

## PRESIDENT WILSON MAY END THE PLAN TO LOWER INCOME TAX EXEMPTION

BY BASIL M. MANLY

Washington, Aug. 9.—Reduction of the income tax exemption so that every married person with an income over \$3,000 and every single person with an income over \$2,000 will be required to pay a tax of 1 per cent has been decided upon by the Democratic members of the senate finance committee.

The discussion lasted all day and carried by a majority of only one vote. The roll-call is being kept secret.

It is practically certain that all but two of the Republican members of the finance committee will endorse the lowering of the exemption, and the amendment will therefore come to the senate as a committee amendment, with every probability of passing, unless an active public protest is aroused.

Penrose, Lodge, Smoot, Gallinger and Clark, who make up five out of the six Republican members of the committee, have always fought to tax small incomes and keep the taxes on large incomes at the lowest possible rates.

Now that the Democrats have played into their hands by endorsing the tax on small incomes, the reactionary Republican members of the senate will redouble their efforts to make the income tax unpopular by making all classes of incomes subject to its provisions.

The only two Republican members of the committee who are likely to protest against the amendment are LaFollette and McCumber, and LaFollette is planning to open his campaign for re-election in Wisconsin within the next few days and therefore probably will be absent when the committee report is prepared.

The wisest politicians in Washington believe the lowering of the income tax exemption by the Demo-

crats just prior to election spells political suicide.

The new taxes will hit the great middle class, who are the decisive factor at the polls, and who are already groaning under the burden of state and municipal taxes, which fall most heavily on the classes of property they own.

I am informed upon high authority that President Wilson is studying the taxation measures being proposed by the Democratic members of the finance committee with great concern, and that he will intervene, if necessary, to prevent a taxation policy so unjust and so unpopular as the lowering of the income tax exemption.

A strong group of progressive Democrats and Republicans is also forming in the senate to demand that no further extension of the income tax shall be made, until the evasion under the present law are stopped by making the income tax returns public.

In order to be successful, however, this group will need strong backing from the public.

It is possible the lowering of the exemption may stir up the middle class to take a lively interest in the enforcement of a tax that may affect them, and thus bring about a thorough examination of the whole question of tax-dodging, which congress heretofore has refused to make.

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### KEE & CHAPPELL DAIRY CO. JUMP PRICE OF MILK

The Kee & Chappell dairy will join the ranks of the milk price raisers tomorrow, according to an announcement to customers today.

The Borden, Bowman and Mix dairies have already kited their selling price. Smaller dairies are holding to the 8-cent standard.