

The Oregon Statesman

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UNEQUAL, UNJUST INCOME TAXES

"There appears to be a regular and sustained slump in the income tax receipts of the government. It is now calculated by experts that the revenues for the calendar year will fall at least 25 per cent below the estimates. We are becoming a nation of trained tax dodgers and there are numbers of skilled and experienced men who make a comfortable living by showing business men and corporations how to shave their tax returns. Many of these have been in the service of the government and are familiar with the ropes. They are well within the law and no just fault can be found with them. They are simply enabling their clients to take such personal advantage as they may from the weaknesses of the revenue law itself. More than ever the burden of the income tax is falling upon the middle class and those of modest incomes. The small incomes are exempt and the large ones are being dodged. The incomes of the wealthy are going into tax-exempt securities and the real purpose of taxation is being lost to view. The principle of an income tax is just, but the method of application is not as sane and practical as it should be. It was established when the world was on a war footing and it does not readily adjust itself to changed economic conditions. The income tax is applied better in England than in this country, but it is still imperfect. It fluctuates too much to be a stable and definite revenue to the government. It discourages thrift with some. It works better when it can be attached to the spending capacities of the people. As it stands today it is cumbersome, complicated and costly. Two men whose incomes are alike and from the same source and whose expenditures are the same may pay widely different sums. It all depends on the point of view taken in the statements. Some simplification should be made possible."

The above is by a writer in the Los Angeles Times—And he might make a much stronger showing. As the law stands now, it is understood by only a comparative few. Most people must employ experts to make out their reports for them. The law was amended by the last Congress, and it was supposed to be made more easy to understand. It was—by experts, but by no one else. It was made more difficult to understand by the layman—if that word is permissible. The income tax should apply to a series of years. If a pruner grows loses \$10,000 for two years in succession, and makes a net profit of \$20,000 this year (as no doubt some have and will), he should pay no income tax this year. Before the law was amended, he would have been required to pay on his \$20,000 net income. Under the law as amended, he will have to pay on \$10,000 net income—that is, he can carry over his losses into the next year; for one year only. This is only a sample—And in thousands of other ways the law is unequal and unjust. The corporation capital stock tax that makes a company

sustaining losses instead of having net profits pay a high tax is highway robbery; their government robbing the stockholders because they are struggling or poor or unfortunate. Until the government income taxes are made simple and equal and just, or at least as nearly so as is humanly possible (for they can never be made wholly so), the state of Oregon ought to stay out of income tax experiments of all kinds; costing at their best large percentages for their assessment and collection, and tending to drive away enterprise and initiative and capital, from a state needing all three more than any other state in the whole Union. What Oregon needs is the largest possible freedom of action for the individual, and for groups of individuals banded together to develop the resources of the state and build up the highest possible aggregate of taxable property; and the lowest possible cost of the state government taking tax tolls from the property. The experiments of the general government in income taxation are burdensome enough; and they should be made less burdensome and more simple. Take the case of the pruner grower again. He should pay only on his net income for a period of, say, five years. The whole federal law should be rewritten, in plain English, by some man or men competent to do the work on sane lines; under the direction of such a business expert as Herbert Hoover.

Marion county is to have the best and most extensive system of paved market roads in Oregon. There must be no thought of stopping their extension.

Henry Ford at least has the courage of his convictions. The whole country will wish him success in his fight on the coal profiteers.

All roads will lead to Salem the last week in September. The greatest state fair ever held in the west will be in session.

An American concern promises a hydrosaline plant that will beat the German records, but how it is to get off the water without power is not explained.

General Wood will remain in the Philippines indefinitely. No doubt his presence there will go far toward preparing the peoples over there for independence.

The government income taxes are enough; too much and too unequal. The state of Oregon, needing capital and enterprise, ought to sidestep all the proposed income tax propositions.

There will be few unpaved stretches of road between British Columbia and the Mexican line by the end of next year. Marion county will eliminate hers this year.

The Republicans of Idaho have endorsed the convention plan of making state and congressional nominations. They are not suffering from a "reform" wave in Idaho.—Los Angeles Times.

Former Governor Cox of Ohio, while in Berlin finds little evidence that the Germans ever heard of the last Democratic presidential candidate. The chief publicity he gets is from a paper that refers to him as a United

States senator whom the Republicans will nominate for president two years hence. The Germans have other things to think of.

The powers that be in vaudeville have issued an order that there must be no more jokes on prohibition. Prohibition is here to stay; besides the jokes were raw, anyway.

Former Governor Cox, who is making a tour of Europe, says that the United States should help Europe. Well, they did something in that line when they defeated Cox for the presidency by over 7,000,000 votes.—Exchange.

Secretary Denby has stirred up the Far East by his charge that American freight sent by foreign ships is roughly handled in order to hurt American trade. He exonerates the Japanese, but this made the charge hit other maritime nations all the harder.

Nine thousand World war veterans, it is said, have applied for admission to the government vocational school which is to be established at Goshen, N. Y., and which will accommodate only 500. The true inwardness of this remarkable demand would be worth knowing.

What is a "living wage"? It is a question hard to determine. What would be a living wage to some would be poverty to others. Not all are possessed of a like habit of thrift. Some would not

FUTURE DATES

- September 1, 2 and 4—Round-up at Station.
September 2, 3 and 4—Lakeview Round-up, Lakeview, Or.
September 4, Monday—Marion county Old Fellows' picnic at Silverton.
September 7, 8 and 9—Wednesday—Oregon Methodist Conference, Salem.
September 7, 8 and 9—State Elks' convention, Seaside.
September 21, 22 and 23—Pendleton Round-up.
September 25 to 30 inclusive—Oregon State fair.
October 5, 6 and 7—Polk County fair, Dallas.
November 7, Tuesday—General election.

have enough, no matter what the income, and others would manage to put aside a bit regardless of how small the wage. It is all in the individual.

The Oregon government will have a large majority in the new Mexican congress and a prompt ratification of the agreement with Secretary de la Huerta arranged with the American bankers is said to be assured. It looks like progress toward obtaining American recognition, but such appearances of late have been strangely deceitful.

THE WINGS OF THE WIND

(Springfield Republican.) The wonderful flights of Martens and Hentzen at Wasserkuppe show anew how long a lead the Germans have got in flying by sheer skill without engine power. The record of 21 minutes made a sensation last year, and set the aviators of other countries at efforts to beat it. Yet the best flight achieved at the international meet at Clermont-Ferrand, which has just closed, lasted only 2 minutes and 51 seconds, and the total time which the winning machine managed to stay aloft was but 40 minutes, 59 seconds, the American competitor, Allen, achieving a total for all his flights of 12 minutes, 27 seconds before his plane was disabled.

These disappointingly short flights led one skeptical commentator in this country to ask: "Can it be that the Germans alone are able to perform miracles in the air, or is it that these flights are more carefully watched by disinterested observers than those in Germany?" But neither is the case. That the German achievements are quite genuine was attested last year by some of the leading British experts, who went to Germany on purpose to see them. But they are not miraculous and defy no natural law; they are due simply to great skill in exploiting air currents.

Even last year's record is wholly eclipsed by those just made at Wasserkuppe. Last Thursday Martens remained aloft an hour and six minutes. The following day Hentzen, a fellow student at the Hanover institute of technology, nearly doubled this by a flight of two hours, 10 seconds. Martens, however, gets the prize of 100,000 marks, about \$90 at the present rate of exchange, offered by the association of German airplane manufacturers for the first motorless flight lasting longer than 40 minutes and covering more than 3.1 miles. That the achievement is matter of highly cultivated skill is shown by his statement to an interviewer after his flight:

"A motionless flight of a longer duration than the one I made today is not a question of the machine, but of nerves. The flight was certainly strenuous. I had to watch out and keep a sharp eye on every roll of the ground in order to catch or exploit every air current. The fact that I was able to maintain my altitude steadily so long over Wasserkuppe (a mountain of the Rhoen range, 3115 feet high) without being forced to glide down is due to the fact that upward currents favorable to air sailing were distributed over the whole hill region. Meteorological training and a thorough knowledge of wind currents is certainly of first-line importance to the pilot of a motorless airplane; a good machine comes in the second line."

This indicates clearly the course of training which the aviators of other countries will have to follow in order to overcome the long lead which the Germans have got because of the restrictions put upon them by the treaty of Versailles. That they will be allowed to keep their lead unchallenged is not to be supposed, and American airmen will no doubt do their part in cultivating this new sport, which may prove of great value in acquiring mastery of the air. The sailing record across the Atlantic was made by a ship on the rim of a cyclone; before the air is fully mastered airmen likewise must learn to ride on the wings of the wind.

SUN YAT-SEN AND CHINA

China is a land of paradoxes, and an interesting one would be added if the political position of the southern leader, Dr. Sun Yat-sen, should be strengthened by his crushing military defeat. When his press agent, after the capture of Canton and the flight of the Cantonese government, declared that the fugitive president was being solicited to become the president of the Chinese republic, it was taken for an entertaining bluff. Yet it is now reported from Peking that Sun Yat-sen has come to the front again as a re-

sult of a telegram from the victorious general, Wu Pei-fu, who cordially indorses his recent manifesto and promises support for his plan of rebuilding the federal governmental machinery. In western countries political power, when there is a resort to force, goes to the victorious general; if China should decide that it should go rather to the statesman with the best ideas the decision might seem ludicrous but it would not be foolish.

The program put forward by the defeated Sun Yat-sen and indorsed by the victorious Wu Pei-fu provides for the convocation and functioning of parliament free from outside interests, self-government for the provinces, which have been under the dictatorship of the tuchuns or military governors and the conversion of the provincial armies, which have been fighting each other, into labor battalions to wield the hoe instead of the sword. This last may seem plagiarized from Trotsky, but Sun Yat-sen is no bolshevik, though he acquired in America many ideas which seem radical enough in China. To get rid of these big unpatriotic armies, which have been desolating the land, has been one of China's most troublesome problems. If it can be managed and a genuine parliament set to work, Chinese affairs may quickly improve.

THE EARTHQUAKE

Specialists say that D'Annunzio is suffering from a seismic disturbance. This is Italian for burghouse. At any rate, his mentality has been shocked into such a condition that he must free himself absolutely from politics and literature. As these were the channels in which the stormy petrel lived, moved and had his being there is little left to engage his energies.

GOING UP

New York's latest hotel project calls for the expenditure of some \$30,000,000. The first \$1,000,000 hotel that was ever built has come to answer for. They are building kennels and garages that cost that much in these days.

AMONG SKYSCRAPERS

Another Wrigley building is to be erected in Chicago. It will adjoin and be a twin of the present structure, which is the particular pride and showpiece of the big city. The pair will constitute a magnificent monument to the wholesome virtues of chewing gum. One tower alone is said to have cost over \$1,000,000.

BALLOT ENTANGLEMENTS

In Ohio the secretary of state hasn't got much patience with those who are trying to escape the hardships of prohibition. Although there is a petition of 280,000 signatures for a vote on an amendment which would permit 2.75 beer in the state, the official

refuses to give it a place on the ballot. He says it would be unconstitutional anyhow, and, therefore, should not be recognized. The wets insist that it is not for him to say. They present a petition which calls for the submission of a certain question on the official ballot and he has no alternative but to accept and comply. They are about to take legal steps to force this action. The prohibition question is always up in some form in Ohio. The Rhenish provinces die hard.

THE IMPOSSIBLE

They are playing polo with Fords and trying football on horseback, but no one has the nerve to suggest a game of checkers on a motorcycle.

HOW ABOUT THIS?

When the soap-boxer gets eloquent over the fact that there are no opportunities in America, just think about these things for a while:

Thirty years ago— The world's most famous automobile manufacturer and rated as the richest individual in America was a day laborer in a bicycle factory. The country's most famous hotel owner and a millionaire many times over was a bellboy in a rooming house.

The man who is today the "steel king" of America was working 16 hours a day as a stoker in a blast furnace.

The man who is today one of the country's most powerful bankers, a financier of international repute, was fireman on a locomotive.

The president of the United States was working as a day laborer in a printing office.

One of the greatest merchants in America was a peddler traveling over the country with a pack on his back.

The president of one of the nation's biggest railroad systems was pounding a key in a telegraph office.

By the way, where will you be in 1952?

Don't let anybody fill you up with the idea that what your station in life will be 30 years hence is not going to depend upon yourself more than upon any other factor.

BITS FOR BREAKFAST

A shower won't hurt—... It will do good. But a lot of

summer weather is still needed.

Herbert Hoover knows what he is talking about when he says the coal item, even at the present profiteering price, is only \$1.50 in a Ford.

But Henry Ford is his own boss, and he can run or shut down for a good or a bad reason, or for no reason at all. The country, however, hopes he may decide to run.

Whether Hiram Johnson is nominated or skunk to the queen's taste, the early returns at least show that he has had a run for his money.

The pruner people are to have a caravan today. They want to know, among other things, how short they are going to be on hands to take care of the bumper crop. They are going to be too short for comfort; that is certain.

If you want to know how low the value of a Russian ruble has fallen, it takes 16,000 of them to buy a cucumber.

Frank A. Munsey, the publisher is going to erect the tallest building on earth, at the corner of Broadway and Chambers street. It is to be 87 stories high.

Chauncey M. Depew's opinion that "the past, present and future of the United States justify optimism" (waiving the question of whether the future is yet in a position to justify anything) is, nothing but the truth, even though expressed by the most optimistic of all Americans.

That Society of the Pilgrims in London must be a well-fed lot. Whenever a distinguished American strikes the city he is given a dinner by the Pilgrims. And what a host of postprandial orators the organization has!

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COMING! SCREEN SCRAP BOOK WATCH FOR IT

The Junior Statesman

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SPoon-DOLL ADVENTURES



His beard His shirt His hat His suspenders His trousers This is how you make Farmer Stubbles clothes

Miss Susie Spoon Again in Our Midst. Miss Susie Spoon returns today from her vacation at Camp Peachfuzz. Her many friends there will be sorry to see her leave, but their loss is our gain. A farewell dance given at the camp last night in honor of Miss Spoon, proved to be the gala event of the season. Miss Spoon expects to make the return trip overland in a handsome Quackard touring car, driven by Farmer Stubble, owner of an attractive farm near Camp Peachfuzz.

Doll Adventures. You now have a complete set of these snail little people. Next week Miss Wine will begin a new series of character dolls from foreign countries. They look just like real children, and they're made from lollypops and paper! —FLORENCE WINE.

THE SHORT STORY, JR.

THE MECHANICAL RABBIT Peterkin had beautiful long ears and pink eyes, just like a real rabbit. Only he wasn't real. He was very sensitive about this. He was a mechanical rabbit used as a decoy in a dog race at the fair. He was wound up to run so that the dogs would have an exciting race chasing after him. Peterkin didn't enjoy his work very much, though he was proud of having such a dangerous job. He often wondered what would happen if a dog ever caught him. One day he found out. He was running along when all of a sudden something inside of him snapped. Try as he would, he couldn't go on. One of the big animals was already close by and in an instant, he pounced upon upon him. Peterkin thought his time had come. The dog tried to bite into him, but his teeth struck something solid. He snuffed in surprise, then left in disgust. The other dogs found out the joke, and they too walked away. Peterkin was safe. He was still trembling a little, and thought he shouldn't be able to run again. But, by the next night, he was well enough to get in the race. Some new dogs were there to chase him. "Huh!" grunted Peterkin scornfully. "They've fooled me long enough around here. I've been running myself almost to death, trying to save my life, when really I wasn't in any dan-

PICTURE PUZZLE

What 15 words beginning with the same letter do you find in this picture? Answer to yesterday's "Lightness cabin for breakfast in morning."

