WAR TAXES.

By JOHN ANDERSON.

When the Chancellor of the Exchequer brings before the British House of Commons any change brought about by increased taxation upon Banks, Trade, or Commerce, he consults with the leading Bankers of London, Business Men in Trade, and experts in Finance.

It is gratifying to know that the Finance Bill last month before the House of Commons contains a clause providing for the increase of the statutory percentage for arriving at the pre-war standard of profits in cases where there has not been one pre-war trade year. In submitting the Budget resolutions, the Chancellor of the Exchequer intimated that a concession would be made in regard to the interest on new capital employed, and stated that the increase in the case of public companies would be 3 per cent—from 6 to 9 per cent—and in the case of private firms 4 per cent—from 7 per cent to 11 per cent.

It was hoped the Government and the Hon. Minister of Finance would accept an amendment to the Bill by allowing 6 per cent on all capital employed in Business, this was the only concession asked for, if incorporated or Limited Liability Co.'s in Great Britain are allowed Interest on Capital 9 p.c., Private Companies, 11 p.c. In Canada 7 p.c. Interest on Capital is allowed to Incorporated Companies. The ordinary business trader under the Canadian Act is allowed 11 p.c.

The members of the business section of the Legislative Council asked for a fair and reasonable compromise.

To amend section three of the Act which reads:—

"There shall be paid to His Majesty by the person owning any business to which this Act applies a tax of 20 per centum of the net profits in excess of the sum of three thousand dollars earned by such business during each of the accounting periods hereinafter mentioned," by adding the words "6 p. c. of the capital will be allowed to companies and private traders."

When we consider that about 250 Incorporated Bodies are scattered all over the country doing business under the Act respecting companies, 62 and 63 Vic., Cap. 10, and are Registered in this Colony. Shareholders are composed of all classes, Rich and Poor, many depending upon dividends for a living.

Let us take for example two businesses, which may be either limited liability companies with a fixed capital, having a number of shareholders some undoubtedly men of wealth, but other shares being on account of families of men who invested in these enterprises and who have since passed away, their widows and families are dependent on their earnings of such companies for their livelihood; or such business may be owned by private individuals; but the argument in each case is equally strong. Had he so wished he could have invested his capital (or a portion of it) in channels other than his business, instead of which, in the case of the greater number of our business men, they have consistently utilised any profits they made to add to their capital, develop and extend their business, and whilst it is conceded they have so done with the hope of acquiring still further gain, it must be equally remembered that all capital invested in development of local enterprises is a distinct benefit to the country.

Assume Firm 'A' to have capital of one hundred thousand dollars, and to have needed and secured loans from their bankers during the year of an average, of say two hundred thousand dollars, and to have made a net profit of ten thousand dollars. Their statement would appear:

Capital, $100,000.	Interest,	$12,000
	Profit	10,000
		$22,000

Taxable 20 p.c. on $7,000.00 or $1,400.00, leaving a dividend on capital of $8,600.00, 8⅗ p.c.

Firm 'B' has a capital of three hundred thousand dollars if they operate entirely on their own capital and do business at a similar profit, their statement would appear:

Capital, $300,000 Profit, $22,000

Taxable 20 p.c. on $19,000.00, $3,800.00, leaving for dividend $18,200.00 or just over 6 p.c.

What taxation under the Bill meant to the business people of the whole Country.

Profits.	Business Profits Tax $3000 exempt. Tax.	Incomes equal to Profits. earned & unearned all exempt. Tax.
$ 3500	$ 100	——
4500	200	——
5000	400	——
6000	600	——
7000	800	——
8000	1000	——
10000	1400	——
15000	2400	——
17000	2800	——
20000	3400	——
25000	4400	——
30000	5400	——
35000	6400	——
40000	7400	——
50000	9400	——
60000	11400	——
70000	13400	——
80000	14600	——
90000	17400	——
100000	19400	——

The figures on the left side, represent either profits or income. The centre figures show the amount of Tax upon the profits. On the right you will observe nothing is paid upon income of equal amounts to profits.

Limited Co. Capital	Interest allowed on Capital 6 p.c.	Balance over 6 p.c. subject to A War Tax.
$ 50,000	$ 3,000	Surplus Profits over amounts in centre 20 p.c. Balance for dividends.
75,000	4,500	
100,000	6,000	
150,000	9,0000	
200,000	12,000	
250,000	15,000	
300,000	18,000	
400,000	24,000	
500,000	30,000	
750,000	45,000	
1,000,000	60,000	

While the subject was under debate, in the Legislative Council, we suggested four alternatives for the consideration of the Government, in addition to the Bill before the House in an amended form.

1st. Alternative, Conscription of Wealth.

Income Trade Profits of War Duty upon Exports.

Dry Cod Fish exported, 1,500,00 qtls., fish, 20c.	$300,000.00
165,257 Brls. Pickled Herring.	
55,556 Brls. Bulk Herring.	
20,504 Brls. Froz'n Herring	
241,587	
240,000 brls. herring, 10c.	24,000.00
3,000 trcs. salmon, 20c.	600.00
10,000 cases lobsters, 20c.	2,000.00
200,000 sealskins, 20c.	40,000.00
Special War Tax, 2½ p.c.	125,000.00
War Special Bank Tax. Deposits 16,000,000 ⅛ of 1 p.c. to ¼ of 1 p.c.	40,000.00
	$531,600.00

A War Tax duty upon our exports would be almost a certainty to the Government, the cost of collection would be nil compared with the machinery required for collection under the Bill. The amount of Revenue estimated by the Hon. Minister of Finance from the Tax on business profits, $250,000.00 on a scheme carefully prepared on the above lines, would be doubled, and we believe would secure greater stability to the Credit of the Country on the issue of a War Loan.

Second Alternative.

War Tax, Export Duty on a lower scale.

Dried Cod Fish, 1,500.00 qtls., 10c.	$150,000
Pickled Cod Fish, 30,000 qtls., 10c.	8,000
Furs, $400,000, 5 p.c.	20,000
Haddocks, 5,000 qtls., 10c.	5,000
Herring, 240,000 brls., 10c.	24,000
Lobsters, 10,000 cases, 20c.	2,000
Mineral, Iron, 800,000 tons, 5c.	40,000
Cod Oil, 1,280,000 gals., 2c. gal.	25,600
Cod Oil, Refined, 140,000 gals, 2c. gal.	28,000
Seal Oil, 2,700 tuns, at $7.50	20,250
Pulp to United States, $200,000 at 5 p.c.	10,000
Pit Props.	
Pickled Salmon, 3,000 trcs., at 20c. tc.	600
Sealskins, 200,000, at 25c.	50,000
Imports $5,000,000, at 2½ p.c.	125,000
War Special Bank Tax Deposit $16,000,000 ⅛ of 1 p.c. to ¼ of 1 p.c.	40,000
	$548,450

The present machinery of the Custom House would do the work without the cost of a single cent to the Colony for its collection, and would give a Revenue of over $500,000.

Third Alternative.

Income Tax in Canada.

Tax upon profits proved a failure. There is a Bill at the present time before the Canadian Parliament that seems to me to be fair, just and operative. It is proposed in Canada to bring an income tax 4 p. c. upon incomes exceeding $2,000 per annum in the case of unmarried men and widowers without children, and exceeding $3,000 in the case of other persons, and in addition thereto a supertax of 2 p.c. upon the amount by which the income exceeds $6,000 and does not exceed $10,000 and 5 p.c. upon the amount by which the income exceeds $10,000 and does not exceed $20,000 and 8 p.c. the amount by which the income exceeds $20,000 and does not exceed $30,000 and 10 p.c., $20,000 and 8 p.c. on the amount by upon the amount by which the income exceeds $30,000, and does not exceed $50,000 and 15 p.c. upon the amount by which the income exceeds $50,000, and does not exceed $100,000 and 25 p.c., upon the balance, which works out as follows:—

Income of	Income Tax	All other persons exempt $3,000.
	unmaried men and widowers without dependant children. Exempt $2,000.	
$ 4,000	$ 80	$ 40
5,000	120	80
7,000	220	180
10,000	500	360
12,000	580	540
15,000	850	810
20,000	1,300	1,260
30,000	2,500	2,460
50,000	5,300	5,260
75,000	10,050	10,010
100,000	14,800	14,760
150,000	29,300	29,260
200,000	43,800	43,760

I understand during the present session of the Canadian Parliament it is proposed to tax all young men with a salary over $1,500.

Fourth Alternative.

Income Tax for the Colony. Earned and Unearned.

$3,000 to $10,000 5 p.c.; over $10,000 5 p.c. and a Super Tax graded.

What we require is a carefully considered Bill that will meet the commercial conditions of the Colony, a joint committee representing all sections of our trade, Executive Council, Bankers and Legislative Council.

Let us do what has been done in Great Britain and the Dominion of Canada—have a conference with all parties, two heads are better than one; four heads are better than two; but above all, let us keep them cool, do the right thing to support the Minister of Finance in raising money to carry on the War, but protect the trade and commerce of the country.

Parting of the Ways.

The Hon. Prime Minister, Sir Edward Morris, has faithful friends among the gentlemen of the Legislative Council who voted down the Profit Tax Bill. It was a one-sided bill, not a fair and equitable one. The Parting of the Way from Sir Edward, was the measure, not the man. During heated debate, the use of a wrong word may slip in, not with the slightest intention to hurt the feelings of any person, or cause offence. The Hon. Minister of Finance must have the money to finance the War. The Trade and the Country are going to back him, we must do our duty to King, Country and Empire, and our boys at the front. We want no split or party feeling between the two branches of the Legislature, its not a policy of vengeance or blood and money from the trade, but amity for the welfare of the Colony. I would respectfully suggest in the interest of the Colony, future War, and other loans, and the general stability of our credit at home and abroad, that a small commission of the best minds be immediately chosen to carefully study and prepare a bill to be in operation during the continuance of the War that will meet with the approval of all sections of our Colonial life.

Let the Commission be as a suggestion:—

Three members of the Executive Council, Three members of the Legislative Council, Two Bankers, Two members of the Board of Trade.

I commend to the powers that be a careful consideration of our present situation. If a policy of vindictiveness is pursued disaster must inevitably come to the country. Even at this late hour a satisfactory bill can be agreed upon that will cement both houses, restore confidence at home and the credit of the Colony throughout the world.

HUSBAND OBJECTS TO OPERATION

Wife Cured by Lydia E. Pinkham's Vegetable Compound

Des Moines, Iowa.—"Four years ago I was very sick and my life was nearly spent. The doctors stated that I would never get well without an operation and that without it I would not live one year. My husband objected to any operation and got me some of Lydia E. Pinkham's Vegetable Compound. I took it and commenced to get better and am now well, am stout and able to do my own housework. I can recommend the Vegetable Compound to any woman who is sick and run down as a wonderful strength and health restorer. My husband says I would have been in my grave ere this if it had not been for your Vegetable Compound."—Mrs. BLANCHE JEFFERSON, 703 Lyon St., Des Moines, Iowa.

Before submitting to a surgical operation it is wise to try to build up the female system and cure its derangements with Lydia E. Pinkham's Vegetable Compound; it has saved many women from surgical operations.

Write to the Lydia E. Pinkham Medicine Co., Lynn, Mass., for advice—it will be confidential.

The Gas Range!

The Gas Range means comfort for the housewife; shorter kitchen hours for her, and a cleaner kitchen. It is a great mistake to think that cooking with gas is expensive.

Whenever a woman becomes used to gas for cooking, thoughts of a coal or wood stove fill her with gloom. A Gas range is so much easier to operate, so efficient for all kinds of cooking, and so much cleaner, that the idea of going back to the old style methods is decidedly unpleasant. Yet in winter many housewives think they must use a coal or wood stove, because there is no other way of heating the kitchen. THERE IS ANOTHER WAY AND IT IS FAR BETTER THAN THE OLD. THE CLOW GAS STEAM RADIATOR WAY. may23,tf

KITCHEN GARDEN PRODUCE. — Lettuce and other such kitchen garden produce are being disposed of by country vendors at unheard of prices. The demand being greater than the supply ,a ready market is easily obtained.

Mrs. Glynn, 40 Barter's Hill, wins the 4th prize of $5.00 for Stafford's Lucky Number Competition, No. 1386. (See advertisement.)—aug4,tf

Flies should be regarded as a disgrace.

T. J. EDENS.

200 bags GLUTEN MEAL.
100 bags BLACK OATS.
300 bags WHITE OATS.

New Salt Codfish.
Boneless Codfish—1 lb. and 2 lb. tins.
New York Corned Beef.
Dried Beef in Glass.
Ox Tongue in Glass.
Bacon in Glass.
Minced Callops.
Gong Soups.
Peanut Butter.

Purity Butter,
2 lb. prints.
Fresh supply by steamer this week.

COFFEE,
Ground to order from selected beans.
IN TINS:
Barrington Hall—1 lb. tins.
White House—1 lb. tins.
Red Rose—½ lb. tins.
Pure Gold—¼ lb. tins.
Compound—1 lb. tins.

NATIVE CABBAGE.
NATIVE TURNIPS.
FRESH COUNTRY EGGS.
NEW SALMON—tins.
NEW LOBSTER—tins.

FRESH SUPPLY MOIR'S CAKES & CHOCOLATES.

T. J. EDENS.

Duckworth Street and Rawlins' Cross.

"The Lasting Shame of Our Legislators."

The House has closed with a reaffirmation of the principles for which our nation is fighting, and a vote of determination to carry on the war to a successful issue—but how? In response to appeal our bravest and best young men have gone forth, some never to return, alas. That is the unfortunate part of the voluntary system; the bravest men, the most intelligent and most chivalrous men quickly see the urgency of the call.

The indifferent, the cowardly, the men who are ready to walk to success over the bodies of others stay behind—and reap the benefit.

The United States had been watching carefully and she saw the failure of the Voluntary System, so she adopted the Selective Draft. Personally I believe she would have had no trouble in enrolling a million volunteer soldiers, but this other way is much the fairer.

The position of the Newfoundland Regiment is this: another serious engagement would find it without reserves. There is no recruiting going on at present outside St. John's, and very few men are being added to the list.

If the Regiment cannot be kept up to strength in the field it will probably be distributed among other British or Canadian regiments, and 1st Newfoundland Regiment of which we were so proud would be known no more.

It is a terrible responsibility that devolves on this country; and it is to the lasting shame of our Legislators that none of them have had the courage to adopt the needed measure to keep our Regiment to strength.—Twillingate Sun.

The 3rd Prize of $10.00 for Stafford's Lucky Number Competition was won by Mrs. Parsons, 96 Springdale St. Lucky number was 1556.—aug3,tf

Whitewashing the Government.

The pap-fed organs of the so-called National Government are making a desperate effort to hoodwink the public on this nefarious piece of legislation known as the Business Profits Tax. These gramophone explanations will receive from the public precisely the attention they deserve—which is none at all. The whole business is what the French call a sword-cut in the water. If the Premier desires to know what the people of this country thinks of him and the whitewashing performance of his hired editors, he will get authentic information by applying to the electorate of St. John's West.

At the Crescent.

"When Justice Won" is the title of the Crescent's feature to-day, a gripping story produced in two reels by the Essanay Company, featuring Marguerite Clayton and Sydney Ainsworth. "Getting By," is a fine Vitagraph Comedy Drama with Shirley Moore and Huntley Gordon. "The Yellow Girl" is a spectacular Japanese drama elaborately staged, with Webster Campbell and an all star cast. "All for a Girl" is a great Vim comedy with Plump and Runt. Madame Timmons sings "A Little Bit of Heaven." Professor McCarthy plays a programme of new and classy music.

Kilbride Garden Party.

Don't forget the Kilbride Garden Party to-day. It will be held in Lester's Field adjoining the site of the old church there. Trains will run at 2.40 and 5 p.m. to the grounds and return at 9.15 p.m. For all who attend a veritable happy and pleasant outing is assured. The committee in charge have left no stone unturned to provide for the desires and tastes of all. A concert and dance as well as a baseoall contest and music by the T. A. band are a few of the items arranged. Don't fail to be present. Those visiting Bowring Park may reach the grounds in five minutes' walk and spend a pleasant hour. Choice delicacies are awaiting all who come so that the most fastidious tastes are sure of satiety. Come and see and taste for yourself. To remain away is to lose the most attractive event of the summer's outings and amusements.—1i

Wanted to Drink Bay Rum.

A man entered an uptown barber shop yesterday afternoon and asked for a bottle of bay rum, but was refused by the proprietor, who knew well to what purpose the visitor intended to apply it. The appearance of the man showed plainly that he had been drinking and the barber in not granting his request, is to be commended for his action. The man was next seen to enter a hop beer shop where no doubt his craving for the cup that cheers was satisfied by consuming a few quarts of home brew.

Household Notes.

Don't forget to boil the dishcloth.

Silkoline makes very satisfactory dusters.

A special sauce for bread pudding is delicious.

Oatmeal bread is one of the best of coarse breads.

More than one fried food at a meal is too much.

A good way to try out beef fat is in a double boiler.

Tomato jelly on lettuce leaves makes a good salad.

Eternal vigilance is the price of freedom— from ants.

Green peppers can be canned with the cold water method.

Cleanliness is the strongest weapon against roaches.

Strained apple sauce has less flavor than other kinds.

Football Veterans

Will Go Into Harness Again to Provide Smokes for Our Gallant Defenders—Generous Offer of Imperial Tobacco Co., Ltd.

An idea of the brand of football that was in evidence in St. John's in the early days of the twentieth century will be afforded the sporting fraternity and the public generally on next Monday evening when an exhibition will be given by two teams of warriors, who chased the leather sixteen years ago. The object is to procure funds with which to buy a supply of cigarettes for our sailors and soldiers on active service. In 1901 the old Star team were the invincible champions and they challenged a City team of players of the same year for the purpose mentioned. The challenge was accepted and the City team is now being selected by Mr. W. J. Higgins, who, we understand, will take part himself. Though the personnel of the entire team is not yet known, it will include such keen rivals and lovers of the noble game, we hear, as Messrs. A. Carnell, Stan Roger, J. McFarlane and A. Hiscock. With the exception of one, J. Cowan, who is now in the States, all the old regular Star team will be on deck, as follows: Goal, W. Collins; Backs, R. English and A. Evans; Halves, J. Vinnicombe, N. Vinnicombe and J. Condon; Forwards, E. Power, E. Brophy, J. Brophy, W. Ryan and M. Rolls. The last named replaces Cowan.

Tickets are now being sold rapidly for the event.

Lest we forget, it is worthy of note that Manager Hawvermale, of the Imperial Tobacco Co., Ltd., has generously offered to furnish one thousand cigarettes free for every thousand purchased, thereby augmenting considerably the supply of smokes for our gallant defenders. Apart from the fact that 'fags,' as is well known, are always gladly welcomed by "Our Boys," the game will be well worth the admission fee, hence the attendance ought to be a record one at St. George's Field.

Here and There.

Turkeys, Ducks and Chicken at ELLIS'.

GETTING WIRELESS INSTALLED —The S. S. Prospero is now getting wireless apparatus installed on board.

Fresh Smoked Haddies, 12c. per lb., at ELLIS'S.

Owing to the large amount of freight offering the S. S. Prospero will not get away for northern ports before to-morrow morning.

Will the person holding number 601 from Stafford's Lucky Number Competition call for $20.00? (See advertisement). aug3,tf

RAIN PREVENTS LANDING FISH. —A few outport schooners, which were discharging dry fish yesterday along the waterfront, had to discontinue landing when the rain set in.

SHIPBUILDING PLANT.— Over a hundred men are now engaged at the construction work of the Harbor Grace shipbuilding plant, which is expected to be completed earlier than at first anticipated.

SHIPWRIGHTS GET INCREASE.— The request made by shipwrights some time ago for an increase of wages has been acceded to. They are now getting $3.50 for an eight-hour day or an increase of 50 cents per day.

"ZIP"—the new drink—advertised elsewhere in this issue, may be obtained from P. E. OUTERBRIDGE, Sole Agent for Nfld., Commercial Chambers. Telephone 60. Delivery in about two weeks.—au11,15,18,22,25,29

AGAIN DEFERRED.—The Football League did not meet last night to consider the playing of an extra round. This is the third time the meeting has been postponed. It is not unlikely that the idea will be abandoned owing to the lateness of the season.