

ESTABLISHED IN 1867.

WEBSTER CITY, IOWA, MONDAY, MARCH 28, 1921.

NO. 52.

SUPREME COURT RULES INCREASE MUST BE TAXED

Estimated That Taxes Aggregating a Hundred Millions Involved Ruling.

CONSTRUE ACT 1916

Legal Point Involves Both Individuals and Corporations.

(By The Associated Press.) Washington, D. C., March 28.—Increase in the value of capital investment is taxable as income under the income tax of 1916, the United States supreme court held today.

Taxes estimated to aggregate up to \$100,000,000 are involved in action of the supreme court in the two cases covering the question of whether augmented value of an investment is "income."

In one case the court was asked by counsel whether the revenue act of 1916 was constitutional in so far as it is construed to tax as income, capital increment realized by the conversion of capital investments into cash.

Thousands of individuals who had invested in securities prior to the world war and who, on the general advance in market prices in that period, had sold their holdings at great profit, were naturally interested in the outcome. It was common knowledge that the fear of being compelled to turn over the bulk of their profit to the government in the form of taxes prevented many "paper millionaires" from realizing on their holdings. Incidentally, many were wiped out in the slump which followed the signing of the Versailles peace treaty.

The legal point involved, however, concerned not only individuals but corporations and partnerships which had invested surplus of capital in solid securities and sold them on a rising market.

In the case of David M. Goodrich vs. William H. Edwards, collector of internal revenue for the Second N. Y. District, a tax was assessed on stock which was sold at a loss; but which was sold at a price above that quoted for it on March 1, 1913—the date set in the statute as that from which prices would be computed. New York courts upheld the government.

The second case came from Connecticut where the federal courts sustained Frederick F. Brewster in his contention that an increase in the value of an investment was not "income." Brewster made a slight actual profit over the price paid for his securities and a heavy profit when computed from the value on March 1, 1913.

Government's Positions.

In both cases counsel argued that "bonds are property without reference to cost of market value; the bonds themselves are their own capital assets and his capital interest therein is not limited to their cost."

The government took the stand that "income" must be interpreted as representing any gain accruing to the taxpayer within the period under consideration. Prior to the adoption of the 16th Amendment, the court was told income was considered by the government branches to include gains and profits derived from the sale of capital assets.

Affirm Revenue Ruling.

The decision of the supreme court today affirmed the ruling of the internal revenue bureau in the case of David M. Goodrich, who had been assessed on the increase in the value of stock purchased prior to 1913.

Corporation Bonds.

The court also held that the increase in the value of corporation bonds, acquired and held as investments, were taxable as income under the income tax of 1913. In this case, the supreme court reviewed the decision of the federal court, which held against the government.

Hungary Puts Ban on the Modern Dances

Budapest, March 28.—The fox trot, one step and jazz music have been banished from the music halls of Hungary by the decree of the minister of home affairs. In their place the dancing masters have been officially requested to bring into vogue the old Magyar dances.

PROFITS FROM SALE ASSETS TRUST FUNDS ARE TAXABLE, RULING

(By The Associated Press.) Washington, D. C., March 28.—Profits from the sale of the assets of trust funds are taxable as excess profits under the income tax law, the United States supreme court declared today. This decision directly affects several cases and indirectly affects the transfer of trust funds in many cases. The case ruled on was brought by the Merchants Trust & Loan company, as trustee for the estate of Arthur Reynolds, a citizen of the state of Illinois.

COMMUNISTIC UP-RISING OCCURS AT MONTAUBAU, GER.

Coblenz, March 28.—Communist uprising occurred Sunday in the territory of the American bridge head at Montaubau, six miles northeast of Ehrenbreitstein.

A riot call was sent out and provisional military and military police were dispatched to Montaubau to restore order.

FONDA IS HIT BY A TORNADO SATURDAY NIGHT

Fonda, Iowa, March 28.—The tornado that swept the southeast section of Fonda Saturday night injured fourteen persons and caused property damage of \$100,000, it was learned today.

The storm swept a path about 500 feet wide and passed through the town in about a minute. Electric light wires were blown down and the town was in darkness.

None of the people who were injured were seriously hurt.

They suffered broken ribs and bruises, only for the most part.

In the country one house was razed and at another place a barn was blown down but no one was injured, so far as reported to the people here.

Fine Cotton Belt in Northern Argentina

(By The Associated Press.) Buenos Aires, March 28.—Those interested in cotton cultivation say that there is a potential cotton belt in northern Argentina, southern Paraguay and Bolivia as large as the cotton belt of the United States. Cotton growing in South America is still in its infancy.

Birth Record.

Mr. and Mrs. Fredrick William Heidick, Fremont township, a daughter, March 22.

Mr. and Mrs. David Kahl, Webster City, a son, March 22.

Mr. and Mrs. Ray Harrison, Webster City, a son, March 16.

Mr. and Mrs. Judson Hoover, Fremont township, a son, March 20.

Mr. and Mrs. Hiram Irving Olson, Scott township, a son, March 16.

Mr. and Mrs. Andrew C. Enderson, Clear Lake township, a daughter, March 10.

Mr. and Mrs. Harley Martin Hodaway, Clear Lake township, a daughter, March 7.

Mr. and Mrs. Wm. Franklin Ferrell, Cass township, a daughter, March 18.

Mr. and Mrs. Melvin Drake, Webster City, a son, March 13.

Hughes Heads Ball Board.

The board of directors of the Webster City Base Ball association has met and organized as follows:

President—Meade Hughes. Secretary—W. C. Fastenow. Treasurer—B. F. Paine.

The rest of the board is composed of Fred H. Meier, Earl E. Mason and Roy O'Brien.

It has been definitely decided that Webster City will this summer put a strong semi-pro team in the field and will probably start playing the latter part of May.

Secretary Fastenow has been instructed to get in touch with a manager. Wm. Randolph, who has acted in that capacity the past two years, will not serve this year. It is the intention of the board to hire a player manager. There are several applicants for this place and just as soon as the board can get a man under contract, he will be authorized to select the members of the team. The intention this year is to have as good a team in the field as ever represented Webster City on the diamond.

NEW LIST OF PETIT JURORS

List of Persons who Will Serve on the Jury at the April Term of Court Drawn.

ONLY ONE WOMAN

Term Convenes April 18 and Petit Jury Will Report April 25.

The petit jury list for the April term of the district court has just been drawn. It contains the names of 72 persons, but one of whom is a woman. She is Miss Mary Pigg of this city.

The term will convene April 18 and the petit jury will report for duty April 25. The grand jury will report April 19. Judge Fry, of Boone, will be the presiding judge.

The list of jurors follows: Amdall, Gerhard, Radcliffe, Arnold, Otto, Webster City. Basket, Tom, Stratford. Bisbee, Willis, Ellsworth. Beerman, Frank, Webster City. Blodgett, T. E., Williams. Curtis, E. D., Webster City. Detner, Henry, Blairsburg. Essig, J. B., Webster City. Erickson, Gust O., Stratford. Edverson, Galy, Williams. Follett, Chas., Webster City. Fisher, J. O., Webster City. Guthrie, W. M., Stratford. Greenfield, Jim, Webster City. Gilman, S. A., Webster City. Gilmore, Merville, Webster City. Hice, Albert, Ellsworth. Hood, H. H., Ellsworth. Hubner, Rudy, Stratford. Iverson, Iver R., Jewell. Johnson, C. A., Randall. Kelgan, Benjamin, Blairsburg. Kelly, J. B., Webster City. Knudson, B. F., Jewell. Leopold, Carl, Webster City. Lyders, O. M., Ellsworth. Loughenry, Geo., Stratford. Larson, Richard, Randall. Laude, Otto, Ellsworth. McCollough, McKinley, Webster City. Miller, F. L., Webster City. Mullen, Bert, Blairsburg. Melling, Ben, Kamrar. Mills, L. V., Webster City. Morris, E. A., Webster City. Meyer, Emmet, Stanhope. Maxon, H. A., Webster City. Nulow, Fred, Jewell. Olson, John P., Jewell. Owenson, Orville, Randall. Omstead, N. C., Webster City. Olthoff, Henry, Webster City. Owenson, Peter, Randall. Olsen, H. L., Story City. Onken Herman, Webster City. Peterson, Martin, Radcliffe. Peterson, B. H., Ellsworth. Peterson, Oscar, Stanhope. Pigg, Mary, Webster City. Richeson, C. H., Webster City. Rose, Frank, Stratford. Shaefter, Geo. W., Webster City. Severson, S. H., Radcliffe. Sogar, Ralph, Kamrar. Scovig, Iver, Williams. Simmes, S., Jewell. Sandage, S., Jewell. Singer, C. J., Webster City. Simpson, Ben, Williams. Sucher, C. E., Webster City. Smith, Chas. Blairsburg. Tynning, Ole, Jewell. Thompson, Lewis, Radcliffe. Vaughn, L. E., Webster City. Worthington, Geo. J., Webster City. Wille, Frank, Williams. Welp, Henry, Kamrar. Weedman, C. N., Webster City. Weidlein, Boyd G., Webster City. Whalen, Edgar, Stanhope. Watts, H. H., Ellsworth.

TEMPERATURES OVER IOWA WERE 8 TO 16 ABOVE LAST NIGHT

The thermometer in Webster City ranged from 7 to 8 above last night.

Des Moines, Iowa, March 28.—Temperatures ranging from 8 to 16 above last night were reported from over Iowa today to the United States weather bureau here.

The crop department of the bureau reports that, with the possible exception of the southern part of the state, fruit and crop damage was not heavy. Charles City reported 8 above, which was the lowest, and Keokuk reported 16. Other temperatures were reported as follows: Des Moines 13, Dubuque 12, Sioux City and Davenport 14.

Report of fruit damage had not been received early today. It was said by bureau officials that fruit buds, generally, were closed enough to stand freezing weather, especially in central and northern Iowa.

TRUSTEE GRINNELL COLLEGE DIES AT PALO ALTO, CALIF.

(By The Associated Press.) Palo Alto, Calif., March 28.—S. A. Merrill, a Des Moines banker and a trustee of Grinnell college, died here at midnight last night at the Peninsula hospital. His wife and a sister were at his bedside. The Merrill family spent their winters here.

EARTH TREMORS RECORDED AT GEORGETOWN UNIVERSITY

Washington, D. C., March 28.—Earth tremors, "very severe," were recorded on the seismograph at Georgetown University today.

The indicated distance of the disturbances from Washington was 1,900 miles. The disturbances began this morning at 2:55 o'clock and continued until after 5 o'clock. The maximum disturbance was at 3:01 o'clock.

WORK, PRESIDENT A. M. A., IS ASSISTANT P. M. GENERAL

(By The Associated Press.) Washington, D. C., March 28.—Hubert Work, president of the American Medical association and Republican national committeeman from the state of Colorado, was today given a recess appointment by President Harding to be first assistant post master general.

We thank the kind neighbors and friends who helped us during the illness of our beloved husband and father, J. L. Schweppe. Mrs. John Schweppe and children.

LICENSES DELINQUENT SOON

Automobile Licenses Become Delinquent March 31 and Will be Collected by Sheriff.

PUBLISH DELINQUENTS

Drastic Measures Provided for Collection of These Taxes.

After March 31 County Treasurer W. H. Harrison will make up a list of automobile licenses delinquent and return these to the state treasurer, who will send the names to the sheriff of the county, and the law gives that official power to proceed to make collections. That section of the law which refers to this matter is unusually drastic and is as follows:

On April first of the year 1921, and annually thereafter, the department shall forward to the county treasurer of each county, a list of all motor vehicles in said county on which the registration fee has not been paid, showing the amount of the delinquent fee, registration number, make and factory number, together with the name and address of the owner of each car as disclosed by the records. In the first week in May of each year the county treasurer shall cause to be published in each of the official newspapers in his county, a list of all motor vehicles owned within his county, upon which the license fee has not been paid for that year. Such list shall show the factory number, make and model of the vehicle together with the name and postoffice address of the owner thereof as shown by the records of his office and the amount of the license fee and penalty due upon the vehicle. Immediately after the publication of the list as herein provided, it shall be the duty of the county treasurer to collect the license and penalty.

Can Take Car.

It shall be the duty of the sheriff of the county to forthwith proceed to the collection of the unpaid fees and penalties as certified to him by county treasurer by taking possession of the motor vehicle described in said certified list and proceed to advertise and sell same upon ten (10) days' notice for the purpose of collecting fees, penalties and costs. Said certified list shall for all purposes be a sufficient warrant thereof. The procedure of the sale of the motor vehicle for the collection of the license fees, penalties and cost shall be the same as that provided for the collection of taxes on personal property by distress and sale as set forth in section 1406 of the code. Should a motor vehicle on which the fee is delinquent be removed from the county in which it was originally registered, either by transfer or removal by owner to another county, without having notified the county treasurer or department of such removal and the sheriff knowing to which county same was removed, may forward the warrant to the sheriff of the county where such motor vehicle is at that time, when he shall proceed to collect the same as though the vehicle had been originally registered in his county, and make return to the county treasurer of the county from which he received the warrant.

Local county and state taxes must also be paid during this month if the penalty be headed off.

2 SACKS OF MAIL STOLEN FROM STATION BENTON, ILL.

(By The Associated Press.) Benton, Ill., March 28.—Two sacks of mail were stolen from the Chicago & Eastern Illinois railway station here at an early hour today. They had been placed in the station shortly before closing time at 11 o'clock last night. The local post master refuses to discuss the theft and it has not yet been possible to ascertain the value of the sacks stolen.

Mr. and Mrs. N. L. Maxon have purchased the A. W. Cater residence at 1135 Division street. The Cater family have moved to a farm near Blairsburg.

Will buy, if agreeable, four or five farms. Please give location, etc. A. F. Schrader. d1f1

FOR SALE—Buff Orpington eggs. \$5 per hundred. Mrs. R. D. Kennedy. Phone 32F212. 284*

A WEBSTER CITY GIRL GETS HONOR AT MT. VERNON

Mount Vernon, Iowa, March 28.—Proving that scholarship and athletic prowess sometimes go together, Glenn Browning, a senior at Cornell college here, and holder of the state record in the mile run heads the list of high honor students. Six on the list are women: Edith Evans of Webster City, Carolyn Helming of Waukon, Lillian Jahn of Manila, Claretta Starry of Olin, Frances Harvey of Benton Harbor, Mich., and Frances Hipple of Waterman, Ill. The one other man is Garrett Thieson of Stanwood, Iowa.

In addition to obtaining more than three-fourths of his credits as "A's" and the rest "B's," Browning found time for athletic activities, was vice president of the college Y. M. C. A., taught a class in Sunday school, and refereed a large number of basket ball games. His home is in Mount Vernon.

CLYDE L. HERRING TO APPEAR BEFORE COMMITTEE TODAY

(By The Associated Press.) Des Moines, March 28.—Clyde Herring, Democratic candidate for the governorship last fall, is expected to appear late today before a joint legislative committee on departmental affairs.

It is stated that the state executive council has taken over the investigation of the charges against W. B. Barney, state food and dairy commissioner. Verne Marshal, managing editor of the Cedar Rapids Gazette, is here to testify against Barney. It was Marshal who made the original charges against him.

Grandma Craig, as she was familiarly known, passed away at the home of her daughter, Mrs. Alice Largent, of Marshalltown, Wednesday afternoon of ailments due to old age.

Margaret Martin was born near Lafayette, Ind., Nov. 5, 1830, being at the time of her death 90 years, four months and nineteen days old. She was united in marriage to Andrew J. Craig, April 5, 1851. To this union were born six boys and five girls. Her husband and six of the children have preceded her to the better land. The five children left to mourn her loss are Mrs. Sarah Bortoff of Claris, Ill.; Mrs. Alice Largent of Marshalltown, with whom she made her home; William H. of Madison, Neb.; John H. of this city, and Mrs. Margaret McCabe of Romney, Ind. Also one sister, Mrs. Sarah Crouse of Saybrook, Ill. Besides these there are thirty-five grandchildren and forty-four great grandchildren.

Funeral services were held from the Methodist church, of which she has been a member many years, Friday afternoon. Interment was made in Grace-land cemetery.

Teachers Beware! Hamilton county has been invaded this past week by a number of book agents who claim to have the endorsement of the county superintendent and of the city superintendent, D. M. Kelly. I wish to state that I know nothing whatever of these agents, and Mr. Kelly makes the same statement.

Teachers are advised to give no time during school hours to any agent. E. F. Snow, Co. Supt.

A Narrow Escape. Roman Schultz, son of Dr. and Mrs. A. F. Schultz, narrowly escaped being seriously injured Friday while crossing the Northwestern railroad tracks on Des Moines street on his bicycle. He had waited at the crossing for a freight train to leave but thinking that the train was loading, he started to cross the track. Just then the train backed up, striking the bicycle as Roman jumped. The bicycle was badly smashed but Roman was unhurt.

Real Estate Transfers. Chas. Mitchell and wife to George E. Caruth—all of ne 1/4 south and east of Drainage Ditch 11-88-21—\$7,000. Rutha Vulgamott et al to G. F. Grandgeorge—e 1/2 lots 5 and 6, blk 11 W. C.—\$2,500. Walter Church to Fred Beisner—lot 17 blk "E" R. R. Add W. C.—\$1,500.

THREATEN LIFE OF OPPONENT CIGARET AND BOXING BILLS

(By The Associated Press.) Des Moines, Iowa, March 28.—Mrs. Ida B. Wise Smith, of Cedar Rapids, president of the state W. C. T. U., is in receipt of a anonymous communication warning her that if she does not cease her agitation against the legalizing of the sale of cigars and of boxing, she will not live until Wednesday.

"I will still be living Wednesday and opposing both these bills."

Girl Students Have put ban on Rouge

(By The Associated Press.) St. Louis, Mo., March 28.—Rouge and extreme fashions in dress have been put under the ban by girl students at Soldan High school here. Their new "unwritten law" governing personal adornment is being adhered to rigidly, according to Mrs. E. C. Bristol, dean of girls.

The movement was started by the "Big Sisters," an organization of about 200 girls at the institution, who protested against what they declared was a growing want of personal taste. After other societies gave endorsement, the remainder of the student body fell in line.

In addition to warning on exaggerated styles and manufactured complexions, the girls have reduced the size of their hair puffs.