

THE 'RICH MAN'S WAR' A HATEFUL CALUMNY

American Business Men Ready to Make Sacrifices Without Stint.

TAXES HERE AND ABROAD.

American Taxation the Most Democratic in the World.

By OTTO H. KAHN.

Nothing is plainer than that business and business men had everything to gain by preserving the conditions which existed during the two and a half years prior to April, 1917, under which many of them made very large profits by furnishing supplies, provisions and financial aid to the allied nations. Taxes were light, and this country was rapidly becoming the great economic reservoir of the world.

Nothing is plainer than that any sane business man in this country must have foreseen that, if America entered the war, these profits would be immensely reduced and some of them cut off entirely, because our government would step in and take charge; that it would cut prices right and left, as, in fact, it has done; that enormous burdens of taxation would have to be imposed, the bulk of which would naturally be borne by the well-to-do; in short, that the unprecedented golden flow into the coffers of business was bound to stop with our joining the war, or, at any rate, to be much diminished.

But it is said the big financiers of New York were afraid that the money loaned by them to the allied nations might be lost if these nations were defeated, and therefore they maneuvered to get America into the war in order to save their investments.

Proof That the Charge is Absurd.

A moment's reflection will show the utter absurdity of that charge. Let us assume, for argument's sake, that the allies had been defeated. Let us make the wildly improbable assumption that they had defaulted for the time being upon these foreign debts, the greater part of which, by the way, is secured by the deposits of collateral in the shape of American railroad bonds and stocks and of bonds of neutral countries, aggregating more than sufficient in value to cover these debts. Let us assume that the entire amount of allied bonds placed in America had been held by rich men in New York and the east instead of being distributed, as it is, throughout the country.

Is it not perfectly manifest that a single year's American war taxation and reduction of profits would take out of the pockets of such assumed holders a vastly greater sum than any possible loss they could have suffered by a default on their allied bonds, not to mention the heavy taxation which is bound to follow the war for years to come and the shrinkage of fortunes through the decline of all American securities in consequence of our entrance into the war?

Not only is the "rich man's war" an absurd myth; the charge is a hateful calumny.

Business men, great or small, are no different from other Americans, and we reject the thought that any American, rich or poor, would be capable of the hideous and dastardly plot to bring upon his country the sorrows and sufferings of war in order to enrich himself. Business men are bound to be exceedingly heavy financial losers through America's entrance into the war. Every element of self-interest should have caused them to use their utmost efforts to preserve America's neutrality, from which they drew so much profit during the two and a half years before April, 1917. Every consideration of personal advantage commanded men of affairs to stand with and support the agitation of the "peace-at-any-price" party. They spurned such ignoble reasoning; they rejected that affiliation; they stood for war when it was no longer possible, with safety and honor, to maintain peace, because they are patriotic citizens first and business men afterwards.

Our Income Tax and Taxes Abroad.

(1.) The largest incomes are taxed far more heavily here than anywhere else in the world.

The maximum rate of income taxation here is 67 per cent. In England it is 42 1/2 per cent. Ours is therefore 50 per cent. higher than England's, and the rate in England is the highest prevailing anywhere in Europe. And in addition to the federal tax we must bear in mind our state and municipal taxes.

(2.) Moderate and small incomes, on the other hand, are subject to a smaller rate of taxation here than in England.

In America incomes of married men up to \$2,000 are not subject to any federal income tax at all.

In England the income tax is: 4 1/2 per cent. on \$1,000; 8% " " 1,500; 7% " " 2,000

(These are the rates if the income is derived from salaries or wages; they are still higher if the income is derived from rents or investments.)

The English scale of taxation on incomes of, say, \$3,000, \$5,000, \$10,000 and \$15,000 respectively averages as follows as compared to the American rates for married men:

Income tax rate on	In England	In America
\$3,000	14 per cent.	2-3 of 1 p. c.
5,000	16 per cent.	1 1/2 p. c.
10,000	20 per cent.	3 1/2 p. c.
15,000	25 per cent.	5 p. c.

(If we add the so called "occupational" tax our total taxation on incomes of \$10,000 is 6 3/4 per cent. and on incomes of \$15,000 9 1/2 per cent.)

In other words, our income taxation is more democratic than that of any other country in that the largest incomes are taxed much more heavily and the small and moderate incomes much more lightly than anywhere else and incomes up to \$2,000 for married men not taxed at all.

(3.) It is true, on the other hand, that on very large incomes—as distinguished from the largest incomes—our income tax is somewhat lower than the English tax, but the difference by which our tax is lower than the English tax is incomparably more pronounced in the case of small and moderate incomes than of large incomes.

The "Excess Profits" Tax Here and Abroad.

Moreover, if we add to our income tax our so called "excess profit tax," which is merely an additional income tax on earnings derived from business, we shall find that the total tax to which rich men are subject is in the great majority of cases heavier here than in England or anywhere else.

(4.) It is likewise true that the English war excess profit tax is 80 per cent. (less various offsets and allowances), whilst our so called excess profit tax ranges from 20 per cent. to 60 per cent.

But it is entirely misleading to base a conclusion as to the relative heaviness of the American and British tax merely on a comparison of the rates, because the English tax is assessed on a wholly different basis from the American tax.

The American excess profit law (so called) taxes all profits derived from business over and above a certain moderate percentage, regardless of whether or not such profits are the result of war conditions. The American tax is a general tax on income derived from business in addition to the regular income tax. The English tax applies only to excess war profits—that is, only to the sum by which profits in the war years exceed the profits in the three years preceding the war, which in England were years of great prosperity. In other words, the English tax is nominally higher than ours, but it applies only to war profits. The normal profits of business—i. e., the profits which business used to make in peace time—are exempted in England. There, only the excess over peace profits is taxed. Our tax, on the contrary, applies to all profits over and above a very moderate rate on the money invested in business.

We Tax Normal Profits, They Tax Only War Profits.

In short, our lawmakers have decreed that normal business profits are taxed here much more heavily than in England, while direct war profits are taxed less heavily.

You will agree with me in questioning both the logic and the justice of that method. It would seem that it would be both fairer and wiser and more in accord with public sentiment if the tax on business in general were decreased and, on the other hand, an increased tax were imposed on specific war profits.

(5.) Our federal inheritance tax is far higher than it is in England or anywhere else. The maximum rate here on direct descendants is 27 1/2 per cent, as against 20 per cent. in England. In addition to that, we have state inheritance taxes which do not exist in England.

(6.) Of her total actual war expenditures (exclusive of loans to her allies and interest on war loans) England has raised less than 15 per cent, by taxation (France and Germany far less), while America is about to raise by taxation approximately 28 per cent, of her total war requirements (exclusive of loans to the allied nations and of the amount to be invested in mercantile ships, which, being a productive investment, cannot properly be classed among war expenditures).

We men of business are ready and willing to be taxed in this emergency to the very limit of our ability and to make contributions to war relief work and other good causes without stint. The fact is that, generally speaking, capital engaged in business is now being taxed in America more heavily than anywhere else in the world. We are not complaining about this; we do not say that it may not become necessary to impose still further taxes; we are not whining and squealing and agitating, but we do want the people to know what are the present facts, and we wish that they would give heed to them. We do not want to make them scapegoats for our share of the burden.

HIGH SCHOOL NOTES BY DORRIS SIKES

Miss Jane Lindsey, English instructor has been ill this week and unable to attend school. Dorris Hubbell, a practice teacher from the University is filling her place.

Esther Brattain ex '17, who is now attending the U. of O. taught Mrs. Nunn's Fourth Grade class at this building Monday.

Wanna McKinney returned to school Monday morning after four days absence on account of bronchial lag.

A contest is on between the classes for the highest average for this semester. The grades for the past six weeks are to be averaged up and when this is done the class having the highest average will be given a certain per cent to start them in the contest. Last semester the Seniors made the highest class average in school, 86. The Juniors and Freshmen each averaged 81, and the Sophomores 80. These grades are not at all satisfactory and it is hoped that through the contest the grades will be raised considerably.

In connection with the Daylight Saving plan of the government we will commence school at 8 o'clock Monday morning instead of at 9. The clock will still register 9 but in reality we will be opening school at 8. This will let school out at 2:15 instead of 3:15.

Pledges to the army Y. M. C. A. fund are due again April 1, 1918. Captain Bill Hill announces that \$45 of the total amount is still lacking. Springfield High school pledges, with the aid of Marcola, Thurston, Pleasant Hill, Goshen, and Trent is \$275.

Cal. A. Barnett, of this city, has been secured as coach for the minstrel show to be given soon by the High School boys. The exact date of the show has not yet been decided upon.

Ada Hall, from the University of Oregon, is substituting this week in the place of Miss Dinsdale, who is spending the week at Newport.

Falls in Faint. Monday morning Mrs. R. W. Ewer, who keeps the Home Restaurant here, was called to Eugene to the bedside of her father, W. J. Mulkey, who had been seriously ill for some time. While there her two-year-old daughter fell to the floor in a dead faint. For some time it was feared that her condition was going to prove fatal, but with the aid of a physician the little one soon recovered consciousness.

IN THE CIRCUIT COURT OF THE STATE OF OREGON, FOR THE COUNTY OF LANE DELPHA FAY ENOS, Plaintiff, vs. LOWELL ENOS, Defendant.

SUMMONS TO LOWELL ENOS, DEFENDANT. IN THE NAME OF THE STATE OF OREGON:—You are hereby required to appear and answer the complaint filed against you in the above entitled court and cause within six weeks from the first date of publication of this summons, and if you so fail to answer, for want thereof the plaintiff will apply to the Court for the relief prayed for in the complaint; viz:—that she have a decree of divorce and that she have her maiden name restored to her.

This summons is served by publication once each week for six weeks in the Springfield News, by virtue of an order made and entered herein on the 19th day of March, 1918, by the Hon. G. F. Skipworth, Judge of the above entitled Court. That the date of the first publication of this summons is the 21st day of March, 1918. S. P. NESS, Attorney for plaintiff. Address is: Eugene, Oregon. Mch.21,28; Apr.4,11,18,25; May,2.

NOTICE TO CREDITORS NOTICE IS HEREBY GIVEN, that the undersigned, Phillip A. Johnson has by order of the County Court of the State of Oregon for the County of Lane been duly appointed executor of the Last will and testament of Esther Matilda Johnson, deceased and that all persons having claims against said estate are hereby notified to present the same, properly verified, to me at the office of Frank A. De Pue, attorney for the estate, in Springfield, Oregon on or before six months from the date of the first publication of this notice.

Dated March 21st, 1918. PHILIP A. JOHNSON, Executor of the Last will and Testament and estate of Esther Matilda Johnson, deceased. Frank A. De Pue, Attorney for Estate. Mch.21,28; Apr.4,11,18.

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SHERIFF'S SALE ON FORECLOSURE.

NOTICE IS HEREBY GIVEN, that by virtue of an execution on order of sale issued out of the Circuit Court of the State of Oregon for the County of Lane, on the 19th day of March 1918 on a judgment rendered in said Court on the 19th day of March, 1918 in a suit wherein Mrs. Anna Baker was plaintiff and Anna Mullen and John C Mullen her husband, J. A. Cox and Etta Cox, partners doing business under the firm name of Cox & Cox were defendants and wherein the plaintiff recovered judgment against the defendants, Anna Mullen and John C. Mullen aforesaid for the sum of \$322.92 and interest thereon since February 16th 1918 at the rate of 10% per annum and \$75.00 attorneys fees and \$14.50 taxes and interest thereon since February 14, 1918 at 6% per annum and \$15.50 as costs, expenses and disbursements which judgment was enrolled and docketed in the office of the Clerk of said Court on the 19th day of March, 1918, and said execution to me directed commanding me in the name of the State of Oregon in order to satisfy said judgment, attorneys fees and accruing costs to sell all the following described real property to wit: An undivided one half interest in lot eight of block sixty four in Mayor's subdivision in the Town of Springfield, Lane County, Oregon, together with the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining, and that the proceeds of the sale be applied as follows: First: The expenses of said sale and the plaintiff's costs and disbursements of the suit including the attorneys fees; Second: To the payment of the Judgment of the plaintiff. Third: The balance if any there be to be disposed of as the Court may direct.

NOW THEREFORE IN THE NAME OF THE STATE OF OREGON; and in compliance with the execution and order of sale I will on Saturday the 27th day of April, 1918, between the hours of 9 o'clock A. M. and 4 o'clock P. M. to wit at the hour of one o'clock P. M. of said day at the south west door of the County Court house in Eugene, Lane County, Oregon, offer for sale in one parcel, for cash, subject to redemption, all the defendants, Anna Mullen, John C. Mullen, J. A. Cox and Etta Cox, right, title, interest, claim and equity in and to the premises hereinbefore described and every part thereof.

D. A. ELKINS, Sheriff of Lane County, Oregon. Mch.21,28; Apr.4,11,18.

EXECUTOR'S SALE.

Notice is hereby given that by virtue of an order of the County Court of Lane County, Oregon, duly made and entered the 19th day of March, 1918, authorizing the undersigned, as executor of the estate of Nancy Bahr, deceased, to sell the real estate belonging to said estate, at private sale, for cash if possible, and for credit upon proper security if it appears that said sale cannot be made for cash;

Now, therefore, I will on and after the 27th day of April, 1918, at the office of Young & Ray, attorneys for said estate, in the Court House, Eugene, Oregon, offer for sale and sell to the highest bidder for cash, or for credit with proper security, if it appears that said sale cannot be made for cash, the following described real property:

Lot twenty-six (26) in Block thirty-three (33) in Fairmount, in the City of Eugene, Lane County, Oregon. Lot twenty-seven (27) in Block thirty-three (33) in Fairmount, in the City of Eugene, Lane County, Oregon. Dated this 19th day of March, 1918. H. H. Ritter, Executor of the estate of Nancy Bahr, deceased. Young & Ray, Attorneys for estate. Mch.21,28; Apr.4,11,18.

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