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MONDAY MORNING, APRIL 30.

Labor Fakers and the Income Tax.

One of the local evening papers, which represents the downtown real estate men, the capitalists and the big interests in general, but which likes to pose as the only genuine representative of the poor man and the working classes, is exceedingly anxious that no income tax shall be levied to meet the cost of the war. This organ, which is usually represented in our city government by the most class-fostered capitalist in the city council, is trying to convince the workmen that income tax would be a ruinous burden, and the proper way to pay for the war is to leave it to posterity. Posterity, says this chief of the working classes and the returned soldiers. It is a fine scheme to ask the soldiers to pay for the war with their lives, their blood and their toll, and after this is all over, ask their survivors to go on paying in cash the cost of it all. This paper will pose as the friend of the workman and of the returned soldier, and quite a number will be found to believe it.

It ought to be fairly well established by this time that the man who needs a pension, or the man for whom a superannuation allowance or an old age pension is provided, has no surplus income upon which he could pay taxes. Wages, as they are paid, are no more than enough to meet current needs, and perhaps, pay insurance, and barely do these. Our municipal exemption of income from assessment up to a certain point, sufficiently emphasizes this. If there be a margin above the living point, it is properly chargeable with income tax, and we believe most workmen would rejoice to have a large enough income to bring them under the tax conditions. It is the capitalist, with his large fortune and the pleasure bank account, and the lucrative investments, who is a fair mark for the income tax collector. But this friend of the workman says, "No! let the capitalist alone. Put the cost on posterity." And posterity will consist, as usual, largely of the workman and the returned soldier.

This attitude, at least, is a consistent one on the part of the pretended friend of the workman and the soldier. The greatest need of the workman at present is a house to live in at a reasonable rate. This problem depends on transportation, access to cheap building land, and the expansion of the city. The workman and the returned soldier, who ought to live for his family's sake, as well as his own. But this guardian of the rich denies him the right to have any policy that would conflict with the conferred "divine rights of the city center, real estate holder, the mortgagee, and the coupon clipper. As long as these gentlemen are protected, the workman may class himself with posterity, and go hang.

We do not for a moment mean to say that all wealthy men and real estate holders are tax-shirkers. There are many such who honestly declare their whole income to the assessors, and would soon resort to the subterfuges and evasions by which the mean man robs the community of the price he ought to pay for the protection he is asking the workman and the returned soldier after the war to pay the cost of their own labor.

In Great Britain, the labor man has come to see the place he holds, and the responsibility that place imposes upon him. He has long since had himself represented in parliament. He has found his voice in the national councils. But in Canada, thru following the labor-faker, he has no political influence, and is held out of every election to the support of one big interest or another. The "organ" attends to that.

The workman here has now had a program of labor ideas set before him, and in it there are just and effective measures of reform, which would benefit all classes, as well as labor. Does the labor-faker newspaper support such a movement? Certainly not; it damns it with faint praise, and, as a counter-movement, and an insulting dependence on the labor man's blind trust, it tries to get him to support a "reform" which would tie him up on the income tax issue for a generation to come.

Censorship and the Submarines.

Probably the best result of the American conference is the greater publicity which will be attained concerning many phases of the war. The submarine problem, for example, under the strict censorship, turns out to be much more serious than has been thought, the returns of losses only applying to British tonnage. Neutral tonnage losses are as much as five to two for every ton of British tonnage. This is a tremendous loss, and a typographical error made us say on Saturday, and this equals the half million ton a month which the Germans set out to get. There is a great virtue in publicity, especially as regards knowing the worst. United States methods are aware from the secrecy which has dominated the British censorship in what is often a silly and mischievous manner.

The greater question now, however, is how to remedy the evils that are coming to light. The discovery that some vessels are being sunk that was supposed has aroused the fear that fewer submarines have been sunk than has been hoped. We think the returns might very well be given out to the British public up to date, and three months old. The weekly report of what happened three months ago could not disturb any calculations of the enemy, for after that time they are very well aware of what has happened, and it is only playing the enemy's game of keeping the German

public in the dark not to state the facts. The old aristocratic love of exclusive information in the highest circles has a good deal to do with needless censorship of news of what happened months ago, and the democratic love of daylight and knowing what's the matter may do a good deal to reform the evil.

Self-Bitten Germany.

There is an obtuseness about the German mind that is positively ridiculous. Its results are not so tragic. The recent declaration that the German Government would institute reprisals if German wounded prisoners were placed on hospital ships and submitted to torpedo risks is an example of this absence of logic and general mental density, the result, undoubtedly, of overweening conceit and egotism. The egotist never has the gift of humor, and the German is a serious and obstinate criminal who cannot conceive it possible that he could make a mistake.

How are wounded German prisoners to be conveyed to England if not in hospital ships? Probably the German would say that the British have no right to take German prisoners and that if they do take them and they happen to be wounded, it is at the risk of German vengeance, however, they may be disposed of.

The scorpion, when very much worried or in great danger, bites its own tail and dies. We are inclined to think that this will be the metaphorical end of Germany, and the Kaiser and Hindenburg and other ruthless monsters will die of their own poison, self-bitten. It is the fate of egotism.

HOTELS THAT PAY WITH NO BARS

The question of prohibition in its relation to hotel profits has been given a great deal of attention in Canada, and the United States during the past year, and it would now appear, from the evidence gathered by experts, that apart from the temporary profit loss the earnings of the hotels have not seriously been impaired, and that as they do in clubs, either by the Financial Times has been endeavoring to secure some interesting data on this important question, which we present to our readers.

A Winnipeg Hotel.

The manager of a first-class hotel in Winnipeg, several months in the question, How is prohibition affecting hotels?—"We naturally lose the liquor receipts, and the profits from the sale of liquor, but we are trying to adjust ourselves to meet the new conditions, and we are glad to say that the volume of business is now about equal to what it was under the old condition, even in face of the loss of the bar. This is effected by an increase in our rates and possibly more 'travel' coming to the City of Winnipeg, together with a substantial increase in the amount of local business."

"In my opinion the bar is not essential in the matter of dividend payments," this Winnipeg manager states, "but I certainly believe that we should be allowed to dispose of liquor, particularly light wines and beer, as they do in clubs, either by service in the rooms or in the restaurants. If that were allowed, we would not be so much interested in the return of the bar."

United States Opinions.

The opinions of a few United States hotel managers may be interesting. A manager in Denver says he never again would have a bar in his hotel, even if the state reverts to the old policy. He would sell in the dining-rooms, however. Another hotel man in the same district is "perfectly satisfied with dry conditions." In Iowa, "dry" states, the business of operating a hotel is as prosperous as any hotel in a "wet" state.

The Position Summarized.
It would seem that hotelkeepers have adjusted themselves to the conditions by various economies, and by extending the scope of the hotel by enlarging dining-rooms, giving more attention to lunch rooms, delicatessen, outside catering, etc.

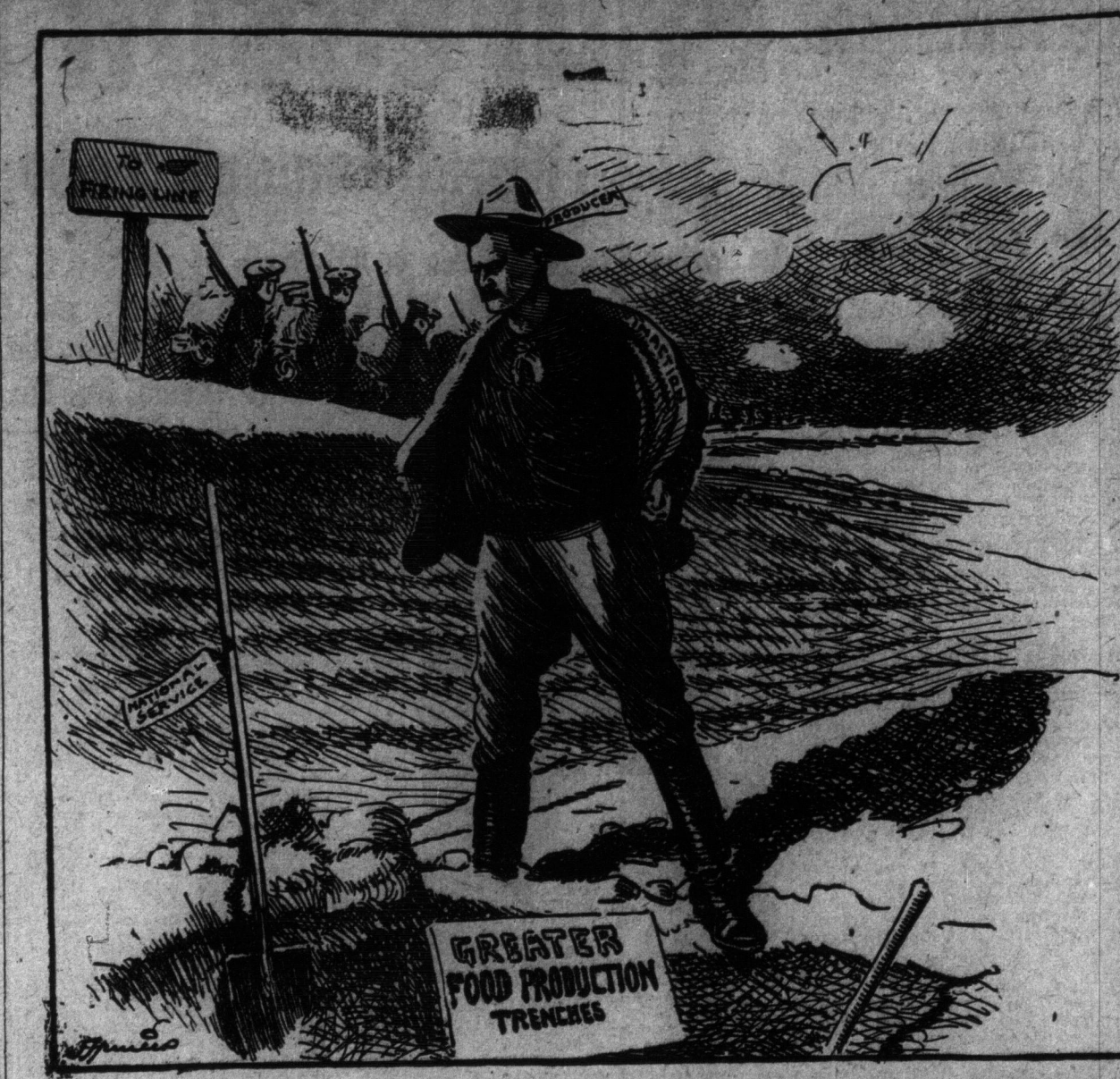
It is also evident that hotel proprietors in Canada and the United States are endeavoring to secure a modification of the present policy of strict prohibition, and secure in its place special privileges to enable the supply of refreshments to bonafide traveling guests, such as the latter may be accustomed to in their own homes.

The above opinions, gathered from a great many sources, show, however, that from the point of view of capital investments the "dry" hotel may be made as profitable as those who enjoy the privileges of a liquor license.

Iron in Ungava.

Editor World.—Geological reports show that in Ungava, the new Quebec territory, there are iron ore deposits as large, if not larger than any in America. Then, why not government development of some of this area, with government shipbuilding yards on the shores of the Gulf of St. Lawrence, say Morie Bay or thereabouts, and a railway from there to the iron ore district, another railway from the deposits to a government-owned shipbuilding yard at Hamilton Inlet? Here it would be necessary for Canada to obtain a lease of ground from the Newfoundland Government, which I believe Hamilton Inlet belongs to. If this district is as rich in iron ore as reported, it will help a great deal in the building up of Canada. It would be of immense value to the whole of Canada if the government railways would agree to give free transportation

EVERY CANADIAN NEEDED—ON THE FIRING LINE OR IN THE TRENCHES



RAILWAY CONTROL MUST BE BRITISH

Special Committee of the House Discusses Operation by Aliens.

By a Staff Reporter.

Ottawa, April 28.—The special committee of the house which is considering the consolidation and revision of the Railway Act discussed today the important question of the control of Canadian railways by aliens, particularly in war time. It was finally decided to appoint a sub-committee, consisting of R. B. Bennett and F. B. Carvell, to co-operate with Sir John A. Macdonald, who is assisting in the revision of the act, and E. B. Fairweather, the law clerk of the railway department, to draft protective clauses.

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NONE TO OPPOSE SIR SAM HUGHES

Rousing Welcome at Convention in Lindsay to Former Minister.

MADE LENGTHY SPEECH

Speaker Recalls Happenings of Past Few Years and Part in the War.

Special to The Toronto World.

Lindsay, April 28.—That Gen. Sir Sam Hughes is still the idol of the Conservatives of Victoria and Haliburton was demonstrated this morning, when he was given a rousing welcome at the convention held to elect a candidate for the Dominion Conservative nomination in the riding of Victoria and Haliburton, which was followed by the selection of a candidate was merely routine work, these being no semblance of opposition to Sir Sam, who has presented the riding for a quarter of a century.

In the course of his address this morning Sir Sam said: "When I was elected in 1911, I was elected by a large and loyal following of the Canadians prepared for the war, which anyone who carefully studied the conditions could foresee, the Conservative members stood firmly and loyally, and although the increase was large they trusted my judgment. I have always appreciated and never betrayed this trust and confidence. It appears that in some quarters regarding the attitude I would take in my remarks on the address. My comrades of the Conservative party, however, again paid me the highest of compliments in implicitly trusting me. Although I had not informed the members in the session of 1914-15 or in that of 1915-16 of the cause of the trouble, and thus not having given them an opportunity of taking action to compel proper consideration on the part of some of my colleagues, yet with scarcely an exception the members realized that nothing would be said by me to injure a brother member of his constituency, or to harm the party as such in the country."

"They were pleased to find their confidence justified. Then, however, several members and others have learned a few of the facts, and they regret that I did not inform them at the time so that the prompt and decisive action in the premises could have been taken by the party. Previous to the war the finances of Canada had fallen from the buoyant conditions of 1911-13 to the verge of extreme depression. Factories were closed on every hand. 'Hard times' started, industries and people in the face of 'want of confidence' held the trade and commerce of the country firmly in its grasp. I then notified the finance minister that his proper function was to develop correct means of raising the revenue to keep the finances buoyant and the trade of the country prosperous."

When the war broke out conditions became even worse. The interference in Britain by Sir George Grey, who took the position of non-resistance, Canada paid all the bills, that our Canadian troops on leaving our shores practically became British regulars and should not be directly under the control of Canada, but under the British, that British society influences should dominate our hospitals, and Sir George Grey's views on the subject were also being disseminated on the troops."

The purchasing for the first division, with the exception of trucks and bicycles, is regarded as the most successful in history. By arrangement with the prime minister—time being important—there were few Canadian goods of any kind until the work was accomplished. The next stage in the contracting was the adoption of the system of the ministry of militia was a member, who received from the prime minister, the master-general and director of contracts, and make the recommendations to the privy council. On my return I protested against the procedure. The next system was the war purchasing commission, to whom the militia department refers all recommendations. My objection was that the beginning of the war and always, was to have a committee of capable business men assist the director of contracts and make an opinion of this would have been by all odds the best system."

Early in the war all the contracts made by the British Government were put in the hands of the contractor by the American contractors as contraband, and the contractors would not undertake to ship materials to any warring nation. To get the goods delivered was a conundrum. It was solved by having them shipped to a point in the United States and transported via Canada. This transportation by water was subsequently found to be unnecessary."

Another Aspect.
Let us now turn to another aspect. At the outbreak of the war as I have stated Canada had practically been brought to the verge of bankruptcy. I had on two previous occasions pointed out to the fact that his function was to produce a revenue, keep the business of the country buoyant, and thus everything being prosperous money would be easily obtainable. When Lord Kitchener called me to set two hundred thousand shrapnel shells made in the United States. I concluded that they could be made in Canada. My conclusion resulted in the formation of the old shell committee, a fine, honorable, capable and patriotic body."

Colonel Cantley undertook the experiment with Canadian steel, and was finally triumphant. He prepared the steel that it not only stood the Woolwich test and was accepted by the British government, but it was the manufacture of shells today. The result has been that Canadian workmen and Canadian mills have manufactured many millions of pounds of steel in Canada to the benefit of Canadian bankers, merchants, workmen and their families. The same line of policy was followed with zinc and copper. The same holds good with the fish trade. I had to practically smash aside scores of difficulties before I got the fish industry recognized even with the Canadian troops. Now it has spread to the British troops and I had plans laid for both France

and Italy. The fish industry is my friend."

The Shell Committee.
Sir Sam then dealt exhaustively with the work of the shell committee. "Early in the war the proposal was made that I, as minister of militia, should pursue the policy of the South African war, and have all the money for these orders placed to my personal credit and be paid out of the public cheque. This I pointedly refused to allow, but arranged that the credit should pass to the shell committee and be audited by General Borden. I had appointed an auditor, and from the outset took the precaution to have the accounts audited by the bank officials also."

"The shell committee gave place to the Imperial Munitions Board. J. W. Flavelle has long been the president of the National Trust Company. The finance minister was for years the general manager of that company. Mr. Flavelle, certainly a capable financier, became head of the new Imperial Munitions Board. In March, 1916, attacks were renewed upon the old shell committee. These attacks or cogitations upon the shell committee and myself are cleared under a series of bills. Political ambition seems next to have been aroused, and while I was sending my best energies looking after our soldiers and the successful prosecution of the war, hoping for the end thereof that I might retire to private life, agitation towards my downfall were planned."

"From the outbreak of war Sir George Grey had always been active seeking to create an unhealthy atmosphere of suspicion and distrust. Both he and the finance minister seemed to have had certain newspaper influence. The Canadian Press Association covers the entire country. Sir George Grey, Canada, is associated indirectly. Every adverse criticism was sent to Canada. A journal in Toronto upon which the finance minister once served and which is generally regarded as his Toronto organ, viciously attacked me, while two Montreal papers owned by a brother of Sir George Grey's were insistent in their adverse criticism."

"Another plan seems to have been the sweetening of the newspapers of Canada with the exception of the principles of the national policy to secure printing paper at fixed prices, and incidentally benefit to a considerable extent the printer. The next move was the furnishing to the Liberal party the material to bring about the attack, which resulted in the election of an anti-war minister,