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## JANUARY 14-21 WEEK TO MOVE FREIGHT

McADOO APPEALS TO PEOPLE OF UNITED STATES FOR ITS OBSERVANCE.

### WILL CLEAR UP CONGESTION

An Earnest and United Pull All Along the Line Will Achieve Wonders—Administration Subjected to First Attacks at Capitol.

Washington.—The administration bill to regulate government management of railroads was subjected to its first attacks at the capitol.

Resolutions were introduced in the Senate seeking to amend the section providing for indefinite continuance of government control by providing for automatic return to private control after the war. The basis of compensation on the earnings of the three years ending last June 30 was criticised in a hearing by the Senate interstate commerce committee by Julius Kruttschnitt, chairman of the executive committee of the Southern Pacific, who suggested instead the two and a half year period between July 1, 1915, and December 31, 1917, arguing that earnings for 1915 were below normal.

The House interstate commerce committee will start hearings on the bill and will hear Interstate Commerce Commissioner Anderson explain the measure.

The railroad administration devoted itself to executive measures to clear up congestion on eastern railroads, and Mr. McAdoo appealed to the people of the United States to observe the week of January 14 to 21 as "freight moving week" through an organized movement to unload cars and turn them back from terminals. In anticipation of government assistance in railroad financing, roads were instructed to report immediately the amount of capital they need for the coming year.

Mr. McAdoo's statement on a concerted movement to clear congestion said:

"I wish to appeal to the people of the United States to observe the week beginning January 14 and ending January 21 as 'freight moving week,' and I earnestly request the governors of the various states, the public utilities commissioners, the mayors of national defense, the federal and state food and fuel administrators, the chambers of commerce and other business organization, business men and shippers generally, trucking companies and all railroad employees concerned, to organize locally and make a supreme effort during this week to unload freight cars, to remove freight from railroad stations and to clear the decks for a more efficient operation of the railroads of the country.

"An earnest and united pull all along the line will achieve wonders in this direction. We can help ourselves and relieve an immense amount of suffering if we attack the problem vigorously and in the true spirit of co-operation."

### SUPREME COURT HOLDS DRAFT ACT IS CONSTITUTIONAL

Authority of Congress to Declare War and Provide Armies Is Power to Draft Men.

Washington.—Every contention raised against the selective draft act was swept aside by the supreme court in an unanimous opinion delivered by Chief Justice White, upholding the law as constitutional. Authority to enact the statute and to send forces to fight the enemy wherever he may be found, the court held, lies in the clauses of the constitution giving Congress the power to declare war and to raise and support armies.

"As the mind cannot conceive an army without the men to compose it," said the chief justice, "on the face of the constitution the objection that it does not give power to provide for such men would seem to be too frivolous for further notice."

The opinion then proceeded to take up and definitely dispose of each of the many questions raised by counsel for the convicted persons whose appeals brought the law before the court.

No action was taken by the court in the several pending cases involving charges of conspiracy to prevent the carrying out of the purposes of the law. It is understood that these cases, which include the appeal of Alexander Berkman, Emma Goldman, Louis Kramer and Morris Becker, convicted in New York, later may be made the subject of a separate opinion.

J. SEYMOUR LLOYD



New portrait of J. Seymour Lloyd, who has been made director general of recruiting in England. He is well versed in military affairs, and under his supervision recruiting already has increased largely.

### NEW POLICY IS ANNOUNCED

ARE THOSE WITHOUT FAMILIES DEPENDENT UPON THEM FOR LIVING.

All Men Who Have Reached 21st Birthday Since June 5 Are Required to Register.

Washington.—All men for the war armies still to be raised by the United States will come from Class 1 under the new selective service plan. That means the nation's fighting is to be done by young men without families dependent upon their labor for support and unskilled in necessary industrial or agricultural work.

Provost Marshal General Crowder announces the new policy in an exhaustive report upon the operation of the selective draft law submitted to Secretary Baker and sent to Congress. He says Class 1 should provide men for all military needs of the country, and to accomplish that object urgent amendment of the draft law so as to provide that all men who have reached their 21st birthdays since June 5, 1917, shall be required to register for classification. Also, in the interest of fair distribution of the military burden, he proposes that the quotas of states or districts be determined hereafter on the basis of number of men in Class 1 and not upon population.

Available figures indicate, the report says, that there are 1,000,000 physically and otherwise qualified men under the present regulation who will be found in Class 1 when all questionnaires have been returned and the classification period ends February 15. To this the extension of registration to men turning 21 since June 5 of last year and thereafter will add 700,000 effective men a year.

Class 1 comprises: Single men without dependent relatives, married men who have habitually failed to support their families, who are dependent upon wives for support or not usefully engaged, and whose families are supported by incomes independent of their labor; unskilled farm laborers, unskilled industrial laborers, registrants by or in respect of whom no deferred classification is claimed or made, registrants who fail to submit questionnaire and in respect of whom no deferred classification is claimed or made, and all registrants not included in any other division of the schedule.

Narrowed down under the analysis of the first draft made in the report, the plan places upon unattached single men and married men with independent incomes most of the weight of military duty, for the aggregate number of men in the other divisions of Class 1 is very small.

### COMPULSORY RATIONING IN ENGLAND IS COMING

London.—Compulsory rationing is to be put into effect in England at an early date, according to Lord Rhonda, food controller, speaking at Silverton. He prefaced his announcement by saying that he was afraid that compulsory rationing would have to come, that it was on its way, and then declared that his department had completed a scheme and that as soon as the sanction of the cabinet had been received it would be carried out.

## DEMURAGE RATES HIGHER AFTER 21ST

NEW CHANGES TO PROMOTE MORE PROMPT UNLOADING OF FREIGHT CARS.

### AN IMPERATIVE NECESSITY

McAdoo Announces New Rates and Appeals to Shippers and Consignees to Co-Operate in Releasing Freight Cars Quickly.

Washington.—To promote more prompt unloading of freight cars, Director General McAdoo established new railroad demurrage rules for domestic traffic, effective January 21, continuing the present two days' free time but providing for increases ranging from 50 to 100 per cent in charges thereafter.

The director general appealed to shippers and consignees to co-operate in releasing cars to meet the national emergency and to make special efforts even before the higher demurrage charges go into effect to clear terminals as a contribution to the success of the war. The necessity for action was emphasized by a report from A. H. Smith, assistant director general in charge of operations east of the Mississippi river, that "accumulation is increasing at points east of Pittsburgh and Buffalo." Mr. Smith reported that the situation was due largely to cold weather, but that sickness among trainmen and engineers and scarcity of labor has necessitated extensive curtailment of train service.

### New Demurrage Rates.

The new demurrage rates approved by the interstate commerce commission on request of the director general, are \$3 per car for the first day after the two free days \$4 for the second day, and \$1 additional for each succeeding day until the charge per day reaches \$10. This maximum then will be charged for every day or fraction thereafter. Existing demurrage rates in most sections of the country are \$1 for the first day after the two days' free time, \$2 for the second day, \$3 for the third day, \$5 for the fourth day, and for each day thereafter. Even these rates are several times higher than those which prevailed a year ago, and which were raised last spring when congestion on eastern railroads became acute. Much higher rates are charged on the Pacific coast and in several other districts.

### PEACE NEGOTIATIONS WITH RUSSIANS IS SUSPENDED

Germans Would Not Transfer Parleys to Neutral Soil.

The peace negotiations between the central powers and the bolshevik government in Russia have been "temporarily suspended" by the Germans.

From the meager advices received, it appears the rock upon which a continuation of the parleys split was the demand of the Russians that the conference be resumed at Stockholm instead of at Brest-Litovsk. Dissatisfied with the proposals for peace made by the Teutonic allies before the recess of the Brest-Litovsk conference, Leon Trozky, the bolshevik foreign minister, had been insistent on the deliberations being held on neutral soil instead of at the German eastern headquarters. The Germans, however, had been equally firm in their determination not to treat with the Russians at any other place than Brest-Litovsk.

German advices Saturday were to the effect that the bolshevik delegates, on finding that the representatives of the Teutonic allies were at Brest-Litovsk awaiting them, had started for this town, but nothing has come through to show that these had any foundation in fact. The decision of the Germans to discontinue the sittings was arrived at during a crown council held in Berlin Saturday which was attended by Field Marshal von Hindenburg and General von Ludendorff, first quartermaster general.

### FOOD SITUATION OF ALLIES IS VERY GRAVE

Washington.—The food situation in the allied countries of Europe is graver than it has been at any time since the beginning of the war and is giving American government officials deep concern. Official reports picture extreme food shortages in England, France and Italy.

The fact that conditions in Germany and Austria are far worse offers the only ground for optimism in viewing the situation.

COUNTESS VON BERNSTORFF



This is Mrs. Marguerite Vivian Burton Thomason of Burlington, N. J., who was married recently to Count Christian von Bernstorff, son of the former German ambassador to the United States. The countess is about thirty-five years old and already has divorced two husbands. The count is only twenty-six years of age.

### QUICK WORK IS MOST VITAL

ENTIRE UNITY IS TO BE THE WATCHWORD OF NATION AND ALLIES.

Agreement Reached in Paris War Conference—Allies to Make Available Necessary Transports.

Entire unity henceforth is to be the watchword of the United States and allies in the prosecution of the war.

American troops are to be rushed to the fighting fronts in large numbers as quickly as possible, and there is to be perfect co-ordination in naval, military, financial, food, war industries and diplomatic matters.

The agreement between the allies for unified action was reached at the recent inter-allied conference in Paris, which was attended by an American mission headed by Col. E. M. House and arrangements already have been made for the United States to carry on its part of the compact.

In order that American troops may be dispatched in a constant stream to Europe, the allied nations are to arrange their merchant shipping that the necessary transports will be available for the huge task. That quick work in getting the American army to the front is most vital is indicated by a statement of Major General Maurice chief director of military operations at the British war office. General Maurice says it is probable that with their heavy reinforcements, drawn from the eastern to the western front, the Germans shortly will make a strong offensive against the British and French armies and that the enemy may be expected to make some gains.

### SEPARATE PEACE WITH GERMANY NOT PROBABLE

Petrograd.—(By the Associated Press.)—The chances of a separate peace between Russia and the central powers being effected seem remote, because of what are regarded as Germany's unreasonable demands. Leon Trozky, the bolshevik foreign minister, and his associates take the stand that the Baltic provinces are in reality under military pressure while they continue to be occupied by Germany, and that their votes with respect to peace must be ignored, as now these provinces are virtually German dependencies, the loyal Russians having fled. The Russian delegation upon its return from Brest-Litovsk laid before the council of commissioners at Petrograd Germany's demands, which caused amazement and the declaration that the council was not favorable to acceptance.

### TRAIN ATTACKED BY INDIANS AND MANY ARE KILLED

Tucson, Ariz.—A train on the Southern Pacific railroad was attacked 32 miles south of Empalme, Sonora, and from 20 to 30 passengers were killed, according to advices received here. The conductor and an express messenger were among those killed. Some of the passengers were from Tucson but fair names have not been learned. The attack was by Yaqui Indians. The train was the continuation of the one which left Nogales several days ago.

## WILSON ASKS FOR NEW LEGISLATION

WANTS TO REGULATE THE GOVERNMENT OPERATION OF RAILROADS IN U. S.

### IS APPROVED BY CONGRESS

Asks That Carrier Be Guaranteed Compensation on Basis of Average Operating Income for the Last Three Years.

Washington.—Legislation to regulate the government operation of railroads and to guarantee the carriers compensation on the basis of their average operating income for the last three years was asked of Congress by President Wilson in an address to both houses in joint session. Bills embodying his recommendations and carrying an appropriation of a half billion dollars as a "revolving fund" were introduced immediately and an attempt will be made to rush them to prompt passage.

While the president's address met with general approval among democrats and republicans alike, opposition is expected to develop to a provision in the administration bill that federal control shall continue after the war indefinitely or until congress orders otherwise and other details of the compensation basis.

The plan will affect immediately only the wage requests of the brotherhoods but demands which may be made later by other classes of organized labor probably will be handled in the same way, Mr. McAdoo reserving the right to make whatever decision he chooses without regard to recommendations of the advisers.

Some increases, both to the brotherhoods and to other railway labor, are generally considered certain. The director general in a statement promised every employee "that his rights and interests will be justly dealt with," and appealed for a hearty spirit of enthusiasm and co-operation from every one.

Efforts to speed the movement of coal and other freight continued along with the legislative and labor phases of the railway movement and special orders were issued providing that 500 additional cars shall be furnished daily to a certain specified bituminous and anthracite mines, mainly in Pennsylvania, for supplying New England.

These problems forced Mr. McAdoo to postpone action on eastern passenger traffic officials' recommendations for curtailment of passenger schedules but he is expected to issue orders then for abandonment of a number of trains and elimination of parlor and sleeping cars to a great extent.

Mr. McAdoo explained today that although no general provisions can be made under the law for exempting railroad employes from the draft, he will not hesitate to appeal to local exemption boards to defer the calling of these workers if the boards of their own volition do not display a tendency to regard the railroads as an essential industry from which employes should not be taken for military service.

When the president concluded, the administration bill was introduced in the senate by Senator Smith, of South Carolina, ranking Democratic member of the interstate commerce committee. In addition to appropriating \$500,000,000 and providing for the compensation basis under which the government guarantees an aggregate return of some \$900,000,000 a year, the measure sets forth in detail the conditions upon which government operation is to be carried on.

Under the last provision the president is expected to issue an order transferring to Director General McAdoo all functions vested in the chief executive. This will enable the director general to organize a corporation for handling railroad securities in accordance with a plan now under consideration.

Railroad officials are expected to urge a number of modifications of the accounting method prescribed by the bill for reaching the standard return basis, but officials expect the scheme as outlined in the bill probably will be followed in the main. Some discussion is looked for over the bill's provision that new federal taxes under the war revenue act are not to be charged against the revenue in computing the standard return as are ordinary taxes. The effect of this will be to require railroads to pay war taxes out of their governmental compensation.

## MUST YOU PAY TAX ON YOUR INCOME?

Matter That Every American Is Called On to Determine Without Delay.

### MARCH 1 LIMIT FOR RETURNS

Failure to File Them Involves Severe Penalties—Taxpayers Will Be Assisted by Treasury Officials in Every County.

Washington.—The time has arrived for every American subject to the income tax division of the war revenue act to figure up his income and file his return. If he is unmarried and has a net income of \$1,000 or more, or if he is married or the head of a family and his net income is \$2,000 or more, he must pay the tax. His return must be in the hands of the collector of internal revenue in the district in which the taxpayer lives or has his principal place of business before March 1, 1918.

The man who thinks to evade this tax is making a serious error. Revenue officials will be in every county to check returns. Failure to make a correct return within the time specified involves heavy penalties.

"Net income" means gross income less certain deductions provided for by the act. The law defines income as profit, gain, wages, salary, commissions, money or its equivalent from professions, vocations, commerce, trade, rents, sales and dealings in property, real and personal, and interest from government bonds, or state, municipal township or county bonds. Incomes from service as guardian, trustee or executor; from dividends, pensions, royalties, or patents, or oil and gas wells, coal land, etc., are taxable.

### Normal Rate Is 2 Per Cent.

The normal rate of tax is 2 per cent on net incomes above the amount of exemptions, which is \$2,000 in the case of a married person or head of a family and \$1,000 in the case of a single person. A married person or head of a family is allowed an additional exemption of \$200 for each dependant child if under eighteen years of age or incapable of self-support because defective. The taxpayer is considered to be the head of a family if he is actually supporting one or more persons closely connected with him by blood relationship or relationship by marriage, or if his duty to support such person is based on some moral or legal obligation.

Debts ascertained to be worthless and charged off within the year and taxes paid except income taxes and those assessed against local benefits are deductible. These and other points of the income tax section of the war revenue act will be fully explained by revenue officers who will visit every county in the United States between January 2 and March 1 to assist taxpayers in making out their returns.

### Officers to Visit Every Locality.

Notice of their arrival in each locality will be given in advance through the press, banks and post offices. They will be supplied with income tax forms copies of which may be obtained also from collectors of internal revenue.

The bureau of internal revenue is seeking to impress upon persons subject to the tax the fact that failure to see this official in no way relieves them of the duty imposed by law to file their returns within the time specified.

The penalty for failure to make the return on time is a fine of not less than \$20 nor more than \$1,000, and in addition 50 per cent of the amount of the tax due. For making a false or fraudulent return, the penalty is a fine not to exceed \$2,000 or not exceeding one year's imprisonment, or both, in the discretion of the court, and in addition 100 per cent of the tax evaded.

### As to the Farmers.

The number of farmers who will pay income taxes has not been estimated by the government officials, but it is certain they will form a large percentage of the 6,000,000 persons assessed who never before have paid an income tax. The average farmer does not keep books but if he avails himself of the services of government experts who will be sent to aid him, it will not be difficult for him to ascertain the amount of his net income.

The farmer is making out his return may deduct depreciation in the value of property and machinery used in the conduct of his farm, and loss by fire, storm or other casualty, or by theft if not covered by insurance. Expenses actually incurred in farm operation may be deducted, but not family or living expenses. Produce raised on the farm for groceries, wearing apparel, etc., cannot be deducted.