been heavily tapped in past years, are beginning to give out. Petroleum production also shows a decrease.

While this record of mineral production last year is satisfactory, largely because of an increase compared with the previous year, our output is by no means as heavy as it should be. There is considerable scope for first-class prospecting, for the employment of further capital in the industry, and for the services of the legitimate mining engineer who has too often been forced by the "wild cat" company promoter to take a back place. Mr. John McLeish, B.A., chief of the division of mineral resources and statistics, is to be congratulated upon the dispatch with which he has gathered the material for his preliminary report on mineral production, and from which the figures quoted above are taken. This report has just been issued by the Mines Branch, Ottawa.

## NOT SO TERRIBLE

In the federal budget brought down at Ottawa a few weeks ago, life insurance companies were exempted from the new business taxation. The federal government believes that the taxation of life insurance premiums is a tax upon the thrift and foresight of those who take out life insurance. A year ago Hon. T. W. McGarry, provincial treasurer of Ontario, in his budget speech, as we noted at the time "figuratively put on a suit of armor, hipped a lance, mounted the white charger and galloped helter-skelter into the ranks of life insurance company directors." The point at issue was that the life insurance companies and their policyholders contend that taxation of life insurance is a penalty upon thrift. The companies also argue that it is an indirect tax and therefore unconstitutional. The Ontario government sued the companies for the tax. Mr. McGarry referred in very strong language and with a veiled threat, to the insurance company directors as "traitors." His remarks were considered generally as a bad blunder.

During the course of his budget speech this week, Mr. McGarry was found unhorsed, armor off and lance-head broken. He apologized for the utterances of a year ago as gracefully as the fighting qualities and the dignity of a provincial treasurer will permit. He had met some of the insurance company directors since then, he said, and had found out that they "are not such terrible men as I thought they were, and they perhaps think I am not so terrible as I was supposed to be. They brought certain matters before me and stated that they were in a position to show that the tax worked inequitably. What I told them is that they must continue to pay the tax until this war is over, and that when the war is over the government, having regard to the fact that fair contribution must be made in taxes by those who receive the protection of the province, will be prepared to listen to any reasonable argument, and if they show these inequalities, we would be prepared to consider them."

Now that reasonable argument will be listened to, progress may be reported.

## COST OF LIVING REPORT

The commissioners appointed to inquire into the cost of living have presented a report of two volumes, each exceeding 1,000 pages. The board of inquiry was composed of John McDougald, C.M.G., chairman; Dr. C. C. James, C.M.G.; R. H. Coats; J. U. Vincent, and T. J. Lynton, secretary. The commissioners' conclusions are summarized in one page of the report and will not likely yield to the average man many new reasons for high living costs. We are told, for instance, that "the advanced prices in Canada have been largely increased through manifold forms of extravagance and wastage, public and private, individual and social." Another contributing cause given is the loss "through expenditure on a rising scale for luxuries and through wasteful methods in the household." While that is correct, there is no doubt that the greatest wastage and extravagance has been practised by public authorities, especially our provincial and federal governments. The large sums squandered and pilfered have come out of the pockets of the citizens who feel most acutely the rising cost of living, and whose waste in the household is the mote as compared with the beam. The report states that the main factor in restricting supply and enhancing the cost of commodities is the withdrawal of population from the land. This has decreased the proportion of persons engaged in producing the food supply. Here we have again the old problem of getting men back to the land.

The chief value of the report is in the extraordinary amount of useful and interesting statistics and information which have been gathered together. The practical value of the report naturally depends upon how seriously our governments propose to tackle our numerous economic problems. Some have been made more acute since the war and others will present their worst front after the war. The cost of living report is really another plea for more enterprise and action in high places with a view to planning ahead properly. For instance, the commissioners say: "We look for improvement in existing conditions through land settlement." But how can such improvement come if our land settlement methods remain as they always have been? In Northern Ontario, for example, we doubt whether there are many, left at farming, of the original would-be farmer settlers who took up land there, say, ten years ago; that is to say, settlers who successfully went at the heart-breaking task of making a profitable farm out of wild bush and did not get into real estate, politics, railroad construction or mining in order to be sure of a meal. We must see that the legitimate settler gets a better start.

## BUSINESS PROFITS TAXATION

Amendments to the taxation resolutions were tabled by Sir Thomas White in the House at Ottawa last week. The resolutions as they now stand and the important parts of the finance minister's speech are printed on another page. The changes provide that the retroactive period shall begin on January 1st, 1915. This enables the tax payment dates to be evenly divided into the years 1915, 1916 and 1917. The operative part of the bill will, therefore, come to an end on December 31st, 1917, instead of August 3rd, 1917. This change, according to some views, takes the sting out of the retroactive feature. But Hon. G. P. Graham stated during the discussion that in the new form it will "get more money" and Sir Thomas White was disposed to agree.

In regard to capital, it it proposed that the amount paid-up on the capital stock of a company shall be the amount paid-up in cash. On this point Sir Thomas said: "That is to say, if paid up in cash, no question arises. Where stock was issued before January 1st, 1915, for any consideration other than cash, the fair value of such stock, on such date, shall be deemed to be the amount paid-up on such stock; and where stock has been issued