

# The Mutual Building & Loan Association, of North Platte.

(Under Supervision of State Banking Board)

## Financial Statement July 1, 1921.

Loans on City Real Estate	\$1,445,000.00
Loans on pass book security	4,200.00
Dues from Shareholders	2,060.90
Office Building	27,423.14
Furniture	1,335.47
Balance in Treasury	9,492.15
<b>Total</b>	<b>\$1,489,511.66</b>
Installment Stock and Dividends	\$ 560,915.46
Paid up Stock	847,000.00
Undivided Profits	\$47,496.20
Reserve Fund	34,100.00
<b>Total</b>	<b>\$1,489,511.66</b>

We invite you to avail yourselves of the service and security of our Association for the accumulating of your savings and the making of investments.

### OFFICERS AND DIRECTORS

T. C. Patterson, President  
 V. vonGoetz, Vice-President  
 Bessie F. Salisbury, Secretary

W. H. Munger, Treasurer  
 Halligan Beatty & Halligan, Attorneys.

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 Harry M. Porter

Office—Corner 5th and Locust St.

## SALES TAX IS CONDEMNED

PROFESSOR H. CLYDE FILLEY OF AGRICULTURAL SCHOOL ON THE SALES TAX.

The adoption of a Federal sales tax or turnover tax is being urged by men who are now paying a high rate under the present income tax and who hold stock in corporations which have to pay an excess profits tax. Who would pay such a tax? Would it be a fair tax? How would it effect different people and what amount of revenue could it reasonably be expected to produce?

Some of the arguments most commonly urged in favor of the sales or turnover tax are the following:

1. It is a simple tax, easy to levy and easy to collect.
2. It will produce an ample revenue.

## For Rent

Limited amount of Cold Storage space for Eggs, Meat, Produce, Etc.

ARTIFICIAL ICE & COLD STORAGE CO.

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## "TOO MUCH BUSINESS"

THREE-ACT COMEDY PRESENTED BY ALL STAR CAST LAST NIGHT OF CHAUTAUQUA



In "Too Much Business" there is mystery, comedy and love, all united into an exciting game of business where the creed of a cult attempts to run business on the unsound doctrine of its belief. Clever dramatic situations with climaxes and anti-climaxes keep the audience laughing, wondering and startled, and it is not until the very last line of the play that the plot of the play is unfolded.

Clare Vaughan Wales will personally direct the Company. She is recognized as one of the leading actors and play directors. With a cast of New York and Chicago actors which she has carefully selected, they present a performance that is finished, artistic, entertaining and inspiring.

At North Platte Aug. 21 to 25.

3. It encourages thrift and permits the country to accumulate capital for future industrial expansion.

4. It is based on democratic principles thus spreading the tax equitably.

5. As passed along the consumers millions will pay the tax but nobody will feel it.

6. It will increase the price of commodities but little, whereas taxes now in force increase the price nearly twenty-five per cent.

7. All present sources of revenue are exhausted. A new source must be found and this is the logical source.

We will discuss these arguments in order and afterward take up some of the objections to such a tax.

The tax is commonly referred to as a simple tax and yet no two articles in its favor, which I have so far read, have agreed upon the methods of levy and payment. Is it to be a tax upon all sales or it is to be merely a tax upon retail sales? If it is to be merely a tax upon retail sales what constitutes a retail sale? When is a commodity used finally? Apples may be sold for consumption or they may be sold for canning. If the apples are canned it is not final consumption because in many instances they would be passed on to some one else, perhaps through the hands of two or three owners before consumed. Many commodities which are part of the raw material entering into manufactured goods are consumable supplies when purchased by someone else. It therefore seems to be impossible to maintain a sales tax which is either

merely a tax upon retail sales, or supplies sold for consumption.

A turnover tax would be a little bit simpler because all sales would then be taxed whether wholesale, retail, or for an article entering into a manufactured product. Under such a system the farmer would pay a tax upon the products sold during the year. The farmer disposes of the eggs to the local merchant who in turn sells them to a produce house and of course pays a sales tax. The produce house places them in storage and in turn sells them to a retailer. The retailer sells the eggs to a baker and the baker disposes of his products to the general public. Under such conditions the final consumer of these eggs would logically be assessed with the sales tax paid by the farmer, merchant, produce dealer, retailer and baker.

We might illustrate the same point with articles which go through several manufacturing processes before being completed. For example, a certain manufacturer of farm machinery owns no mines of coal or iron or hard wood forests. Instead he manufactures an implement largely by assembling certain materials from other dealers in the form in which they are to be used. He enters into competition with the manufacturer of farm machinery who does own iron mines and coal mines and hard wood forests, and therefore no product is sold until the finished machine is sold. In one case because of the selling of different parts, perhaps two or three taxes would have been paid before the article reached the retailer. In the other case only one sales tax would be paid. Does anyone think for a moment that the small manufacturer under conditions such as these could compete with the manufacturer who owns or controls all sources of supply?

The country is just at present talking about a prospective tariff to keep out the influx of foreign made goods. These goods would pay a sales tax only after they entered this country. There would be no tax paid upon the different manufacturing processes, as where cotton passes through several hands between the farmer and the finished cloth. The sales tax would therefore give an advantage to the foreign manufacturer compared with the American manufacturer.

Would there be any exception to the sales tax? Would all sales of stocks, bonds, and future contracts be taxed? Some persons object rather vigorously to the Stamp Act now required on certain legal documents. This tax is infinitesimal, however, as compared with the requirements of a one per cent sales tax.

Some men propose that men whose sales amount to less than \$5,000 a year should not pay a tax. Who is going to know whether or not their sales amount to less than that amount? Would it not be just as much work to find out the amount of profits? In spite of this the argument of simplicity is urged for this tax as compared with the income tax.

The tax may be a simple tax, as has been urged but as yet no argument has been produced and no tenta-

tive bill has been drawn which shows that the tax is a simple tax, easy to understand, and easy of collection.

It has been urged that this measure would certainly produce ample revenue. Would it produce revenue in case of a "buyers' strike" such as it is maintained has been in operation during recent months? In fact, would not a sales tax be a very erratic tax producing ample revenue in times of good business and very little revenue when business is slack?

A sales tax has been adopted in France. Recent reports indicate that its results are very disappointing in production of revenue. The Canadian sales tax has not produced as much revenue nor produced it as efficiently as its advocates maintained before its adoption.

It is argued that with the adoption of a sales tax and the repeal of the excess profits tax and reduction of the sur-tax that thrift would be encouraged and funds would be accumulated for future industrial expansion. It is true that very wealthy people would doubtless accumulate funds more rapidly if they did not have to pay a high income tax and if wealthy corporations did not pay an excess profits tax. The question logically follows: Is it the desire of the major portion of the people in this country that the wealth be concentrated in the hands of a very few people, or is it better if many persons become moderately wealthy. The taxes now in force have not been confiscatory even in the case of very large incomes. It seems rather logical that a corporation which makes a very large profit should pay a part of that profit to the support of the government which protects it.

The argument that it is democratic in principle, falling on all alike, is not borne out by the fact. As has already been shown it does not fall with the same weight upon the large manufacturer who owns his sources of raw material as it does on the small manufacturer who must buy his partially raw material. If a man must pay out all of his income for living expenses his tax is more proportionately than is that the man who expends only a part of his income. Of course if his securities are not excepted from the sales tax then the wealthy man would pay as high a per cent of his income as did the poor man, since it would all be expenses, but the general supposition has been that since stocks and bonds are not consumable that they would be excepted from the operation of the tax.

The claim that the sales tax can be passed along to the consumer without being felt by anyone deserves little consideration. Does anyone believe that two or three billions of taxes can be collected in a year without someone feeling it out and feeling the effect of the tax? This would mean on an average a tax of a hundred dollars for each head of a family of five.

Where products pass through several hands and each man adds to the selling price of the articles because of the sales tax which he must pay, it seems very definite that the consumer will pay considerably more than he does under present conditions. It has been very definitely proven that under normal conditions the income tax cannot be passed on. The fact is that if the income tax and excess profits tax could be passed on, there would be no need for a sales tax. We may therefore take for granted that the sales tax will be paid by the consumer and paid in an increased price charge for commodities.

It is not true that all other sources of revenue are dried up as charged. It is admitted that many large firms are making less money than they did formerly and as a result incomes are smaller. Certain changes in taxation should probably be made, but this does not argue in favor of the sales tax as a replacement of the taxes. There is no reason why people whose incomes continue large, should not continue to pay taxes.

One of the arguments urged against the income tax is that persons with very large incomes are investing their

capitals as rapidly as possible in tax free securities. This is unfortunately true, but the answer to this is not the adoption of a sales tax, but an amendment to the constitution which will provide that no income irrespective of the source from which it is derived shall be exempt from Federal income tax. Instead of repealing our law let us bolster up the weak place.

Adam Smith wisely said that taxes should be levied in proportion to the ability to pay. The income of the individual is as good a test of ability as the mind of man has so far devised. Under the protection of our laws men make their fortunes. Let those who make the most pay the most for such protection. The accumulation of wealth is a good thing for the country. The concentration of this wealth in the hands of a few individuals is not desirable. The graduated income tax with its low rate upon persons whose accumulations are not so great, and its high rates upon persons who have already accumulated large fortunes, would seem to be one method of preventing the undue concentration of wealth, while at the same time equalizing the tax burden.

The turnover tax, because of its discrimination against small companies and its favor of large companies and foreign manufacturers, does not seem practical. If we limit the sales tax primary to a consumption tax, then it is unjust in that it discriminates against the man who must spend all his income for a living as compared with the man who is able to save a portion of his income. If we are to have a consumers tax at all it would seem logical to place it upon necessities. We have not by any means exhausted the possibilities of a luxury tax. Our revenue from such sources could doubtless be quadrupled

and the country as a whole be better off.

"God helped the rich, the poor can beg," summarizes very briefly the argument for a sales tax. Under no consideration do we believe that the farmers, the salaried workers, and wage earners of this country should consent to a tax which places upon them the burden of the cost of the war and leaves the wealth of the country from paying its just burdens.

Miss Gladys Davis of Scotts Bluff and sister Mrs. A. L. Barr of Omaha, visited friends in the city the latter part of the week enroute to Denver and other Colorado points.

To whom are you going to sell your Hay and Grain? The Harrington Mercantile Co. will offer the highest prices.

Mrs. J. S. McCoy returned to her home in Surprise, Nebr., Saturday after attending the funeral of the late Mrs. Stanley C. McCoy.

Clinton & Son, Graduate Opticians, try us for service. Mrs. Carrie Baldwin left Saturday for Lincoln to spend the remainder of the summer.

Miss Pauline Dismore left Saturday for Omaha to visit.

## J. S. TWINEM M. D.

Homeopathic Physician & Surgeon  
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 Hospital Accommodation  
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 NORTH PLATTE, NEBR.

### A QUIET PLACE



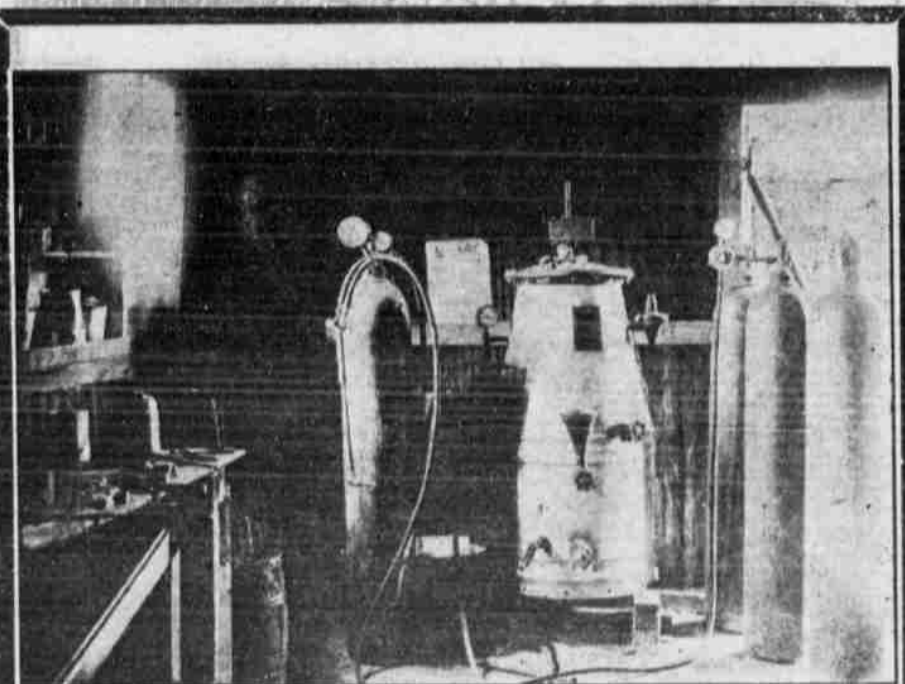
to bring your friends to dine. A place where the greatest care is exercised in the selection of the food materials. A place where the cuisine is exquisite, where the china and cutlery is tasteful, and the surroundings pleasant. This is such a place. Come and enjoy it.

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