

THE OBSERVER

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GRADING THE TAX.

The proposal to reduce the exemption limit of the income tax \$1,000, making it \$2,000 for the unmarried and \$3,000 for the married, was to be expected sooner or later. Two classes ought to be in favor of it, those who already pay a federal income tax, and those whose incomes are below the tax limit. But there are many who would have to pay a tax under the proposed arrangement who are likely to be found favorable to the idea, after they have done a little thinking.

The most acceptable theory of taxation is that which holds that each person should support the government according to his ability. The graduated income tax, which takes at a higher rate from the millionaire than from the \$4,000 man, acts according to this theory. It is the only tax that does act in this fashion. All other taxes levy from the poor man at the same rate as from the rich man.

Lowering the exemption will mean that a larger number of people will feel deeper interest in the actions of the government. The great fault with indirect taxation is that no one can estimate the exact amount which he is paying toward the support of his country. But if the nation takes a certain portion of his income, he knows that to that extent he has provided money for congress to spend. And he will hate to see that money wasted. Extravagance has often been charged against congress, but it has never been a real campaign issue. On the other hand, municipal campaigns have shown that people who believe that the money taken from them by taxation has been badly spent are a political force to be reckoned with seriously. The people know how much they pay under it. Extravagance is likely to find its reflection in that tax. Therefore, the greater the number of people affected by it, the greater should be, and probably will be, the interest taken in the government.

UNFORTUNATE BULGARIA.

Bugaria and Roumania are furnishing object lessons to the world. Both were pressed by each alliance. Bugaria yielded to the central powers.

Roumania stood firm and resisted all offers. Tantalizing prizes were held before Bulgaria. She might recover the lands which she lost in the second part of the Balkan war. Macedonia might be hers at the expense of Greece. She could be the leading Balkan state. The Germans and Austrians were beating back the Russians. Victory was assured. The menace of the allies at Gallipoli was removed, and no danger was apprehended from the forces at Salonki. The Austrians were knocking at Belgrade, and Serbia was doomed. The Bulgarians might expect almost any reward. Bulgaria joined the central powers.

Roumania resisted all offers. She continued to raise food and sell it to the buyer who offered the highest price. She maintained a policy of watchful waiting, and day by day the market value of her military services went higher. The Russians checked their retreat and turned on the Austrians. The rejuvenated Serbian army attacked the Bulgarians. An army of about 700,000 allied troops threatened from the direction of Salonki. Roumania may join with Russia, and if she does, Bulgaria is caught in a trap, with the Serbs pounding on one side, the Roumanians on the other, and the Austrians and Germans unable to help.

Bulgaria is about to pay for guessing badly. It is reported that she may try to retrieve her fortunes by turning against her present allies. The congress which follows the war will have no more perplexing problem than the stabilization of the envious Balkan states and the settlement of their rivalries.

Argentina's New President.

Buenos Aires, Aug. 1.—(By Mail) —When Hipolito Irigoyen takes the oath of office Oct. 12 as president of Argentina, his country will start on one of the biggest experiments ever undertaken by a republic. Dr. Irigoyen will head the first Radical administration in Argentina. What the doctor's idea of "radicalism" is, nobody knows. He has made no speeches. He has written almost nothing. He has never defined his position. What he intends to do, as president, not one of his countrymen can guess. Nobody knows whether he is Pan-American. The Radical party was organized in Argentina to fight for fair elections. It has never had any other platform. "We have ideals," leading members of the party say, "but no program." There are even reports that Dr. Irigoyen will issue a manifesto soon dissolving the party itself, now that an honest ballot, as he is said to believe, has been guaranteed. This, however, is mere surmise. The doctor was elected president because a majority of the voters trusted him, personally, implicitly and blindly. Those who believe in him consider him Argentina's greatest man. His opponents regard him as extremely dangerous, and look forward to his administration with the gravest misgivings. Dr. Irigoyen is about 60, a tall, powerfully-built, imposing man, and very dark. His blood is Spanish Basque, with a slight Indian strain, some say. He is smoothly shaven, except for a very thin black mustache. Popular rumor is that its thinness is due to the doctor's custom of extracting the white hairs, which are reported to have appeared so numerously in recent years as to leave but a scattering representation after their elimination. The

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new president began life poor. He is self-educated but did his work so well that, today, he is a highly cultivated man. Most prominent South Americans possess some academic degree entitling them to the prefix of "doctor" before their names. Irigoyen is spoken of as "doctor" because he is prominent. The title is one of courtesy. He lacks the degree. He is now very rich. His wealth was accumulated in successful land transactions. By occupation he is a ranchman on a huge scale. Part of his time he spends on his "estancia" in the country; the rest at his very modest residence in Buenos Aires. For a long time, for pure recreation, he held the professorship of "civic instruction" at the Buenos Aires Escuela Normal de Mujeres, or Normal School for Women. His salary for this work he turned over regularly to the Sociedad de Beneficencia, or "United Charities" of Buenos Aires. Twelve years ago a president who was his personal enemy caused his removal from this post in the normal school and he has never held it since. For 20 years he has been the Radical party's leader. His authority has been absolute. His opponents within the party's ranks have been few and, sooner or later, he has always won them over. "His mere presence," as one of his admirers expresses it, "is magnetic." Twice he has been concerned in attempted revolutions. One was very nearly successful but both finally failed through premature exposure. Irigoyen himself was never arrested in connection with these attempts. He did not flee. So far as could be ascertained, he continued to live in his home in Buenos Aires, but somehow, when the police called to make him a prisoner, he never was there. A singular dislike he has always manifested to being photographed is general attributed to habits formed in his days as a revolutionist, when the authorities' possession of his likeness might have landed him in jail. So far as the public knows, nobody has a picture of him. Once he really was "snapped" but a minute later he smashed the camera with his walking stick. Subsequently he paid for the damage voluntarily, plus a bonus for his tolerance, but the photographer lost his picture. From the moment of his election he secluded himself in his town house. No politicians were admitted. He received no office-seekers. He refused to make any promises. He has listened to no suggestions. His house is without a telephone and he has answered no letters. Secretary of the Treasury McAdoo of the United States, a visitor in Argentina, was one of those who wanted to see him. Irigoyen sent out word that he was ill. The doctor never had occasion to put himself politically on record in the past because he never was a candidate for office prior to the presidential election of April 2, 1916. The Radicals never put forward a presidential candidate until that time. This was at Irigoyen's dictation. He said that elections were not fairly conducted and that a Radical candidate would be "counted out" even if he won. Therefore he would permit no Radical nomination. There have been Radical congressional candidates in the field, and a good many of them have been elected, but never a candidate for the presidency before. Irigoyen himself has been offered cabinet posts and other appointive offices several times in recent years but invariably declined them. Once the governorship of the state of Buenos Aires was tendered him. "This," he said, "must be meant for Dr. Bernardo Irigoyen," referring to another politician whose last name was the same as his own, to whom he directed the messenger. Dr. Bernardino accepted the office and actually got it. That he will figure as a reformer is considered certain but what direction his reform work will take is a mystery. It is surmised that he will do much in the interest of education. It is believed he will do much in the interest of education. It is believed he will favor certain tariff reductions. It is asserted that taxation questions will take steps towards suppressing horse races betting and maybe that he will put an end to the national lottery. But nobody knows. Argentina votes for members of an electoral college, as in the United States. The vote cast for Irigoyen gave him a majority in the electoral college. Tremendous pressure was put on

his electors to abandon him. There were reports that 19 of them would. In the event of a combination against him, this would have meant the election by the college of some other candidate. Lacking such a combination, it would have been necessary for the two houses of congress to choose a president, in joint session. The danger he faced caused nearly as much of an uproar as a similar situation would precipitate in the United States. There was talk of a revolution if the doctor were robbed of the fruits of his victory. The electors with the exception of two who failed to vote, cast their ballots in accordance with instructions, and Irigoyen received 152 out of the 208 dropped in the box. Directly following his nomination, the doctor made over, in advance, his prospective salary of 15,000 pesos (\$6,600) monthly, for the six years of his term, to the Sociedad de Beneficencia. Counting what he sacrificed in this way, together with what the expenses of his office will be, it is estimated that his generosity will cost him more than \$1,000,000. Irigoyen will have in congress a Radical plurality but not a majority, the Socialist, Conservative and Democratic members jointly somewhat outnumbering his following. His supporters hope, however, that next year's elections will give him complete congressional control. The presidential inauguration will take place before a joint session of the senate and house of representatives, in the latter's assembly hall in the Buenos Aires capital. President of the Senate Benito Villanueva will administer the official oath. With Dr. Irigoyen, there will be sworn into office, as vice-president, Dr. Pelagio Luna, an elderly lawyer. His duties will be practically the same as those of the vice-president of the United States. Dr. Irigoyen will succeed Dr. Victorino de la Plaza, who, elected as vice president, was elevated to the chief magistracy by the death in office of the late President Seenz-Pena.

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