. "We understood we were to penetrate behind the enemy's lines to his artillery position, and here you are," throwing down the shoulder strap and cap badge of the artillery commandant. Others of the party

trickled in during the night. REFUSE ALL APPLICATIONS.

ton, thru the war mission there, in stead of by way of the colonial office Ottawa, Aug. 20 .- No more applications from candidates for the Cana-

Summarized, the most important dian Naval Air Service can be en- sociated with Ruth and which had tertained after the 22nd of August, been absent when she came. tertained after the 22nd of August, and any received after that date will not be replied to, but will be filed for inture reference eccording to a state "How does she endure it?" she mut-tered. "She must love him very "much " with

future reference, according to a state- much. ment issued by the naval department Ruth did. As she drew near New today. Permanent Canadian representation

In regard to the last named, it annaunced, the Canadian representa-tive has not yet been chosen, and is not likely to be chosen till after the return of Sir Robert Borden from

A Line of Cheer

Each Day of the Year

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Finally the room was finished. Ruth stopped and she saw Brian, tall, handsome, distinguished-looking, waithad been south a month. At first ing for her. Brian had written cheerfully, almost Clasped in his arms, regardless of

Brought Back Shoulder-Strap and Cap of the Artillery Commandant. With the Canadian Army, Aug. 20the police on you with orders to bring you back. But really, Ruth, I don't believe you have any idea of how lenely I am or you would pack up and

ome task of getting breakfast. All day, Ruth's thoughts were very

Lusy.

"I reckon, the first thing. we all will be hearing you have gone into business. I hear it is quite a fad up no<sup>t</sup>h."

Peggy Sutton had all unconsciously

"Others do such things because it is a fad with them. Why not do it because it is necessary and-because you love it-had rather do it than-this!" looking around the kitchen, and because of her straying thoughts burning her arm as she lifted the potatoes from the stove.

"I believe I will!" a frightened look in her face. "I won't saything to Brian until I see if anyone will have me. Then I can hire this sort of work-done, Ugh! how I loathe it," as, once again, she burned herself on the hot

Tomorrow-Ruth Considers Taking a Position so She Can Have a Servant.

## SPANISH NOTE WRITTEN ONLY IN FIRMER TONE

Madrid, Aug. 20 .- Gen. Jose Marina, the minister of war, today declared that the international situation gave no occasion for alarm on the part of Spaniards. The note recently sent by the Spanish Government to Berlin regarding the sinking of Spanish ships by German submarines, he said, was written in a firmer tone than were previous notes, but it could not bring change in Spain's attitude of neutrality, much less a rupture of diplo-matic relations with Germany.

# **CANADA CONTROLS** TROOPS OVERSEAS

cept Discipline and Military Operations.

Here, the change also made in re

gard to what is officially termed "chan-

nunications between Canada and the

United States it is pointed out fur-the development has been made. In

matters of commerce, Canada now communicates directly with Washing-

inter-imperial

Effective in Everything Ex-

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