

SMALL TAX ON SALES MEETS OBJECTIONS

Plan Adopted by France Not Favored by England.

CONSUMER ALWAYS PAYS

Inheritance Taxation on Progressive Scale, Banker Kahn Believes Should Be Left to the States.

BY OTTO H. KAHN.

Article VII—Continued. Fifth—Much can be done for a small tax on sales, or turnover, say one dollar for each hundred dollars. A tax of this nature has recently been enacted in France and a limited extent in Canada. It has been advocated from certain quarters in England, but has not met with the approval of the British treasury and its very competent advisers. My first impression was distinctly in favor of such a tax, but further reflection and investigation have caused me to hold my judgment on this subject in abeyance pending further study. Even leaving aside the social and political aspect there appear to be certain weighty objections to the broad sales or turnover tax, both from the technical and administrative point of view and from that of even-handed justice between differently situated industries, merchants and manufacturers. I have not yet been able to reach a final conclusion in my own mind as to the arguments pro and con.

Sixth—I believe that, falling the enactment of a broad sales tax, various minor taxes can be devised—such as existing taxes of this nature strengthened—and divers stamp taxes can be imposed, all of which would be highly productive and not accompanied by harmful consequences. It may be objected that taxes of this nature are finally passed on to the consumer. No doubt, to a large extent, they are. So, in the end, almost all taxes, even to a considerable degree individual taxpayers.

Hurdles—Always Cumulative. The burden on the consumer tends always to be cumulative, inasmuch as almost every article before it comes to him passes through several different hands in the process of being converted from the raw material to the finished article and sale. One of those concerned in that process seeks to add to the price a proportionate percentage to cover his share, at least in part. Now, in the great majority of cases, he is justly subject to reproach for doing so. He is a rule, simply acting from necessity because, as I have indicated before, what the excess profit tax as well as the surtax theory is the essential necessity for the conduct of business—cash.

Altogether, I feel certain that the enactment of reasonable instead of onerous and oppressive taxes would lead to the lowering of prices all around, through a great reduction in the cumulative percentages with which prices are now loaded to meet taxation. Competition would tend to that. If, contrary to expectation and precedent, competition should not do so, other agencies are, or can be made, available which would see to it.

To those who would recoil from a tax to which the virtuous object, the name "consumption tax" may be attached. I would point out that as a sense by which other means are small as well as large, while being productive of large revenues, does, in fact, tend to diminish the existing burden on the people, in a good tax by whatever name it is called.

Inheritance Tax for States. Seventh—In addition to action on a progressive scale has rightly become a definitely established feature of our fiscal program. But such taxation should, it seems to me, as soon as conditions permit, be left principally or wholly for the use of the states, which are now being pressed to find sources of revenue.

It is greatly to be desired that the states develop a satisfactory and stimulating rivalry along various lines of usefulness for the people in those functions which properly belong to the states and which can be accomplished by them to better effect and advantage than by the federal government. To be enabled to do this, the states should have access to ample revenues than they now possess or can possess, either by direct or indirect means. The source of revenue is so largely appropriated by Washington. One of the resources readily and logically belonging to the states primarily seems to me to be the inheritance tax.

Incidentally, inheritance taxation should be imposed not according to the value of the estate, but according to the size of the distributive shares. Under the present federal system an estate bequeathed to one descendant is taxed at the same rate as an estate divided among six or six descendants. That is manifestly unfair and socially undesirable. (To Be Continued.)

Water Applications Filed.

SALM, Or., Oct. 25.—(Special.)—William T. Reed of Kansas City, Mo., has filed with Percy A. Cumper, state engineer, application covering appropriation of water from Jump off Joe creek and Wilsona reservoir for the irrigation of 1540 acres of land in Josephine county. The development contemplates the construction

OF GREW ARRAIGNED

ONE FINALLY PLEADS GUILTY TO BREAKING DRY LAW.

Another Cache on Same Train Brings Fine of \$250 Also to Negro Chef.

Twenty quarts of real liquor imported from Canada on a Great Northern diner, plying between here and Vancouver, B. C., brought eight men of the crew into the United States district court yesterday for violating the prohibition laws. The men, all negroes, finally decided that Bud Brady was the owner and he pleaded guilty and paid a fine of \$250. Another cache of Scotch found in another of the same train brought Oscar Dixon, negro chef, a like fine.

Last Honors Paid Soldiers.

PRINEVILLE, Or., Oct. 25.—(Special.)—At 2 P. M. yesterday, under auspices of the American Legion, the last ceremonies were held over the remains of Edward J. Toose, one of the victims of the torpedoing of the Tuscumbia in 1917. Rev. M. R. Gallagher read scripture and delivered the prayer and Walter L. Toose gave an address. Mr. Toose said he had three sons in the army, two of whom came back. Several hundred persons attended the services.

Suicide's Body Sent East.

SALEM, Or., Oct. 25.—(Special.)—The body of Louis Selmar, who committed suicide at the state hospital here Saturday by cutting the arteries in his neck with a safety razor blade, has been sent to Cleveland, Ohio, for burial. Selmar has a sister residing in that city, who will take charge of the body.

Prineville Ties Legion.

PRINEVILLE, Or., Oct. 25.—(Special.)—The Crook county high school football team played the hardest game of the season Saturday when it met the American Legion squad. At the close of the game the score stood 75 to 75.

DAILY METEOROLOGICAL REPORT.

PORTLAND, Oct. 25.—Maximum temperature, 58 degrees; minimum, 49 degrees. Wind, S. by E. 12 to 14 mph. Rain, 1.24 inches. Total rainfall since Sept. 1, 1920, 7.71 inches; normal rainfall since Sept. 1, 1920, 6.24 inches. Total sunshine October 25, 2 hours 20 minutes; possible sunshine, 10 hours 20 minutes. Moonset, 4:09 A. M.; sunrise, 7:50 A. M.; sunset, 5:08 P. M.; total sunshine October 25, 2 hours 20 minutes; possible sunshine, 10 hours 20 minutes. Moonset, 4:09 A. M.; sunrise, 7:50 A. M.; sunset, 5:08 P. M.; total sunshine October 25, 2 hours 20 minutes; possible sunshine, 10 hours 20 minutes.

STATIONS.

Table with columns for Station, Temperature, Wind, and Weather. Includes Baker, Boston, Chicago, etc.

FORECASTS.

Portland and vicinity—Fair; northeast winds. Oregon and Washington—Fair; moderate northerly winds. Idaho—Fair. EDW. A. L. WELLS, Meteorologist.

CUTICURA HEALED ECZEMA ON FACE

Hands and Scalp. Itched Constantly. Kept Awake.

"Eczema started on my face at first and finally broke out on my hands and scalp. The first eruption was in pimples, and upon scratching it developed into a rash. My hair became very dry and I could not do my work where it required putting my hands in water. The eruption itched almost constantly and kept me from sleeping nights. I began using Cuticura Soap and Ointment and in a month's time I was completely healed, after using five boxes of Cuticura Ointment." (Signed) Miss Genevieve Williams, Chocoma, Mont., April 23, 1920.

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Washington St., Between 20th and 21st, West Side

ONE FINALLY PLEADS GUILTY TO BREAKING DRY LAW.

Another Cache on Same Train Brings Fine of \$250 Also to Negro Chef.

Truck Load Rum Seized

200 GALLONS MASH, 500 BOTTLES BEER SHERIFF'S PRIZE.

Vancouver, Wash., Pickle Man, Alleged to Have Still Operating Near Main Street.

Phonician and Greek Emigrants Colonized the Coast.

Phonician and Greek emigrants colonized the coast of the Mediterranean and Black seas. The raiders are said to have found 200 gallons of mash, 500 bottles of beer ready for sale and a quantity of whisky.

Two-Gun Cupid Makes Western Bad Man Throw Up His Hands

SEE THE SUPER SPECIAL THE GREAT REDEEMER A MAURICE TOURNEUR PRODUCTION with House Peters & A NOTEWORTHY CAST

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A MAURICE TOURNEUR PRODUCTION with House Peters & A NOTEWORTHY CAST

Directed by Clarence Brown under Mr. Tourneur's personal supervision

5—Acts Vaudeville—5

TOO LATE TO CLASSIFY.

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AMUSEMENTS.

WEDNESDAY BARGAIN MATINEE

BAKER

A Clever, Absorbing, Effective, Mystery Play

A VOICE IN THE DARK

Also Matinee Saturday

LOEWS HIPPODROME

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MEETING NOTICES.

BIG MASQUERADE FOR THE PUBLIC.

LIBERTY ASSEMBLY.

ELISON ENCAMPMENT NO. 1.

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