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MR. LANDON ON TAXES

It is probable that Governor Landon's strongest support among the middle classes of the East is based upon confidence in his financial soundness. The fact that Kansas has had a balanced budget was what made him the leading candidate for the nomination. People who are worried by the large government deficit, who think public spending is going into wasteful or foolish channels, who dislike paying present taxes and fear higher ones in the future, make up a large part of his followers. It was to these people that his principal speech in his first trip to the East—that in Buffalo—was directed. The speech was simple and did not evade commitments. Let us see whether it entitled Mr. Landon to the favor it was intended to elicit.

Many of Mr. Landon's backers, including William Randolph Hearst, have argued for sales taxes as a way of reducing income and profits taxes, and have contended that taxing the rich discourages business. To the great credit of the Republican candidate, he did not follow this lead. His very first point is that "the government should raise the major portion of its revenue from direct taxes levied on the net incomes of individuals and corporations." He agrees with economists and with progressives generally that indirect or sales taxes are poor policy because they are hidden and because they bear inequitably on those who can least afford to pay. So far, so good.

He then used this argument as a stick with which to beat the Democratic administration, on the ground that whereas in the fiscal year 1932, 59 cents out of every dollar of federal taxes were the product of direct taxation, in 1936 only 49 cents had this origin. This comparison is not only demonstrably unfair, but misses the main point in any such analysis. It overlooks the fact that in the fiscal year ending June 30, 1933, the last of the Hoover administration, a still lower proportion of federal revenue came from direct taxation—42 per cent. It ignores the fact that most of the recent additions to indirect taxes were voted under Mr. Hoover, and some of these have since been reduced or repealed. It fails to mention that the biggest addition to indirect revenues under Mr. Roosevelt is derived from liquor taxes, which constitute a special case and are not opposed on the same ground as taxes on common necessities of life. Liquor taxes made up nearly one-quarter of the indirect taxes in the year ending June 30, 1936.

More important than any of these details, however, is the underlying phenomenon which would not have been omitted by any real expert in discussion of the subject. This is that profits and the large individual incomes derived from them are subject to much wider variation between prosperity and depression than any other part of the national income and any other source of revenue. That is particularly the case when, as under our law, capital gains and losses are taken into consideration in reckoning income for taxation purposes. Revenue from income taxation therefore fell with extreme rapidity after 1930, and dropped off much more than other kinds of tax receipts. This accounts for Mr. Hoover's difficulties in the fiscal year 1933, and for the subsequent record of Mr. Roosevelt.

If Mr. Landon had really known what he was talking about, and had been willing courageously to push his point home, the conclusion he would have drawn is that both Mr. Hoover and Mr. Roosevelt, faced with this situation, ought to have refrained from adding to indirect taxation, and ought instead to have lowered the exemptions of the income tax and raised the normal rate. This, by broadening the base, would have increased the yield and would have done something toward stabilizing it. And the money that could be raised would have come from those who still had taxable incomes instead of from the impoverished, who had to pay sales taxes. This remedy Senator Robert M. La Follette, of Wisconsin, had the courage to advocate, but neither of the presidential candidates has yet followed him.

Instead of drawing this conclusion, Mr. Landon jumped to an attack upon the most important direct tax for which Mr. Roosevelt is responsible—the tax on additions to corporate surpluses. This tax, he was careful not to state, had its origin in the attempt to stop a loophole in the present levy on large incomes. A rich man or a group of rich men who control a corporation and draw their money out of it in dividends must pay income taxes accordingly, but if they leave their earnings in the corporation, they have to pay only the corporation income tax, which is likely to be lower than the effective rate on their personal incomes. This device has been widely used to evade taxation on that part of the incomes of the wealthy which they intend to reinvest—and they normally do reinvest a large part. No real discussion of the measure would omit mention of this fact.

As to its economic effects, apart from increasing the yield of direct taxes, there can be much difference of opinion—it has been discussed at length in these pages. We do not share Mr. Landon's fear that this tax will discourage new investment which ought to be made, or will, through placing a penalty on the building up of large reserves, add to instability of employment. What part of the American economic machine had the largest unemployment in the depression? Heavy industry—run by big corporations with large reserves. What part had the least? Agriculture, with virtually no reserves at all. Reserves do not mean jobs in depression, they mean higher prices, smaller volume of production and more dividends and interest in depression.

Finally, he condemns the administration for the unbalanced budget and reckless spending, just as if it were an individual. Nobody denies that in the long run the budget ought to be balanced, and that the time when this end must be achieved approaches as business revival broadens. There is doubtless wasteful spending that ought to be curbed. But to argue that the budget ought to have been balanced in depression is a sign of economic naivete, to put it as charitably as possible. Government spending based on government credit was not only the one possible way of meeting the pressing needs of the situation; it was also the best possible method, under the circumstances, of enlarging the circulation of purchasing power and stimulating recovery. The only good theoretical alternative, as long as private business was not ready to borrow and spend, was to allow deflation to proceed to its logical end. One shudders to think what the human, the social and the political cost of such a course might have been. Even in Kansas, Mr. Landon's cheese-paring policy injured the community, and if it had not been for federal spending there, he could not have gotten away with it. Either he knows this and conceals it for reasons of policy, or he is too big a fool to be entrusted with the office of President.—*New Republic*.

Homemakers' Slate For Coming Week

The schedule for the homemakers' clubs for next week follows: September 14—The Cedar Grove Homemakers are hostesses at the home of Mrs. Leah Iglehart to the members of the Poultry Association and other homemaker clubs. Mr. O. W. Anderson, county agent, will conduct a poultry culling demonstration.

September 15—The Four Corners Club will meet at the home of its president, Mrs. Orville Scoville, Burnt Mills Road, at 2 o'clock.

September 16—Mrs. Rosa Day and Miss Alma Bergman will be hostesses to the Browningsville Club at the home of Mrs. Day at 2 o'clock.

September 17—Mrs. Mary Hargett, of Layhill, will entertain the Wheaton Club at 11 o'clock.

The same evening, Mrs. Leland Fisher will entertain the Rockville Homemakers' Club at 8 p. m.

September 18—The Cabin John Homemakers' Club will meet in its club room at 2 p. m.

September 19—Mrs. Van Hoesen will be hostess to the Slidell Mothers' and Daughters' Club at 2 p. m.

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ORDER OF PUBLICATION

In the Circuit Court for Montgomery County, Sitting as a Court of Equity.

Sarah S. Robnett, Plaintiff,
Jasper N. Robnett, Defendant.
No. 8022 Equity.

The object of this bill is to procure a divorce a vinculo matrimonii, and that the plaintiff be allowed to resume her former name of Sarah D. Spratt, the Bill in substance states as follows:

That the plaintiff, Sarah S. Robnett, is a resident of Montgomery County, State of Maryland, and has been such for more than three years prior to the filing of the bill of complaint in this cause, that she is sixty-two years of age, that the defendant is a resident of the State of Colorado, City or town of Cedar, and is about sixty-six years of age, and that the said plaintiff and defendant were legally and duly married in the Town of Rockville, State of Maryland, by the Reverend Frank A. Tyler, a Methodist Minister of the Gospel on the 21st day of October, 1931, and that there has been born to the said plaintiff no children as the result of said marriage.

That the said defendant during the month of May in the year 1932, abandoned the plaintiff without any just cause or reason, and has refused and declared his intentions to live with her no longer, although the conduct of the plaintiff toward her said husband, said defendant, has always been kind and above reproach, affectionate and that of a dutiful and loving wife. And that the separation of the parties is beyond any reasonable hope or expectation of reconciliation; and that the plaintiff has no adequate remedy at law.

It is thereupon this 27th day of August, A. D. 1936, ordered by the Circuit Court for Montgomery County, as a Court of Equity, that the Plaintiff by causing a copy of this Order to be inserted in some newspaper printed and published in Montgomery County, Maryland, once a week for four successive weeks before the 26th day of September, A. D. 1936, giving notice to the Defendant of the object and substance of this bill, and warning him to be and appear in this Court, or by Solicitor on or before the 14th day of October, A. D. 1936, to show cause, if any he may have, why a decree should not be passed as prayed.

CLAYTON K. WATKINS, Clerk of the Circuit Court for Montgomery County, Maryland.
True Copy Test:
John E. Oxley, Rockville, Maryland, Solicitor for Plaintiff.

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Daniel B. Day Dies; Funeral Thursday

Daniel Bernard Day, well known postal clerk, died Tuesday at Sibley Hospital in Washington, after a short illness. He was aged 67 years. A native of Rockville, Mr. Day had lived here until he went to Takoma Park eleven years ago to live with his only sister, Mrs. Rose Leaman, 310 Hancock avenue.

He was in the railway mail service for 38 years, retiring five years ago. He was a member of the Holy Name Society of Our Lady of Sorrows Catholic Church, Takoma Park, the Council of Catholic Men, Rockville, and a member of the Railway Mail Association.

Surviving Mr. Day, besides his sister, is a son, Bernard D. Day, also of Takoma Park. Brief funeral services were conducted at his residence Thursday at 9 a. m., followed by a requiem mass at St. Mary's Catholic Church, Rockville. Burial was in St. Mary's Cemetery.

In the Circuit Court for Montgomery County, Sitting as a Court of Equity.

No. 8007 Equity.
Milton W. Brewer, et al Plaintiffs

vs.
Lyles M. Mason, Margaret Ann B. Shreve, Herbert Shreve, her husband, May G. Cramer, widow, James Burch Brewer and Mary Brewer, his wife, et al Defendants

Order of Publication

The object of this suit is to obtain a decree for the sale of certain land and premises owned as tenants in common by said parties to this suit described in the Deed hereinafter mentioned in this Order of Publication, because the said land and premises is not susceptible of partition in kind, the bill seeks to have said land and premises sold and the proceeds divided among the parties entitled thereto, the bill in substance states as follows:

That the plaintiffs' father, William G. Brewer, and the plaintiffs' mother, Ida W. Brewer, his wife, by a deed dated October 7, 1920, conveyed unto them the said plaintiffs: Milton W. Brewer, a son, unmarried, Stephen Newton Brewer, who intermarried with said Ruth C. Brewer, and Evelyn W. Brewer Mason, a daughter, and unto the said defendants, the said Margaret Ann B. Shreve, a daughter, who intermarried with the said Herbert Shreve, Lillian B. Byrd, a daughter, who intermarried with the said Joseph Byrd, Alethea B. White, a daughter, whose name was at the time of the execution of said Deed, Alethea B. Jones, and Harvey J. White, her husband, Blanche G. Clark, a granddaughter, whose name at the time of the execution of said Deed was Blanche Griffith, who intermarried with the said Morrison Clark, her husband, Esther Rebecca Griffith, unmarried, a granddaughter, May G. Cramer, a daughter, a widow, James Burch Brewer, a son, who intermarried with the said Mary Brewer, his wife, Sarah Eleanor Pyles, also called Nellie Pyles, a daughter, who intermarried with Joseph B. Pyles, her husband, George W. Brewer, a son, who intermarried with Betty W. Brewer, an undivided 1-11th interest to each of the said parties who are the ten children of said William G. Brewer and wife and a 1-11th undivided interest to the said Blanche Griffith Clark and Rebecca Griffith in the aggregate in equal shares, said undivided last mentioned interest having been granted to the said two granddaughters in the place and stead of their deceased mother, Lillian B. Brewer Griffith, in and to the land and premises described in said Deed which consists of a valuable farm containing about 310 acres of land, more or less, with improvements, located near the Village of Beallsville on either side of the road leading from Dawsonville to Beallsville in said Montgomery County, State of Maryland, as tenants in common, which said Deed is of record among the Land Records of said Montgomery County, in Liber 300 at folios 47, etc., all of

which will more fully and at large appear by reference to a certified copy of said Deed which is filed with said Bill of Complaint as a part of same and prayed to be so taken and marked Plaintiffs Exhibit No. 1.

That the said defendant, Lyles M. Mason, intermarried with the said Plaintiff, Evelyn Brewer Mason.

That all of the Plaintiffs and all of the Defendants heretofore named in this cause are over the age of 21 years, except said Corporate Defendant.

That all of the Plaintiffs and all of the Defendants heretofore named in this cause are residents of said Montgomery County, State of Maryland, except the said Plaintiff, Evelyn W. Brewer Mason and the Defendants, Lyles M. Mason, Margaret Ann B. Shreve and Herbert Shreve, May G. Cramer, widow, who are residents of Washington City, District of Columbia, and except the said Plaintiff, Stephen Newton Brewer and said Defendant, Ruth C. Brewer, his wife, who are residents of Frederick City, State of Maryland, and except James Burch Brewer and Mary Brewer, his wife, who are residents of the City of Detroit, State of Michigan.

That the said real estate is not susceptible of partition in kind without loss and injury to the parties entitled thereto. That the said real estate should be sold and the proceeds divided among the parties entitled thereto. That the plaintiffs have no adequate remedy at law. The Bill prays that a decree may be passed appointing a Trustee with the authority and power to sell said land and premises and divide the proceeds among the parties entitled thereto, under the direction and order of said Honorable Court, and that the plaintiffs may have such other and further relief as the nature of their case may require.

It is thereupon, this 13th day of August, A. D. 1936, ordered by the Circuit Court for Montgomery County, State of Maryland, as a Court of Equity, that the Plaintiffs by causing a copy of this order to be inserted in some newspaper printed and published in said Montgomery County, once in each of four successive weeks before the 19th day of September, A. D. 1936, giving notice to the said non-resident defendants, Lyles M. Mason, Margaret Ann B. Shreve and Herbert Shreve, her husband, and May G. Cramer, widow, who are non-residents of the State of Maryland, and who reside in the City of Washington, District of Columbia, and James Burch Brewer and Mary Brewer, his wife, who are non-residents of the State of Michigan, and who reside at the City of Detroit, State of Michigan, of the object and substance of this Bill, and warning them to be and appear in this Court, in person or by Solicitor, on or before the said 7th day of October, A. D. 1936, next, to show cause, if any they have, why a decree ought not to be passed as prayed.

CLAYTON K. WATKINS, Clerk of the Circuit Court for Montgomery County, Md.
True Copy—Test:
Clayton K. Watkins, Clerk.
John E. Oxley, Solicitor for the Plaintiffs.

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