

The Tacoma Times

25c A MONTH. THE ONLY INDEPENDENT NEWSPAPER IN TACOMA. 25c A MONTH. VOL. XIII. NO. 111. TACOMA, WASH., THURSDAY, APRIL 27, 1916. 1c A COPY

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NIGHT EDITION

WEATHER
Tacoma: Fair tonight and Friday, cooler tonight, light frost.
Washington: Same, except showers near coast.

If you aren't reading The Times Pink you are missing a lot of big late news, local and eastern, and that day's baseball news—also the Pinkings. Get one after today's game.

WILSON CAN END INCOME TAX SECRECY

By Basil M. Manly

WASHINGTON, D. C., April 27.—Now that it is established that the United States income tax IS A FAILURE—and a COLossal FAILURE—we must discover WHY it is a failure.

To accomplish this, it is necessary to begin with an analysis of the income tax LAW itself—to examine it in order that we may determine whether it is intrinsically an adequate instrument, IF PROPERLY ENFORCED.

The weaknesses of the present law are many, some affecting great principles, which are worth of discussion, while others, which affect only details, need not even be enumerated at present.

The first great weakness in the law is the provision that only persons having NET incomes over \$3,000 are required to file returns. The effect of this is to throw the ENTIRE BURDEN of proof upon the government at the most critical point—that of DISCOVERING WHO should be taxpayers.

If the government suspects that John Doe should make a return, it cannot turn a wheel to compel him to do so, unless it has in its possession tangible evidence that John Doe has a NET income greater than \$3,000.

Now to prove NET income the government must know practically every fact regarding, not only John Doe's INCOME, but ALSO HIS EXPENSES! If the government can prove that John Doe has a gross income of \$10,000 and tries to force him to make a return, John Doe need only say "That is all very well, but can you prove that my allowable expenses and deductions are not greater than \$7,000? I will not make a sworn return until you do."

Any court will sustain his position, and reprimand or punish any officer who tries to compel him. As the tax which would be due from John Doe would probably be less than \$25, the treasury is very apt not to waste any time in an effort to get the necessary proof.

THE LAW SHOULD BE AMENDED TO REQUIRE EVERYONE WITH A GROSS INCOME OVER \$3,000 TO FILE A SWORN RETURN, WITH AN ADEQUATE PENALTY FOR FAILURE. FURTHERMORE, THE TREASURY DEPARTMENT SHOULD BE AUTHORIZED TO REQUIRE AND INDIVIDUAL TO MAKE A RETURN UPON PROPER DEMAND.

"Dividend Joker" Dangerous

Second—The "Dividend Joker," however, probably results in almost as many failures to make returns and in the loss of an even greater amount of tax.

The "Dividend Joker" was inserted in the act very cleverly by an amendment to one of the most complex sections. It provides "that persons liable for the normal tax only, on their own account or in behalf of another, shall not be required to make return of the income derived from dividends on the capital stock or from the net earnings of corporations, joint stock companies or association, and insurance companies."

This means that unless you have more than \$20,000 a year income from dividends you need not make any return, and the treasury cannot compel you to do so.

If a collector comes to you and says: "You are living at the rate of at least \$15,000 a year, please make a return of your tax," you can answer, if you arewise: "Not so fast; it is true that I am spending more than \$15,000, but until you can prove that I get more than \$3,000 from some source other than dividends you will get no return!"

Furthermore, this provision has been LIBERALLY interpreted by many taxpayers and lawyers as relieving the taxpayer of responsibility for reporting AND DIVIDENDS, no matter how large the income may be.

Ignore Value Increments

Third—The law provides no effective means of assessing the enormous income derived from the increment in the value of land and other property.

This value-increment in 1910 amounted to more than \$6,000,000,000 a year, and by 1914 had grown to exceed \$8,000,000,000.

The treasury failed almost entirely to collect the tax upon this enormous source of revenue, because it has no means of ascertaining or assessing the amount of this value-increment.

At least two-thirds of this value-increment goes to people with incomes over \$5,000, who should be income taxpayers. The tax collections from this source alone should amount to \$150,000,000.

But it cannot be collected until congress provides in the law machinery similar to that of Great Britain for ascertaining the amount of the value-increment.

Puts Bonus On Speculation

Fourth—The provision of the law which allows the deduction of "all interest paid within the year by a taxable person on indebtedness" offers a ready means of escape from the income tax, and puts a bonus upon speculation and upon the extension of monopolization.

The provision doubtless was intended to permit the legitimate deduction of interest paid on loans necessary for the conduct of private business, but as the law stands and as the treasury department has been forced to interpret it, the provision is inequitable and permits the deduction of interest paid for any purpose whatever.

The whole force of the provision is to encourage speculation and monopolization, and to tax thrift and exempt profligacy. Furthermore, every such provision greatly increases the chance for successful dodging inasmuch as the government can never check up each such transaction and now has no basis upon which to question any claim for indebtedness, no matter how large it may be.

A correction in this connection would directly bring to the government at least \$1,000,000 a year in taxes and prevent the escape of as much more which gets by through inclusion with this item.

Publicity the Remedy

Fifth—A very large amount of tax is leaking away through the deduction allowed for depreciation. The bureau is attempting to allow depreciation deductions only when the amount is actually set up as a liability upon the books of the firm, or individual, but it cannot possibly ascertain this without an actual examination of the books.

The real preventive of complete collection lies in the ANTI-PUBLICITY clause, which imposes the same criminal penalty (imprisonment not exceeding one year) on the man who reveals any information regarding any item of a return as it does upon the man who deliberately defrauds the government of \$10,000,000 in taxes.

This cloak of secrecy not only hampers the collection of the tax, but can serve to conceal any inefficiency in the treasury department, and may ultimately result in the forging of a most pernicious political machine, with unlimited powers to extort campaign funds from the rich with perfect safety.

The income tax will never be collected, nor will the treasury department be free from suspicion until the returns are thrown wide open to the public and disseminated through the newspapers.

President Wilson can today issue an order which will throw the returns open to public inspection. Such action will reveal immediately millions of dollars in taxes which are now being lost.

A refusal on the president's part to issue the publicity order can be interpreted only to mean that he prefers to conceal the information regarding the amount and sources of income of the OWNERS OF AMERICA and does not desire to take the obvious step which will bring a flood of revenue to the national treasury and make further taxes unnecessary!

Basil M. Manly

Manly's next article exposing the fraudulent attempts to defeat the income tax law by the very rich will appear in this newspaper tomorrow.

LAUNCH A RECALL FIGHT ON MAYOR

American Wife of Austrian Mysterious Organization, Consul Is Society Hostess



MRS. EDGAR PROCHNIK

Though she is younger than many of the society buds she entertains, Mrs. Edgar Prochnik, wife of the Austro-Hungarian consul of the northwest, serves as official hostess at all the public social functions of the consular department, which is located in St. Paul, Minn. She is an American girl and noted for her beauty.

Opening Game Is Called Off; to Be Played Tomorrow

After showers had drenched the Stadium field all morning a heavy downpour began at 1 o'clock this afternoon, and the committee in charge of the opening day game decided to postpone the event until tomorrow.

The field was entirely too wet for a game, and the Stadium seats could not be used by spectators. All of the elaborate plans for today's game will apply tomorrow. The parade will form at 2 o'clock on A street, with a squad of police leading the line of automobiles. Mayor Fawcett will pitch and President Wheeler of the Commercial club will catch.

Bill Hurley's Great Falls team arrived last night and practiced for an hour this morning at the Stadium.

After learning of the postponement, Tacoma stores and factories continued working this afternoon, with plans to hold their half-holiday tomorrow. Tomorrow's game will be played at 2:15.

On Last City Ride

One long, last joyride! That's what Commissioners Owen Woods and A. U. Mills are taking today. With only four more days in which they can commandeer city automobiles, the councilmen started off this morning.

Both men maintained great secrecy about their destination. Signs pointed to a fishing excursion.

TRENTON—It became known today that Col. Roosevelt will have at least three New Jersey votes at the republican convention.

ATHENS—Two Russian hydro-aeroplanes were reported over Constantinople Monday night.

SAN FRANCISCO—Officials of coastwise steamers granted the increased wage demands made recently by striking seamen, cooks and waiters, at a meeting here last night.

WASHINGTON, D. C.—It became known today that the U. S. had sent another note to Great Britain demanding the release of 88 prisoners taken recently from the American steamer Ufias.

MADISON—State educational bulletin issued today contains a statement that schools should furnish gum racks for the children to stick

Mysterious Organization, Peeved by Failure to Dictate Jobs, Behind It, Says Fawcett

That a second recall movement is being fomented against him, was the statement of Mayor Fawcett today. It already has taken definite shape, he says. Members of a mysterious "card club" which took an active part in the recent municipal campaign, are behind the scheme, according to Fawcett.

"Jim Agner and Peter B. Egbert are two of the leaders of the movement," said Fawcett.

"The heads of the club wanted to gain control of the city hall and they did their utmost to elect their principal candidate, L. Y. Stayton. They failed, and now they intend to fight back at me with a recall."

According to Fawcett, the recall is being launched because he would not fall in line with a plan conceived by members of the group, whereby they would dictate jobs for their members at the city hall.

"They sent a representative to me and said that they had decided that Atkins should be given the light and water department," Fawcett said.

"They even said that they had been to all the other commissioners and that they had agreed to the plan."

"I think Atkins is entirely incompetent to handle such an immense plant. So I told them they could go to the devil. The scheme was that Agner, who was superintendent of the water department under former administrations, would go back under Atkins, and other leaders of the card club would be provided for."

"When I told them that I would not stand for the scheme, they went away angry. Now they've started this recall movement. But you can bet that I will fight them to a finish."

The club is organized along religious lines. After failing to nominate Stayton, the members

Will Tell of 8-Hour Demand

Tacoma folks will be given a chance to hear the railway trainmen's side of the eight-hour day question at an open meeting to be held in the Lincoln High school auditorium at 8 p. m. next Monday evening.

Washington lodge No. 864, which has arranged the meeting, promises a number of able speakers, who will tell the public just what the demands of the treatment are. The question has become national in scope, involving 350,000 engineers, firemen, conductors, brakemen and other railway employees.

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Base Ball

Is the sport which has held the attention of the public more uniformly than any other.

We are endeavoring to hold the Banking attention of probable customers and will welcome you.

Puget Sound State Bank
1115 Pacific av.

IRELAND'S REVOLT IS GROWING

LONDON, April 27.—All Ireland is under martial law, Premier Asquith, announced today. He said the situation still is serious, the rebels continuing to hold important public buildings in Dublin. Indications are that the disorder is spreading to western Ireland.

Street fighting continues in Dublin. Asquith's statement came like a thunderbolt in the midst of reports indicating that the rebellion had collapsed.

The situation was comparatively quiet today, it was officially announced.

More fighting is possible while the government troops are pursuing the rebels.

The arrival of the soldiers apparently disheartened the Sinn Feins, who lacked machine guns.

Birrell Attacked.
London newspapers fiercely attacked Augustine Birrell and Lord Widdowson, demanding their

immediate resignations. They declared Birrell's weakness and irresolution was responsible for the uprising.

The Express demanded that Earl Kitchener be made lord lieutenant.

The censor today permitted dispatches to be sent from Ireland.

One of these stated that Sir Roger Casement landed on the shores of Tralee bay, south of the river Shannon. Agents arrested him and his companion immediately. A third member of the party escaped.

The submarine and a German auxiliary, loaded with arms and ammunition crept up the Kiel canal and rounded the British Isles north of the Scottish coast.

Blew Up Boat.
A patrol boat halted the auxiliary, which showed the regular Dutch papers, and allowed it to proceed.

Another patrol boat fired a shot across the auxiliary's bow the next day, then ordered it to go to Queenstown.

The submarine, carrying Casement, followed under water.

The auxiliary steamed southward for hours, seeing no chance of eluding the patrol boat. The captain then blew up the vessel. The crew was captured.

George On Trial

George Washington's name will be cleared of all smut for ever after or else his reputation will go down in history as just an ordinary human being who cursed and took his little nip.

The state, seconded by Col. Albert Joab, will try the case started by the colonel against Paul Haffer, socialist, on a charge of libeling the memory of the nation's father, in the superior court tomorrow.

P. L. Pendleton, attorney for Haffer, says he has all the evidence in the world to uphold his client's statements against Washington.

The state has more proof than it needs, according to members of the prosecutor's office.

Col. Joab has dug up the law on libel from the beginning.

Was Judge Right?

Members of the jury, which disagreed yesterday after 18 hours in the case of W. W. Wright of Puyallup, charged with illegal intentions towards a 12-year-old girl, were divided today in their opinions of the reprimand given the jury by Judge Card yesterday for failing to return a verdict of guilty.

One juror said that he and others felt the court had overstepped itself. He felt that there was no justification in "calling" a jurymen for thinking the evidence insufficient for a conviction.

Another jurymen shook his head at the idea of holding out for an acquittal, intimating that the judge had been right and the evidence most convincing. The case may be retried.

Battle Expected

EL PASO, April 27.—Another battle with the Villistas, making for the inaccessible mountains east of Minaca.

PRISONERS SHOT.
COLUMBUS, N. M., April 27.—Four Mexican prisoners held at Casas Grandes are reported to have been killed while attempting to escape.

Woman Executed

NEW YORK, April 27.—A communication received today by the Bohemian National Alliance reported that Miss Alice Mazaryk, former University of Chicago settlement worker, had been executed in a Vienna military prison.

She sympathized with a movement to make Bohemia independent.

Jane Addams and members of the alliance are planning to urge an inquiry by the state department.

Talk o' the Times

Greetings, have you been dodging your income tax?

A person never realizes how insignificant he is until he tries to cross a quiet residence street and a small boy riding a bicycle honks him out of the way.

Eddie King, Shrine potentate, is going to undertake to get the Affn band back to the big conclave. He's a member of the firm of Buckley & King, you'll remember.

No, no, we don't mean that the musicians are a bunch of dead ones.

We're just punning.

If a dollar won't go so far as it would a year ago it at least will go much faster.

Should the Seattle boats put up the fares, somebody may start a jitney launch service.

This handsome photo is a jitney sized argument in favor of Darwin, the gent who says that men

were formerly apes. It shows an ape hanging by his paw on a humidor tree.

You'll find today men hanging by their paws in the street cars. Why is the ape pointing to his

cranium? See that little yellow canary bird flying by? The ape has just been struck with a hunch. "Why wouldn't it be swell to wear neckties and shirts of that color?" Well, they're wearing 'em these days, aren't they? DARWIN WAS RIGHT!

