

## INCOME TAX LAW GIVEN BLOW BY SUPREME COURT

Dividends Distributed in Form of  
Stock Not Subject to Income Tax,  
Says Decision.

### JUSTICES DIVIDED ON ACT.

Decision Nullifies Provisions of Tax  
Law and Will Involve Great  
Loss in Revenue.

Washington, March 8.—Corporation dividends, distributed in the form of stock, do not constitute "income," and consequently are not subject to federal income taxes, the Supreme Court decided today in a 5 to 4 decision.

Provisions of the 1916 federal income tax law levying taxes on stock dividends were declared unconstitutional. The decision also nullified similar provisions of the present law and will involve great loss in revenues to the government in future collections, and also refunds of such taxes already collected. Large financial interests likewise will be affected and numerous stock dividends of generous proportions are expected to be declared soon.

In the majority decision, read by Justice Pitney, Chief Justice White and Justices McKenna, Van Devanter and McReynolds concurred. Of the four dissenting members of the court Justice Holmes read a brief opinion, in which he was joined by Justice Day, and Justice Brandeis delivered a lengthy opinion, which was concurred in by other Justices. In holding that stock distributions are not dividends on account of no separation of corporate assets being involved, Justice Pitney, in behalf of the majority, declared that stock shares "are nothing but paper certificates" in undistributed assets, are not realized profits and, therefore, not taxable.

The attempt of Congress in the in-

## Maybe not the Opportunity of A Life Time, But certainly an opportunity to get a Hudson Super Six

At once, when many have waited six and  
eight months.

One Speedster

One 7 Pass. Hudson

Please don't ask me to trade on these two.

**Bland,**  
Cars of Character  
SUMTER, S. C.

income law to tax stock distributions the majority decided to be unconstitutional and not permitted by the sixteenth, or income tax amendment to the federal constitution. Stock dividends, the majority held, may be taxed only after stockholders realize upon them by the sale, in which case the government may levy income taxes on such profits.

All four dissenting justices contended that Congress had power, to tax stock dividends, holding that such dividends are "income" the same as if in cash. The sixteenth amendment, the majority declared is broad enough to justify tax.

Justices Brandeis and Clark characterized the majority as "narrow" and "bizarre," and said it would permit many corporations to escape taxation on a large portion of what "is actually their income." Declaration of dividends, in cash or in some other medium, the two justices added is "wholly a matter of financial management," and therefore, "if a dividend paid in securities represents a distribution of profits, Congress may, of course, tax it as income."

The other dissenting opinion expressed the belief that the word "income" in the sixteenth amendment should be read in a sense most obvious to the common understanding at the time of its adoption. Most people other lawyers, it was added, supposed when they voted for it that they put at rest the question of direct taxes, including levies on stock dividends.

O, JOY!

There's a printer in Mexico, who has the well remembered Colonel Sellers of "There's Millions In It" fame

looking like a piker if he'll just follow up his idea—his name we will omit—but he is somewhere in Mexico and writes as follows to a local printer with whom he fought in the famous battle of Paris:

"Dear Sam:—When I was a boy (some years ago) I made the southwest country; and while waiting for a freight train to come my way I wandered out to where the inviting shade of a cactus beckoned for a siesta. My dream was a vision—and when I awoke I was still under its influence, which continued for several hours.

"At the time I was unable to account for it; but later on I made the acquaintance of an old soldier who explained that I had selected for my room the shade of the cactus from which mescal is made. It seems that a bug which lives on this plant had dropped on me and had taken a bite. The bug and his forbears had tarried around this mescal for so long that their systems were full of the Mexican joy spirit and the bite had inoculated me. This is the prelude; have patience.

"Viewing with alarm the advent of prohibition, some time ago I took up the study of how to beat it—and do it legally. No illicit distilling, no smuggling for me. I spent many nights poring over the old chemistry books—but they didn't have what I wanted; they all forced me up against Old Man Law. Then came the light. I remembered the bug of the cactus plant—and here I am in Mexico working out souls like yourself.

"I have succeeded in isolating the bug of the mescal plant, the bug of the tequila plant, and the bug of the sotol plant. A bite from either one

is sufficient to start an Irish republic. It is really too violent.

"To get away from this sudden 'war and destruction' quality I have systematically cross-bred these different bugs—sort of concocted a cocktail, as it were, and have produced a species that is safe to keep around the house.

"And the beauty of it all is that I am within the law.

"I haven't worked out the commercial end of the scheme as yet; but that will be simple. In a short time I will have a million of these bugs which I have not named as yet. At 10 cents a bite—three bites for two bits—and all of them working—think of it!

"Am sending you in a separate package two of my pedigreed bugs—male and female. Let nature take its course. Don't use them before they have reproduced, for there is only one efficient bite in each bug. They die soon after their mission in life is fulfilled.

"As to a name for the bugs for commercial use, I have thought of calling them after 'Buck' Lewis or 'Mecky' Hickey (the latter has more of a lilting sound to it) or for you, my friend—wanting no lasting fame myself, only the knowledge that I have been a benefactor to mankind, and the royalty, of course, is sufficient.

"The two bugs I am sending you are named Lillie and Billie. It won't be necessary for you to know which is which—they know."—Exchange.

ADVERTISE IN THE TIMES

## SENATOR SMITH'S PLAN IS FAVORED Committee Reports Favorably on the Amendment.

Washington, March 8.—Today the senate committee on agriculture voted to report favorably Senator E. D. Smith's amendment to the pending agricultural appropriation bill safeguarding the amendment which the South Carolina Senator put through Congress last year restricting the futures act to ten in number, in finding certain stains and tinges of white cotton nothing below the grade of middling.

The amendment as it now exists was adopted as a rider to the wheat guarantee act, which terminates June 1, next. Certain parties in New York claim that the amendment will pass out of existence with the wheat act, although several solicitors of the Department of Justice to whom Senator Smith referred the matter, have expressed the opinion that the amendment is permanent as it stands. However, wishing to take no chances, the Senator will have this amendment re-enacted.

Senator Smith discussed with a number of other Senators on the floor today the complaints which he has been receiving because the federal reserve banks in many States are charging a higher rate of discount on loans secured by Liberty bonds than the bonds themselves pay. In spite of the fact that purchasing banks were led to expect when they subscribed to these bonds that they could

borrow on them from the reserve banks at the same rate the bonds paid. If the banking and currency committee does not voluntarily report legislation to check this practice Senator Smith intends to introduce a joint resolution to deal with it.

Confidence is expressed by Senator Smith and others that they can defeat the bill of Senator McLean, of Connecticut, which would amend the federal reserve act so that reserve banks could not discriminate in the rate of discount against banks which the reserve banks thought to have given too many advances on particular classes of commercial paper loans based on cotton for instance.

### NO EFFECT ON STOCKS.

Greenville, March 8.—There was no perceptible effect on the local stock market from the decision of the supreme court of the United States in respect to stock dividends. There have been few transactions in cotton mill stocks recently and the market has been quiet for two weeks or more.

### NOTICE

Notice is hereby given that the books of Registration of the Town of Manning will be opened at my office, over the Bank of Manning from Feb. 4, 1920 to and including April 2, 1920. All persons desiring to vote at the election to be held on April 12, 1920 must obtain a registration certificate. This election will be held for the election of a Mayor and Six Aldermen.  
S. MARION WILLIAMS,  
Supervisor of Registration of the Town of Manning.  
Manning, S. C., Feb. 3, 1920.



**Bland**

Cars of Character

SUMTER, S. C.

## TO AVOID INFLUENZA USE EUCAPINE SALVE

Epidemics of Influenza usually cover two seasons. Medical authorities have for months been warning the public of a return of Influenza this winter. The history of the disease justified this warning and now that Influenza is becoming epidemic again it is the duty of every citizen to take all possible precautions against infection, a duty not only to self but to the public for every case developed constitutes a new center of infection.

In the epidemic of 1891 it was discovered in England that Oil of Eucalyptus was effective as a preventative of this disease. Last year preparations containing this superb antiseptic oil were used very effectively and on a stupendous scale. No catarrh germ or similar enemies of human health can live in its presence. Oil of Eucalyptus, combined with other volatile oils in a refined petrolatum base constitutes the formula of Eucapine Salve. Every citizen should use it, in nostrils and throat three or four times a day to protect against the Flu germs which infect the atmosphere during the epidemic. This sterilization of the orifices leading to the air passages is the best possible health insurance at the present time when the disease is again becoming epidemic. Eucapine protects against infection of colds, coughs, sore throat, catarrh, etc., as well.

### If You Take Flu

by careless exposure and failure to properly sterilize the air passages the doctor should be called immediately. If neither doctor nor nurse are to be had, take a good purgative. Reduce the aching and fever by taking Aspirin (2 tablets) every hour till the fever is mastered. Rub the throat and chest with Eucapine. Fill the nostrils and sniff it back into the throat. Put some Eucapine on the back of the tongue. Swallowing a little, no larger than a pea, will do good rather than harm. Place a teaspoonful in a coffee pot with water, bring to a boil and inhale the steam through a pasteboard funnel. Keep up this treatment persistently till the doctor arrives. Many physicians will continue just this treatment and nothing more. Weakness and heart depression are characteristic of Influenza. Plain Aspirin is slightly heart depressant. For that reason, Aspirin should be used as it does not depress the heart, containing with Aspirin a safe, slight heart exhilarant to counteract the slightly depressing effect of the Aspirin.

Your druggist can supply Aspirin tablets, 25c the box, and Eucapine Salve 50c the jar. If your druggist does not keep it order by mail from the manufacturers.

Eucapine Salve is indicated in all case of inflammation of membranes of the air passages and of the skin and is therefore useful in treatment of Influenza, croup, pneumonia, sore throat, coughs, colds, catarrh, sores, burns, bruises, insect bites, skin abrasions, sunburn, blisters, sore feet. As a preventative of infection of the air passages and as a curative treatment in inflammatory conditions it is, when properly and persistently used, entirely dependable. Manufactured only by

The Piedmont Laboratories, Incorporated, Clinton, S. C.

### To the Doctor

The following is the qualitative formula for Eucapine Salve. The quantitative formula will be sent you together with a full sized jar of the salve on receipt of your request. If you have not already proven the great value of this formula in your practice, you will be greatly pleased with results when used as an inhalant in steam vapor or when applied in throat and nostrils and wherever directly applied to any inflamed surface. It is antiseptic, analgesic and antiphlogistic and only slightly rubefacient.

### Quantitative Formula

Rx Oil Eucalyptus Globulus  
Oil Peppermint  
Oil Pinus Sylvestris  
Oil Wintergreen  
Menthol  
Gum Camphor

Thoroughly mixed in proper ratio and sequence and at proper temperature, with refined Petrolatum base.

**Eucapine  
Salve**

Antiseptic Prevents Infection  
Analgesic Relieves Pain  
Antiphlogistic Allays Inflammation

### To the Druggist

Last year during the Influenza epidemic, we were overwhelmed with rush orders for Eucapine to the degree that we were utterly unable to fill all orders and many had to be cancelled from our sheer inability to manufacture Eucapine Salve fast enough. This year, owing to our extensive advertising campaign the normal business is much larger and we may again be unable to supply the full demand.

If your stock is low, order at once to avoid the possibility of shortage on rush orders. There is no danger in stocking liberally to meet emergencies as the rapidly growing popularity of Eucapine Salve assures a steady and constantly increasing demand.

If you have failed to stock it thus far, order from your jobber at once. There is no other salve which exactly fills the field of Eucapine. To substitute is to do an injustice to your customers. Eucapine does not blister the nostrils or the tender skin of an infant's chest, but its curative qualities in inflammatory conditions are unexcelled.

**Bon Marche**

Corner Main and Taylor Streets.  
Columbia, S. C.

**The Bon Marche Opened Its  
Doors to the People  
of South Carolina**

**Monday, March 8th**

The Bon Marche is connected with the Bon Marche stores of Asheville, Wilmington and Charlotte. These stores have been successful, because they have served the public. The one price system is strictly enforced in all the stores. It is the only basis where all the people get a square deal and permits the figuring of prices on an accurate basis. All goods marked in plain figures.

Progressive and well balanced business men who have served you for more than a score of years are in charge of this business. Messrs. Macdonald, McCarthy and Miller are well known to the shopping public, and with the vast purchasing power of the Bon Marche stores, with the supervision of the progressive merchants who are at the head of the system, you are assured of a live and dependable store.

### THE REST ROOM

The ladies will find the Rest Room a well equipped and comfortable place to spend a few leisure moments.

Especially to out of town customers should this Department of Service have a spontaneous appeal.

Easy chairs, writing desks, telephone, lavatories with tile

floor, in fact everything to make you comfortable will be found in this Rest Room, designed to fill a long felt want in the shopping life of the city.

On the first floor we have equipped a checking room for out of town customers to check their suit cases, handbags, umbrellas, etc.

Auto Show and Merchants' Trade Week  
at Columbia March 22-27.

## We Can Supply Your Wants

with the very best in HARNESS, LAP ROBES, SADDLES, WHIPS, Etc. We have as a usual rule a nice lot of

### Horses and Mules

for our many customers during the odd months of the live stock season. If we do not have exactly what you want we can get it for you on short order.

COME AND SEE US.

**J. L. RIDGEWAY & COMPANY**