

WAR PROFITEER PUBLIC NUISANCE

No Extortion to Be Tolerated, but Liberal Disposition Toward Business Needed.

Shrinkage of Values Would Curtail Capacity to Provide Sinews of War.

"Conscription of Men, Conscription of Money," Analyzed.

By OTTO H. KAHN.

Much is being said about the plausible sounding contention that because a certain portion of the young manhood of the nation has been conscripted, therefore money must also be conscripted. Why, that is the very thing the government has been doing. It has conscripted a portion—a relatively small portion—of the men of the nation. It has conscripted a portion—a large portion—of the incomes of the nation. Capital and business pay more than four-fifths of our total war taxation directly and a large share of the remaining fifth indirectly.

If the government went too far in conscripting men the country would be crippled. If it went too far in conscripting incomes and earnings the country would likewise be crippled.

Results of Conscription of Capital.

I would ask those who would go further and conscript not only incomes, but capital, to answer the riddle, not only in what equitable and practicable manner they would do it, but what the nation would gain by it?

It is true that a few years ago a capital levy was made in Germany, but the percentage of that levy was so small as to actually amount to no more than an additional income tax and that at a time when the regular income tax in Germany was very moderate as measured by the present standards of income taxation.

Only a trifling fraction of a man's property is held in cash. If they conscript a certain percentage of his possessions in stocks and bonds, what would the government do with them?

Keep them? That would not answer its purpose, because the government wants cash, not securities.

Sell them? Who is to buy them when every one's funds would be depleted?

If they conscript a certain percentage of a man's real estate or mine or farm or factory, how is that to be expressed and converted into cash?

Are conscripted assets to be used as a basis for the issue of Federal Reserve bank notes? That would mean gross inflation, with all its attendant evils, dangers and deceptions.

Would they repudiate a percentage of the national debt? Repudiation is no less dishonorable in a people than in an individual, and the penalty for failure to respect the sanctity of obligations is no different.

The Thrifty Would Be Penalized.

The fact is that the government would gain nothing in the process of capital conscription and the country would be thrown into chaos for the time being. The man who has saved would be penalized, he who has wasted would be favored. Thrift and constructive effort, resulting in the needful and fructifying accumulation of capital, would be arrested and lastingly discouraged.

I can understand the crude notion of the man who would divide all possessions equally. There would be mighty little coming to any one by such distribution, and it is, of course, an utterly impossible thing to do, but it is an understandable notion. But by the conscription of capital for government use neither the government nor any individual would be benefited.

A vigorously progressive income tax is both economically and socially sound. A capital tax is wholly unsound and economically destructive.

It may nevertheless become necessary in the case of some of the belligerent countries to resort to this expedient, but I can conceive of no situation likely to arise which would make it necessary or advisable in this country.

More than ever would such a tax be harmful in times of war and post-bellum reconstruction, when beyond almost all other things it is essential to stimulate production and promote thrift, and when everything which tends to have the opposite effect should be rigorously rejected as detrimental to the nation's strength and well-being.

There is an astonishing lot of hazy thinking on the subject of the uses of capital in the hands of its owners.

The rich man can spend only a relatively small sum of money unproductively or selfishly. The money that it is in his power actually to waste is exceedingly limited. The bulk of what he has must be spent and used for productive purposes. Just as would be the case if it were spent by the government, with this difference, however, that, generally speaking, the individual is more painstaking and discriminating in the use of his funds and at the same time bolder, more imaginative, enterprising and constructive than the government with its necessarily bureaucratic and routine regime possibly could be. Money in the hands of the individual is continuously and feverishly on the search for opportunities—i. e., for creative and productive use. In the hands of the government it is apt to lose a good deal of its fructifying energy and ceaseless striving and to sink instead into placid and soundless repose.

There need not be and there should not be any conflict between profits and patriotism. I am utterly opposed to those who would utilize their country's war as a means to enrich themselves. The "war profiteer," as the term is generally understood, is a public nuisance and an ignominy. Exorbitant profits must not be tolerated, but, on the other hand, there should be a reasonably liberal disposition toward business and a willingness to see it make substantial earnings.

For, taxation presupposes earnings. Our credit structure is largely upon values, and values are largely determined by earnings. Shrinkage of values necessarily affects our capacity to provide the government with the sinews of war.

The Conscription of Men.

Reverting now to the subject of the conscription of men, I know I speak the sentiment of all those beyond the years of young manhood when I say that there is not one of us worthy of the name of a man who would not willingly go to fight if the country needed or wanted us to fight. But the country does not want or call its entire manhood to fight. It does not even call anywhere near its entire young manhood. It has called or intends to call in the immediate future perhaps 25 per cent. of its men between twenty and thirty years of age, which means probably about 4 per cent. of its total male population of all ages. But it has called from incomes, business profits and other imposts falling principally on the well to do, approximately ninety per cent. of our war taxation, not to mention the contributions to the Red Cross, the Y. M. C. A. and other war relief activities.

Let me add in passing that the children of the well to do have been taken for the war in proportionately greater numbers than the children of the poor, because those young men who are needed at home to support dependents or to maintain essential war industries are exempted from the draft.

Our Laws Favor Sons of the Poor. The draft exemption regulations discriminate not, as in former wars, in favor of the rich man's son, but in favor of the poor woman's son.

I realize but too well that the burden of the abnormally high cost of living, caused largely by the war, weighs heavily indeed upon wage earners and still more upon men and women with moderate salaries. I yield to no one in my desire to see everything done that is practicable to have that burden lightened. But excessive taxation on capital will not accomplish that; on the contrary, it will tend to intensify the trouble.

Taxation must be sound and wise and scientific and cannot be laid in a haphazard way or on impulse or according to considerations of politics, otherwise the whole country will suffer. History has shown over and over again that the laws of economics cannot be defied with impunity and that the resulting penalty falls upon all sections and classes.

The question of the individual is not the one that counts. The question is not what sacrifices capital should and would be willing to bear if called upon, but what taxes it is to the public advantage to impose.

I do not say all this to plead for a reduction of the taxation on wealth or in order to urge that no additional taxes be imposed on wealth if need be. There is no limit to the burden which in time of stress and strain those must be willing to bear who can afford it except only that limit which is imposed by the consideration that taxation must not reach a point where the business activity of the country becomes crippled and its economic equilibrium is thrown out of gear, because that would harm every element of the commonwealth and diminish the war-making capacity of the nation.

STATE INDUSTRIES SHOW PROSPERITY

Government War Activities Are Helping Many Industries of Oregon

The following is a brief review of what capital is doing in Oregon for the past week.

Portland—Women to be employed as conductors on streetcars here. Vale oil and nitrate fields are enlisting more capital.

Steers the past week reached highest price ever known at Union Stock Yards.

Vale—Court house to have vaults and other additions.

Albany—Lebanon highway to be improved.

Warren—Sawmill building for Sherman Bros., two miles west.

Getting out ship knees big industry in Polk county.

Roseburg—Express company erecting offices at depot.

Brownsville Canning Company will operate Corvallis cannery, so long idle.

Hood River cannery erecting 75-foot addition.

Eugene—Sawmill at Donna to resume with 65 men.

More sawmills and shingle mills tied up with car shortage.

Portland faces a big deficit from municipal wage increase.

Astoria—Hammond sawmill starts on night run.

Eugene—Bids for \$30,000 addition to court house opened April 8.

Oregon mohair clip for 1918 coming in at 50 cents.

Enterprise telephone system has been rebuilt and service improved.

Lebanon cannery reorganized and will be operated by new capital.

Schofield is a new sawmill town west of Buxton.

Shaniko will build an elevator.

Portland Gas and Coak Company February earnings 33 per cent over February, 1917.

Portland—Yards in this district launched 23 ships in three months.

Early shorn wool clips moving at 60 cents per pound.

Reconstruction of the Astoria gas plant nears completion.

Pacific Home telephone systems to be merged at Portland under modern one-instrument service.

The Dalles—Contract let for 500,000 bushel concrete elevator.

Portland—Construction of new dam begun at Bull Run reservoir.

LANE PRIZES ARE LIBERAL

Fair Board Meets and Fixes Dates for Annual Event.

The Lane County Fair Association at a meeting Friday night designated September 18 to 21, inclusive, as the dates for holding the fair this year.

E. E. Hardesty, secretary of the fair association, tendered his resignation and Ray H. Wood, of the insurance department of the United States National Bank, was appointed as his successor.

The association last night decided to offer a cash prize of \$225 for the best grange exhibit and \$150 for the second best exhibit.

Premiums for other classes of exhibits will also be increased this year.

Is Taken to Asylum

Mrs. Frances Dowdy, who lives near Deadwood's ferry, was committed to the State Asylum at Salem Monday, for treatment. She is the mother of six children. The sixth one died recently and sorrow over its death is supposed to have caused her illness. She was taken to Salem by E. E. Morrison of this city.

Constipation and Indigestion.

These are twin evils. Persons suffering from indigestion are often troubled with constipation. Mrs. Robert Allison, Mattoon, Ill., writes that when she first moved to Mattoon she was a great sufferer from indigestion and constipation. Food distressed her and there was a feeling like a heavy weight pressing on her stomach and chest. She did not rest well at night, and felt worn out a good part of the time. One bottle of Chamberlain's Tablets corrected this trouble so that she has since felt like a different person.

NOTICE TO CREDITORS

In the County Court of the State of Oregon for Lane County In the matter of the estate of Grace E. Hill, sometimes known as Grace Hill, deceased.

Notice is hereby given that an order of the above entitled court, duly made and entered of record on the 8th day of March, 1918, the undersigned was duly appointed administrator of the above entitled estate.

All persons having claims against the said estate are hereby notified to present them duly verified to the undersigned in the office of L. M. Travis, in rooms 7, 8, and 9, U. S. National Bank Bldg., Eugene, Lane county, Oregon, within six (6) months from date of this notice.

Dated at Eugene, Oregon this 8th day of March, 1918.

ROBT. C. CLOSTERMANN, Administrator of the above entitled estate.

L. M. Travis, attorney. Mch. 14, 21, 28; Apr. 4, 11, 18, 25.

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.



Advertisement for Real Gravelly Plug chewing tobacco. Text includes: "He Needs Somebody to Send Him another pouch of Real GRAVELLY Chewing Plug", "Uncle Sam's Boys don't ask for much in the way of comforts—but good tobacco they must have.", "A few cents spent for Real Gravelly will buy more tobacco satisfaction than many times the money in ordinary plug.", "Give any man a pouch of Real Gravelly Plug, and he will tell you that's the kind to send. Send the best! Ordinary plug is false economy. It costs less per week to chew Real Gravelly, because a small chew of it lasts a long while.", "If you smoke a pipe, slice Gravelly with your knife and add a little to your smoking tobacco. It will give flavor—improve your smoke.", "SEND YOUR FRIEND IN THE U. S. SERVICE A POUCH OF GRAVELLY", "Dealers all around here carry it in 10c. pouches. A 3c. stamp will put it into his hands in any Training Camp or Seaport of the U. S. A. Even 'over there' a 3c. stamp will take it to him. Your dealer will supply envelope and give you official directions how to address it.", "P. B. GRAVELLY TOBACCO CO., Danville, Va.", "The Patent Pouch keeps it Fresh and Clean and Good—it is not Real Gravelly without this Protection Seal", "Established 1831"

Advertisement for Eugene Farmers Creamery. Text includes: "SEE US ABOUT Selling your cream. It will pay you. Ask us about feed.", "EUGENE FARMERS CREAMERY.", "ROBERT BURNS Lodge, No. 75, A. M. F., Ancient and Accepted Scottish Rite Universal and Symbolic Free Masons meets first and third Friday evening in W. O. W. Hall. Visiting brothers welcome.", "P. A. Johnson Secretary. Chas. Kingswell R. W. M."

Advertisement for SHERMAN W. MOODY, Eye Sight Specialist and Optician. Text includes: "The Hun Specter Really Approaches Invest in the Third Liberty Loan", "Our System-- of eyesight testing has no superior. Our 28 years of practical experience is behind this system.", "No matter how excellent the mechanical work in a pair of glasses, it counts for nothing unless the formula from which the lenses are ground is the correct one for your eyes.", "THE FORMULA will only be correct when it is based on the result of a careful examination. Consequently a thorough examination by a competent person is the first requisite for a satisfactory pair of glasses.", "SHERMAN W. MOODY", "Broken Lenses Quickly Replaced", "EYE SIGHT SPECIALIST AND OPTICIAN", "881 Willamette Street", "Factory Premises", "TELEPHONE 362"

Advertisement for First National Bank, Eugene, Oregon. Text includes: "NEW SERVICE", "We are authorized under the Federal Reserve Law to act as an Executor, Administrator, Guardian or Trustee.", "This is a new service our officers will be glad to discuss with you.", "First National Bank, Eugene, Oregon"

Large advertisement for Springfield News. Text includes: "Made in Springfield", "A DIRECTORY OF MERCHANTS AND BUSINESS MEN WHO WANT YOUR BUSINESS AND WILL GIVE YOU GOOD VALUES", "Patronize Home Industry", "EAT EGGIMANN'S War, Oat Meal and Liberty Bread Day or Night", "PHONE 51", "YOU GET ALL THE NEWS THAT'S 'MADE IN SPRINGFIELD' EVERY THURSDAY IN THE SPRINGFIELD NEWS", "Subscription \$1.50 per year", "JOB PRINTING Made in Springfield At the News Office", "Phone 2"