

# WEALTH PAYS HEAVY TAXATION WAR'S ACCOUNT

Every Class of American Population, Rich and Poor, Is Going to Contribute Liberally—Reid Assessed Heavily, But Increase in Profits Increases Equally.

BY BASIL M. MANLY.  
(Staff Special.)

WASHINGTON, Sept. 17.—Big headlines carrying the news that the "High Tax Group," in the senate has been decisively routed are responsible for a widespread impression that millionaires and big corporations are to get off almost scot-free. If you have that notion, forget it!

The rich are going to know we are at war with Germany when the tax collector comes around. They are not going to die of starvation, but they are going to know what it means to see Uncle Sam take in war profits and income taxes as high as two-thirds of the income they otherwise would be able to enjoy.

## How It Works Out.

Without worrying about the Rockefeller and Morgans, who are going to have to turn over something over 60 per cent of their incomes to Uncle Sam this year in income taxes alone, let's see how the sort of rich man we know, with an income around \$30,000, is going to fare. For illustration, assume he owns a 30 percent interest in a business with \$100,000 actual capital now earning 100 per cent, as compared with 10 percent in the pre-war years.

Of the \$100,000 net income of the corporation for the year, \$90,000 will be war profits. Out of this \$90,000 taxes ranging as high as 60 percent, and amounting in all to \$46,715, must be paid.

Out of the balance the company must pay Uncle Sam a corporation tax of 6 percent, or \$3197, which leaves for distribution to the shareholders \$50,888 out of the original \$100,000 earnings.

But in these precarious times no business can afford to distribute all its earnings to its stockholders; something must be held as a reserve for stormy days. Say \$10,000 is set aside as reserve; this leaves \$40,888 to be distributed, of which our man gets 30 percent or \$12,266, as compared with the \$30,000 he would have received if there were no federal taxes.

## Taxes at Every Turn.

But that isn't all. He still has his individual income tax to pay. As the income came wholly from dividends, there is no normal tax, but there are supertaxes on all over \$5,000 amounting in all to \$136, leaving our friend \$11,890 out of which to pay his expenses and state and municipal taxes.

Will he know there is a war when he sees about \$18,000 go to Uncle Sam out of about \$30,000 he

had been figuring as his profits? Ask him.

This is just one side of the picture. It doesn't explain what Hiram Johnson and the other high tax advocates are making such a racket about.

They see that this same company in the pre-war years earned only \$10,000, of which our friend's share, disregarding the light taxes then in effect, would have been something less than \$3,000. They see he now has \$10,890 left after paying all his federal taxes, nearly \$8,000 more than he would have received before the war. They think he ought to give Uncle Sam a much bigger share of it.

## Every Class to Pay.

But the senate refuses to see this side and it looks only at the view first presented. So they vote the radicals down three to one, and weep briny tears over the sad state of the rich.

But here is the situation in a nutshell. Every class of American population, rich and poor, is going to have to pay so much into Uncle Sam's treasury from now until long after this war is over, that it will win every time it hears the word "taxes." At the same time, owing to the great increase in profits, the majority of will have more income left after they have paid all their federal taxes than they had before the war.

## VISCOUNT ISHII TELLS OF JAPAN'S SACRIFICES

PHILADELPHIA, Sept. 17.—Dr. Alex Nordvall, special diplomatic envoy from Sweden to the United States speaking at the national conference on world's food, before the American Academy of Political and Social Science, denied Sweden has failed to adhere to neutrality. Referring to the recent exposure of German trickery in the Argentine Republic, Dr. Nordvall refuted charges that Sweden is pro-German.

"Sweden seeks her political ideals in other ways than does Germany," he said. "Sweden must retain her neutrality if she is to continue an independent government."

Dr. Nordvall said Sweden must import twelve million bushels of grain or starve, asserting there is little export trade between Sweden and Germany at present. In this emergency, he said, Sweden trusts to the United States to supply its needs.

Dr. Nordvall spoke on the general theme of "Food for the neutrals."

## Japan's Sacrifices

Greater sacrifices are demanded of the Japanese than any other ally in the world war, in the opinion of Viscount Ishii, ambassador to Japan, on a special mission to this country, principal speaker at the concluding session tonight.

"Japan's entire area is considerably smaller than that of the state of Texas," he said. "This alone must open to you a field for consideration of Japan and a ready answer when you are asked why Japan does not contribute more to the war in Europe."

"Our credit has been created by a frugality of living and a sacrifice of the individual. We are endeavoring to conserve that credit so as to ensure our independence."

ST. PAUL, Sept. 17.—Grant Le Moine, who had travelled nearly 700 miles to St. Paul to enlist in a railroad regiment, offered \$5000 for the

# CANNOT LIVE WITHOUT SUPPORT FROM ALLIES

PHILADELPHIA, Sept. 17.—Little Switzerland's plight in the midst of the great war and her dependence upon America for her means of existence were pictured in an address before the American Academy of Political and Social Science here today by Professor William E. Rappard of the University of Geneva, a member of the Swiss Economic delegation to the United States. Professor Rappard declared his people's sympathy with the champions of democracy against autocracy, as becomes the citizens of the oldest republic of the world, but that neutrality was a fundamental element in their national life and their word "not a scrap of paper."

## Dependent on Allies

"Since 1914," he said, "Switzerland has become entirely dependent on the allies in general and on the United States in particular for many essential commodities, the most important of which is grain. On the other hand, Switzerland has become equally dependent on the central powers in general and on Germany in particular, for equally essential commodities, the most important of which are coal, iron, chemical fertilizers and potatoes. That the central powers should not supply us gratuitously with coal and iron is as natural as it is natural that the allies should not allow us to pay for them with the foodstuffs they export to us."

## Deny Right to Live

The allies have recognized that our economic relations with the central powers have been limited so far as is compatible with the necessity of our national existence. In order to live we must import some cereal foodstuffs from the allies and export some products of our grazing industry to the central powers; that is the price exacted for the coal and iron which no one but they can furnish us. To deny us the right to import or to make it dependent upon refusal to export would, therefore be to deny us the right to live.

## Poor Cause Badly Lost

"In her efforts to hold and to gain the sympathies of Switzerland, Germany has used two tools, one intellectual and the other economic. The first has failed her. A bad cause poorly defended, such is the Swiss opinion of the German propaganda. With the other tool Germany has been much more effective."

## Germany Generous

"In spite of our contrary sympathies, or perhaps on account of them, she has been generous towards us. Burning exclusively German coal, the Swiss people suffered less from last winter's cold than the German people themselves. Last year three-fourths of our imported potatoes were furnished us by Germany. Our own crop had failed and this spring when we were in dire need of potato seeds Germany, in spite of her own shortage, supplied us liberally."

privilege of going to France after being refused today for physical reasons. LeMoine's last railroading was in Mexico after which he entered bus-

## Motor Honks

Hold your hand over the breathing tube occasionally while engine is running to see if air is passing out. If breathing tube gets clogged it puts a back pressure on pistons that pulls down the power of the motor.

Best results can be secured from a motor cooling system by keeping the radiator cells free from foreign matter. Particularly on long trips over bad roads the interstices of the radiator are packed with dirt and mud, retaining the heat which should be dissipated in radiation.

When coasting down a long hill change from one brake to the other to allow them to cool. Unfortunately this does not cool the brake drums, so use the motor as a brake and go down very steep hills against compression. Leave the gears in high speed, or, if you find that too fast, the second or first speed. Step the ignition and it will cool your motor at the same time.

One of the causes of an engine missing explosions which is sometimes very mysterious is water in the carburetor. If you have tried all other causes of skipping, try draining the carburetor. If some is caught in the hand the water will be repelled by the gasoline and form in globules.

With the same amount of produce that it took to purchase a \$100 buggy 25 years ago, the farmer today can not only buy a splendid motor car, but he will have enough left to get several other necessities, to say nothing of some luxuries. This has been definitely proved by comparative figures which have been gathered by a large corporation in connection with its harvest campaign for dealers.

## GIM CHUNG China Herb Store

Herb cure for earache, headache, catarrh, diphtheria, sore throat, lung trouble, kidney trouble, stomach trouble, heart trouble, chills and fever, cramps, coughs, poor circulation, carbuncles, tumors, caked breast, cures all kinds of gotters. NO OPERATION.

Medford, Oregon, Jan. 18, 1917 TO WHOM IT MAY CONCERN:

This is to certify that I, the undersigned, had very severe stomach trouble and had been bothered for several years and last August was not expected to live, and hearing of Gim Chung (whose Herb Store is at 241 South Front street in Medford) I decided to get herbs for my stomach trouble, and I started to feeling better as soon as I used them, and today am a well man and can heartily recommend anyone afflicted as I was to see Gim Chung and try his Herbs.

(Signed) W. R. JOHNSON, Witnesses: M. A. Anderson, Medford. S. B. Holmes, Eagle Point. Frank Lewis, Eagle Point. Wm. Lewis, Eagle Point. W. L. Childreth, Eagle Point. C. E. Moore, Eagle Point. J. V. McIntyre, Eagle Point. Geo. B. Von der Hellen, Eagle Point. Thos. E. Niehols, Eagle Point.

# IOWA LEADS COUNTRY IN MOTOR CARS PER CAPITA

WASHINGTON, D. C., Sept. 17.—Iowa led the United States in 1916 in the number of motor cars registered in proportion to population. She had one car for every 11 persons. California was a close second with one car to every 12 inhabitants. Nebraska and South Dakota had one for every 13. Arkansas could show but one for every 116. The average for the United States is one car for every 29 persons, according to figures presented by the office of public roads, United States department of agriculture, in Circular 73, "Auto-With Medford trace is Medford made."

mobile Registrations, Licenses and Revenues in the United States, 1916." The New England states were more uniformly supplied with motor cars than any other section. They averaged one car to about every 27 persons. The prosperous corn belt states also showed a fairly uniform distribution of cars. The south, which does not possess as great mileage of improved roads as other sections of the country, had relatively fewer cars in proportion to population.

# FARMERS TO AID IN LIBERTY LOAN

ST. PAUL, Sept. 17.—The conference of the National Non-Partisan League, which opens in St. Paul Tuesday with labor representatives and farmers in attendance to study methods for reducing the high cost of living, will pledge its support to Secretary McAdoo in disposing of the second issue of United States government bonds. This was forecasted in a telegram sent to Mr. McAdoo tonight, in which A. C. Townley, president of the league, invites the treasury officials to attend the conference, and make an address in behalf of the bond issue. The league was charged with hampering the loan.

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