

J. E. WOOD DEFENDS SMALL PROCESS TAX PAYERS IN LETTER

Rebukes Congress in Answer To An Editorial in Norfolk Virginian-Pilot

Of particular interest to Herald readers is an article written by J. E. Wood, of Edenton, and appearing in Friday's issue of the Virginian-Pilot in answer to an editorial in that newspaper relative to the return of impounded processing taxes.

Mr. Wood's letter follows: "I read with great interest your editorial entitled 'Lucky and Unlucky Processors' in the January 22nd issue of the Virginian-Pilot. It is indeed an unholy tax mess, but the present administration in Washington has only itself to blame. If the President had not asked Congress last summer to pass legislation outlawing processing tax suits, it is doubtful that the courts would have found substantial grounds for enjoining the collection of processing taxes.

"Pay first and litigate later" has been the law in all tax suits heretofore, but when Congress threatened to take away the time-honored right of taxpayers to recover taxes illegally collected, it took away the justice in "pay now and litigate later." Naturally the processors immediately went to court and said, "Give us injunctions restraining further collection of these taxes because now that Congress is preparing to outlaw tax recovery suits we have no remedy at law in the event the tax is eventually declared unconstitutional."

As you doubtless remember, temporary injunctions were granted throughout the land and bonds and cash to secure unpaid taxes were impounded in the courts. Later the threatened legislation was passed, but so amended as to enable taxpayers to recover that portion of the tax which they could prove they did not pass on to the consumer or back to the producer. The government then moved that the injunction be dissolved but the courts denied the motion, ruling that there was still inadequate remedy at law as it was practically impossible to determine whether or not taxes had been passed on, and many judges held that no matter if they had, processors were entitled to full recovery under existing law.

Nor, it seems to me that the courts were right in this matter. Though I am not a lawyer, I would like to emphasize the fact that the disputed tax was not a sales tax but a tax imposed on the right to process certain commodities; and that since there is no law limiting the amount of profit a processor can make; any profit added to the price of these commodities to take care of possible processing taxes should have the same legal status as profit added to cover other expenses of doing business. Even though an expense is never realized, there is nothing to prevent a manufacturer from allowing for it in his prices. For instance, some companies carry their own fire insurance, adding a certain percentage to their prices and crediting it to a reserve to cover their losses if and when they occur. In the event they never have a fire, surely the law could not compel them to refund this fire insurance reserve to their customers. Neither should a processor have to refund his impounded processing tax reserve to his customers. Such action might not only eliminate his profit entirely but cause him a heavy loss as well. After all it must be borne in mind that the tax was ruled unconstitutional, thereby making it mandatory to give first consideration to the taxpayer—the processor!

As a matter of fact, I am reliably informed that only a relatively small portion of the \$200,000,000 of impounded funds returned to the processors represents a real profit. A

large part of it is little more than returned capital outlay, and when one recalls how prices of processed raw materials tumbled last spring when the NRA was invalidated and doubt was cast on the AAA, it will not be hard to believe that processors lost more than \$200,000,000 in inventory mark-downs.

That it is unjust for one group of processors to recover their taxes and another group be denied this right goes without saying. But the inference should not be made, as in your editorial, that the group which paid \$1000,000,000 to the Treasury recovered nothing, while those who paid \$2000,000,000 into the courts recovered all. The groups were not divided in that manner. You overlooked the fact that the bulk of the billion dollars paid to the Treasury was paid by those large processors who were the first to obtain injunctions and who shared heaviest in the \$200,000,000 return from the courts. The luckless lot is the vast number of small processors who played ball with the administration to the end. And whose fault is it that they are out of luck? Is anyone to blame but our dear, sweet Congress which has denied them the right to recover?

RYLAND

Excitement prevailed in the home of Mr. and Mrs. Isaac Byrum for a few minutes Sunday when the house was discovered to be on fire. The fire, which broke out in the dining room, was seen by Mr. Byrum just about the time it blazed, and prompt action by a bucket brigade soon had the blaze extinguished. The actual damage by the fire was small.

Mrs. R. S. Ward, who was quite sick several days last week, is now improving. Mrs. Ward fainted late Wednesday afternoon while attending a hog killing at the home of Mr. and Mrs. N. E. Jordan.

Mr. and Mrs. Joe White and son, Robert, of Gliden, visited Mrs. Harriett Parks Sunday afternoon.

Mrs. W. E. Copeland visited Mrs. Roy Parks last Thursday afternoon.

Carson Davis made a business trip to Chuckatuck, Va., Friday.

The regular meeting of the home demonstration club was held in the school building last Tuesday afternoon. Miss Colwell, home agent, was present, and discussed with the members the arrangement of furniture.

The condition of W. H. Boyce remains about the same.

Mrs. Roy Parks, L. T. Chappell and Juanita Lane were in Edenton on business Monday afternoon.

The "Chowan Coon Hunters" will be at Ryland school building Friday evening, at 7:30, with a string band. The Sunday School benefits from the admission charge, so give the "Coon Hunters" a big hand.

Miss Ronella Ward spent Monday afternoon in Edenton.

T. J. Dilday has been suffering with attacks of kidney colic for the past several days.

Mr. and Mrs. Heywood Phthisic and children, of Edenton, visited Mr. and Mrs. Roy Parks Sunday afternoon. Mr. and Mrs. Joe White and son, of Gliden, also visited Mr. and Mrs. Parks during the afternoon.

Roy Parks and Cameron Boyce spent Monday in Franklin, Va.

Mrs. H. H. Lane and children visited her brother, Wilbur Phthisic, near Belvidere, Sunday afternoon.

Mrs. C. W. Ward and son, Fermor, visited Mr. and Mrs. R. S. Ward on Friday evening.

Miss Mary Lee Davis spent Thursday with Mrs. Joe Byrum near Cannon's Ferry.

Mrs. Stephen Knox, of Oxford, was the guest of her parents, Mr. and Mrs. N. E. Jordan, several days last week.

Mrs. Jim Hudson, of Suffolk, Va., spent a few days last week with her sister, Mrs. N. E. Jordan.

Garland Byrum, a student at Wake Forest College, returned to his studies Wednesday, after spending a few days with his parents, Mr. and

Mrs. Isaac Byrum. Adolph Spivey, who has been in Washington, D. C., for the past few months, is at home with his mother, Mrs. Cornie Spivey.

Mr. and Mrs. Julian E. Ward and son, George, of Edenton, visited in the home of R. S. Ward Sunday afternoon.

Mr. and Mrs. Melhrie Jordan, of Suffolk, Va., spent Sunday with his parents, Mr. and Mrs. N. E. Jordan.

After spending the week-end with her parents, Mr. and Mrs. Isaac Byrum, Miss Pauline Byrum returned to Murfreesboro Sunday to resume her studies at Chowan College.

Mrs. Callie Copeland and children, from near Belvidere; Mr. and Mrs. Erson Blanchard and children, from near Hobbsville; Mr. and Mrs. P. E. Lane and little daughter, from near Hertford, visited Mrs. Louisa Ward Sunday afternoon.

Mr. and Mrs. Isaac Byrum and family motored to Windsor Saturday afternoon. They met their son, Garland, who was coming home from Wake Forest College.

COLERAIN

Miss Connie Wynne returned home Wednesday after spending several days with Mrs. L. D. Perry.

Mr. and Mrs. E. L. Stokes and Donald Newsome spent Sunday in Raleigh.

Mrs. Graham Harrell and Mrs. Shelton Pierce were shoppers in Norfolk, Va., Wednesday.

Mrs. J. A. Curran, of Edenton, spent Sunday with Mr. and Mrs. C. C. Hughes.

Mr. and Mrs. M. L. Brinkley and Miss Jennie Mae Brinkley spent Saturday in Greenville with Miss Carolyn Brinkley, a student at E. C. T. C. Miss Geneva Harrell, of E. C. T. C., Greenville, spent the week-end with her mother, Mrs. Avie Harrell.

Mrs. Annie Beasley is spending several days in Windsor with Mr. and Mrs. Merle Montague.

J. J. Beale, Mrs. W. E. White and Mrs. L. D. Perry were in Windsor Wednesday night in the interest of the school.

Mr. and Mrs. J. P. Deans had as their guests Sunday Mr. and Mrs. Alvin Eley, of Ahoskie.

Miss Julia Austin spent the week-end with her mother in Lewiston.

Mrs. J. K. Spruill, Mrs. H. O. Harrell and Mrs. Luther Winborne were in Ahoskie Thursday shopping.

Mrs. J. M. Britt was carried to Protestant Hospital, Norfolk, Va., Monday. She was accompanied by Mrs. W. E. White, Mrs. Lee Miller and Grady Britt.

Grady Britt, of Wake Forest College, is spending a few days with his parents, Mr. and Mrs. J. M. Britt.

Mr. and Mrs. J. A. Curran, of Edenton, spent Sunday with Mr. and Mrs. C. C. Hughes.

The Woman's Missionary Union held their meeting of the new year Friday afternoon. Circle I rendered a splendid program. A large attendance was present.

Ford Co. Distributes Valuable Almanac

Publication of a "Farm Almanac and Facts Book" which will be distributed to the rural population in all parts of the country has been announced by the Ford Motor Company.

The book is of a convenient pocket size, containing 48 pages. It is unusual in make-up and content, presenting an extensive array of handy tables, statistics and charts for the assistance of the farmer and business man. Other sections are designed to aid the farm wife.

This first Ford Almanac is published for 1936 and is now being distributed. It carries a readily available calendar on the back cover and contains tables showing the time of rise and set of sun and moon in all parts of the country every day of the year.

Other helpful and interesting astrological and astronomical information is included.

Among the other prominent sections of the book are: A list of memorable historic events for each day of the year, facts about the universe, explanations of physical phenomena, a list of important festivals and anniversaries for the year, rules for forecasting weather conditions, population statistics, facts and records on farming as an industry, discussion of the farm of the future, information on citizenship and naturalization, a brief review of the history and development of the United States, "do's and don'ts" for use in emergencies, poisons and their antidotes, instructions for flower and vegetable gardening, crop seed sowing instructions, a list of places of interest to the tourist, parcel post rules and regulations, temperature and rainfall charts, dates of killing frosts in all parts of the country, and a table of distances between the principal cities of the country.

Stories on the founding and development of the Ford Motor Company and about the Ford Rouge Plant, word pictures of famous Edison Institute Museum and quaint Greenfield Village, established within a few miles of the Rouge Plant, are other features of the Ford Farm Almanac.

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