

# OBSERVER.

## FAVETTEVILLE.

MONDAY EVENING, MARCH 14, 1864.

**THE TAX ON BANKS.**—We fear that our Legislators have not yet sufficiently considered some of the visionary and injurious notions which have unfortunately prevailed generally at the South. One of these is a tax on banks. Upon our earlier opposition we can account for the crushing taxes laid upon these institutions by the fact so clearly shown by the late elections, following as it does upon the heels of the most liberal course of the Banks to the Confederate government during the war. The Banks have invested monies in Confederate bonds and treasury notes, and sustained the cause in every mode within their power, whereupon the Congress taxes them, according to the understanding of an intelligent correspondent below, about four times as much in value as their entire annual profits. Such appears to have been the aim of the act.

But we think our correspondent is mistaken in one particular. He cites the 5th section of the act to show that Bank stock to be taxed 5 per cent. upon its value on the 17th of February, the date of the passage of the act. On the contrary, we think that the meaning of that provision was to tax upon property holders the ownership of property, and not to fix the valuation. Every man is to pay taxes on what he possessed on that day. As to the value of shares, the 24 section seems to be intended to fix that at what it may be at the time of assessment. That section is as follows:—

§24. On the value of all shares or interests held in any bank, banking company or association, canal, navigation, importing, exporting, insurance, manufacturing, telegraph, or other corporation, or in any company, and all other joint stock companies of every kind, whether incorporated or not, 5 per cent. the value of property taxed under this section shall be property in the neighborhood where assessed, in such currency as they be in general use there, in the purchase and sale of such property, at the time of assessment.

The time of assessment in this county will, we hear, be in May. And we think the assessment of Bank shares will be fixed according to the value at that time. There is no doubt that that value will be far less than 500 per cent. Even should it be as high as the general value of all other property, the tax would amount to more than the profits of the Banks. It is all wrong, we believe, as to a requirement of the dollar in specie for every dollar of circulation. We have not a copy of the charter at hand, but there is no such stringent provision.

We presume that the Bank of Cape Fear and the Bank of North Carolina are not liable to the tax of 5 per cent on gold and silver coin, for those Banks belong in large part to the State, and the Confederate government has no right to tax the property of a State.

With these remarks we submit the letter of our correspondent, as follows:—

W. H. H. P. N. C., March 9, 1864.

Messrs. E. J. Hale & Sons: In your issue of the 7th inst. you have an article headed "Large Dividend," referring to the dividend recently declared by the Bank of Cape Fear, and in which the tax on the stock of that Bank is 5 per cent on the value of the shares at the time of assessment and in the neighborhood where assessed. Your readers will observe that the assessment has not yet been made, and that the tax is 5 per cent on the value of the shares at the time of assessment and in the neighborhood where assessed. Your readers will also observe that the assessment has not yet been made, and that the tax is 5 per cent on the value of the shares at the time of assessment and in the neighborhood where assessed.

On the subject of tax on Bank stocks, or for shortness sake the tax on Banks, for the stockholders of the Bank, you will pardon me for going a little further into the subject. In your article I find the following: after alighting to pay the tax on Bank Stocks, it would be better for the shareholder, for the present, if he would give away his stock, provided he could get any body to accept it. You say Bank shares have been sold at 300 per cent. We will give you the value of the shares, as they are valued at the time of the passage of the act, and at the time of passage of the act. You say the Bank is taxed at least the stockholders. They can only charge 6 per cent interest per annum, every dollar of stock is worth a dollar for the dollar in gold, in ordinary times. We will say you make 10 per cent. per annum, some have not made it. We find them taxed as follows: one-tenth as in kind on all profits. A Bank has a capital of \$400,000, and has a profit of \$40,000, which makes the stock worth \$1,200,000. 5 per cent. tax on this amounts to \$60,000. Making the total tax the owners would have to pay \$400,000 Bank Stock, \$150,000, and receive as income from it \$40,000, or a net profit of \$40,000, and paying a tax of \$40 per share. On mixed property the tax on \$400,000 would be only \$20,000.

Some one may object to your mode of considering the Bank Stock. I am not precisely, but very near—and the tax on the stock is not so little, like the man who heard of a Bank breaking, said he would go home, and see if he had any more. He returned, and the tax was asked if he had any of the bills, said he had no bills on that Bank or any other. I do wish to see all who are able to be taxed, taxed with some justice, and all taxed alike.

CONTRACTS, &c., A. SUBSCRIBER.

**THE TAX ON LAND AND NEGROES.**—As the practical operation of the tax law begins to be developed, it will be found that the tax of 5 per cent on land and negroes is merely nominal, so far at least as these are employed in agriculture, for the value of the tax in kind delivered therefrom is to be deducted from the tax, and this tax therefrom is generally regarded as of greater amount than the 5 per cent. The general farmers have seriously inquired of us whether the reference will not be paid largely to them. Of course it will not, as the proviso expressly directs that "no credit shall be allowed beyond 5 per cent."

There was probably some reason, though it is unknown to us, why Congress doubled the taxes upon other interests, and required nothing more from lands and negroes. One of the good effects anticipated from the law will not be realized in consequence of this exemption. It was hoped that such of the agriculturists as are "withholding the corn" might be obliged to bring some of their surplus to market, so as to realize from its sale money to pay their new taxes. But as they will have no such taxes to pay, they will be under no necessity to sell.

The News continues to be cheering, at home and from the North. A failure of the mail deprives us of the particulars of the result of the yankee at Suffolk.

GEORGIA.—An extra session of the Legislature was convened on the 10th inst. Gov. Brown's message taken as the ground against the legislation of Congress on the currency against the suspension of the habeas corpus, and against the new military bill.

# FORREST'S VICTORY IN MISSISSIPPI.

The recent victory of Gen. Forrest in Northern Mississippi, which the grand plan of the yankees in the West was so effectively defeated, was one of the most remarkable achievements of this war. We have conferred with gentlemen recently from that section, who have furnished us with the main facts of that almost marvellous exploit.

Owing to the exhaustion of his horses, the want of arms and munitions, and other causes, Forrest could only afford to take 2,000 men to confront Smith and Grierson at Columbus. He took with him the cavalry of the yankees, he ever put in the field. Forrest's men, too, were mostly new and untried. He had recruited recently in West Tennessee. It seemed almost incredible that with such a force he should be able to crush and drive back Smith and Grierson's cavalry.

Forrest received these orders in time to reach Fort Forrest in time to reach Fort Forrest. He had to perform this immense undertaking. Confronting the enemy on the broad prairie near West Point, on the 7th inst. he prepared for action. The enemy consisted of the 2nd and 3rd Mississippi regiments, and the 1st and 2nd Louisiana regiments. Forrest, and threatening the instant demolition of his fort. The charge was given, and the yankees advanced with great boldness and an air of certain victory. They were met by Forrest's men, who were on the flank of the yankees. Forrest's men were on the flank of the yankees. Forrest's men were on the flank of the yankees. Forrest's men were on the flank of the yankees.

Forrest then mounted his men and began his pursuit, which he kept up with great vigor for nearly 20 miles, the enemy leaving behind many of his wounded and his baggage. Forrest's men were on the flank of the yankees. Forrest's men were on the flank of the yankees. Forrest's men were on the flank of the yankees.

The Florida Expedition Abandoned.—CHARLESTON, March 11.—The yankee forces engaged in the expedition to capture the State of Florida, and capture the cities of Tallahassee and Pensacola, have been abandoned. The expedition was abandoned. The expedition was abandoned.

While the armies of the Confederacy have been strengthened by the recent conscription and the men already put in the ranks, the Federal army will be much weakened by the loss of the 50,000 men who were sent to the front. The Federal army will be much weakened by the loss of the 50,000 men who were sent to the front.

Execution of a Yankee Spy.—DEMONIA, March 11.—A Yankee spy was executed this morning. The spy was executed this morning. The spy was executed this morning.

Incident of the War in Florida.—The following incident, illustrating the feeling of the negroes in Florida towards their brethren of the invading army, is taken from a private letter just received from the vicinity of the late battle in that State.

At Ocala Pond the yankee placed the negro troops forty yards in advance, and determined to shoot them if they ran. The negroes, however, were not so easily intimidated. They were not so easily intimidated. They were not so easily intimidated.

# LATEST MAIL AND TELEGRAPHIC NEWS.

From the North.—RICHMOND, March 12.—The New York Herald of the 5th inst. contains the following account of the late Richmond raid, which it pronounces neither definite nor satisfactory. The raid, it says, was a mere foray, and the raid, it says, was a mere foray.

From the South.—PETERSBURG, March 11.—Our readers will receive with pleasure, the cheering intelligence which the telegraph has just announced. It is that the General Grant has been driven back to the North. The General Grant has been driven back to the North.

From the East.—WILMINGTON MARKET, March 9, 1864. Beef Cattle, 2 to 2 50; Beef 3 00; Bacon 6 00 to 7 00; Butter 9 00 to 10 00; Corn 18 00 to 20 00; Eggs 20 00 to 22 00; Flour 4 00 to 5 00; Lard 2 00 to 3 00; Pork 4 00 to 5 00; Rice 10 00 to 12 00; Sugar 8 00 to 10 00; Tobacco 12 00 to 14 00; Wheat 2 00 to 3 00.

Notice to holders of Bonds of the Corporation of Fayetteville. PERSONS holding Coupons due for interest on the above Bonds, are notified to present them for payment on or before the 25th inst.

FOR THE OBSERVER. Messrs Editors.—Dear Sirs: Please to send me through your columns to address for the purpose of giving me a copy of the paper of the 26th of Feb. with the caption, "Latest Dodge." I have just received a copy of the paper of the 26th of Feb. with the caption, "Latest Dodge." I have just received a copy of the paper of the 26th of Feb. with the caption, "Latest Dodge."

# EDWARD PAYSON HALL.

EDWARD PAYSON HALL. I would respectfully announce to the public his constant and willing presence at the Academy, near Christ Church, Rowan county, N. C. His method of communicating the number of his lessons, and his fees, he himself capable of permanently benefiting would be by no means limited, and during the present distressing season of school, and urgent demand for the most impassioned exertions among teachers, his soul burns with the liveliest zeal to extend his child within his reach the benign influence of education.

1. That the chief lesson and the chief habit to be inculcated is Obedience. 2. A habit of observation should be formed in the student. 3. This will be accomplished by frequent progress in learning. 4. The business of education is half completed, whenever this habit is formed. 5. That a thorough knowledge of Grecian and Roman Literature, derived from reading the pages of the ancient classics, should form the grand work, not the gaudy pinnales of the educational fabric.

Bank of Clarendon. FAYETTEVILLE, N. C., March 8, 1864. NOTICE is hereby given to all persons indebted to the Bank of Clarendon, at Fayetteville, N. C., to pay the same on or before the 25th inst. as the present currency will not be received at par after that time.

Bank of North Carolina. ALL persons having Dividends due and unpaid in this Bank, Branches and Agencies, are hereby notified to pay the same on or before the 25th inst. as the present currency will not be received at par after that time.

Collect Your Dividends. STOCKHOLDERS in the Fayetteville Gas Light Company are notified that all dividends remaining unpaid on the 1st of April 1864, will be paid on or before the 25th inst. as the present currency will not be received at par after that time.