

## Taxes Amounting to \$3,000,000 Involved

**In Action of Railroads Against State Commissioner of Revenue—Three Issues Involved—Railroads Claim Reductions Like that Given Other Properties.**

### FIRE LOSSES \$36,000 A DAY.

**An Interesting Usury Case—Teachers Must Pay Income Tax, Says Commissioner.**

(By Maxwell Gorman.)

Raleigh, Feb. 1.—Attorney General Manning, former Supreme Court Justice Brown, Hon. Thos. D. Warren, of counsel for the state, in the hearing at Greensboro of the railroads against the State Commissioner of Revenue, have returned from Greensboro, where the case was heard by three federal judges.

It will be at least a month before the decision is announced to the public. About three million dollars in taxes are involved.

Judge Waddill announced the decision to take at least thirty days before passing upon the three issues. If the railroads lose, the next move will be theirs. Lacking any stay against the collection of taxes, they are expected to appeal to a higher court and are expected, if they lose there, to carry their case to the Supreme Court of the United States.

If a temporary injunction against the collection of taxes in question is granted, the cases will be heard on their merits, with evidence presented. The Southern and Atlantic and Yadkin will be heard in that case, in Western North Carolina Federal District Court, and other cases will go before Judge H. G. Connor in Eastern North Carolina Federal District Court at Raleigh.

#### The Three Issues.

First, were the railroads discriminated against by the revenue commissioner of North Carolina, A. D. Watts, when he refused to reduce appreciably or to reduce at all the tax valuations of the Southern, Atlantic and Yadkin, Atlantic Coast Line, Seaboard, and Norfolk Southern, in view of horizontal reductions made in other real estate in sixty-seven counties of North Carolina?

Second, is the state corporation franchise tax as it applies to railroads constitutional?

Third, is the state corporation income tax as it applies to railroads constitutional?

#### Valuations Assessed.

What are the valuations assessed by the state and the one fought for as "fair" by the roads? They are:

Southern, assessed, \$96,306,357; admitted, \$59,904,438. Atlantic Coast Line, assessed, \$51,164,717; admitted, \$34,645,345. Atlantic and Yadkin, assessed, \$4,104,710; admitted, \$1,999,000. Seaboard, assessed, \$34,768,440; admitted, \$27,119,384. Norfolk Southern, assessed, \$22,215,032; admitted, \$14,522,200.

The railroads have paid taxes for 1921 on the admitted value, but have not paid anything on the franchise tax and the income tax.

#### Heavy Fire Losses.

Thirty-six thousand dollars a day fire loss in North Carolina during the month of January, running the aggregate up to within a few thousand of the million mark and establishing a new record for monthly losses, has puzzled and alarmed the State Department of Insurance. Investigation of a number of the larger fires has been ordered by Commissioner Wade.

#### An Interesting Usury Case.

As a penalty for collecting annually, in advance, interest at the

rate of six per cent on a note which ran for seven years, R. J. Whitley, well known business man of Zebulon, will be required to pay \$1,020, unless a judgment signed by the clerk of Wake County Superior Court be reversed. Action to recover money alleged to have been paid in usury, with an added penalty of 100 per cent was instituted on September 28, 1921, by I. M. Deaton, Raleigh. Complaint was filed on November 4, 1921, and no answer has been recorded, judgment having been ordered yesterday by default, upon motion of attorneys for the plaintiff. However, the defendant has engaged counsel, and the question may yet be threshed out in the courts on an appeal from the judgment of the clerk.

According to the complaint, Deaton borrowed \$1,500 from Whitley, executing a mortgage on his home. The complaint alleges that Deaton received only \$1,410 in cash, collecting a year's interest in advance. The complaint alleges that when the note fell due in 1915 Deaton was able to pay only \$500, paying \$60 interest in advance on the remaining \$1,000. The complaint alleges that in each year the time was extended, interest for one year being paid in advance in each instance until 1920, when a bonus of \$60 was paid in addition to the interest payment. The note was finally settled and the mortgage discharged in April, 1921.

In his complaint the plaintiff sets up two causes of action. In the first, under which judgment was signed, he demands double the amount of all interest payments and the bonus. In the second cause of action, only repayment of the \$450 paid as interest is demanded, while double the amount of the bonus is asked, the whole being \$570.

#### Teachers, Also, Must Pay Tax

Revenue Commissioner Watts has ruled that school teachers, state highway engineers and all other state, municipal and county employes must pay taxes on their incomes just like any other class of people who work for a salary. There is no exemption of a person from taxation for the simple reason that he draws a salary from the state. The state is not allowed to tax employes of the federal government, who get their salaries direct from some local disbursing office of the federal government.

The commissioner has found some misunderstanding about the income tax. Many people believe they have paid the income tax for 1921, when as a matter of fact they have paid the taxes due the state on the incomes they made in 1920. This income was listed with the county list-takers in May of last year, and has been due since the fall. Some of these taxes have not been paid, and some people paid them only this year. The fact that income tax blanks may have been received soon after the person had paid an income tax to the state caused the confusion.

The commissioner reiterates that the counties will not collect the income tax for 1921, which will be due on or before March 15th, after which date penalties accrue. This tax will be collected direct by the state through the Revenue Department.

"There is an apparent contradiction in the income tax law," Col. Watts says. "In one section it seems not to provide for a return from corporations having less than \$1,000 net income, while in another section it taxes all corporations on their entire net income. The commissioner has had the matter up with the attorney general, who advises that all corporations are required to make returns on their entire net income without exemption. This course will be taken until a determination by the court is had. All the net income of partnerships is taxable in the individual returns of the partners whether such profits have been actually paid to the partners or continued in the business. This ruling conforms to the federal law in this respect."

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Ancient Greece made demi-gods of her scientists and physicians.

### LAST NIGHT OF LECTURE COURSES, FEB. 8th.

Several Games Basket Ball Scheduled This Week and Next.

Cor. of The Gleaner, Elon College, Jan. 31—Mr. C. E. W. Griffith, reader of Shakespeare's plays, is scheduled to appear in the College auditorium on next Wednesday night, February 8th, at 8:30 p. m. This is the last number of the concert and lecture course for this college year.

Mr. Griffith holds that it is the Reader's art to illumine literature; to popularize what is good in modern writing, and to revive the priceless treasures of the classics. Only a few of Shakespeare's plays will be presented on the stage, but the reader makes it possible to realize dramatically all of his mighty creations.

Two games of basket ball are to be played on the Elon court this week, Thursday, Feb. 2nd., Elon vs. N. C. State, and Feb. 4, Saturday night, Elon vs. Wofford College, South Carolina. For the following week—Feb. 8th, Guilford at Elon, game called at 7:30 o'clock, and Feb. 10, Davidson at Elon. All games called at 8:00 o'clock except the game with Guilford on the 8th, on account of the lecture at 8:30.

#### Foch And Lee.

Louisville Courier-Journal.

It is hardly to be wondered at that the greatest soldier of the twentieth century should take occasion to pay his tribute of admiration and affection to the memory of one of the really great commanders of modern times, a soldier whose military genius was equaled only by the purity of his purpose and the splendor of his character.

Soldier-like, Marshal Foch employs few words in answering the anonymous "American Patriot" who had telegraphed him at a Virginia town that Robert E. Lee was "a traitor."

If General Robert E. Lee was a traitor, said the marshal of France, Napoleon Bonaparte was a coward. If General Lee was a traitor, I wish France had more of them. He was one of the greatest military leaders the world has ever known.

In winning the World War, Ferdinand Foch leaned heavily upon the shoulder of Robert E. Lee. It was "the sword of Lee" that flashed on every battlefield in France from the first Battle of the Marne to Armistice Day.

Lee's strategy, revived and employed first by Joffre and later by Foch, held the Hun along the French front, swift to attack, wary to retreat only to attack again, until at length the Hindenburg Line was pierced and the enemies of civilization sued for peace.

In this estimate of Lee, Marshal Foch takes his stand beside Viscount Wolsey, of England, who declared that Lee was the greatest soldier given to the world since the days of Marlborough.

#### Spending Less Than One Earns.

James Rolph, Jr., Mayor of San Francisco.

Thrifty—The spending of less than one earns, the putting aside each week of as much as can be spared from one's income—is a basic element in the career of every man or woman who has, by his or her efforts, attained success in life.

Being thrifty, a most commendable attribute, the problem of investing one's savings wisely and profitably arises. To those versed in business and finance the matter is a simple one, but to many others the possession of means, however slight, exposes them to the insinuating advances of unscrupulous promoters of crooked investments.

We are all units in the most stable, the most honest Government on earth, and nothing is more safe, for an investment, than our own Government's certificates and bonds—Treasury Savings Certificates. I would counsel the small investor to buy of these securities as many as he can afford, to hold them once they are purchased, and thereby to feel secure in receiving reasonable returns on his money.

## Some Aspects of the Farmers' Problems

By BERNARD M. BARUCH

(Reprinted from Atlantic Monthly)

The whole rural world is in a ferment of unrest, and there is an unparalleled volume and intensity of determined, if not angry, protest, and an ominous swarming of occupational conferences, interest groupings, political movements and propaganda. Such a turmoil cannot but arrest our attention. Indeed, it demands our careful study and examination. It is not likely that six million aloof and ruggedly independent men have come together and banded themselves into active unions, societies, farm bureaus, and so forth, for no sufficient cause.

Investigation of the subject conclusively proves that, while there is much overstatement of grievances and misconception of remedies, the farmers are right in complaining of wrongs long endured, and right in holding that it is feasible to relieve their ills with benefit to the rest of the community. This being the case of an industry that contributes, in the raw material form alone, about one-third of the national annual wealth production and is the means of livelihood of about 40 per cent of the population, it is obvious that the subject is one of grave concern. Not only do the farmers make up one-half of the nation, but the well-being of the other half depends upon them.

So long as we have nations, a wise political economy will aim at a large degree of national self-sufficiency and self-containment. Rome fell when the food supply was too far removed from the belly. Like her, we shall destroy our own agriculture and extend our sources of food distantly and precariously, if we do not see to it that our farmers are well and fairly paid for their services. The farm gives the nation men as well as food. Cities derive their vitality and are forever renewed from the country, but an impoverished countryside exports intelligence and retains unintelligence. Only the lower grades of mentality and character will remain on, or seek, the farm, unless agriculture is capable of being pursued with contentment and adequate compensation. Hence, to embitter and impoverish the farmer is to dry up and contaminate the vital sources of the nation.

The war showed convincingly how dependent the nation is on the full productivity of the farms. Despite herculean efforts, agricultural production kept only a few weeks or months ahead of consumption, and that only by increasing the acreage of certain staple crops at the cost of reducing that of others. We ought not to forget that lesson when we ponder on the farmer's problems. They are truly common problems, and there should be no attempt to deal with them as if they were purely selfish demands of a clear-cut group, antagonistic to the rest of the community. Rather should we consider agriculture in the light of broad national policy, just as we consider oil, coal, steel, dyestuffs, and so forth, as sinews of national strength. Our growing population and a higher standard of living demand increasing food supplies, and more wool, cotton, hides, and the rest. With the disappearance of free or cheap fertile land, additional acreage and increased yields can come only from costly effort. This we need not expect from an impoverished or unhappy rural population.

It will not do to take a narrow view of the rural discontent, or to appraise it from the standpoint of yesterday. This is peculiarly an age of flux and change and new deals. Because a thing always has been so no longer means that it is righteous, or always shall be so. More, perhaps, than ever before, there is a widespread feeling that all human relations can be improved by taking thought, and that it is not becoming for the reasoning animal to leave his destiny largely to chance and natural incidence. Prudent and orderly adjustment of production and distribution in accordance with consumption is recognized as wise management in every business but that of farming. Yet, I venture to say, there is no other industry in which it is so important to the public—to the city-dweller—that production should be sure, steady, and increasing, and that distribution should be in proportion to the need. The unorganized farmers naturally act blindly and impulsively and, in consequence, surfeit and death, accompanied by disconcerting price-variations, harass the consumer. One year potatoes rot in the fields because of excess production, and there is a scarcity of the things that have been displaced to make way for the expansion of the

year, and has nothing to sell. The bulk of his output comes on the market at once. Because of lack of storage facilities and of financial support the farmer cannot carry his goods through the year and dispose of them as they are currently needed. In the great majority of cases, farmers have to entrust storage—in warehouses and elevators—and the financial carrying of their products to others.

Farm products are generally marketed at a time when there is a congestion of both transportation and finance—when cars and money are scarce. The outcome, in many instances, is that the farmers not only sell under pressure, and therefore at a disadvantage, but are compelled to take further reductions in net returns, in order to meet the charges for the service of storing, transporting, financing, and ultimate marketing—which charges they claim, are often excessive, bear heavily on both consumer and producer, and are under the control of those performing the services. It is true that they are relieved of the risks of a changing market, by selling at once; but they are quite willing to take the unfavorable chance. If the favorable one also is theirs and they can retain for themselves a part of the service charges that are uniform, in good years and bad, with high prices and low.

While, in the main, the farmer must sell, regardless of market conditions, at the time of the maturity of crops, he cannot suspend production in toto. He must go on producing if he is to go on living, and if the world is to exist. The most he can do is to curtail production a little or alter its form, and that—because he is in the dark as to the probable demand for his goods—may be only to jump from the frying pan into the fire, taking the consumer with him.

Even the dairy farmers, whose output is not seasonal, complain that they find themselves at a disadvantage in the marketing of their productions, especially raw milk, because of the high costs of distribution, which they must ultimately bear.

(CONTINUED NEXT WEEK)

Statue of Christ as Peace Symbol. Archbishop Glennon, of St. Louis, in a sermon the other day, said that the Christian people of the world should construct a huge statue of Christ, using material from scrapped battle-ships and cannons, and place it upon a mountain top to stand as a symbol of lasting peace. "The nations of Christendom," he said, "should at this time, when the armament conference at Washington is attempting to prevent future wars, express their unanimous longing for peace by planning the erection of the statue to the Prince of Peace."

#### Brilliant Sign Has Few Lights.

An electric sign recently tried out with success replaces the individual lamps in the rim of the letter with small mirror reflectors, according to Popular Mechanics Magazine. These reflect the light supplied by two 25-watt lamps, placed near the center of the letter and fitted with opaque caps, so as to be invisible from the front. An arrangement of this kind will effect a considerable saving in lamp renewals and current consumption.

#### Tip for Lloyds.

Subhead—"Bridegroom buys insurance against rain on wedding day." How about a policy against squalls later on? someone up and asks.—Easton Transcript.

#### Some Copper in All Plants.

A small amount of copper is present in all plants grown in natural soil. It seems to have some nutritive function, but not to be an essential element.

#### New Idea for Keeping Fruit Fresh.

To keep fruit fresh for months after it is picked an Argentinian has patented a device that holds the stems in water.

#### As in Football.

Life is full of ups and downs and it takes a wise fellow to make his downs help him toward his goal.—Boston Transcript.

#### Worth Remembering.

Don't worry if you stumble—a worm is about the only thing that can't fall down.

#### The True Test.

The true test of civilization is not the census, nor the size of cities, nor the crops—no, but the kind of a man the country turns out.—Emerson.

#### Washing Umbrellas.

Umbrellas should be washed occasionally. Stand them open, in a bathtub, scrub with a small hand brush and rinse with a bath spray.

#### Mummy's Wisdom.

"Mummy, may I have that chocolate you promised me now?" "Bless the child! Didn't I tell you you shouldn't have any at all if you didn't keep quiet?" "Yes, mummy." "Well, the longer you keep quiet the sooner you'll get it."—Brooklyn Eagle.

### PROFESSIONAL CARDS

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## PATENTS

OBTAINED. If you have an invention to patent please send us a model or sketch with a letter of brief explanation for preliminary examination and advice. Your disclosure and all business is strictly confidential, and will receive our prompt and personal attention.

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## Sale of Real Estate Under Deed of Trust.

Under and by virtue of a certain deed of trust executed by Charlie Wilson to Graham Real Estate Company on the 6th day of August, 1920, securing the payment of certain bonds described therein, which deed of trust is duly probated and recorded in the office of the Register of Deeds for Alamance county, in Book of Mortgage and Deeds of Trust No. 87, at page 170, default having been made in the payment of said bonds and interest thereon, the undersigned trustee will, on

MONDAY, FEB. 6, 1922,

at 12:00 o'clock, noon, offer for sale at public auction to the highest bidder, for cash, at the court house door of Alamance county, in Graham, North Carolina, the following described real estate, to wit:

Beginning at a stake, corner with Monroe Harding and running N 87 deg W 120 ft to a stake in said Harding's line; thence S 2 1/2 deg W 111 ft to a stake; thence S 85 deg E 120 ft; thence N 20 deg E 114 ft to the beginning point, containing .31 of an acre (thirty-one hundredths of an acre), but to be the same be there more or less, the same being a tract of land purchased by Giles Tinnin from McBride Holt and wife, Etta A. Holt, and sold by said Giles Tinnin to Anderson Newlin by deed dated 11th January, 1901, and recorded in Book No. 22, and on which there is a frame dwelling.

This sale will be made subject to increased bids as provided by law, and will be held open ten days after sale to give opportunity for such bids.

This Jan. 2nd, 1922.  
GRAHAM REAL ESTATE CO.,  
Trustee.