

# THE INCOME TAX AND ITS HISTORY

Why the Present Constitutional Amendment to the Method of Taxation Recognized by the Government For Many Years Is Proposed.

Character Study of Senator Norris Brown of Nebraska, Introducer of the Amendment. Cherub Faced Fighter Who Will Dare Much For a Principle.

By JAMES A. EDGERTON.  
**F**OR the first time in forty years a constitutional amendment is being submitted to the legislatures of the various states. It was in 1869 that the fifteenth amendment, providing that the right to vote should not be abridged because of "race, color or previous condition of servitude," was submitted. The year following it was approved. Indeed, it is worthy of note that no amendment has ever been submitted by congress in the regular way that has not been ratified by the states. If this is a criterion, the income tax amendment now proposed is already as good as adopted.

The method laid down in the constitution for its own amendment provides that two-thirds of each house of congress shall be required for the submission of the proposed change, after which it must be ratified by the legislatures of three-fourths of the states. The present amendment has already received the two-thirds majority of the two houses of congress and has been certified by the president to the governors of the forty-six states. It will probably be acted on by the legislatures next winter.

Another method for the amendment of the constitution has been provided, but it has never been invoked. When

the legislatures of two-thirds of the states shall demand a constitutional convention, congress is in duty bound to call it. A few desultory attempts of this sort have been proposed or discussed, but nothing ever came of them. One such proposal was in connection with the election of senators by popular vote. The house of representatives has also proposed this amendment several times and passed it by practically a unanimous vote, but the senate has refused to concur. Is it possible that a majority of our honorable senators are afraid of the people? At any rate, they seem opposed to any change in the method of choosing senators, involving, as it might, a change in the character of the senators so chosen. It is evident that the only way the American people will ever get election of senators by direct vote is to instruct their legislators to choose senators committed to this reform.



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### The Income Tax Decision.

The history of the income tax has been somewhat different from that of popular election of senators, although the two reforms have been advocated in the main by the same progressive element. Popular election of senators has never had a legal existence, although practiced in some states, while the income tax was in use among the colonies and in certain states, was adopted by the general government during the civil war and was a recognized method of taxation, both state and national, until declared unconstitutional by the supreme court in 1895. It is to remove the obstacle then raised that the present constitutional amendment is proposed.

No decision since that on the Dred Scott case in the troubled days before the war ever aroused the storm of criticism against our highest judicial tribunal that followed this finding in the income tax case. The fact that the tax had stood since the founda-

tion of the government, that it had never been questioned before, that it had helped to save the nation's life in the darkest days of its history, that it is a method of raising revenue recognized in many of the leading nations of the world and that the action of the court itself depended on a five to four majority, it being popularly reported at the time that one judge changed his mind overnight—all these and other considerations astonished and stirred the nation profoundly. In a manner characteristic of the American people, however, while indignant criticism was widespread, two of the dissenting justices themselves being perhaps the bitterest in their comments, there was nowhere a proposal to disregard the finding of the court. Nor was there ever another serious attempt to pass an income tax law, although fourteen years have elapsed, until the constitutional disability, whether fancied or real, had been removed. True, the measure has been discussed at various times, and, while a vast majority of the American people have always favored such a tax, the consensus of public opinion has been against passing the law a second time in the face of an adverse court decision, although there was a well high universal opinion that the decision was a mistaken one. That is a triumph

### Favored by Roosevelt.

The income tax law of 1894 was a part of the Wilson tariff bill, and its nullification left the government hampered for funds. In subsequent years it was discussed by the Democrats and later was taken up by President Roosevelt. No serious purpose to put it on the statute books was shown by congress, however, until the extra session of this year, when the sidetracking of the inheritance tax proposed by the house left the way open for an income tax amendment. With considerable glee the insurgents and Democrats announced that they had enough votes to adopt the measure. It was at this point that the administration came forward with its double proposal of a corporation tax and of a constitutional amendment to permit an income tax, which had the effect of sidetracking the immediate consideration of the income tax amendment and thus saved the supreme court from reversing itself or a second time declaring this long recognized form of taxation unconstitutional.

In England, where the income tax has been in force for many years, it was once opposed by Gladstone on the ground that it made "a nation of liars." Despite the criticism by England's Grand Old Man, the tax was retained, but the objection was noted and the ground for it removed in rather an ingenious way. At the time of Gladstone's stricture the British method of collecting the tax was like our own—that is, it was collected from the man who received the income. Now it is collected from the man who pays the income—that is, if one is paid a salary the tax is deducted before he receives it; if he is paid a dividend on stocks the same method is pursued, and similar devices are resorted to in cases of those who receive

rents or fixed profits. Annuities are treated in like manner, while in the case of corporations, partnerships, business and professional men, and the like, it is easy to compute incomes with tolerable accuracy and to collect the tax before it reaches the pockets of the individual recipients. In this manner the stigma of a "nation of liars" has been wiped out through the simple and effective expedient of giving the nation no chance to lie. "Lead us not into temptation." Besides, the present method of collection does not hurt so much. One does not miss what he never possessed.

The advocates of an income tax argue that it is the most equitable and just form of raising revenue for the reason that it places the burden of government on the shoulders of those most able to bear it. They contend that a graduated income tax is also justified for the reason that a man receiving \$100,000 per year can better afford to part with 10 per cent of it, or \$10,000, than a man receiving \$1,000 can afford to part with 1 per cent, or \$10, for the one with the large income would still have left \$90,000, while he with the smaller income would have only \$990. The old notion that men spend according to their incomes is largely exploded. There are certain fixed amounts that each being has to pay for the necessities of life, and above this the amount expended gradually lessens according to the temperament of the spender.

### A Senator of the New School.

The man who introduced the income tax amendment which is now going to the various states for ratification is a new member of the upper house, Senator Norris Brown of Nebraska. About all the general public knows of Senator Brown is that he is an anti-monopolist, that he ran for the senate on an anti-railroad platform, that he beat Edward Rosewater of the Omaha Bee for the place, shortly after which poor Rosewater, like Horace Greeley, died, and that when attorney general of Nebraska Brown beat the railroads on a bunch of tax suits that immediately made him the idol of the other taxpayers. This, I repeat, is the general knowledge of the man. By looking at the congressional directory or "Who's Who" or some other publication, read chiefly by those whose names appear therein, the reader might also learn that Mr. Brown was born in Iowa and graduated from the Iowa State university in 1883, that he afterward practiced law at Kearney, Neb., that he was twice county attorney, that he ran for congress and was defeated, that he was assistant attorney general and afterward attorney general of Nebraska, that he is forty-six years old and some other biographical dictionary facts in kind.

So much for statistics. It just happens that I used to know Norris Brown when I was trying to run a country paper at Kearney and he was trying to be a lawyer. I hope he made better out of his effort than I did at mine and believe he did. He must have done so or he would not now be in the senate.

### A Personal Touch.

There is nothing like the democracy of young fellows in a western town, and even though we did belong to different parties I think I knew Norris Brown in those days and believe I know him yet, and if he is as I sized him up you should keep your eye on him, for he will go far. A capital campaigner, with a fund of happy humor and telling anecdotes, he is yet a man with stuff in him, one who will dare much for a principle, one who intensely admires the La Follette brand of politics and one who belongs distinctively to the new school. He is a chap of roly-poly physique, but with a good, strong face, a rather luminous brown eye, in which plays almost always a kindly twinkle; a square mouth, with a rather whimsical upper lip, and a head and face that denote sturdiness, readiness and strength—naturally a likable man and unpremeditatedly so, one who can say keen and cutting things with a smile, a fighter with the face of a cherub, one who is not afraid to meet anybody or any situation, a man ambitious, tactful, winning and with the "smile that never comes off." I hope I have not overdrawn the picture. There is always danger of that with one we have known and liked. And I confess that I like Brown more now since reading his career than I did in the days when I knew him. That was nearly twenty years ago, and his whole upward path has been traveled since.

Here are three incidents of his life that give some index to his character. The first was as a boy, when he rode for several years to school, a distance of eight miles, on one of the farm horses.

The second was when the farm boy had become attorney general of his state. It was a state that the railroads had run for years until there was an uprising and the legislature passed a law forcing the railroads to pay their just portion of the taxes. The roads got out an injunction in the federal courts, and all their high priced legal talent appeared to fight the suit. On the other side was the young attorney general practically alone. For nearly a year the case was contested, and Brown won the victory.

The third event is in the United States senate, where the same figure, though new in that august chamber, has the courage to appear against all the older members in a fight for the publishers of America in behalf of a lower duty on wood pulp and print paper. The young man won his spurs and before he was through had all the high priests of standpatism trying to answer him.

For that fight the newspaper men of the country ought to love him, and for his income tax amendment the whole people should love him.

### EFFECT OF NEW TARIFF.

Senator Gore Predicts Calamity and Senator Johnson Prosperity.

Two views of the effect of the new tariff law were exchanged just before the recent adjournment of congress. Senator Gore, from the Democratic viewpoint, saw only calamity in the measure, while Senator Johnson predicted prosperity under it.

"The people of this country," said Senator Gore, "will not know whether these duties are higher or lower. They will not consult this law to learn the changes that have been made. But at the end of each month, when they consult their bills, they will see what congress has done. They will find higher prices for everything they consume. I look forward to a veritable saturnalia of extortion. I predict there will be no lowering of prices."

"Of course prices will not be lower," rejoined Senator Johnson. "I remember after the passage of the Wilson bill prices went down, but people had not enough money to buy, regardless of the low prices. Men came to my back door begging for work and then begging for bread. I divided my food with them, but there was no work for them. I predict prosperity as the result of the operation of this bill."

### DISCOVERY OF WISCONSIN.

State Will Pay Tributes to Explorer at Celebration of the Event.

To mark the first visit of the white man to Wisconsin a celebration will be held at Green Bay, Wis., on Aug. 10, 11 and 12. It was 275 years ago this summer that this event happened. Jean Nicolet, an explorer who stood high in favor with Samuel de Champlain, then governor of New France, undertook the perilous task of tracing the region about the great lakes. He it was who went to the shores of Green Bay and was greeted by the Winnebago Indians, who were known as "the mysterious tribe of the wilderness."

Among other events that marked the intrepid explorer's visit to Wisconsin was the exploding of the theory that those who inhabited the region about the great lakes were of Chinese origin. In connection with the celebration planned there will be unveiled at Red Banks a beautiful bronze tablet and another on the site of several ancient forts. Many prominent men will take part in the exercises.

### TO SILENCE CANNON.

Maxim Will Fit Large Bore Guns in Germany With Noiseless Device.

Hiram Percy Maxim, Jr., of Hartford, Conn., son of the inventor of the Maxim gun and himself the inventor of the noiseless gun, will begin fitting a cannon of large bore with a silencing device which he will exhibit in Germany when he returns to that country in October.

In a recent interview Mr. Maxim said that the experts abroad, especially in Germany, were as much impressed with the flashless feature as they were with the noiseless feature of the device. The silencer was tested officially in England, Austria, France and Germany, he said, and companies were organized to manufacture it under control of the American company. At Berlin, he said, a machine shot sixty-five shots a minute, with no flash and no noise save the whirring of the gun mechanism.

### In Memory of Pocahontas.

A statue of Pocahontas will soon be erected at Jamestown island, Virginia. William Ordway Partridge, the distinguished sculptor, has just completed the statue, which is of heroic size. Ten thousand dollars was contributed by popular subscription, most of the patriotic societies of the country contributing, chief among them being the Colonial Dames. The Pocahontas Memorial Society of America agitated the idea, and it is to this society that the completion of the statue is due.

### Cabinet of One Man.

Nicaragua, according to advices received in Washington from the American consul at Managua, has adopted a new policy in regard to its cabinet. The ministry has been reorganized and now consists of a minister general and two assistant secretaries. This shift in the policy of the Nicaraguan government is based on grounds of economy.

### The Third Eye.

(Mrs. Annie Besant says that man has a "third eye," situated between his other two, but long neglected, which, if developed, would enable him to see many things that are now invisible to him.)  
 When your collar button, jumping from your neckband with a shriek, Rolls serenely 'neath the dresser just for spite  
 And on bended knee profanely you its sequestration seek,  
 But discover that it's vanished out of sight,  
 Then a third eye would be handy if it has the powers they say—  
 Yes, a tertiary optic would be fine to put in play.  
 When you're hooking up your wife and a hook you cannot find  
 To accommodate one eye you've overlooked;  
 When she says in tones impatient: "Goodness gracious! Are you blind?  
 It's the simplest gown and, oh, so plainly hooked!"  
 Would that third eye help you find the missing hooklet in the row?  
 Then this new auxiliary lamp would be quite apropos.

When the keyhole seems a-dancing and you can't undo the door,  
 When you try to read time tables (as they're "wrote"):  
 When you search your clothes for dollars and you can't find any more;  
 When you've overlooked a blond hair on your coat—  
 Yes, a third eye might assist you if you had one in your face—  
 Yes, in ticklish situations such an orb would be in place.  
 —Paul West in New York World.



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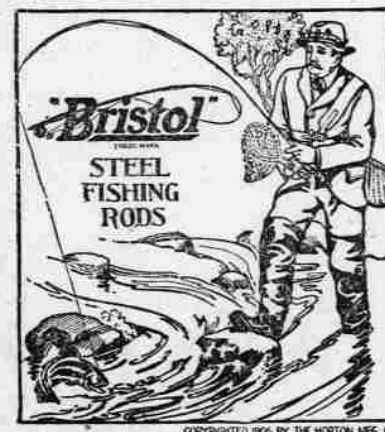
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