

ITALIANS PAY AND PAY AGAIN INTO TAX TREASURY OF DUCE

ROME, Italy, July 31—There is always a big hue and cry in the United States when an increase in taxes is contemplated. Lobbyists pour into Washington, hired by this or that organization to prevent it and senators and representatives are buried under tons of protesting telegrams.

A general sales tax? Horrors! Boost the income-tax rate? Impossible! Write a letter to your congressman!

As a matter of fact the American citizen doesn't know what taxation is. If he were an Italian subject, now, he'd find out soon enough. It is estimated that an Italian citizen pays nearly half his income, either directly or indirectly, to the government in the form of taxes.

He pays a tax on everything he wears and eats, on every check he cashes or writes, every bill that he pays and every official letter or contract must be written on official stationery bearing the government seal.

A FEW HE MUST PAY

Here, for instance, are just a few of the taxes which must be paid by an Italian family:

1. An income tax of 8 per cent of his salary.
2. Building tax, furniture tax and land tax.
3. In addition to tax on furniture, a supplemental tax on

A—Piano.
B—Radio.
C—Sewing machine.

4. Tax for every servant employed. In addition to this he must pay half the premium on his servants' old-age pension, accident and health insurance and is responsible for the moral conduct of servant girls in his employ if they are under legal age.
5. Tax on telephone.
6. Tax on use of gas and electric light.
7. Tax on every grown son who is unmarried.

THAT'S JUST A START

When he has paid those, he has really just started, however, for in the price of everything he buys contains a good percentage for the government. Government tax on food runs as high as 600 per cent on some items—and if it happens that he owns a business of his own, there are many more that must be paid.

Supposing, for example, he owns a small coffee shop. Coffee in Italy is not made in pots or the urns familiar to American restaurants. It comes from a large machine in which steam is generated by electricity, and forced through little spigots so that each cup is made of fresh grounds. The proprietor not only pays a tax on his coffee machine, he pays in addition for each spigot.

He pays an ice cream tax if he sells ice cream, and another for the privilege of selling sandwiches, cakes and pastry and still another if he serves cooked food. He pays a tax for the light outside his doorway, so much for

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WOLFVILLE NOVA SCOTIA

MONGOLS ARE IGNORING THE JAP DEMANDS

MOSCOW, U.S.S.R., July 31—Since apparently has been chosen by the government of Outer Mongolia as the most suitable reply to the recent demand of the Manchukuan and Japanese authorities that they be allowed to establish permanent agents on Mongolian territory and to the threat to "demilitarize" the strip of Mongolian territory as far west as Tamsyk-sume unless this preposterous suggestion is given for approval of the Mongolian government.

In the latest instructions to Sambu, chief of the Mongolian delegation at Manchuli, the Mongols completely ignore the fact that these demands have been made and confine themselves to discussing the incident of June 23 on the Khalkhingo river where a Mongol border patrol captured two Japanese agents a Japanese officer named Injkai and a white Russian, Khabibulla.

The Mongols returned these men and their belongings to the Manchukuan border authorities on June 28 after, it is alleged, the latter refused for two days to accept them.

On July 4 the Manchukuan made a formal protest, demanding that the Mongols assume responsibility for the incident and punish those guilty as well as allow Manchukuan agents to set up housekeeping on their territory.

In mild language similar to that employed by the Russians in discussing recent incidents on the Siberian-Manchukuan frontier, the Mongols politely pointed out that the two men were released before the receipt of any demands from the Manchukuan side, despite the fact that they confessed in writing to having intruded on Mongolian territory and that all their belongings were returned with them.

Sambu was authorized to suggest the formation of a mixed commission to deal with all border incidents and to determine on whose territory the two agents were detained on June 23. "It should be proved that these two persons were detained on Manchukuan territory. Then the Mongolian government signifies in advance its readiness to apologize and punish those guilty," the instructions conclude.

It is the profound hope of everyone in Moscow that this latent flareup on the Mongolian border will resolve itself into nothing more serious and that the Manchukuan and Japanese military will not attempt to follow up their ominous threat to move in on Mongolian territory.

In both Moscow and Tokyo it is understood that border incidents are bound to occur as long as there are irresponsible autonomous bands of military operating on Manchukuan territory and in both capitals there has been a feeling that by proper handling they can be prevented from developing into *causi belli*.

If, on the other hand, the Manchukuan and the Kwantung (Japanese north China) army definitely intends to start "swallowing" Outer Mongolia by the same combination of diplomacy and arms employed in north China, they may find that more of the latter than the former will be needed.

Such a move would constitute a direct move at the side door of the Russian far east—a move which is regarded by most strategists as an inevitable preliminary to any general action against the soviet far east itself—and all the oriental diplomacy in the world could scarcely prevent various trouble.

The next move in the present stage of the game will come with the Manchukuan reply to the Mongolian suggestions, and it will be the greatest interest to see whether it will follow through the recent demands. If it does, Mongolia will be forced to take diplomatic cognizance of the matter, and decide whether she will go the way of China, or fight.

A formal statement from Premier Hepburn said the province was headed to bankruptcy had the relief system not been discarded.

"The province is approaching a crisis," said the premier, "and unless the drain on the treasury is checked the province will be insolvent and will be unable to render further financial assistance to the municipalities."

THE LEAGUE'S ROLE

Men of good will are perplexed. They are inclined to allow themselves to be impaled on the horns of a dilemma: Either the League of Nations must intervene in all disputes (in the present instance, the Abyssinian affair), even though it must fail, and so reveal its impotence, and become discredited; or the League must remain aloof from quarrels which it is not, in actual circumstances, competent to handle, and so decline even more quickly in prestige. Either course might wreck the institution. What should the League do?

Properly understood, the League has a great role to play which calls neither for reckless and inopportune intervention, nor helpless and discreditable abstinence. Instead of invariably discussing texts, which should serve for general guidance, and not compel rigid adherence, the League should ever get before its eyes its objective, and consider how it can best be attained in conditions that are variable. That objective is to preserve peace, or, if peace is broken, to circumscribe and repair the damage.

Precisely how it should act will differ in different cases. It must take into account the facts—the facts of national temperament, the state of public opinion, the disposition of its members, besides the merits of the matter. It may sometimes be wisdom to reserve itself a *sa mediator*. It may sometimes be wisdom to leave negotiations to the neighbors of warring states, as was done in the Gran Chaco. What it should never do is to complicate and extend the conflict among its members.

There are undoubtedly occasions on which the attempt to apply the letter of the law will make war more certain, provoking exasperation and in producing grave divisions in the League. The League, for example, cannot but wish for a pacific solution of the African problem; but if it were to range itself, let us say against Italy and to proceed if need be to sanctions it would in the present state of international thinking, merely throw fuel on the fire. The probability is that it could not rally the unanimity of its members on a decision hostile to Italy; fear that Italy would upset the balance in Europe ties their hands.

In a word, it might sacrifice itself and its own ultimate beneficent potentialities and would perhaps sacrifice Europe, in order, not to save but to fail in saving Abyssinia. The price is far too big to pay for a result that is, at best, hypothetical.

If all the nations were moved by altruistic motives and were ready to take any necessary measures against the country deemed to be the offender, there could be no hesitation. The League would move and the League would succeed. But no one ventures to affirm that these conditions now exist. The ideal is not reached, either in general or in particular. Therefore, it would be sheer folly, in the name of pacifism, to risk war on a grand scale and the breaking up of civilization.

This does not, however, mean that the League should remain passive and permit indolently the crimes it was founded to resist. It merely means that it must exercise patience when patience is called for, prudence when prudence is advisable; but that it must nevertheless continue well-directed efforts on behalf of reason and justice. Its functions must be fulfilled with pertinacity, but with tact. Its purpose must be kept plainly before it, and it must be achieved by meditation, rather than by idle or perilous threats.

The aim of pacifism is peace. However platitudinous that axiom may sound, pacifists need sometimes to be reminded of it. The aim is not to exacerbate a bad situation, or to weaken the instruments of peace, in a passion of virtuous and even bellicose indignation. The aim is not to invoke this or that article, and to consider all lost if it is not applied or applicable. Nor should pacifists, in their generous and rightful horror of war, hold themselves or the League responsible if war is made despite their opposition. They must regret such strife, but their duty is not to plunge into it, as Gribouille plunged into the water to escape from the rain. Their task is, on the contrary, to counsel and persuade, to take a tolerant view of human folly and prejudices, to work unflinching but with unflinching good will for the restoration of harmony.

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