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SIXTEEN PAGES TODAY.

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ABSENTEES CAUSE REPUBLICANS TO FLOUNDER AROUNI

Senator Penrose Unable To Get Taxation Revision Bill Before The Senate

SENATOR LODGE CAN'T

Senator Borah On Hand With Stack of Objections When Committee On Foreign Relations Meets; Finance Corp'n Extends Credit of \$15,000,-000 To Grain Growers

The News and Observer Boreau. 603 District National Bank Bldg. By EDWARD E. BRITTON-

(By Special Leased Wire.) Washington, Sept. 22.-The Republi cans in the Senate were drifting around appeared today to be both rudderless and leadershipless. As a consequence it got nowhere after an all day talk fest. And the same lack of leadership showe up in the Sennte committee on foreign relations. So far as getting anywhere today the Senate might just as well have kept on in the recess business, for at this rate it will not be able to put affairs in shape for action by the House in many weeks.

Senator Lodge, Republican lender, went up into the air because of the absence from the Schate of so many There are 26 of them Republicans. who have not yet shown up and the Massachusetts Schater was frankly disentisfied with the failure of his Republican colleagues to put in an appearance after a holiday of nearly a month. The roll call of Wednesday showed as present in all 56 Senators, just a little more than a quorum, and there were no additions to the list today.

Democrats Also Absent. In addition to the 26 Republicans absent there are 15 Democrats also abrent, but this absenteeism in the minority is not holding up business, for the Republicans are running the shop these days. The Republican absentecism threatens another jam in legislative

husiness and so urgent is the need of Senators that a hurry up call has been acut out to them to come back and get on the job. There is complaint among some of the Bepublican Scantors here that their colleagues who are absent are not taking affairs seriously enough, that they are not realizing that there is a great mass of work to be done, and that a Republican unjority must be ready at all times to take care of party

The absence of leadership was shown Penrose in his attempt to have conmideration given the revenue bill- That Sterling got the conference report on the anti-beer bill before the Senate during the morning hour, despite the effort of Senator Penrose to get the revenue bill in shead of the anti-beer

With the anti beer having the right of way, it was discussed for a long time Senator Shields, and after 2 o'clock the Panama canal free tolls question was to the fore. The vote on it is to be taken on October 12, but there will be many arguments on its honesty and merit before the voting time agrives During the day it was seen that Senato: Peprose could get the revenue bill nowhere, the failure to do this with a measure declared to be so important showing that the Republicans are runming around without capable leadership

Senator Lodge In Hole. In the Senate judiciary committee Senator Lodge found himself in a hole with the peace treaties with Germany and Austria bothering him. Of the 16 members of the committee only eight were present this morning and Senator Knox wanted more Republicans of his point of view for Senator Borah was present with a stack of objections to the ratification of the treaties. Boiled down his objections are that the treaties with Germany and Austria smell too much of the Versailles pact. He held that the Harding peace treaties simply took America "through the back instead of the front door' into affairs and entanglements in Europe, that there would be a moral if not a legal obligation to setain American troops in Germany with the ratification of the treaty, that Amer icans on the reparation commission would mean that this country would have to have a hand in European af fairs for at least the next 40 years Much attention was given Senator Bornh's views by Senator Johnson and Senator Brandegee, Republicans, and Senator Shields, Democrat, these mem-"Irreconsilable" group bers of the "Irreconsilable" group. Other Republicans are standing put with the administration, while neither Senator Swanson nor Schator Pomerene Democrats, had anything to say of their position on the matter. It now appears certain that there will be much Senstorial oratory when the peace creaties

reach the Scunte. Census Figures Given Out. The Census Bureau today made for North Carolina. The exact figures will not be obtainable till about July 1, when there will also be given out the number of persons engaged in each particular occupation, the statistics were 895,621 persons 10 years of age stituting 35.0 per cent of the total April . population of the State and 46.6 per cent of the population, 10 years of 34 ARRESTED ON CHARGE In 1910 the 947,839 age and over. gainful workers were 43.06 per cent of the total population of the State and 60 per cent of the population 10 years of age and over. Of the gainful work-

(Continued On Page Two)

PICTURE OF OLD MAN IN MIRROR OF DUPLIN FARMER AROUSING MUCH INTEREST

Mount Olive, Sept. 22 .- A picture of an elderly man, with gray hair and long gray beard, has recently appeared on a mirror in the home of Roscoe Garner, a Duplin farmer living near here, and cannot be erased. News of the strange ap-parition has appead ropidly and has caused no end of speculation as to the cause of its appearance there. Hundreds from far and near have journeyed to the Garner home to satisfy their own curiosity about it. But the likeness remains

MANAGE PEACE TREATIES EMPHATIC DENIAL OF CHILD'S STORY

Prominent Elizabeth City Business Man On Trial For Attacking Young Girl

Elizabeth City, Sept. 22.-Taking the stand late this afternoon in his own behalf, L. L. Winder, prominent real estate man and broker of this city, today like a ship without a rudder, like made a complete and categoric denial an army whose leaders have all gone of the story told by 13 year old Hattie to sleep on the job. In fact, the Sonate Puckett before the recorder last Spring and repeated without material change at this afternoon's session of Superior

The girl's story is that one after noon after school last March she went to Mr. Winder's office in the Hinton building to try to sell him a ticket to the Elks' Minstrel show, then shortly to be given in the city. She declared that in the course of this visit, without provocation on her part, Winder asthough she was too frightened, suprised and onfused at the time to cry out for

Winder went so far as not only to eny the girt's story but also to state hat she made improper advances to him to which be paid no attention.

"The girl has never had any attracion for me. I want that distinctly understood," he declared in the course of his cross-examination by Solicitor Ehringhaus. Again when he was being chided for

not rebuking when according to Winler's testimony she sat in his lap, the witness said "That girl has no more regard for a man than she has for a The case against Mr. Winder, on the harge of carnal knowledge of a virtu-

morning at the opening of court, but all the morning session was taken up with the selection of a jury. Hattie Puckett, prosecuting witness, was put on the stand at too opening of court this afternoon. Her story was

ous female child over twelve and under

corroborated by her mother, Mrs. Talla Duckett, and the State rested. Mr. Winder took the stand at a few and demand." minutes after 4 o'clock. Two more in the Senate in the failure of Senator witnesses were put on by the defense during the afternoon before adjournment, the purpose of their testimony measure was present all "dressed up being to impeach the character of the with nowhere the go" or at least Senator prosecuting witness. So far no serious Pearose could find nowhere to take it. misconduct, other than on Winder's

> Court held a night session in an effort to wind up the case before the

noon recess tomorrow. WILSON LOOKING FOR BIG FAIR THIS WEEK

Wilson, Sept. 22 .- With cotton, tobacand other farm products selling for air prices and the general outlook for righter days, the indications point to large attendance at the second annual fair of the Wilson County Fair Assointion.

Many improvements have been made Williams, when a member ex-officio of ince the fast exhibitions and stable the Federal Reserve Board directors, as Many improvements have been made and cattle pens are ample. The features will be horse racing, all kinds of attractions that will attract, and in Federal Reserve banks and in a majorifact everything will be done to make ty of cases, the salaries he is now the fair a grand success. The grounds will be open day and night with fireworks at each night's exhibition.

MANY DELINQUENT TAX PAYERS ON WILSON LIST

Wilson, Sept. 22.-Sheriff B. E. Howard says the amount due by delinquent tax payers of Wilson County is around \$50,000 and that the penalty is 10 per cent, and that he will be forced to collect even if he has to advertise and sell real and personal property. These delinquent taxes are for the year 1920. The total amount for the year, less the delinquency, was \$382,000. The books for the 1921 taxes will be opened the first week in

ALFRED R. WILSON BUYS

DRUG STORE IN SELMA. Dunn, # Sept. 22,-Mr. and Mrs. Alred R. Wilson left yesterday for Selma where Saturday Mr. Wilson assumed charge of the drug store established several years ago by the Richardon Drug Company. He will devote his entire attention to the business in future.

Mr. Wilson has been traveling for a wholesule drug concern since he ourt the real estate business here year ago. He is a brother of C. L droggest, J. W. Wilson, lawyer, and Mrs. A. L. Newberry, of Dunn. He was sugaged in the drug ousiness in Columbus county for several years bepublic preliminary occupation statistics fore coming to Dunn nearly two years ago:

FERTILIZER CONCERN PASSES

New York, Sept. 22.—The American laws for American citizens. It has be being obtained in the fourteenth Agricultural Chemical Company today contended, a well organized Depart-The statement is that there omitted the quarterly dividend of 1 1-2 ment of Justice to enforce the Federal per cent on preferred stock due at this law and well organized State suthoriand over in North Carolina engaged time. The company has paid no divi ties to maintain the laws of the sev in gainful occupations in 1920, con dends on its preferred stock since last eral States.

OF PLOTTING PRISON BREAK

four men are under arrest here as a tiary, prison officials announced today. day by President Harding.

AHEAD FOR SOUTH, HARDING STATES

Head of Federal Reserve System Guest at Made-In-Carolinas Exposition

DEFENDS POLICIES OF FEDERAL RESERVE BANK

Causes of Agricultural Prosperity Ascribed To Economic Reasons; Says Lowering of Discount Rates Had Nothing To Do With It; Takes Shot at John Skelton Williams

Charlotte, Sept. 22 .- Governor W. P. Board, was an honor guest at the exosition today. Three hundred bankers from out of town were here. He was also honor guest at a banquet tendered him by the American Trust Company in the city auditorium at 1 o'clock, this being one of the most notable events Charlotte has known. The guests numbered 500. Bankers, business men and industrial leaders of the Carolinas' renotest sections being represented.

The future prosperity of the country, and especially the South, hisges upon the method of crop marketing and what prices prevail for the raw products of hose districts, "in which normally so arge a part of the country's purchasing power lies" declared Governor Harding. Bright Prospect For Future.

He said that "with proper co-operation of the part of merchants and bankers, those engaged Th agriculture now have opportunities and prospects which 1929. sobody anticipated a few months ago." He emphasized the necessity for pushing the foreign trade as it relates to cotton and the main products of Southern farms. Some means must be devised, he said "for extending long time credits abroad or interesting American invest ers in foreign properties and securities in order that the exchange which now nuss so heavily against other nations may be corrected." There have always been years of prosperity and years of dversity, but the Federal Reserve system can do a great deal to modify them and to hold them in check.

"Here in the South, we are all reolding over the recent advance in verprice of cotton. This advance is not due to any increase in the loans of fourteen years of age was talen up this the Federal Reserve banks or to any expansion of the currency. As a matter of fact, the amount of Federal Reserve notes in circulation today is about \$500,000,000 less than when eatton reached its lowest point last spring. The advance in the price of cotton is due to economic causes, to the opera-tion of the inevitable law of supply

No Change in Policy. He said that a change in the discount rate is not necessarily a change in

policy "The discount rates of the Federal Reserve banks during the year 1919 were below the market rate, as was the Seizing the opportunity Senator testimony, has been proved against case during the greater part of the The war did not end in a financial sense with the signing of the armistice and the exigencies of the treasury seemed to require a sontinuance for some months of the Federal Reserve discount rates which prevailed during the war. The reaction, when it came was over due and was brought about by world wide economic causes, which were entirely beyond the control of cny group of banks, of cay board or of any gov

Speaking of John Skelter Williams

he said: "It was part of the duties of Mr. omptroller of the currency, to pass open the salaries given officers of the criticizing as extravagant were approved by him."

DEPARTMENT OF JUSTICE TO PROBE KU KLUX KLAN

Agents Instructed To Investi gate Organization Throughout The Country

Washington, Sept. 22 -High officials of the Ku Klux Klan may be sum moned to Washington for interrogation by the Department of Justice, Attorey General Daugherty indicated today. Director Burns, of the department's bureau of investigation, Mr. Daugherty announced, has been instructed to set his agents at work on an investigation of the Klan's organization in various

parts of the country. In connection with the possible sum noning of Klan leaders to Washingon, the attorney general said the Department of Justice had the authority to summon any one and it was its policy in the course of an investigation to talk the matter over with the per-

sons involved. The attorney general said that any criminal prosecutions would for the most part be matters of State law unless there had been some violations of the Federal statutes through the use of mails to defraud.

There is no need in this country, Mr. Daugherty said, for vigilance or-ganizations. The country does not need, he added, any self constituted ITS REGULAR DIVIDEND organization to define and enforce the

> CALIFORNIA WOMAN NAMED -ASSISTANT ATTORNEY GENERAL Washington, Sept. 22.-Nominations of

fornia, and of John W. H. Crim of

DEMOCRATS URGE REDUCTIONS MADE IN INCOME TAXES

Minority Members of Senate Finance Committee Offer Amendments To Tax Bill

WOULD SUBSTITUTE A TAX ON GASOLINE

Would Also Retain Capital Stock Tax, Amounting To \$60,000,000 Yearly, Which Lepublicans Plan To Repeal; Suggested Reductions Would Benefit Millions of People

Washington, Sept. 22.-Reductions in G. Harding of the Federal Reserve the normal tax rates on individual incomes of \$15,000 or less and a graduper cent on the incomes of corporations in place of the suggested flat rate of 15 per cant were proposed in amendments to the Republican tax revision bill offered today in the Senate by Senators Walsh, of Massachusetts, and Gerry, of Rhode Island, Democrats(on the finance committee.

To make up the \$105,000,000 loss from the tax on individual income, it was proposed that a tax of one cent'a gallon on gasoline be imposed at the source and that the capital stock tax, yielding around \$60,000,000 annually, be retained. The majority bill provides for repeal of this tax, effective in

Would Reduce Income Taxes. Under the Gerry amendment, indiridual tax payers whose net income is less than \$5,000, would pay a normal rate of two per cent instead of four per cent on \$4,000, as provided in the revised bill; tax payers whose net income is between \$5,000 and \$10,000 would pay a normal tax of four per cent on the excess over \$5,000, instead of eight per cent, on all over \$4,000 and taxpayers whose net income is between \$10,000 and \$15,000 would pay a normal tax of six per cent on the excess over \$10,000 instead of eight

per cent on the excess over \$4,000. Incomes in excess of \$15,000 would pay at the rate of eight per cent on all over that amount but, it was explained, they would receive the benefit of the lowered normal tax up to \$15,000. The surtax rates as fixed by the finance

committee would remain unchanged.
Under the corporation income tax
amendment offered by Senator Walsh. the rate on the first \$100,000 of corporation net income would be 10 per cent; that on the income between \$100,-000 and \$300,000 would be 15 per cent and that on the income in excess of \$300,000 would be 20 per cent. Would Benefit The Masses.

"This schedule," said a joint state nent issued by Senators Walsh and Republican mjority t ave a net income of more than \$300,-000 each per year."

Discussing the proposed reductions the normal income rate on individual incomes below \$15,000, the state ment said:

"This change will reduce materially the tax bills of over 3,000,000 tax pay ers, in striking contrast with the Resublican plan of cutting in addition o lowering the surtax bracket, the nigh surtaxes fom taxpayers whose in-

"The loss to the government by our dan will amount to about \$105,000. 00, yet the Republican majority have with one fell swoop eliminated the exess profits taxes and thereby reduced he revenue of the government \$450,

1,000,000 There should be no reduction of the substantial character proposed by the Republican majority, leading to such tremendous reductions in the needed revenue of the government in the inter est of excessive profit making corpora tions, without providing for a just and whose income is less than \$15,000." Senator Simmons Concurs

The statement by Senators Walsh and Corry was concurred in, it was am conneed by Senators Simmons, of North Carolina, and Reed, of Missouri, the other two minority members of the finance committee now in Washington. It made a general attack on the tax recision hill as reported yesterday by the finance committee, declared the measure to be "unsound inequitable and indefensible."

It was explained that the statement issued today was in no sense a minor ity report on the bill. A minority report will be submitted to conferences of the Democrats on the committee and of the Democratic membership in the

The majority report also has yet to be submitted. Chairman Penrose told the Senate today that he hoped to have it ready tomogrow. He plans at that time to call up the tax bill with a view to having it rend and brought to immediate consideration. He made an unsuccessful effort to get the measure up today but the beer bill got the right

NAMES WOOD AS GOVERNOR OF PHILIPPINES Washington, Sept. 22.-Majer Gen Goldsboro market ral Leonard Wood was formally nomi-

nated by President Harding today to fessional men hell at the Chamber of Daughesty sold today. he Covernor General of the Philippine Commerce rooms here this afternoon General Wood, whose selection for the post was announced several weeks tion of Wayne county to be their guests Jefferson City, Mo., Sept. 22. Thirty- Mrs. Mabel Walker Willebrandt, of Cali- ago, has spent the past several months at a barbeeue dinor to be given Friday as an organization before 500 members the allegation that the Interstate Com-

in the Philippines investigating condi-September 30, at a half may point be of the grand lodge of Missouri A. F. result of the discovery of a plot to New Jersey to be assistant attorneys tions for President Harding and is ex- tween Goldstoro and Fremont. The and A. M., last night, declaring it "a \$65,004,438 on the company's property make possible a wholesale escape of general, were included in a long list peeted to assume the governorship for object of the gathering is for the secret, furtive organization whose prisoners from the Missouri peniton of nominations sent to the Senate to a period of one year as soon as his musiness men and farmers of Wayne methods are subversive to American nomination is confirmed.

FLOURISHING TOWN A MASS OF DEBRIS

Eleven Hundred Dead and 4,-000 Injured Latest Estimate of Disaster

VAST CRATER SLOWLY FILLING WITH WATER

Soldiers In French Uniforms Clearing Away The Wreckage, and Picking Up The Dead and Injured As After a Big Battle; Moaning and Cries Still Being Heard

Mannheim, Sept. 22 .- (By the Associated Press).-Desolation and ruins alone remain of what was once the ated tax of from 10 per cent to 20 flourishing town of Oppau. The town had 6,500 residents, of which a majority of the men engaged in the chemical works were killed or wounded. Soldiers in French uniforms are clear ing away the wreckage, picking up the siend and injured as after a big battle. Eleven hundred dead and four thou-

and injured is the latest estimate of the disaster yesterday which caused a greater number of casualties in the Mannheim Ladwigsshafen district than the four years of the war. The desolation around Oppau equals anything seen at Verdun or in Flanders over a similar area. Hundreds of persons are digging in the ruins for the bodies of relatives or friends, nearly a thousand of which have been recovered thus far. Many Injured Uncared For.

Thirty six hours after the explosion from the gaping, funnel like hole where the Badische works formerly stood there are still to be heard moan ing and cries of the wounded, while the soldiers search for possible sur vivors. Twenty five hundred of the in-jured are reported to have passed through the hospitals of the surround ng cities. The vast crater is slowl filling with

water, and it may never be known how many victims found a grave there. Al outilated but still living animals "rawling amidst the twisted girders and blocks of concrete are being put out of their misery. The firemen and relief workers have not yet been able to discard their gas masks. The Thirty-Second Army corps of the

French army is in complete charge of the area and every available French medical officer had arrived early this morning to co-operate with the German physicians and surgeons. The French and German Red Cross are co-operating and a big German sanitary train has brought large quantities of medical supplies. The German officials thanked General Degoutte for the prempt manier in which the French army came to the assistance of the victims-

French Take Over Relief. The French high commissioner on the Gerry, "will reduce the tax on the net Rhine, M. Tirard, and his entire staff income of 195,000 corporations upon took charge of the relief work. The ceases the tax from 10 per cent to 15 the surrounding towns to enlist the per cent, while it increases the tax on mayors and people in the relief plan, only about 4,000 corporations which in which the labor unions are uniting. Several of the funds have already as sumed large proportions.

From Frankouthal, four miles away there was a steady exodus of the popuation, in which bandaged heads and village of Edigheim was badly wrecked, and it has not yet been possible to rescue some of the victims who are known to be under the debris.

At Oppau whole families were com-pletely wiped out, about three hundred come is over \$66,000, which affects not bodies having already been placed in more than 5,000 of the wealthiest the adjoining cemetery awaiting burial The Mannheim hospitals are crowded with anjured, more than 400 persons having suffered from the explosion in his city

Train Blown Off Tracks. Several French soldiers were killed and many wounded when the force of Oppan explosion wrecked

French barracks at Eisenbeim. A train which had just left that station was blown off the tracks, plowing through he wooden skeds where French soldiers of occupation were quartered. General Degoutte personally decorated a Moroe can soldier who rescued eleven wound equitable reduction to the individual ed from the wreckage, the African being severely burned about the hands and neck.

The expects who are inquiring int the cause and that the expitmon proably occurred in the course of tests of e compression of a new gay, the properties of which were insufficiently

Primarily, it is reported, the disester, was caused by the explosion of fifteen tons of Ammonium sulpline the preparation of a new gas in wille temperature of between 560 and 75% de grees centigrade were needed.

TOBACCO SELLING FOR GOOD PRICES IN WAYNE

Goldsboro Chamber of Com merce To Give Barbecue For Fremont Business Men

Guldshoro, Sept. 20 With 52 to looked for the first few minutes today broken outthat 1919 proce had returned too ranging from 31 cents to 33 cents. At the close of the days' sales the general average was \$2111 a 100 points. All are delighted with the price on the

At a meeting of the lineness and too invitations were issued to 150 business men and farmers in the Fremont secounty to become closer acquainted.

EXPLOSION LEAVES SOUTHERN RAILWAY SEEKS INJUNCTION TO ESCAPE TAXES

WARREN SAYS HE HAS NO COMPLAINT

New Bern Lawyer Expresses Appreciation For Strong Support Given Him

New Bern, Sept. 22.- 'I am no kicker and have no complaint to make," was the sentiment expressed today by Thomas D. Warren relative to the appointment of Judge Adams to succeed the late Justice W. R. Allen- Mr. War ren has just returned from Jones county where he attended Superior court In an interview this afternoon he had the following to say:

"While I appreciate more than I can express the support of friends through out the State in their effort to have me appointed associate justice of the Su preme court I accept the result with no feeling of resentment or bitter ness and as soon as I heard of Judge Adams' appointment I wired him my sincerest congratulations. I have known Judge Adams for a number of years there is no better man in North Carolina.

"He is every way qualified and eminently fit for the position to which he has been appointed." He has my best wishes for a long and useful service and the people of the State may rest elf and the State.

"I am no kicker and have no com plaint to make. I am unwilling to capitalize defeat or party service for personal aggrandizement. My service to the party and my friends has been rendered without any hope or wish for reward. The Democratic party owes me nothing except the opportunity tried to serve it in the past."

KU KLUX HEADS HOLD MEETING IN ATLANTA

Simmons Says He Will Investi gate Charge Against Clark and Mrs. Tyler

Atlanta, Sept. 22.-The imperial 'exposure" of the organization being from collecting any taxes levied against published in certain newspapers the railroad. throughout the country, Col. W. J. Simmons, Imperial Wizzerd, stated today. He declared a thorough investigation filed here late this afternoon by S. K. would be made of charges against E. Y. France, sudden must be the plain-Clark, Imperial Kleagle, or organizer, and Mrs. Elizabeth Tyler, also connectof with the Klansmen.

Solicitor General John A. Poykin today said the Folton equaty grand jury could start tomorrow a sweeping investigation of charges that police court books have been mutilated in an effort to obliterate records of a case of "displaint. orderly conduct against Clarke, and Mrs. Tyler, filed in 1919. Mr. Boykin arms in slings were conspicuous. The said he was a member of the organization but asserted that fact would to way hamper him in the prosecution of cases in court.

Mr. Simmons declared today he was to answer interrogations regarding his organization for the department of and State treasuries, will be tied up

DISASTROUS FIRE AT POLKTON BURNS BANK Scarcity of Water Makes It Im possible To Combat Blaze

Successfully

Wadeshore, Sept. 22 -There was very disastrous fire at Polkton, a small town between here and Charlotte, last night. The bank building and several the A. C. L. will start suit within the tores were destroyed, the loss running next few days. into several thousands of dollars. The origin of the fire is unknown. Ow ing to the scarcity of water, it was eathle to combat the fire.

ten wears in the penitentury for thin act, its values were increased to having shot and killed J. D. Hyatt Jr., \$96,605,604. The values for the current and who through his attorney's gave year were reduced \$299,000 as against actice of appeal to the Supreme court, a reduction of approximately has given bend in the sum of \$10,000 million asked for oud returned to his home in Liurus ville township. The bond was quickly was estimated was the net operating larranged, having been signed by a num the pressure of an atmospheres and a her of prominent Assen County citi

A meeting of the parent teacher asso mage for the purpose of introducing of much entoyed

The prolonged drouth has so din reash prent amount of this fall has been received here in six marks or more

To Pass On Debs' Pardon

Washington, Sept. 22 - Recommends Wayne and adjoining county farmers Eugene V. Debs, ancialist leader in prisoned at Atlanta for violation of the ductions in the value of railroad prop-

> Governor Condemns Ku Klux St. Louis, Sept. 22.—Governor Arthur M. Hyde, condemned the Ku Klux Klan

ideals, and the rule of the law.

Federal Court Asked To Set Aside Valuations Placed On Property By State Tax Commission

RAILROAD ATTORNEYS WANT TO SMASH INCOME ACT OF CONSTITUTION

Want Thirty Million Dollars Lopped Off of Assessments and Quarter Million of Taxes Wiped Off Books In 49 Counties; Injunction Sought, If Granted, Would Tie Up Tax Collecting Machinery, So Far As Southern Is Concerned; Claim Discrimination In Disallowing Request For Reduction and Allege Franchise Tax To BeUnstitu-

Greensboro, Sept. 22 .- An order to estrain the entire tax levying ma2 chinery of the State, the sheriffs of 49 ounties, tax collectors in 97 municipalities and collectors in 13 special chool tax districts from collecting any tax levied against the Southern Railway is sought in injunction proceedings started here today in Federal court seeking to set aside the value assessed upon it by Revenue Commissioner A. D. Watts.

Allegation is made in the complaint that Revenue Commissioner Watts has discriminated against the defendant in disallowing their claim for reduction in values in counties where other property has been reduced; that the basis of values used is in restraint of inter state commerce; that the franchise tax is unconstitutional; and that the income tax provided by the constitutional amendments adopted last year is in inlation of the constitution of the Uni-

ted States. Would Enjoin Whole Works. Prayer is made that Commissioner Watts be enjoined from making certification of assessment to State Auditor Baxter Durham, and that the latter be enjoined from charging taxes for colection; that State Treasurer B. R. Lacy be restrained from collecting franchise taxes, and that Attorney General James S. Manning be restrain-"Kloncilium" or council of the knights ed from entering suit for the collec-of the Ku Klux Klan is holding a ses tion of taxes based on the assessment, sion in Atlanta to consider the alleged and that the sheriffs and tax collectors mentioned, in the brief be restrained

> No temporary injunction was asked for in the proceedings. Papers were filed here late this afternoon by S. R. Three judges must hear the case, one of them a member of the United States Circuit court of appeals. No arrangements for the hearing have as vet been made, and no date has been named. Papers will be filed upon the Commissioner, Governor. Revenue Audifor, Treasurer, and the Sheriffs and Tax Collectors named in the com-

Nearly Half Million Involved. Approximately \$350,000 in ad valorem taxes assessed by county, municipal and special school districts, and \$96,-100 in franchise taxes assessed and col le-ted by the State for State uses, making a total of \$440,000 is involved in ready at any time to go to Washington the biligation. These moneys, usually the first to be paid into the county

> until the courts finally pass upon the questions raised in the complaint. Threat of an appeal to the courts was unde by three great railroad systems of the State when their appeal for reduced assessments was heard by Comnissioner Watts in July. Both the Atantie Coast Line and the Seaboard Air. Line are contemplating similar action in the Federal courts, seeking to comel Commissioner Watts to care the assessment made against them. complaints have thus far been filed by ther road, but it is understood that

Claims Unfair Valuations. In its complaint the plant ff railroad acts forth that its holdings in this State in 1919 were valued at \$46,869. T. K. Smith, who was sentenced to 942, and that in 1929, under the revalua-

The busis upon which the valuation income over a period of five amounting to \$6,117,625 and this was capitalized at a x per cent interest. giving a total value to the road and its ciation was held at the Baptist par equipment of \$101,960,413, deduction being made for subordinate lines. The he teachers to the patrons of the plaintiff degrees that this is fair, on the shoul. The meeting was well attended grounds that the net income is seatcored over many States, and pre-rated un a mileure basis to North Carolina, if the water suggly here that the sit a State that Yields little initial revenue, eation, despite several showers re it is a cried. Herein lies the charge conty is still somewhat serious No that the assessment is a violation of interstate commerce act. Complaint is rent on a base when money was bring-

Charge Discriminatory Action

Charge of unfair and discriminatory treatment in counties where horizonone on the question of a pardon for tal reductions in real estate values have been made without corresponding rear laws, may be sent to President criv, and the tax rate raised to compen Harding next week. Afterney General sale for the reduced property value is made in the complaint. Exhibits are filed showing the counties in which re-Inctions have been made, and the corresponding increase in the fax rate. Another exhibit is made to support

> nicree Commission has fixed a value of whose in North Carolina. This valuation, ac-

> > (Centinued on Page Two.)