

C.P.R. BUILDING
Choice suite of offices for rent on the
third floor. Public and six private offices.
good light, large vault; would suit legal
firm. Apply
E. H. WILLIAMS & CO.,
88 King East.

The Toronto World

36 King St. East
FOR RENT
Private office on fourth floor, divided into
public and private offices; elevator and
vault. \$35.00 per month.
H. H. WILLIAMS & CO.,
38 King East.

WEDNESDAY MORNING FEBRUARY 16 1916

VOL. XXXVI.—No. 12,880

PROBS—Moderate southwesterly winds; fair and
mild, with temperature above freezing.

BUDGET SPEECH: No Income Tax Yet—No War Tax on Farmers—Tariff on Apples Increased—Duty on Oils—Tax on
All Corporations Except Insurance Companies, Which Must Buy Government Bonds—\$185,000,000
Must Be Raised By Loans—Loans Promised for Farmers at Low Rates With Long-time Payments.

Canada's Trade for Fiscal Year Largest in Her History

HYDRO POWER
MAINSRING OF
ONTARIO'S LIFE
The Future and Possibilities
Outlined by Sir Adam
Beck Last Night.

EXTRA
SEVERAL LIVES FEARED LOST
IN FIRE AT AMERICAN CLUB
Caretaker is in St. Michael's Hospital With Fractured
Skull—Capt. Minard is Unconscious After Jumping
From Window and Fears Are Expressed for Other
Guests Who Were Unable to Escape When Explo-
sion Started Fire at 3 o'Clock This Morning.

HUGE SUMS
REQUIRED FOR
COST OF WAR
Parliament Called on to Ap-
propriate Quarter of Bil-
lion Dollars.

TAX UPON BUSINESS PROFITS
TO MEET WAR EXPENDITURE
Points in Budget Speech
Levy of One-fourth of Net Re-
turn After Allowing Reason-
able Profits Will Yield at Least
Twenty-five Million Dollars.

AT TORONTO BANQUET
Province Will Refine Its Own
Ore and Control World's
Supply of Nickel.

By holding up visions of a future
Toronto of a million and a half, situated
on a thru deep waterway from Wal-
land to the ocean; a future industrial
Ontario able to refine her ore and
electric power to refine her ore and
greatest of all control the world's supply
of nickel from its mining to mar-
keting; and a people able to travel on
their own radial railways at half
penny prices, Sir Adam Beck succeeded
in installing into 200 listeners at the
banquet tendered by the City of Tor-
onto to himself at the Carls-Rite last
night, something of the great enthu-
siasm on public owned power that in-
spired him to make that ideal a life
work.

Starting with an explosion on the top
floor of the building, fire completely
destroyed the premises at 17 and 19
West Wellington street, occupied by
the American Club, between three and
four o'clock this morning. Captain
Ass Minard of the 9th Overseas Bat-
talion (American Legion) was so badly
burned that he is unconscious in the
Ontario Club, the caretaker jumped
from the top floor and is in St.
Michael's Hospital with a fractured
skull, his family is supposed to be still
in the burning building. James
Comber, night porter, and Tom Banks,
engineer, had narrow escapes from the
building and were slightly burned and
it is feared that several guests who
lived at the club have lost their lives.
So sudden was the outbreak of
flames, that no one had time to give
the alarm to those who were asleep in
the building. The explosion tore out
part of the Wellington street wall of
the building, and caused the roof to
fall in. Flames at once leaped high
into the air, and there was a scramble
for exits by those inside.

Parliament Called on to Ap-
propriate Quarter of Bil-
lion Dollars.
BIG GAIN IN REVENUE
Surplus Over Ordinary Ex-
penditure Forty-Five Mil-
lions for Year.

CANADA has financed the war without assistance from the British
Government since June, 1915, and has sold no sterling bills in London
since that date.
The net national debt of Canada is \$580,000,000.
Canada's trade for current fiscal year will amount to \$1,200,000,000,
the largest in her history.
Exports increased over preceding year by \$200,000,000; imports
slightly decreased.
Gold reserve for redemption of Dominion notes now amounts to \$115-
147,985, a reserve of 64.2 per cent.
Dominion Government, out of revenue, expended \$45,000,000 on war
expenditures during the current year and financed orders of the British
Government for munitions in this country to the extent of \$50,000,000.
The \$45,000,000 borrowed last summer in New York was expended
upon the construction and completion of public works in Canada.
No income tax for the present.
Pledge given that no war tax will be levied upon farm lands or upon
the personal effects or income of farmers.
Pledge that the government will finance a system by which the farmers
can borrow money at low interest and repay on easy terms by the amortiza-
tion plan.
Tariff on apples increased to 90 cents a barrel.
A duty of one-half a cent per gallon on oils.
For a three-year period, beginning on Aug. 4, 1914, there is levied
upon all corporations having a paid-up capital of \$50,000 or more a tax of
one-fourth of all profits over seven per cent per annum. This applies to
railways, steamships, mining, manufacturing and financial and
commercial corporations, except life insurance companies. The finance
minister will determine what is the paid-up capital of each corporation.
All persons, partnerships and associations engaged in business in
which \$50,000 or more is invested are subjected to a similar tax for a like
period, except that it only applies to profits over 10 per cent per annum.
All persons, firms and corporations engaged in manufacturing munitions,
however, are subject to the tax, no matter how small their paid-up
capital may be.
The government expects a surplus of \$35,000,000 next year, which
will be expended on the war.
The British Government has extended a further credit of \$30,000,000
(\$150,000,000) to Canada.
Further domestic loans foreshadowed. Life insurance companies re-
quired to invest in government bonds.
Legislation foreshadowed providing for \$100 bonds for small investors,
which will be sold at par.

MINE FORTS AT ERZERUM
ARE IN HANDS OF RUSSIANS
PETROGRAD, Feb. 15, via London, Feb. 16, 5:52 a.m.—The war office has
issued tonight the following supplement to the official communication of the
day:
In addition to two Erzerum forts already announced as captured by our
forces, seven other forts have been taken. There is thus a total of nine
nine Erzerum forts now in our possession.

AGED MAN BROKE NECK
BY FALL DOWN STAIRS
Henry Leach, Seventy-five Years
Old, Met Almost Instant
Death Last Night.

INSURANCE COMPANY
TO UNLOAD HOLDINGS
Bonds and Stocks in United
States Traction Companies
Will Be Sold.

TWO TORONTO BATTALIONS
TO DEPART SOON FOR FRONT
Fourteen New Infantry Units About to Leave
Canada for England, Sir Sam
Hughes Announces.

WAR SUMMARY:
Today's Events Reviewed

TORONTO CUSTOMS
RECORD OF BUSINESS
Over Quarter of Million Dollars
Worth of Goods Handled
Yesterday.

COMPANIES NOT
ABLE TO DODGE
TAX PAYMENTS
Likewise safeguards are provided
against inflation of capital by the in-
jection of "water."

LIFE INSURANCE COMPANIES
MUST BUY FEDERAL BONDS
Portion of Assets of All Companies Doing Business in
Canada Required for Investment—Companies
Will Escape Tax Upon Profits.

MARKET
SIDE 6100.

CLASH IS THREATENED
BY ACTION OF ALLIES
LONDON, Feb. 15.—A despatch to
Reuter's Telegram Company from Athens
says:
"Another diplomatic clash between the
Greeks and the entente allies has arisen
over the arrest by the allies of the Greek
steamer Mavrakaroussa, carrying 200 bul-
lets, whom the allies considered belliger-
ents. The Greeks contend that they are
Hellenic subjects from newly-annexed
provinces, and are consequently neutral.
The steamer was bound for Crete."

KINGSTON SOLDIERS
CHARGED WITH WASTE
Four Tons of Garbage Collected
From Barracks Each Day.

DINEEN'S CLEARING SALE.
All our furs must be cleared out in
preparation for next season's business.
—therefore prices
are reduced to
exceptional in fur
selling in Toronto.
The fact that we have been most un-
usually busy, even for this time of the
year, shows that our prices are gener-
ally attractive. Dineen's, 140 Yonge
Street.

MARKET
SIDE 6100.
Evaporated Peaches, 3 lbs. 26c.
Lima Beans, 3 lbs. 25c.
Canned Blueberries, Eagle
Brand, per tin, 10c.
Cocoa, 1/2-lb. tin, 23c.
Finest Canned Peaches, Vine
Brand, per tin, 15c.
Carnegie's Cream Cheese, large pack-
age, 23c.
Canned Spinach, per tin, 10c.
Gold Quick Tapioca, Chocoma
Custard Powder, 2 packages 25c.
Eagle Brand Condensed Milk, per
tin, 10c.
FRUIT
Sunkist Oranges, good
sweet and seedless, dozen, 25c.
Grape Fruit, large size, 3 for
25c.
Apples, half peck, 25c.
Pine Apples, in packages, 3 pack-
ages 25c.
CANDIES
Main Floor and Basement.
Satinettes, fruit flavors, per
tin, 40c.
Chocolate Coated Orange, per
tin, 40c.
Assorted Kisses, per lb., 15c.

WAR SUMMARY:
Today's Events Reviewed
EARL KITCHENER told the house of lords on the reopening of
the "Mother of Parliaments" yesterday that the British army
in France had been reinforced by eight divisions of the new
formation, the defences of Egypt had been made amply adequate
against attack, General Aylmer was awaiting reinforcements in Mes-
opotamia in order to advance to Kut-el-Amara, the capture of Lens
and the battles of Champagne and north of Arras last September had
inflicted great losses on the enemy, had attracted considerable Ger-
man reinforcements from the Russian front, and had thereby enabled
the Russians to check the advance of the enemy and to realize im-
portant gains on their part. Despite the large losses suffered by the
Russian army from the heavy blows that it had received from the
Germans last summer, it has thoroly reorganized and re-equipped.
The Italians had made notable progress on the Isonzo lines, but they
had come up to exceedingly strong Austrian defences, which, tho de-
laying their advance, they would ultimately attack with good pros-
pects of success. The Turks had been reinforced by material from
Germany, putting them in a position to attack Egypt and Mesopota-
mia, so the force at the Dardanelles had been removed and sent to
reinforce the garrisons at Saloniki and the Suez Canal. His lordship,
also he would not say that heavy blows would not yet be rained on
the British armies and the armies of the allies, is confident that thru
the bravery of the army in the field and the fortitude of the people at
home, the allies will be able to bring the war to a successful close that
will ensure peace for generations to come.

LIFE INSURANCE COMPANIES
MUST BUY FEDERAL BONDS
Portion of Assets of All Companies Doing Business in
Canada Required for Investment—Companies
Will Escape Tax Upon Profits.
By a Staff Reporter.
OTTAWA, Feb. 15.—Sir Thomas
White in his budget speech in the
commons today gave notice of legis-
lation affecting the life insurance com-
panies, by which they are required to
invest in Dominion Government bonds.
To assist in our war financing I
propose a legislative measure
whereby life insurance companies and
associations carrying on business in
Canada under Dominion license will be
obligated to invest and keep invested
a certain portion of their assets during
this and next year in the currency
bonds or debenture stock of the Dom-
inion. We propose that companies
whose domicile is outside of Canada,
but which are licensed to transac-
business in Canada, shall make the
deposits which they are required to make
in 1915 and 1917 as security for their

COMPANIES NOT
ABLE TO DODGE
TAX PAYMENTS
Elaborate Precautions Taken
to Prevent Possible Jugg-
ling of Figures.
NO STOCK WATERING
Computation of Net Profits
to Be Based on Clear-
Cut Plan.
By a Staff Reporter.
OTTAWA, Feb. 15.—Details of the
method by which it is proposed to
tax net profits of companies to the
extent of 25 per cent of their net
profits, make it clear that Finance
Minister White does not intend to
permit evasion of payment by man-
ipulation of figures in the books of
the companies. Express provision is
made for the prevention of excessive
charges on account of depreciation
or in other ways, which would make
nominal reductions in surpluses and
correspondingly in the federal taxes.

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