



Evening Telegram

W. J. HERDER, - - Proprietor
C. T. JAMES, - - - - Editor

TUESDAY, May 14, 1918.

Increased Taxation.

The presentation of the Budget by the Minister of Finance is usually awaited with much expectation and speculation by both Legislature and country. This year the interest was increased, and when on Saturday Hon. M. P. Cahlin presented his 10th Budget in no way had the usual speculation depreciated. The Hon. Minister is to be congratulated on the clear and lucid explanations of the various financial details, with which this 10th Budget of his bristles. One remarkable feature about it is the absence of those flamboyant oratorical flights to which much importance was attached in former days. The increase in the revenues of the Colony is fairly set forth and the reasons therefor squarely given. The Estimated Revenue for the year to end on June 30th has been set down at roundly \$5,700,000, which, as the period has only a few more weeks to run, may be taken as actual. For the corresponding twelve months the Expenditure will be, approximately (including Supplemental Supply) \$5,450,000. The difference between these sums may be considered a surplus. For the next fiscal year ending June 30th, 1919, the Minister estimates the general Revenue at about the same figure as the present, with the Expenditure set at a similar sum to that for the year ending June 30th of this year. The Minister has paid close attention to the other multifarious details of his Budget and succinctly explains them.

With regard to the increased taxation, the most important of all is perhaps the proposed Income Tax, a general review of which (by courtesy of "the Daily News"), is published in another column. Mainly it imposes an obligation on every person in the Colony with an income of over \$1,000, if single, and of over \$2,000, if married, to contribute, at a rate to be afterwards named and graded, toward the General Revenue.

The War Loan, part of which is to be placed locally will have to be more fully dealt with as the Bill goes through its various stages.

The new taxes are principally stamp, excise and export, with a slight increase in import duties on tobacco, cigars and cigarettes. The particulars of these have already been given. Regarding the increase both in excise and import duties on tobacco, the sum of two cents per pound, though small, will nevertheless, make a much larger demand on the pocket of the consumer, and we shall not be surprised if the price of this article does not advance in greater proportion than the new levy, so that by the time it leaves the retailers' hands the cost of the regular "eight to the pound" size will be, at least, advanced one cent per pound, which will mean eight cents per pound.

The export duties on fishery products should have been a part of the tariff long ago, but the plaint there was, that it would not be possible to collect it. The chief difficulty was, adjusted, regarding these duties, will be as to who pays them. But as the consumer indirectly pays all import duties, the fishermen who is also the producer will in the long run indirectly pay the export duties, for it would be idle to assume that prices will be fixed without considering these taxes. The export duty on salmon of 50 cents per case of 48 pounds, is absurd compared with the same rate on lobsters of similar weight. The value of tinned lobster is more than twice that of salmon and this rate could very well have been assessed at 25 cents per case. It simply means that the salmon packer will receive 50 cents per case less from the buyer, as the market price will be adjusted to meet the new conditions. We would suggest to the Minister of Finance the advisability of making the export duty on salmon read 25 cents per case, which will be fair to both packer and exporter. The difference in value demands this.

Apart from the few features presented above there is every reason to believe that the Budget of 1917 is the clearest exposition of the Dominion's finances that we have had for a long time, but we could wish that the majority of the half millions of expenditure will be as clearly explained

ed at the end of the next Budget period. Touching the Stamp tax on Customs Entries, some misunderstanding appears to have arisen in the interpretation of the wording of the clause, which reads "a 10 cent stamp tax on all Customs forms."

This is so much involved that it may be read to mean that a stamp tax of ten cents is levied on each Customs form going to make up both original and duplicate entries, whereas we are of opinion that the real intention is that the original of every Customs entry passed, is to be subjected to a tax, payable in stamps, of 10 cents. In a long duty entry there might be ten or more sheets. If every form is liable to the tax, then an entry of ten sheets, would be assessed for two dollars, \$1.00 for the original and \$1.00 for the duplicate. The same would apply to entries, other than those for import duty, such as transshipments, where five forms are necessary in certain instances. In order to avoid future confusion and to obviate misunderstanding we are of opinion that the wording of the section should be changed to read "on each original entry" instead of "on all Customs forms," and when the attention of the Finance Minister is called to this matter, there is little doubt but that he will acquiesce.

Pertinent Enquiries.

SUGGESTED AND OTHERWISE.

When will some "sweet young things" who think they can act and whose voices certainly cannot be heard beyond the third row desist from inflicting themselves on the public?

And, didn't they learn their lesson from their last show when the audience talked in an undertone all through their performance, or have the St. John's public, ever ready to patronize a show for patriotic or charitable purposes, got to put up with it again?

Why not cut out this sort of a show, and let us have Messrs. Charley Hutton, George Shea, Mrs. Baxter and the "old favorites" back on the boards?

Has anybody ever discovered the actual nationality of parties in this town whose names terminate in -stein, -stone, -lich, etc.? Can we take chances these days?

Will we get "a bottle a week"?

Did the Minister of Finance mean ten cents on each Customs Entry or ten cents on both the entry and the duplicate as is now being insisted upon at the Custom House?

Did it ever occur to a certain Water Street business man who was very busy about this time last year sending impertinent letters on the subject of volunteering, to men, (including many married men and rejected volunteers) that apparently, to the public, there is no reason on earth why he, himself, should not offer his services? Is he not nicely "dressed" and hasn't he but very little family responsibility?

How many automobiles were imported this year both over land and sea?

While men of eligible age are prevented from leaving Newfoundland, how is it that so many Canadian and American drummers, of eligible military age, and wearing nothing in the way of a rejection badge, are allowed to enter and do business in the country?

What about "having the nerve" now?

Will special taxation be enacted to keep "Our Baron" entrenched in London?

Is it not possible that some Newfoundlanders may be worried about the Baron's being in such a dangerous place as London, and his being exposed to the dropping of Bombs by German Zeppelins or Aeroplanes?

Is not worry a dangerous thing?

What will happen to the Politician who is desirous of keeping the Baron in London, on our account?

"You should worry," but won't it be starting?

The Status of Rejected Volunteers.

(Official).—A Rejection Badge may be sufficient ground for exemption from military service, but not in itself an exemption. The holder of a badge if he is included in class 1 has to register, but need not make application for exemption without he so desires. The military authorities hold a copy of his rejected certificate and will call upon him if they should consider it advisable. It is hardly probable that any such men will be called and in any case a badge holder, while being subjected to the military service act, is still a volunteer and in no way will be classed as a conscript.

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The President of the Legislative Council and the Constitution.

Editor Evening Telegram.

Sir,—In reading over what purports to be the official report of the proceedings of the Legislative Council, I observed a most extraordinary pronouncement by the President of that august body in respect to the British Constitution, which gives to the King, in and with the Imperial Parliament, the Government of Great Britain at home and abroad, and to his Vicegerents in self-governed colonies, with their respective parliaments, the control of their local affairs. Mr. President McGrath is reported to have said,—"There is nothing sacred about the Constitution. It is just as we make it." This was said for the guidance of the Council, when deliberating upon a measure that strikes a blow at the only just foundation of all governments—the will of the people. An illustrious man has said,—"Any Government is Constitutional and free to the people under it, whatever be the frame, where the laws rule, and the people are a party to the laws. Any more than this is tyranny, or confusion." Now let us ask ourselves, can it be fairly said, can it be said without the slightest direct falsehood, that the people of this country, through the House of Assembly, are really a party to the laws that are being made? If not, then there is existing tyranny, or confusion. It cannot be disputed that thousands of the people are distressed, and that the House of Assembly to-day is dealing with vast issues that affect the very lives, as well as the material interests, of the people, while illegally deprived of one third of its constitutional structure. And this condition of things, this outrage, is recommended for the approval of the Legislative Council by its guiding official, its President, on the plea that there is nothing sacred in the Constitution. It is just what we choose to make it. To the President of the Legislative Council I would say—

"Steersman, be not precipitate in thine act of steering. Beyond the bend roars the cataract."

We are supposed to be living in a free and intelligent community, and under the influence of a Constitution which attaches to our rulers the salutary restrictions of responsibility in all matters of government. But, we are being subjected to a shameful imposition, and it is neither politic or wise to increase animosity with cunning phrase which can only catch the ignorant or unwary. There are grave perils looming up, and some cunning phrase, such as that which fell from the President of the Council, by faction caught and spread, may precipitate the crisis. If the President of the Council considers it possible to sway that body by phrases such as he has used, then, there is little hope of the Legislature and this country being saved from degradation and humiliation. Nothing sacred in the Constitution! That is a dangerous slogan to enunciate, and it is untrue, and vicious. The British Constitution is essentially unwritten, but it consists of traditional influences, hereditary rights, and a sacred thing, because it knows they embody customs and respect for the rights of common traditions, common doctrines, common tendencies, just as there is a body of common law which heretofore has been the glory of our Empire, all shared by different parts of the King's dominions. It is a marvellous work, welded together by the best brains of centuries past. The American Constitution—which Mr. Gladstone, in his work "Gleanings of Europe," declared "the most wonderful work ever struck off at a given time by the brain and purpose of man," that Lord Bryce, in his "American Commonwealth," says,—"ranks above every other written Constitution for the intrinsic excellence of its scheme, its adaptation to the circumstances of the people; its judicious mixture of definiteness in principle with elasticity in detail,"—was fashioned upon the British Constitution. It is in closest possible imitation, corresponding in all main features, that the President represents our King, Congress corresponds with the Imperial Parliament, and exercises the same legislative functions in matters of national concern. It makes provision for the three departments of government, the legislative, judicial, and executive, and it declares that they shall be filled by persons to be appointed by, and to derive their power from, the people. A perfect copy of this main principle of the British Constitution.

Nothing sacred in the Constitution! Indeed, then why has it been preserved throughout the centuries at the cost of rivers of blood and tears? Because it is the basis of all free government. It is the body of elements to which you refer and quote article by article, and contains the principles on which the Government shall be established—the form in which it shall be organized—the powers it shall have—the mode and time of elections—the duration of Parliament—and the principles on which it shall act, and by which it shall be bound. All the Dominions of our Empire have a written Constitution, based, as the American Constitution is, on the British Constitution. Newfoundland, the latest born of the Dominions, and the oldest of the colonies, has a written Constitution which dates back to the reign of William IV., in 1832, and is contained in the Draft of Letters Patent and Instructions that have issued, under the Royal Sign-Manual and Signet, to the Governor. I was amazed to read that the President of the Legislative Council had "let that no member of the House could tell right off what the Constitution was."

This approach was a humiliating consideration to his audience, for he declared the Constitution to be "just what we make it." Let me very respectfully and humbly suggest that our written Constitution, and the ancient traditions, tendencies, and doctrines that cluster around it, are sacred instruments, which cannot

not destroy and replace, and which can only be withdrawn, suspended, or altered by the Act of our Sovereign Lord, the King, and his Council. Yours truly,
May 14th, 1918. VIGILANCE.

The Income Tax at a Glance.

Yesterday the Minister of Finance introduced the Income Tax measure, the important details of which may be thus briefly summarized: A tax of five per cent. is imposed upon unmarried persons without dependents, and widows or widowers without dependents, whose income exceeds one thousand dollars; in the case of all other persons, that is, married men or persons with dependents, the tax applies to incomes over one thousand dollars. In addition there is a super-tax for the larger incomes. Thus while a man whose income is less than \$6,000 will only be subject to the five per cent. tax, one whose income ranges from \$6,000 to \$10,000 will have to pay three per cent. extra or eight per cent.; from \$10,000 to \$20,000, six per cent. extra or eleven per cent.; \$20,000 to \$30,000, ten per cent. extra or fifteen per cent.; \$30,000 to \$50,000, fifteen per cent. extra or twenty per cent.; \$50,000 to \$100,000, twenty per cent. extra or twenty-five per cent.; and over \$100,000 twenty-five per cent. extra or thirty per cent. In all. The larger the income, therefore, the greater the levy to be made. Certain reasonable allowances are made, thus contributions to patriotic funds are deducted from the income and exempt from taxation. In the case of business concerns, the amount paid to the Business Profits Tax is deducted. The Tax is retrospective, and will be collected on 1917 incomes. The following are relieved from taxation:

- The income of the Governor, and that of any person holding judicial office in any tribunal which has jurisdiction to interpret this Act.
- The incomes of Consuls and Vice-Consuls who are citizens of the country they represent, and who are not engaged in any other business or profession.
- The income of any religious, charitable, agricultural and educational institution, Boards of Trade and Chambers of Commerce.
- The incomes of labor organizations and societies and of benevolent and fraternal beneficiary societies and orders.
- The incomes of mutual corporations not having a capital represented by shares, no part of the income of which inures to the profit of any member thereof, and of life insurance companies except such amount as is credited to shareholders' account.
- The incomes of clubs, societies and associations organized and operated solely for social welfare, civic improvement, pleasure, recreation or other non-profitable purposes, no part of the income of which inures to the benefit of any stockholder or member.
- The income derived from any bonds or other securities of the Colony of Newfoundland issued exempt from any income tax imposed in pursuance of any legislation enacted by the Legislature; and
- The military and naval pay of persons who have been on active service during the present war in any of the military or naval forces of His Majesty or any of His Majesty's Allies.

The Act further provides that every person liable to taxation shall on or before the 31st day of March, without any notice or demand, send to the Minister a sworn statement of his income during the previous year; all employees shall make a return of all persons in their employ receiving salaries or other remuneration, a portion of which is liable to taxation, and all corporations, associations, etc. shall make a return of all dividends and bonuses paid to shareholders and members. For every failure to make a return there is a penalty of \$100 for each day the default continues, and any person making a false statement will be liable to a fine not exceeding \$10,000 or six months' imprisonment, or to both. All returns will be regarded as secret, and any official giving away information in regard thereto will be subject to fine or imprisonment. Disputes will be settled by a board of three arbitrators, of which one shall be appointed by the Minister and one by the taxpayer, and the third by the two so appointed. In case either party is not satisfied with the Board's decision, appeal may be made to the Supreme Court. These are the most important of the provisions of the Act, which is intended to reach professional men, small business concerns, planters, fishermen and others who did not come within the scope of the Profits Tax Bill of last year. The latter realized about \$400,000, and it is anticipated the receipts from the new tax will swell the revenue by another couple of hundred thousand dollars.

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NECKWEAR:

We have just opened a NEW LOT of MEN'S TIES, specially made up for our own trade. The Silks and Satins from which they are made, the perfect blending of the colours, and the manner in which each cravat have been finished would be commendable in Neckwear at much higher cost.

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We offer unusual values in an important presentation of Men's Gloves, Brown Silk, with Black Striped Backs. Sizes, 7 to 9, at

\$1.20 per pair.

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S. MILLEY.

Soldiers Form First Aid Classes.

A meeting of Rejected Volunteers was held in the British Hall Monday evening, to form First Aid Classes. Sergt. Harold Mitchell introduced Major Macpherson to the meeting. At the same time he congratulated the members present on the success the Association had attained by the sanction of selective conscription following their initial meeting a few weeks previous, in which they had pledged themselves for same. Major Macpherson in rising to speak, also congratulated the Association of Returned Soldiers and Rejected Volunteers on attaining selective conscription as one of their objects, and said there was no argument against it by any one, and everybody saw that it should have been in force two years previously. Major Macpherson spoke upon the work those who had taken up first aid had performed, and mentioned the names of some of those from the photographic group facing the audience, who were then or had been with our regiment on active service. Two classes were formed, one to meet in the British Hall Monday and Thursday nights and the other Tuesday and Friday nights. Any rejected volunteer desirous of taking up first aid work, and who was unable to attend last evening's meeting, can do so by dropping a line to Mr. K. M. Blair or Mr. Avalon Goodridge.

Mr. Goodridge is acting secretary to the class meeting Tuesday and Friday evenings and Mr. Blair for the meeting Monday and Thursday evenings. Or anyone desirous may do so by dropping into the British Hall on the evening of the meeting, and mentioning the names of some of those from the photographic group facing the audience, who were then or had been with our regiment on active service. Two classes were formed, one to meet in the British Hall Monday and Thursday nights and the other Tuesday and Friday nights. Any rejected volunteer desirous of taking up first aid work, and who was unable to attend last evening's meeting, can do so by dropping a line to Mr. K. M. Blair or Mr. Avalon Goodridge.

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NOTICE.—Correspondents are requested to accompany contributions with their REAL NAMES. Not necessarily for publication, but as a guarantee of good faith. The editor refuses to accept any matter unless this rule is adhered to.



Proclamation

By His Excellency Sir Charles Alexander H. A. R. L. S. Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor of the Colony of Newfoundland.

WHEREAS under the provisions of the Volunteers Act, 1914-1917, the Governor in Council was empowered to raise certain military forces in the place of the said Volunteers, and to place such of the said Volunteers as might enlist for service abroad under the command of such Officers of His Majesty's Army as His Majesty might appoint, and in pursuance of the said Act, the Royal Newfoundland Regiment has been raised and placed at the disposal of His Majesty as an expeditionary force for service in the present war.

And whereas the said Regiment is now engaged in active service overseas for the defence and security of Newfoundland, the preservation of the Empire and of human liberty, and it is necessary owing to the exigencies of the war to provide in addition to those whose inclination or circumstances have permitted them to volunteer.

And whereas it was accordingly enacted by and by the provisions of an Act of the Legislature, held in the 10th and 9th years of the reign of His Majesty and known as the "Military Service Act, 1918," that every unmarried, male British subject who comes within one of the classes described and intended by said Act shall be liable to be called out on active service in the Royal Newfoundland Regiment, either within or beyond Newfoundland, and that his service shall be for the duration of the present war and demobilization after the conclusion of the war.

And whereas the men, who under the provisions of the said last-mentioned Act, are liable to be called out on active service in the said Regiment, are comprised in four classes, and the said Act, defined to consist of all male British subjects ordinarily, or at any time since the 4th day of August, 1914, resident in Newfoundland, who have attained the age of nineteen years, who were born on or after the 1st day of January 1901, and who were on the 10th day of April unmarried or widowers, but having no child and who are not within any of the following enumerated exemptions:

- Men who hold a certificate granted under the provisions of the said Military Service Act, 1918, and in force.
- Members of His Majesty's Regular or Reserve, or auxiliary forces as defined by the Army Act.
- Members of the Military forces raised by the Government of any of His Majesty's other Dominions, or by the Government of India.
- Men serving in the Royal Navy, or in the Royal Marines, or in the Newfoundland Royal Naval Reserve, and members of the Royal Newfoundland Regiment.
- Men who have since August 4th, 1914, served in the Military or Naval forces of Great Britain or her Allies in any theatre of actual war and have been honourably discharged therefrom.
- Clergy, including members of any recognized order of an exclusively religious character, and ministers of all religious denominations existing in Newfoundland at the date of the passing of the said Military Service Act, and ecclesiastical students who are undergoing or have completed their course of study for the ministry at some college or university, or head in Newfoundland of their religious denomination.

And whereas it is moreover provided by the said Military Service Act, that the Governor in Council may from time to time, by Proclamation, call out on active service, as aforesaid, any class of men in the said Act described, and that all men within the class so called out shall, from the date of such proclamation be deemed to be soldiers enlisted in the Military Service of Newfoundland and subject to Military Law, save as the said Act otherwise provided; and that the men so called out shall report and be placed on active service in accordance with the Regulations but that they shall, so placed on active service, be deemed to be on leave of absence without pay.

And whereas it is also provided by the said Act that all men comprised in Class 1 shall be required to report not more than the Twenty-fourth day of May. One thousand nine hundred and eighteen, and that the date when such men shall be placed on active service shall be fixed by the Military Service Act, and the date when such men shall be placed on active service shall be fixed by the Military Service Act, and the date when such men shall be placed on active service shall be fixed by the Military Service Act.

And whereas it is also provided by the said Act that, at any time before a man is called out on active service, he may be permitted by the Governor in Council to be exempted from active service in manner provided by said Act. Application may be made, by or on behalf of any man, for a certificate of exemption from active service upon any of the following grounds of exemption.