

Supreme Court Finds Income Tax Law to Be Constitutional

Washington, Jan. 24.—The income tax was declared constitutional today by the supreme court in a unanimous decision which swept aside every point raised against it, and in the opinion of administration leaders, opened the way for an income tax on great fortunes to help pay for the national defense.

Proposals are pending in congress to tax incomes of more than \$1,000,000 as high as 50 per cent. Leaders on all sides agree that the impetus which the decision will give such proposals, is likely to cause a definite movement to levy on the revenue from great private fortunes for some of the millions the government must raise to carry on the army and navy increases.

"The supreme court decision has absolutely unfettered the income tax as a source of revenue," said Representative Hull of Tennessee, author of the bill. "All doubt is removed and congress is left much freer to act. I believe congress will take advantage of the opportunity to amend the law materially. Without any unusual or unjust changes it can be made to yield \$185,000,000 to \$195,000,000 a year as against \$85,000,000 or \$90,000,000 at present."

Representative Hull is preparing an amendment to carry the tax to incomes below \$3,000, and make graded increases in the surtaxes on incomes exceeding \$20,000 a year.

So far the problem of raising the revenue for national defense, although approached from many angles, has not been carried toward any effectual solution, because with the constitutionality of the income tax undecided, administration leaders were reluctant to place too much dependence upon it.

Young Would Find a Boy for Naval Cadet

Washington, Jan. 22.—Representative George M. Young of the second district of North Dakota has decided to fill a vacancy at the naval academy of Annapolis by having a competitive examination. The boy who can pass the best examination will get the appointment, which means a free education, including clothes and traveling expenses to Annapolis, Maryland. The examination will be held at Jamestown on Saturday, Feb. 19, 1916, at 10 o'clock a. m. All boys from 16 to 19 years old, both years inclusive, are eligible if they have resided in the second congressional district two years.

Representative Young thinks that merit, not political pull, should govern the selection of boys for the naval academy. He also believes that the test should not be confined to mental qualifications and has directed that only 50 per cent. be credited for the mental examination, 20 per cent for physical examination and 30 per cent for character and manliness.

The mental examination, covering the subjects of grammar, spelling, American history, arithmetic, algebra and geometry, will be conducted by President B. H. Kroeze of the Jamestown college, City Superintendent of Schools N. C. Koontz and State High School Inspector Edwards. Physical examination by Dr. Peake, Dr. R. G. DePuy and Dr. Guest. Character and manliness, J. B. Gurgster, W. R. Kellogg and M. F. Morris.

In case the one receiving the highest markings at the examination at Jamestown fails to pass the regular government examination for Annapolis, which will be held April 18, or fails to pass the physical examination of the government doctors, the one receiving the second highest markings will be appointed by Representative Young. Those desiring further information in respect to the examination should write to President B. H. Kroeze, of Jamestown College, Jamestown.

J. E. Pherigo, who was in the tonorial business here several years ago, spent Sunday in the city. He is now located at Enderlin.

State Auditor Explains the Elevator Tax Situation

County Auditor Nelson has had a lot of explaining to do about the collection of a terminal elevator tax when the legislature repealed the bill providing for the building of the elevator. The following correspondence with State Auditor Jorgenson throws some light on the subject:

Valley City, N. D., Jan. 18, 1916.
Carl O. Jorgenson, State Auditor,
Bismarck, N. Dak.

Dear Sir:—
I have been requested several times by farmers belonging to the Society of Equity to ask about terminal elevator tax. I wish you would inform me when this law was passed and how long taxes have been derived from said source. Also what has been done with the money that came into the state treasury from said levy, seeing the legislature did not see fit to allow them to have an elevator. Also, when the legislature denied them the right for an elevator, why are we paying .125 mills for terminal elevators for 1915 taxes if we are not to have an elevator.

An early reply will be appreciated, as this question has been asked by nearly every farmer that comes into the office and I cannot explain it to them. Please explain same to me as clearly as possible.

Thanking you in advance, I am,
Respectfully yours,
C. W. NELSON,
Auditor Barnes County, N. D.

Bismarck, N. D., Jan. 21, 1916.
C. W. Nelson, Auditor Barnes County,
Valley City, North Dakota.

Dear Sir:—
In reply to your letter of the 18th about the terminal elevator tax, I am enclosing herewith a copy of Chapter 279 of the Session Laws of 1913, which provides for the levy of the terminal elevator tax. According to this you will find that it was the duty of the board of control to investigate the terminal elevator question and make a report of their findings to the legislature in 1915. It was expected, I presume, that the report of the board of control would be favorable to the building of a terminal elevator, but you will remember that the legislature refused to pass a bill providing for the purchase, or leasing of such an elevator. They even went so far as to repeal the terminal elevator law by Chapter 258 of the Session Laws of 1915. This law, however, was suspended under the initiative and referendum act during 1915, so it became necessary for the state board of equalization, in 1915, to continue the levy of this tax.

The law provides for the levy of one-eighth of a mill for this purpose during the years 1914, 1915 and 1916. In 1914 the state board of equalization refused to continue to levy a state tax in excess of the four mill limit provided by the constitution. This resulted in a cut in the revenue for educational institutions which participated in the distribution of the additional mill tax. The institutions brought suit against the state board of equalization with the idea that they could compel the board to levy the full mill tax. The supreme court, however, held that the constitutional limit of four mills must be lived up to, so in 1914 we did not levy the one-eighth of a mill as named in the law, but discounted that levy 38.4 per cent, as it was necessary to do with all of the other special taxes.

I am sending, under separate cover, a copy of the state board of equalization's report for 1914 and would call your attention to the levies adopted by the board, on pages 82 and 87. If you will also refer to the report of the state auditor, sent herewith, you will find his comment on the state tax levy on page 11.

The net amount on which we levied a tax in 1914 was approximately \$308,000,000. A levy of .0771 for terminal elevators would give you approximately \$23,746. This amount of levy has been collected during 1915 and I find that on Jan. 1, 1916, the cash credit to the terminal elevator tax fund is \$21,925.17. It is possible that this will be increased close to \$23,000 by the time we have drawn on the counties for their December collections, which cover the sales.

The assessment for 1915 is approximately \$380,000,000 and the levy of one-eighth of a mill on this assessment would bring approximately \$45,000 for the terminal elevator tax fund. The

Invites Entire Lodges to Attend Special Services

An invitation has been issued by Rev. C. E. Vermilya to the various lodges of the town to be the guests of the Methodist church at one of the Sunday services during February and part of March. Seats are to be reserved and the lodge will come in a body. On Feb. 6 the Masonic Lodge will be present, and on Feb. 13 the Odd Fellows. Others will follow each week and the dates will be announced later.

This is a unique plan and finds its motive in the interest Mr. Vermilya has in men. The many men who attend his services from week to week indicates that his messages appeal to them. The members of the various lodges have shown their appreciation of the invitation by a speedy acceptance of the same.

FALLING SIDEWALK LIGHT CRUSHES OUT THE LIFE OF A TINY VALLEY CITY BOY

Olaf Olstad, prosperous farmer and one of the supervisors of Cuba township, made this office a pleasant call Saturday and cheerfully parted with the panga to pay his subscription in advance.

Mrs. Emil Lawrence was a passenger to Oriska Friday evening to attend a masquerade ball there and spend Saturday with friends, returning in the evening.

While Leaving Theater After Matinee Saturday Afternoon Terrible Accident Occurs—Boy Died Almost Instantly—Others Are Bruised or Injured—Practically All of Audience Had Passed Out Unharmful.

Another Victory for Valley City High

Valley High played and won its fourth game of the season against Kensal high school Saturday evening at Kensal. The score was 31 to 9. The Valley City aggregation did not show the class of basket ball which they have put up in previous games, and it will require all the "old pep" plus some "new pep" of the same kind to win out over the Jamestown bunch next Friday. Judging from the ease with which Jamestown won over Tower City, the state champions of last year, which resulted in a score of 31 to 9, neither team will have much advantage and a hard fought game may be expected.

Hastens to Daughter Who Was Badly Burned

Mrs. C. E. Hamilton received a telegram Sunday stating that her daughter, Mrs. Glen P. Mink, who has recently been visiting here and had just returned to her home in Barnesville, Minn., had been severely burned and was unable to care for her baby. Mrs. Hamilton left on No. 2, which happened to be about six hours late, and would arrive about 8 o'clock Monday morning.

Entertained for Mrs. Keene

Mrs. W. S. Herald entertained ten ladies Thursday afternoon in honor of Mrs. Gene Keene, of Yellow Grass, Sask., Can., the affair being a bath shower. Each gift was accompanied by an appropriate verse composed by the giver expressly for the occasion and much merriment was caused, by the reading of the poems. Fancy work and conversation made the afternoon pass pleasantly, a story, read by Mrs. W. O. Keene in her able way adding much to the pleasure of the guests. Refreshments were served by the hostess at 5 o'clock and the guests departed, having spent a most enjoyable afternoon.

Miss Inga Lauritson went to Enderlin Saturday night to spend Sunday with her brother, Olaf, and family, returning Sunday night. She was accompanied home by her sister, Mrs. Carl Skonnord, and two little girls, who have been spending the past two weeks in Enderlin.

Mrs. J. M. Hummel and children left Friday evening for Cambridge, Minn., where she will remain for a couple of months. From there she will go to Albert Lea, Minn., to make her future home.

An Executive Committee Appointed for Baby Week

According to the plans for Baby Week, an executive committee consisting of five was appointed by the temporary chairman, Mrs. Zimmerman. The chairman of the executive committee will be Mrs. Sternberg, while the other members are Miss Winsted, Mrs. Van Houten, Mrs. Geo. Drake and Mrs. Frank Ployhar. These will take the initiative in planning the movement for Baby Week, March 4 to 11. They want all organizations to be interested in this movement, which is nation-wide, and the co-operation of everyone in the city is desired. It will be a fine thing for the babies and the Better Babies movement. The plan of the committee will be stated in the papers from time to time.

The entire community was shocked Saturday afternoon when the news flew like wildfire that a portion of the sidewalk had given away in front of the Rex theater just as the people were leaving after the matinee, "The Cave Man," and that little Daniel Gill had lost his life and others injured, among them the daughter of the mayor of the city, Miss Laila Platou. So many reports were heard that it was hard to get at the facts but the following is as nearly correct as it is possible to get it when all are so awe stricken. There is an area under the sidewalk, directly in front of the Rex exit, covered by a reinforced concrete slab with glass lights, and this through the action of frost and the constant wear had become weakened. The most of the audience had safely passed out and gone, among them Mr. and Mrs. Sam Gill, parents of the unfortunate Daniel, who was there in company with Grace Stern, a daughter of Abe Stern, and a little cousin of the Stern children, from Minneapolis. The children being seated farther to the front were later in coming out. When Daniel stepped on the slab it gave way, precipitating him and his two little companions to the area way underneath, a drop of some eight or nine feet. Miss Laila Platou was also a victim, and more would probably have fallen had it not been for the quick action of Arthur Busdicker, one of the ushers, who saw the accident and quickly closed the door, thus averting a worse tragedy.

P. G. Davidson was just coming out of the Rudolf cafe when he heard the noise of the falling stone and was on the scene immediately, jumping down into the area and was met there by Mr. Burch, of the Rex, who had run down the area stairs. They assisted Miss Platou up the stairs and helped the little Stern children up, not noticing the little Gill boy at first. He was pinned under the slab, which weighed in the neighborhood of 300 pounds, and with an iron angle bar crushed into his face. He was gently picked up and carried to the office of Dr. Platou, by Mr. Davidson, where he passed away in a very few seconds. Death was almost instant, and it is thought the child was mercifully saved from suffering as he must have been unconscious from the first. After all had been done for him, Dr. Platou turned to find his own daughter suffering with a fractured left fore-arm and an ugly cut across the wrist which required several stitches to secure. The Stern children were not injured beyond a few bruises and a nervous shock.

The mother of little Daniel has been completely prostrated since the accident and is in a serious condition at present. Mr. Gill, accompanied by his brother, who had heard of the affair and hastened to the city, took the remains of the child to Minneapolis Sunday night, and burial will be made there in the Jewish cemetery. Friends have done all that could be done to assist the grief stricken parents or to alleviate their sorrow, and flowers and condolences were sent from all directions. In this time of trouble all hearts are touched and everyone thinks of their own loved ones, and their sympathy goes out to all who are bereft.

The Rex doors were closed and the evening performance cancelled. Reports from Miss Platou Monday afternoon were that she was getting along nicely, but was feeling the effect of her bruises and the shock quite a little.

Hastings Times: The past week saw some progress in the movement for a new telephone organization for Hastings. Over 100 shares of stock have already been spoken for, and prospects are that about 300 will be called for by the time the organization is completed. The new plan of selling stock to the farmers who wish to put in telephones seem to be in great favor, and it looks now as though three lines were assured. It seems desirable to call a meeting of stockholders about January 31.

Our Standard of Service

This Bank and its Shareholders, its Officers and Directors, and its hundreds of customers, all have the closest mutual interests.

The more these mutual interests are understood, the greater the degree of service we can render. To be a faithful, efficient, punctual, and dependable Bank, to make every branch of its service the best possible, is our ideal and standard.

We would much rather be THE BEST than to be the biggest.

Bank of Valley City

cash balance, which I have mentioned, as being on hand Jan. 1, remains intact and cannot be used for any purpose until the legislative assembly designates a purpose. Any money collected from time to time from this levy shall be credited to the terminal elevator fund and will not be disposed of in any way until we have been authorized what to do with it by the legislature.

If the people of this state are some time going to be favorable of entering into the business of handling a terminal elevator, I believe that it is a good thing to build up this fund as we are doing. If all the taxes now levied for this purpose are collected there will only be a fund of some \$60,000 or \$65,000, and from some of the reports we have as to cost of purchasing, leasing and managing a terminal elevator it will be necessary to have a great deal more than the amount now in sight if a sufficiently large elevator is operated to produce the results which we want.

It might be well for me to explain that the initiative and referendum petitions which have been filed against the repeal of the terminal elevator tax do nothing more than suspend that law. At the next general election the people of this state will vote on the question whether they wish the terminal elevator tax to stand or not.

If the people vote for the repeal of the terminal elevator tax and uphold the petitions filed, then we will have levied this tax when there really would have been no necessity for levying it. But the state board of equalization has no means of knowing whether the voters will uphold the terminal elevator tax or whether they will uphold the law passed by the 1915 legislature providing for its repeal, so it became necessary to levy the tax until the people might settle the question by vote. If the people vote for the repeal of the tax this fall, then it will be necessary for the legislature to pass a law providing for the disposition of the moneys collected to the credit of the terminal elevator tax fund.

If I have overlooked answering any part of your inquiry, let me know and I will furnish you with any other information you may need.

Yours very truly,
CARL JORGENSEN,

Chapter 279—(H. B. No. 422—Harty.)
Terminal Elevators

An Act to Provide Funds for the Erection, Purchase, Lease or Establishment of a Terminal Elevator System in the State of Wisconsin, or in the State of Minnesota, or in Both Said States, and for the Maintenance and Operating of the Same, and for the Establishment of Additional Duties

Entertained Girls at Indoor Wienie Roast

Friday night from 4:30 to 7:30, Mrs. L. B. McMullen entertained her Sunday school class of young ladies at her home on Euclid avenue. There were 61 young ladies present and the hostess says the decorations were the guests themselves. The party was an indoor wienie roast, the girls enjoying the informality of the occasion, sitting on the floors, and stairs or any other convenient place, while story telling and a general good time was enjoyed in true outdoor style.

Miss Florence Hedstrum left on No. 4 Monday afternoon for a week's visit with her sister, Adolpha, in Minneapolis and will then go on to Chicago to take up her studies again. She has been on a concert tour from June until the holidays since which time she has been visiting her parents in the city.

of the Board of Control of State Institutions in Relation Thereto.

Be it enacted by the legislative assembly of the state of North Dakota.

Sec. 1. There shall be levied upon each dollar of assessed valuation of taxable property within this state, for the year of 1914 and the year 1915 and the year 1916, and to be paid during the said years, one-eighth of one mill on every dollar; and all such revenue as may be collected under such levy shall be converted into a special fund to be known as the "State Terminal Elevator Fund," which shall be used for the following and not other purposes, viz: For the erection, purchase, leasing, equipment, maintenance and operation of a terminal elevator system or systems in the state of Minnesota, or in the state of Wisconsin, or in both said states, and for the operation of the same.

Sec. 2. It shall be the duty of the board of control, in addition to all other duties imposed upon them by law, to investigate the mater of the location of such elevators and costs of buildings and sites, and to submit plans and specifications of buildings and equipment, machinery and methods and rules of operation of the same to the 1915 Legislative Assembly of this state, it being the duty of the board of control under this Act to devise methods of operation and submit plans and specifications covering in detail the establishment of a terminal elevator system in the states mentioned herein, with recommendations as to the most favorable location, and estimates of the cost of such system or systems.