

BRITISH CHANCELLOR ON CAPITAL TAX.

Mr. Chamberlain, Chancellor of the Exchequer, in his budget deliverance in the British House of Commons, gave two reasons for cutting the excess profits-tax in two: first, that where four-fifths of the profits are taken as taxes the taxpayer does not practice economy as closely as is desirable in the national interest, the nation is interested in having capital accumulations increase. Second, the high levy upon profits deters proprietors from new enterprises in which there are risks of loss. They will stick to established lines in which profits are small but reasonably certain, rather than venture against such odds. This policy is not in the public interest, as it represses enterprises and retards industrial progress. This view is sustained by practical experience everywhere. It is the hope of something above ordinary interest returns which induces men to go into untried enterprises, and they cannot afford to take the risk of loss if in the event of success the larger part of the profits are taken by taxation.

The Chancellor, although favoring higher death duties, is decidedly against the proposed levy upon capital, as distinguished from income. He does not favor a tax which would not only take all of a man's income, but reach down into capital. Upon this he says:

If by a tax on capital is meant a small annual charge, then I think that that charge is as widely distributed and more fairly and conveniently raised in the shape of our income-tax. If, on the other hand, there is meant a large levy on capital, a large slice to be taken out of capital, then I beg the committee to consider what the result might be. It is a bad time to propose such a tax when, for the past five years, you have been begging people to save, and when you are still obliged to ask them to save and to give you their savings. It is a bad time to tax those who have responded to your appeal by reducing their expenditure and making economies, and to let those go free who disregard your instructions and who spent their money when it was not in the interest of the State, or in ways which were not in the interest of the State.

Consider a levy on capital apart from the circumstances of the moment. The death duties make such a levy and they make it once in a lifetime, at a time when the taxpayer receives an accession of income, and since they are levied only at death, and we do not all die at the same time, the process of making the valuation and of levying the tax is a task of manageable proportions. It can be done justly and fairly as between man and man, and it can be done with a minimum of evasion or of fraud. Since only a portion of the capital of the country is dealt with in any one year, the tax is paid without any disturbance of credit, and without any depreciation of securities to the detriment either of the State itself or of the home. If a levy was to be made on all the capital of the country at one and the same time by the tax collector, all these advantages would be lost. To make an efficient valuation, fair as between man and man, and fair as between the revenue and the State, would exceed the power of any revenue administration in the world, and I make bold to say that ours is the best way. It would exceed their power at any time, and still more now, when they are charged with the overwhelming new responsibilities which the war has brought. It would be open to all the objections which arose and all the difficulties to which the valuation of the whole land of the country and the taxation of the land of the country gave rise under the Land Values Duty, and open to those objections on a vaster scale, because you would have to value not only real but personal property. Since very few people would have money lying idle sufficient to

pay their obligations under the tax, it would mean an immense disturbance of capital. Every one would be seeking to sell securities of one sort or another, and where all are sellers who would be buyers, and who shall measure the loss to the country by the depreciation of all securities (cheers), and who shall measure the loss to the individual through the same cause?

BIG MOVEMENTS OF BULLION.

For some time past United States bankers have felt that the maintenance of the gold embargo was impairing their prospects in South American and other markets, and that greater liberty to ship gold was necessary if the United States were to operate successfully in the foreign field. Although there has been a much greater latitude and liberality in licensing exports of gold and silver of late, it has not been considered by bankers possible to secure absolutely satisfactory results with the embargo technically in effect, and there has been the same desire to eliminate it which existed for a long time with respect to the control of foreign exchange.

There is a good deal of speculation with respect to the probable effect of the removal of the embargo, but most bankers are of the opinion that the movement of gold will now naturally be toward the United States, with the possible exception of some of the Oriental and South American countries, and probably Spain. The shipments to the latter country are not expected to be important, while it is understood that the Japanese are not desirous of importing heavily.

Some authorities believe that the export of gold from the United States within the next fortnight will amount to as much as \$200,000,000. Others expressed the opinion that counter-currents would come into operation, various countries sending their gold here because of the confidence that they could get it back when they wanted it, and that the outward and inward movements would speedily off-set one another. The belief that the neutral exchanges would be improved and that Sterling would benefit in sympathy is existent.

MONTREAL-N'FLD. SERVICE.

A direct freight service between Montreal and St. John's, Newfoundland, was inaugurated on Saturday by the Gulf of St. Lawrence Shipping and Trading Company with the sailing of the steamship Cervo Gardo, 3,500 tons nett, from the Victoria Pier, here.

Efforts to establish a direct freight and passenger service between Montreal, Cape Breton and Newfoundland have been under consideration for some time, and have now so far matured that the Gulf of St. Lawrence Shipping and Trading Company, whose head office is at Mountain Hill, Quebec, have established an office at Victoria Pier for the handling of freight shipments to Newfoundland. The company will confine itself to a freight service for the present, pending the securing of a passenger vessel, but next year it is intended to establish a regular passenger service to Gaspé and Newfoundland.

The Cervo Gardo, which inaugurates the company's activities from this port, is under charter from the United States Shipping Board, and will arrive down from Cleveland to commence loading flour and a general cargo for St. John's. She is a new vessel of a type which the United States Shipping Board has been turning out on the Great Lakes by thousands since the United States entered the war, and is on her way to New York. Another vessel will be secured for this week's sailing, and it is hoped to maintain a regular weekly service if the quantity of freight carried warrants it.

AIRPLANE CONQUERS ATLANTIC.

Vimp Bomber Wins.

The final goal of all the ambitions which flying men have ventured to dream since the Wright Brothers first rose from the earth in a heavier-than-air machine was realized Sunday morning, when two young British officers, Captain John Alcock and Lieutenant Arthur W. Brown, landed on the Irish coast after the first non-stop flight across the Atlantic Ocean from Newfoundland.

Describing the experiences of himself and Lieutenant Brown, Captain Alcock in a message from Galway says:

"We had a terrible journey. The wonder is we are here at all. We scarcely saw the sun, or moon or stars. For hours we saw none of them. The fog was very dense, and at times we had to descend within 300 feet of the sea.

"For four hours our machine was covered with a sheet of ice caused by frozen sleet. At another time the fog was so dense that my speed indicator did not work, and for a few minutes it was very alarming.

"We looped the loop, I do believe, and did a very steep spiral. We did some very comic stunts, for I had no sense of horizon.

"The winds were favorable all the way, northwest, and at times southwest. We said in Newfoundland that we would do the trip in sixteen hours, but we never thought we should. An hour and a half before we saw land, we had no certain idea where we were, but we believe we were at Galway or thereabouts.

"Our delight in seeing Eastal island and Tarbol island five miles west of Clifden, was great. The people did not know who we were, and thought we were scouts looking for Alcock.

"We encountered no unforeseen conditions. We did not suffer from cold or exhaustion, except when looking over the side; then the sleet chewed bits out of our faces. We drank coffee and ale and ate sandwiches and chocolates.

"Our flight has shown that the Atlantic flight is practicable, but I think it should be done, not with an airplane or seaplane, but with flying boats.

"We had plenty of reserve fuel left, using only two-thirds of our supply.

"The only thing that upset me was to see the machine at the end get damaged. From above, the bog looked like a lovely field, but the machine hank into it to the axle, and fell over on her side."

NEW HOLIDAY TRAIL THAT IS UNEXCELLED.

The beauties and vacation attractions of the Canadian Rockies and the Scenic Seas of the North Pacific Coast are described in an illustrated folder just issued by the Grand Trunk Pacific Railway. Jasper Park and Mount Robson Park are among the great regions in the alpine kingdom opened up by the railway to tourists and sportsmen. Canada's highest peaks, with scores of glaciers and lakes, can be inspected in their full majesty from the railway line. The traveller may stop off at an alpine camp where there are the comforts of a hotel in the heart of the mountains, making delightful daily excursions afoot or on horseback. Upon reaching the Pacific Coast at Prince Rupert the famous Grand Trunk Pacific oil burning steamships are ready to carry you through the "Norway of America" to Vancouver, Victoria or Seattle — one of the world's finest, yet most sheltered, sea voyages. Plan your trip now and write to nearest Grand Trunk Agent for copy of folder "The Canadian Rockies — Mount Robson Route — Scenic Seas of the North Pacific Coast."