YOUNG TRAVELER ESCAPES PERILS OF LONG JOURNEY

Siberian Widow and Child Reunited After Year of Separation.

HAYDEN, Colo., April 24.—After traveling approximately 7,000 miles alone, three-year-old Sbiro Chakirido is safely in his mother's arms here, while the lad's stepfather, Louis Charos, ex-soldier, is tilling the soil on a 320-acre plot upon which the little family of three expect to spend their remaining days.

Through efforts of the Red Cross the baby, who has been separated from its mother for over a year, was started on his long ocean voyage across the Pacific. He was met by a representative of the Red Cross in San Francisco and prepared for the last leg of his long journey from Vladivostok to Colorado.

Husband Killed.

Two years ago Mrs. Chakirido and her husband kept a restaurant in a Siberian town. Then came the uprising and turmoil incident to the "red terror" that has spelled finis for so many happy homes. One day during the disturbances the bolshevists entered the little restaurant and killed Mrs. Chakirido's husband. By a miracle the wife and baby escaped to her home, near the town of Chita.

When the American army forces entered Siberia Louis Charos, a member of Co. H, 127th infantry, met the pretty widow, and they were married in February, 1919. Mrs. Charos returned to America with her soldier-husband upon the evacuation of Siberia by Uncle Sam's men, but was obliged to leave her little son behind.

After months of frenzied search and through the aid of the American Red Cross, the Charos were able to get in touch with the boy, and little Sbiro was started upon the long journey that has ended in the happy reunion with his mother.

THE PUBLIC PULSE

Communication for this column may be signed anonymously but must be accompanied by the name of the writer to insure good faith. No responsibility for facts or sentiments expressed will be assumed. Honest discussion of public questions is invited, but with the right reserved to eliminate vicious and objectionable matter. The column is free. But, be reasonable.

SAYS WE CAUSE UNREST.

South Bend, Ind., April 24.

Editor News-Times:

You infer that there has been a wholesale evasion of the payment of the excess profits tax on stock dividends because of the recent supreme court decision declaring stock dividends as a distribution of capital and not of income.

Excess profit tax is only applicable under the present 1918 revenue act to net income earned by corporations, other than personal service, during the fiscal year in excess of a credit or amount equal to 8 per cent of the actual invested capital plus $3,000.00, and operates on a graduated scale. This tax is in addition to a normal tax of 10 per cent assessed upon all earnings in excess of a credit of $2,000.00, except an amount equal to the excess profits tax assessed. You will note that this rate is 6 per cent higher than upon individuals, or which is paid by members of partnership which are also assessed as individuals.

Under the present revenue act, prior to the recent supreme court decision, stock dividends were taxable to the recipient in the same manner as cash dividends, i. e., the surtax, which is an additional tax assessed upon a graduated scale of from 1 per cent—65 per cent to individuals with a net income in excess of $5,000.00, applied and was assessed upon the stock dividend when received.

As the supreme court decided, stock dividends are not income, but merely a distribution of capital, and a distribution of the value originally represented by one share into more shares, hence merely cutting down the book, and usually the market value of the shares held and received.

Example: Twenty-five men invest $500,000.00 in a manufacturing business which is incorporated. This mythical concern was organized in 1900 and subsequent to that time has made an average annual net income of 10 per cent. As the business increases, they needed all the capital available, hence the board of directors declined to declare any cash dividends, and the stockholders did not wish to receive stock dividends as they wished to at some future date receive their share of the earnings in the form of cash dividends, which would have been impossible if a stock dividend had been declared. Also, stock dividends have been subject to the surtax upon the receipt the same as cash dividends, although the stockholder received no value made stock dividends unpopular.

At the end of 20 years, a surplus of $1,000,000 has been accumulated and invested in additional plants and needed equipment.

In as much as a cash dividend would not be possible without borrowing the capital, and all is needed in the business; since the stockholder, if he wishes, can cash in, or sell his holdings, and yet is not subject to a tax on the dividend until he realizes a profit, accumulated surplus which were built up over long periods of time are now being declared, and as in the case above frequently a stock dividend of 200 per cent is declared, and to those who read such editorials as yours, they at once come to the conclusion that this was the amount of earnings of one year, and hence someone is profiteering. In other words they take it for granted that you know whereof you speak.

In the above case, at the end of the 20 year period one of the original shares of stock which originally cost $100 would have increased in value to $300, as the one share stock represents one-five thousandth interest in the company, hence is always worth par plus its share of the surplus.

When a stock dividend is declared the taxable status of the incorporation does not change; in fact, the only change is that the surplus is transferred to capital stock issued, and forever prevents that amount from being distributed as cash dividends. The net worth of the corporation remains the same. The value of the stock held by the stockholder remains the same, the only difference is the share which immediately prior to the declaration of the stock dividend was worth $300 is now worth one-third as much or $100. The stock dividend of 2 shares represents two-thirds of the original valuue, or $100 each, and all three shares are together now worth the same as the original share was prior to the stock dividend.

When the stockholder disposes of any of his holdings, he must report as taxable income all income received in excess of the original cost or its value on March 1, 1913. For instance, if he sold his entire holdings for $300, the original cost having been $100, and its value on March 1, 1913, having been $175, the income reportable would be $125 which would be subject to both the normal and the surtax rates.

It is lamentable that there is so much guessed at, and superficial thinking reflected in our daily papers relative to the workings out of the federal income tax law, as well as other questions. A great deal of the unrest, and feeling, between between capital and labor is due to such editorials as yours. Though my experience is limited, I am sure that there has been no marked evasion of the excess profits, or any other tax, and am equally sure that though our income tax law is complicated, necessarily so because of the necessity of a just and fair taxation law, it is the logical and fair method of raising the required revenue for the federal government. The law is not perfect, but it does not deserve the criticism that you and others have been giving, apparently because of the spectacular.

A good field for constructive criticism is the double taxation required by our present local property tax law, in as much as deduction of a bona fide indebtedness from the total assets in the taxpayers possession is permissable, except in items of certain intangible assets.

Yours truly,

H. L. CHAMBERS.

UTILIZE TABERNACLE.

To the Editor of The News-Times:

I would like to suggest a means of carrying on the christian spirit which the evangelistic campaign now being held is trying to inspire. The plan is this—the tabernacle building at the close of the revival be turned over to furnishing shelter temporarily at least to those who have been unable to find a home or shelter. This would show a christian spirit in the community and prove that christianity extends beyond words. The proper board might consider the idea, as the shelter is erected only to be torn down at considerable loss in a short time unless utilized as it stands. I offer this in sincerity to extend the spirit of christian endeavor.

Respectfully,

C. L. OSTRANDER.

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REPORTED DIVORCED IN PARIS

Mrs. Leonard M. Thomas, who has been described as "America's most beautiful woman," is reported to have received a decree of divorce from her husband in Paris several months ago. This report has taken her many friends by surprise.

ROADWAY HINDERED BY BABY MOUNTAIN

Black Powder and Tons of Dynamite Used to Remove Obstruction.

MORRISON, Colo., April 24.—It required 30 cans of black powder and two pounds of dynamite to raze a baby mountain that hindered the construction of a stretch of roadway near the mouth of Bear Creek canon, just north of here.

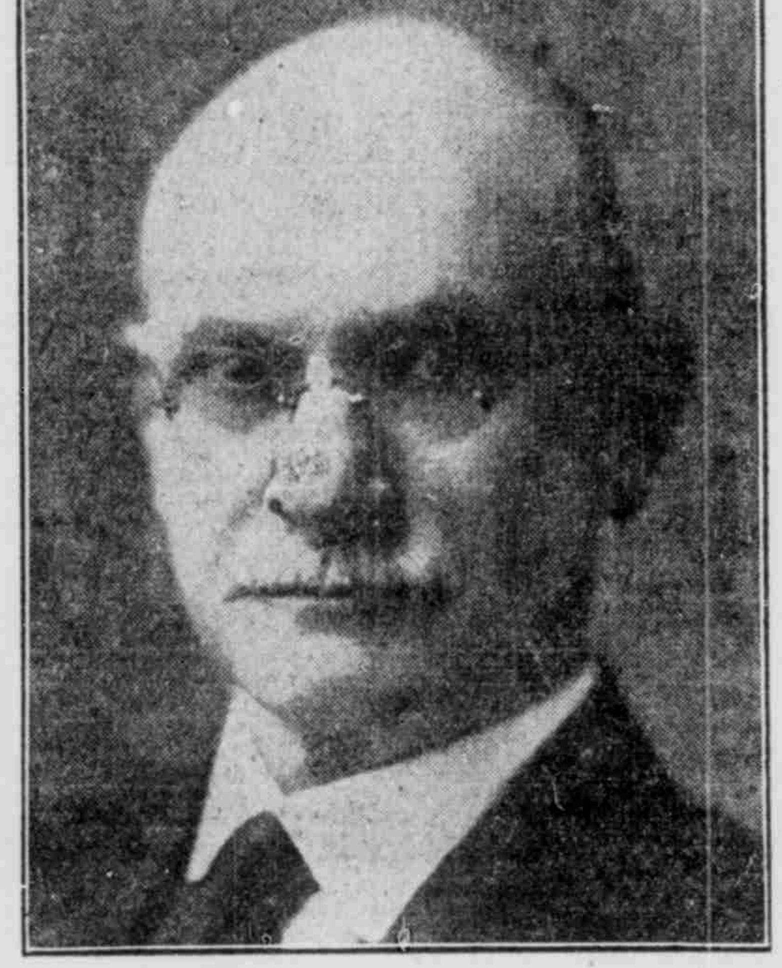
The same quantity of explosive judiciously placed, would wreck any one of New York's numerous skyscrapers, according to the engineer in charge of the work.

The young mountain that was jarred into pebbles stood on the survey line of a new road which is being built by the mountain parks department, to make accessible a new artificial lake in the canon.

The blaster who set off the explosive placed his charges of powder and dynamite so carefully that the buildings within the short radius of 50 yards were not damaged. When the charge "let go" a tremendous explosion reverberated through the canon, the mountain of rock swelled up and cracked into smaller pieces as a great cloud of black smake went skyward.

POLICE WATCH MOVIE.

So many hundreds of people swarmed about the CASTLE Sunday in an effort to see "The Great Air Robbery," which closes its run today, that the police made a special trip to see what it was all about.



FOR GOVERNOR
MASON J. NIBLACK
DEMOCRATIC TICKET

Hon. Mason J. Niblack of Vincennes is the only candidate for Governor in the primary, May 4th, who lives south of Indianapolis.

Southern Indiana Democrats have not been represented in the Governor's chair since the days of "Blue Jeans" Williams.

Hon. Thomas Taggart of Indianapolis is the unanimous choice of Indiana Democracy for United States Senator. He has no opposition and will be the party nominee. Northern Indiana is asking the nomination for Lieutenant-Governor. With Mr. Niblack on the ticket for Governor, the three sections of the State will be represented and the ticket will be well balanced. Care and forethought should be exercised so as not to "centralize" nominations all at Indianapolis. Think it over.

Mr. Niblack was born and reared in Knox County, a member of one of the most prominent Democratic families in the state. His father, Hon. William E. Niblack, represented the old First District in the United States Congress for sixteen years and was a member of the Supreme Court of Indiana for twelve years. He has two brothers, William C. Niblack, an eminent attorney of Chicago, and Rear Admiral Albert P. Niblack, of the United States Navy.

Mason J. Niblack has served four terms in the Indiana Legislature, twice as Speaker of the House of Representatives. He was the Democratic nominee for Lieutenant-Governor and the running mate of Mr. Adair in 1916. He served twenty-two years as a member of the State Board of Agriculture. He was a member of the Vincennes City School board for fifteen years. For the past fifteen years he has been President of the Indiana State Bee Keepers' Association.

Mr. Niblack lives on his farm and is a professional and practical farmer. He has devoted his energies entirely to the farm industry for the past twelve years. He has first-hand, practical, scientific knowledge of the farmers' problems. He has always been fair to labor.

Farmer candidates for Governor have always been winners with the people of Indiana.

Mr. Niblack is an old-line Democrat—honest, unassuming and capable. He believes in the integrity of the people and in their ability to manage their own local affairs without dictation or interference from the Governor's office. He does not believe in the modern schemes of centralization of power and authority.

Southern Indiana offers to the Democratic voters of the State her native son, Mason J. Niblack, in full knowledge that he measures up to Democratic standards and Democratic ideals as to qualifications and fitness for the chief executive officer of the State.

NIBLACK-FOR-GOVERNOR CLUB OF KNOX COUNTY, INDIANA.

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