

as all that. A large proportion of those who carry on the country's business are engaged in several enterprises, often in a good many. Some are helped by the war while others are injured. A good many companies—particularly those which are just getting established—suffer severely from the greatly enhanced cost of materials and labour. In many cases it takes from thirty to fifty per cent more capital to transact the same volume of business which was being done prior to the war—there being no possibility of increasing prices at the same rate. In other words, the Government, if it takes three quarters of all profits above twenty per cent, may place a good many men in a very awkward position. Where war conditions pinch industries and compel the suspension of dividends, the Government gives no relief. Where there is an exceptional profit which might equalize this loss, the Government, by taking three-quarters of such profit, does away with all possibility of striking an average from the whole series of operations. Doubtless an income tax would meet the case just mentioned, but there are enough arguments against an income tax to arouse much interest in the minds of all who would be seriously affected. In short, war taxes must inevitably bring home the duties of citizenship to a class of the community whose intellectual and practical capacity is very high, but whose interests hitherto have been such that they were more willing to pay objectionable taxes than to give up the time required to make a serious fight against them.

**GERMAN
DIPLOMACY
AT ITS
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Since the overthrow of Caprivi in October, 1894, the ineptitude of Prussian diplomacy has been no less conspicuous than the rapacity of Prussian greed—save in cases where the Wilhelmstrasse has been dealing with Finnish-Tartar populations like the Bulgars and the Turks. In point of essential savagery there exists a common denominator for Berlin, Sofia and the Porte. Accepting, as they all do, the law of the jungle, they find no difficulty there in understanding each other or in working together. But with