

Excess Profits Tax Substitute Being Developed

Plan to Place Levy on Undistributed Returns of Corporations to Have Strong Support.

Chicago Tribune-Omaha Bee Leased Wire. Washington, March 14.—A tax of 10 to 20 per cent on undistributed earnings of corporations as a partial substitute for the excess profits tax will have strong support in congress.

Dr. Thomas S. Adams, chairman of the advisory board of the Treasury department, has been inclined to prefer the tax on undistributed earnings to an increase in the flat normal tax on corporations as preventing discrimination in favor of partnership and individuals in the event of the repeal of the excess profits tax.

Dr. Adams has suggested a rate of 20 per cent on undistributed profits of corporations. This would yield about \$190,000,000, as against the \$450,000,000 loss in revenue from the repeal of the excess profits tax. Dr. Adams also estimates that the additional revenue from the application of the surtax rate to dividends distributed by corporations to avoid the 20 per cent undistributed profits tax would amount to \$500,000,000, making a total of nearly \$700,000,000 additional revenue, which would be derived from this tax. This would more than make up for the loss of the excess profits tax.

Favors New Plan.

Representative Bacharach of New Jersey, a republican member of the house ways and means committee, who favors a tax on retail sales, also proposes a tax on undistributed earnings of corporations in order to equalize the position of corporations with that of individuals and partnerships which are subject to surtaxes.

Mr. Bacharach estimates that 10 per cent on undistributed earnings will be sufficient if a 1 per cent tax on retail sales is imposed. Mr. Bacharach would continue the present normal tax of 10 per cent and eliminate the \$2,000 exemption of corporations' earnings.

Taxes Paid Twice.

The individual who received that distribution pays a surtax on the same amount that he received from the corporation which has already paid the normal tax on it. The individual and members of the partnerships pay a normal tax upon their net incomes, including the amounts distributed in dividends.

It has been estimated that the average corporation saves one-third of its net income. A 20 per cent tax on this undistributed part thus would be about equal to a 6 per cent additional tax on net earnings.

Chairman Fordney of the house ways and means committee has been inclined to oppose the tax on undistributed earnings, favoring instead, an increased flat tax on corporation earnings. Mr. Fordney takes the position that the tax on undistributed earnings would retard necessary additions by corporations to their working capital. As an example of this, Mr. Fordney points to a letter from a corporation head in which it is stated that his corporation had been in debt for a number of years, but that it made \$400,000 last year which it used to pay its debts. If taxed 20 per cent on that amount, the corporation would have been unable to do this.

As a further objection against the tax on undistributed profits, Mr. Fordney contends that when a corporation retains a portion of its profits instead of distributing them to the stockholders, this money serves to keep up the business, add to the plant and provide for greater production, and if used that way it would help make possible greater profits for the corporation or individuals holding stock, which in the future, would yield a greater tax to the government.

Music at Auto Show to Be Heard in Hotel by Wireless

Dancing by wireless is the latest thing in Omaha.

When the orchestra at the auto show in the Auditorium bursts forth with jazzy strains those same strains will be reproduced in the lobby of the Hotel Fontenelle by wireless.

Bandits Make Quick Work Of Taking \$10 From Victim

Two armed negro bandits held up Roy McKinney, 2427 Dodge street, Sunday night at twenty-fourth and Dodge streets, and robbed him of \$10.35, according to police reports. The bandits made quick work of it, McKinney told the police, and had no words with him other than the customary terse command to "stick 'em up."

Parents' Problems

At what age should a child begin to use a knife and fork?
A small child does not need a knife and fork; a spoon and a pusher are his proper table silver. A child of 5 might use a small silver knife and fork. Steel knives and large forks are not required until the child is 9 or 10, or whenever he begins to cut his food himself. Teach him from the start how to hold them correctly.

THE GUMPS--



SLEEPY-TIME TALES THE TALE OF BENNY BADGER BY ARTHUR SCOTT BAILEY

CHAPTER XIX. Pleasant Praise.

Not one of the prairie dogs knew what Benny Badger meant when he cried that he "had saved the day."

Of course, they had heard that the rancher did not like their village, and that he wanted to get rid of it.

But Benny Badger was quite unaware of all that. He complained that the prairie dogs weren't treating him well.

"They ought to send a committee to my house to thank me for what I've done for them," he grumbled. "No one around here seems to understand me."

For several days afterward Benny lost a good deal of sleep by staying outside his house while watching for the rancher to appear. And little by little, from things he said now and then, his neighbors learned his secret.

They discovered that Benny Badger had been digging holes for the posts of the new fence that the rancher was going to build!

"When he finds those holes already made he won't be so foolish as to dig others," Benny explained. "But you've gone and dug them on the wrong side of the Prairie Dog village!" somebody objected.

"Of course, I have!" Benny retorted. "I did that on purpose. Don't you understand that when the rancher finds the holes he'll use them where they are? You don't suppose do you?—that he'll be so silly as to move the holes?"

More Truth Than Poetry

By JAMES J. MONTAGUE.

Old and New
In congress, today, points of honor are decided by bets instead of by pistols.

Whenever a statesman was stirred To answer a colleague's attack With a shorter and uglier word, Each went to a gun store and had himself heeled.

There is force and directness in lead; Its logic can not be withstood; When one of the parties is dead, A quarrel is settled for good.

But fighting today isn't done; We have learned to exert self-control. The statesman who reached for his gun Now reaches, instead, for his roll.

Perhaps we had better not insist that Europe disarm till we can disarm our own gunmen.

It's not the sleeping sickness that troubles our statesmen so much as the dreaming disease.

Perhaps some of the late cabinet officers who bought and took away their official chairs will now be able to have them cut down to fit them.

It's wiser to fight with a wager.

Dog Hill Paragraphs

By George Bingham.

Tobe Moseley went fishing today for the first time this season. Tobe is one of our pioneer fishermen and is probably known by more fish up and down the creek than anybody else.

The pure food and weight inspector passed through here last week and discovered that Atlas Peck had raised a pig that was several pounds underweight.

Little Fidelity Flinders, who has had it in his head that strangers are bad persons and ought to be watched, has changed his mind since one told him he was a smart-looking chap and gave him a penny.

When the gun was an honor-sawager, We are bound to admit, in a great many ways, It's wiser to fight with a wager.

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Romance in Origin Of Superstitions

By H. IRVING KING. Letter in the Candle.

When you blow out a candle and a bright spark remains glowing on the wick it is a sign that you will soon receive a welcome letter. A few years ago "The Letter in the Candle" was a popular song of the day.

All primitive races regarded fire as invested with a peculiar sanctity and as a vital principle of life. Though acquainted with the art of producing fire by rubbing together two pieces of wood it was a laborious process and a perpetual fire was kept burning in the house of the king, or chief, from which domestic fires could be lighted should they chance to go out.

This idea persisted into classic times. Now when a Greek went on a journey he took with him, for convenience sake, in a stalk of the giant fennel, fire lighted at his home fire. This stalk had a hard bark inclosing a pith which, when dry, smoldered for a long time without harming the outer covering.

Now in the old days when a Greek matron whose husband was on a journey blew out the flame of the wick floating in oil, or extinguished the torch—put out whatever in her chamber served the purpose of a candle—and a little spark remained brightly glowing, it was a clear case of sympathetic magic which told her that her husband's fire was still burning. His fire had communicated with

her fire and its effect remained in the shape of the bright spark after her fire had been extinguished. She would hear from him soon.

The matchbox has replaced the fennel stalk; but for the superstitions there is still "a letter in the candle"—vestige of fire-worship in the twentieth century! (Copyright, 1921, by the McClure Newspaper Syndicate.)

Advertisements for various services and products, including 'They WORK while you sleep' and 'Cigarettes FOR THE BOWELS'.

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Common Sense

By J. J. MUNDY.

There are many husbands who object to the expenditure of the wife and family and complain bitterly about having to give so much money to them for certain purposes, but on the other hand do not hesitate to buy exactly whatever they like for themselves.

Why should a wife not feel as free as her husband to buy what she needs if she is no more extravagant than her husband?

Often when a man is out with his wife and he wants to give the impression that he is a good fellow, he will spend money more freely than his wife wants him to, but when his wife asks for a comparatively small sum he objects or gives it grudgingly.

Why not more effort to show your wife what a good fellow you can be, rather than to convince others that you have a "heart as big as an ox."

Your wife would appreciate what you do for her at its full value, the other fellow will criticize you in the light of what he thinks he knows of your income and likely as not say you are foolish.

Your little life pal is the one you should seek to please.

Between 300,000 and 360,000 people were employed in automobile factories in this country last year. The payroll amounted to more than \$400,000,000.

Advertisements for various services and products, including 'They WORK while you sleep' and 'Cigarettes FOR THE BOWELS'.

MOON

Now Playing

TOM MIX The Road Demon

Also a Scenic Worthy of Mentior "The Royal Gorge of Colorado"

SUN

Now Playing

George Arliss

in his famous stage success "The DEVIL"

Strands

Direction of A. H. BLANK

Anita Stewart

in "Sowing the Wind"

Hippodrome

25th and Cuming Tom Mix in "PRAIRIE TRAILS" Last Times Today

Empress Rustic Garden

America's Most Beautiful DANCING CAFE

BEATTY'S

Co-Operative Cafeteria

Where It Started

The Marine Corps.

When the English Admiral Blake fought Van Tromp, in 1653, he took along some soldiers to act as riflemen. These behaved so well that a regular marine corps was organized in 1664. This was the first regular corps of marines. The U. S. marines were established by congress June 25, 1776. Major Samuel Nichols was the first commanding officer.

Jewel, Flower, Color Symbols for Today

The emerald is today's talismanic stone, and is especially potent in the index finger. It was believed by the ancients to endow its wearer with the power to foresee evil and avoid it.

FREE LECTURES

Health, Happiness and Success BIRCH F. RHODUS, Lecturer on Psychology and Hygiene, assisted by his daughter.

IMPORTANT ANNOUNCEMENT

For Those Who Work Until 5 or 6 o'clock Effective with this notice, matinee admission prices on week days will prevail until 6:15 o'clock instead of 5 o'clock, as in the past.