

POLITICAL EVENTS DURING PAST WEEK IN NORTH STATE

Candidates For gubernatorial Honors Busy Stalking Their Game.

BOOSTERS ARE MAKING CLAIMS FOR FAVORITES

Morrison's Speech At Chapel Hill Is Occasioning Much Comment.

(Special to The Star)
Raleigh, March 8.—With thirteen counties of the ten congressional districts already counted against Robert K. Page-Gardner's campaign manager says that he has just checked up on the districts and finds that his six of the districts and Morrison's friends are claiming that he has seven of the ten congressional districts. Morrison is working serenely on with assurances to those interested enough to inquire about his campaign that he is mighty well satisfied with the way his candidacy for the gubernatorial race is shaping itself. Mr. Page is not making any claims as to his ability to carry any of the congressional districts in fact has said mighty little about his prospects specifically, contenting himself with the statement that the situation looks good to him and with this dismissal of the claims of other candidates he plugs along with his letter writing campaign and in sending friends in all parts of the state.

Some Interesting Events.

There are three or four interesting and perhaps significant events in the political developments of the past week. In the first place the claims of the Gardner supporters who were at the meeting of the state democratic executive committee meeting. The Gardner folks made no bones of how good they were feeling over the prospects. But some of that class of people the cartoonists picture as "wags" taking the joy that they contain at the nose of the members of the committee who were here for the democratic convention and came back with the report that the majority of the democrats attending were not going to vote for Max. These anti-Gardner folks in the apparent confidence of the Gardner campaign is the result of a noisy minority. Claims, they point out, are one thing, while votes in the June primary are an entirely different thing.

Another feature of the week's political developments was the speech Cameron Morrison made at Chapel Hill. He was the second of the candidates for governor who appeared before the student body of the university. Gardner came first. It is certainly interesting, if not significant, that following the Gardner speech the university weekly newspaper, which is edited by the students, came out with an editorial which was frankly informed the candidates that they were not interested in the glory that was Greece and the grandeur that was Rome type oratory. They did not want platitudes, but some solid discussion of the big issues confronting the state today. The Gardner speech may not have inspired this editorial in the student publication, but partisans of the other two candidates are claiming that it did. That, after, is a matter for the individual candidate to put out for himself, and is not part of this discussion.

Must Have Good Platform

It may be said in passing, however, that it was pointed out early in the campaign that the folks were ripe for a candidate who had something to say and was not afraid to say it. That the candidate who won this nomination would be the man who was running on a platform rather than a charming personality, the eye-ready smile and the hand-shake. These may be a part of the campaign this year, as they always are, but the folks, say those who have been out shaking the bushes, are ready and willing to follow for a fellow who has a definite program on which to work out the problems of the state.

Fixing the Tax Rate

The criticism of Mr. Morrison's university speech and his declaration on the tax problem comes from those who believe that the authority for fixing the tax rate in the state should rest in some central authority rather than with the various counties. It is recognized that if the income tax amendment is passed there will be source to take care of all this single question, even possibly including the additional money that will have to be paid school teachers in line with Dr. Brooke's plan for paying salaries that will keep well up among people in the time the richer counties are helping pay the school bills of the less wealthy.

MARINE DISASTER FOLLOWS IN WAKE RECENT HURRICANE

Many Vessels Have Been Lost At Sea And Others Damaged.

New York, March 8.—Reports of marine disasters reaching here today indicated that the gale last week, which prevailed all along the North Atlantic coast, added materially to the shipping loss of a winter which already has placed a heavy burden on insurance companies and shipping interests.

Some Shipwreck Reports

Sinister reports received today included one that the tanker *Cubana*, bound for Baltimore, had failed to respond to wireless calls. Her owners expressed fear that she had met with disaster. The schooner *Eva R. Douglas*, a staunch vessel, which has weathered in years past some of the heaviest gales along the Atlantic coast, had to be abandoned 180 miles east of Cape May.

The steamer *Gulfport* was reported abandoned off Nantucket, with the coast guard cutter, *Acushnet*, attempting to tow her in.

The *Lake Ellithorpe*, with a broken propeller, was anchored dangerously close to a shoal near Sable Island. Calls for assistance from this ship brought the Furness line steamer *Mapleboro* and an attempt will be made to tow her to Halifax.

The *Cape Breton*, a collier, was abandoned as a wreck on Sauter's Island.

Many Ships In Distress

Other ships reported in distress included the Norwegian tanker *Henri Lord*, ashore in Halifax harbor, the *Norfolk Range*, at anchor near Halifax with a crippled propeller shaft, and the *Buckhampton*, from Messina to New York, being towed into Bermuda Sound for fuel and provisions.

The *Royal Mail steamer Chignecto*, which sailed from St. Johns Saturday afternoon for Halifax, has not arrived. The usual time of the trip is twenty hours.

The *Sarcox*, a new shipping board steamer, is said to be leaking and storm damaged 400 miles east of New York.

CONCRETE DRYDOCK WILL BE INSTALLED AT CAROLINA YARDS

Giant Structure Will Accommodate Ships of 7,500 Dead- weight Tons.

Construction of a concrete drydock that will accommodate ships of all sizes up to 7,500 deadweight tons will be undertaken by the Carolina shipyards if investigations now under way show the amount of revenue to be obtained warrants such a project, and the geological conditions to be encountered are not too difficult to handle.

The total cost of the proposed drydock will be in the neighborhood of \$1,000,000.

Space sufficient for building the dock has been laid off north of the outfitting pier. During the past week soundings have been made to determine the character of the ground, and to ascertain at what depth the rock formation, known to underlie this section, is to be found.

ANTI-CIGARETTE LEAGUE

Chicago, March 8.—Abolition of the cigarette in America by 1925 is the slogan of the International Cigarette League which has been organized as successor to the Anti-Cigarette League, it was announced today.

Wall Street Demoralization Follows Erroneous Report Of Supreme Court Decision

New York, March 8.—Wall Street was thrown into a state of demoralization today, and many hundreds of thousands of dollars were lost and won within a few minutes, when news agencies which serve the financial district misstated such a decision of the Supreme Court as to the taxability of stock dividends were taxable.

Violent Declines Followed.

Rails followed the misleading report. Right-trading sold almost regardless of value. The hundreds of thousands of dollars forfeited by them were captured on the rebound by others who had refused to sell on the strength of the false and false reports and who were in ignorance of what was happening.

General motors was the star performer, gaining 15 points before noon, before the closing. The day's performance was a net gain of 42.1-4 points. Crucible steel was another spectacular

STOCK DIVIDEND NOT SUBJECT TO INCOME TAX LAW

Supreme Court Hands Down Important Opinion In Close Decision.

CUT GOVERNMENT OUT OF IMMENSE REVENUE

Stock Dividends of Generous Proportions Expected To Be Declared Soon.

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.

Stock Is Not Dividend

In the majority decision, read by Justice Pitney, Chief Justice White and Justices McKenna, Vanderventer 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 in which Justice Clark concurred.

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 except paper certificates" and that distributed assets are not released profits and, therefore, not taxable.

The attempt of congress in the income tax 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 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 minority declared, is broad enough to justify tax.

Justices Brandeis and Clark characterized the majority view as "narrow" and "barbaric," 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 than 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.

ODD FELLOWS CONFER THE INITIATORY DEGREE

Banquet Will Be Held In Near Future.

Cape Fear Odd Fellows will tonight confer with initiatory degree on a number of candidates and a full attendance is expected. Invitations are being issued for a banquet to be held in the lodge rooms in the near future, at which time short talks will be made by Odd Fellows Walker Taylor, Marcus Jacob and other members with reference to increasing the sphere of usefulness and activity of the order.

Later in the spring a concert will be held by the children of the Odd Fellows orphanage at Goldsboro, the proceeds of which will be devoted to the enlargement of the facilities for caring for those children otherwise unprovided for.

OTTEEN HOSPITAL INVESTIGATION IS STILL GOING ON

Memorandum Regarding Condi- tion Has Been Forwarded To Senator Simmons.

Wilmington, March 8.—In response to a letter from Senator Simmons, requesting information about the pending investigation at the Otteen hospital, an particulars about soldier patients held there for court-martial because they complained with their congressman and senators about conditions at the hospital, Secretary of War Baker has forwarded to Senator Simmons a memorandum prepared by Inspector General Chamberlain. This memorandum shows that Neely has been discharged and that an order has gone forth directing that no man be tried by court-martial for the trivial offenses attributed to the patients. The memorandum is as follows:

"1. On February 6th the surgeon prepared a memorandum from the surgeon general, stating that numerous communications had been received by him regarding conditions at United States Army General Hospital No. 19, Otteen, N. C., and requesting that full investigation be made by an officer of the inspector general's department. On the following day Colonel C. C. Kinney left Washington to make this investigation, and he is still at Otteen in connection with same.

"2. On or about February 27th inquiries were made of this office by members of congress relative to the delay in discharge of Private James A. Neely, one of the patients at United States Army General Hospital No. 19, in reply to inquiries from this office. Colonel Kinney reported that Private Neely and two other soldier patients, had visited wards other than their own, and had enlisted men to send telegrams to their relatives and representatives, requesting that they cause a civilian investigation. Their efforts resulted in the sending of not less than fifty-five telegrams. Because of these efforts to stir up trouble, and not because of telegrams which Private Neely had sent, Colonel Kinney requested the commanding general, southeastern department, to delay Neely's discharge until the matter could be reported to Washington. Private Neely's discharge on surgeon's certificate of disability had been authorized.

Detention Order Withdrawn

"3. On March 1, upon receipt of Colonel Kinney's report, this office was directed to withdraw its request for retention in this service of Private Neely. A telegram was sent yesterday by the adjutant general to the commanding officer, general hospital No. 19, directing that no men be tried by court-martial for telegrams which they may have sent asking for the release of Neely.

"4. Concerning the matter of interviewing patients by members of the American Legion at Asheville, Colonel Kinney has been directed to make full investigation and report.

"5. Colonel Kinney has not yet completed the investigation at general hospital No. 19. Pending receipt of report of such investigation, no further action by the war department appears to be called for."

COUNCIL APPROVES SEMAPHORE SIGNAL

Device To Supplant Hand Signals By Motorists Given Endorsement.

Ordinances governing the display of signals by motorists when turning corners are stopping in this city were last night amended by city council so as to permit the use of mechanical devices in lieu of hand signals.

Action was taken on motion by Councilman J. P. Wade following the demonstration of a new semaphore device, which by means of an electric switch on the dash board, displays a red signal from the rear fender, indicating the drivers' intention of stopping.

Little business of importance was before council last night, the greater part of the session being spent in consideration of more or less unimportant matters.

On request of Roy F. Hanaford, manager of Lakeside Park, permission was granted to have the sewer lines extended to the resort in time for the opening of the season on March 15.

One bid received by Councilman Wade for decorating the interior of the new city auditorium and was held up for further consideration by the finance committee together with Mr. Wade. This bid, submitted by a local contractor, was for \$2,041, which in the opinion of several members of the body was a fair price.

Mr. Wade also suggested that in motorizing the street department a savings can be effected by buying several trucks of different makes.

ENLISTMENT DRIVE LAGS.

(Special to The Star.)
Washington, March 8.—On February 27, when fifty-four per cent of the time elapsed in the present recruiting drive, only 12.3 per cent of the quota of enlistment had been obtained, according to announcement by the war department. The drive began January 19 and ends March 31. Knoxville's quota is 150. That city's enlistment is 193 or 12.9 per cent of its quota.

LIQUOR AMENDMENT PARTIALLY ARGUED IN SUPREME COURT

Rhode Island Characterizes Pro- hibition As Invasion Of States' Rights.

GOVERNMENT DEFENDS BASIS LAW ADDITION

Kentucky And Massachusetts Appeals, Involving Same Question Heard Today.

Washington, March 8.—Rhode Island's legal attack on the prohibition amendment to the federal constitution was argued in supreme court today, assailed by the complainant as revolutionary and an invasion of states' rights, and defended by the government as a legitimate addition to the nation's basic law over which the court held no jurisdiction.

Throns attended the session of the court to hear the arguments on one of the burning questions of the day. Many persons waited outside the doors throughout the morning to obtain admittance.

Herbert A. Rice, attorney general of Rhode Island, opened for the appellant, and William L. Frierson, assistant attorney general of the United States, replied for the government. Other arguments will be heard tomorrow, as well as appeals from Kentucky and Massachusetts involving the same question.

Constitutional Revolution

Mr. Rice charged there was in progress a "constitutional revolution" through amendments.

"I see more danger in the doctrine urged by the government than the doctrine urged by the demagogue during the world war," he said. "The rights assured the people under the Tenth amendment were never intended to be taken away."

Mr. Rice argued that the prohibition amendment resulted from a misconception of the law by congress, and that the federal government has no authority to make such a change in the constitution as the amendment provides.

Declaring that "amendment" means a correction, he said the terms of the prohibition amendment are clearly outside the purview of the constitution.

"What about the Thirteenth amendment abolishing slavery?" inquired Justice Pitney.

"That was a compromise amendment and corrected an error in the constitution," answered Mr. Rice.

By Unanimous Consent Only
Justice Brandeis asked what power could bring about the conditions imposed by the Eighteenth amendment. "There is no power in the United States constitution to make such a change unless it could be done by unanimous consent of the states and the people of the United States," Mr. Rice said. "There is no power, and there was never intended to be such power for encroachment by the federal government upon the powers of the states."

"Wasn't slavery supported by the police power of the states?" Justice McReynolds asked.

"Yes," replied Mr. Rice, "but it was a police power to regulate."

Mr. Rice told the court that the Thirteenth, Fourteenth and Fifteenth amendments "were written into the constitution by force and not with the voluntary assent of the southern states."

Assistant Attorney General Frierson argued there was nothing revolutionary in the adoption of an amendment that lays down a "fundamental rule of law" that applies to all states.

DURHAM TO REFUSE TO PAY GAS BILLS

Attempt To Secure Re- bates For Service

Durham, N. C., March 8.—Prior to his departure for New York in company with City Attorney S. C. Chambers, Mayor M. E. Newsom issued a statement in which he called upon patrons of the Carolina Power and Light Company in this city to postpone payment of gas bills until further notice. The action of the mayor came as a result of a gas shortage which has laid down a "fundamental rule of law" that applies to all states.

The mayor and city attorney are going to New York for the purpose of holding conferences with directors of the company. They will demand rebates for the gas consumers in this city.

FUEL OIL PIPE LINE FROM HAVRE TO PARIS

London, March 8.—The French government has sanctioned the construction of a double pipe line for all oil between Havre and Paris; a distance of about 150 miles. It is stated by the American Chamber of Commerce in London. One of the pipe lines, with an internal diameter of ten inches, is to be used for heavy fuel-oils, and above it will be a smaller pipe line of four inches for kerosene and motor spirit.

It is anticipated that 4,500 tons of heavy, and 1,000 tons of light oils and spirit can be pumped through these lines daily, thus materially lightening the difficulty of supplying Paris with fuel by facilitating the use of heavy oils in its place. It is hoped to complete the lines in time for next winter.

WILSON REAFFIRMS HIS OPPOSITION TO ANY RESERVATIONS

WORK IN SENATE REDUCES TREATY TO MAIN ISSUES

Negotiations For Compromise On Keystone Problem Presses Toward Conclusion.

PRESIDENT'S LETTER CAUSES NO COMMENT

Only Article 10 and League Vot- ing Power Remain To Be Settled.

Washington, March 8.—Limiting debate by unanimous consent the senate moved swiftly today to reduce its fight over the peace treaty to basic issues.

Four more of the republican reservations were readopted, two of them without change, while negotiations for a compromise on the keystone problem of Article 10 were pressed toward a conclusion, apparently unaffected by the renewed declaration of President Wilson against any material weakening of the treaty's provisions.

Democrats Free to Act.

The President's letter, coming at a time when the Article 10 negotiations were declared by one of their sponsors to have brought the two sides very near together, was met with widely differing interpretations. But the democratic senators working for a compromise continued their efforts, telling their colleagues they felt free to act since the executive had not seen fit to say he would pocket the treaty if it came back to him with compromise reservations.

In the day's work on the senate floor for the last of the fourteen republican reservations, except those relating to Article 10 and league voting power, were swept out of the way, and debate on the voting power reservation was limited to a few minutes. The related to armaments, the economic boycott, alien property and the labor section, the later being brought to a roll-call without a word of debate.

Until the voting power reservation was reached the senate worked under a unanimous consent agreement, proposed by Senator Lodge, of Massachusetts, the republican leader, limiting speeches to twenty minutes. Few senators spoke, however, and none used the allotted time. Efforts to apply a limitation on discussion of the two remaining reservations, which would meet with prolonged opposition.

While the Article 10 negotiations reached a point it was said where the Democrats of only a few words stood in the way of an agreement, the leaders emphasized that the last pull might prove the hardest, and minimized hope that enough senators would be brought into accord.

It also was pointed out that neither Senator Lodge nor Senator Hitchcock, of Nebraska, democratic leader, had openly given assent to the negotiation agreement which it might not command a two-thirds vote.

Little Comment Made.

The letter from President Wilson did not reach senators until late in the day, and few cared to make any public comment on it. Senator Hitchcock described it as "illuminating." Senator Lodge said it was "a masterpiece of logic." Senator Borah, republican, Idaho, leader of the irreconcilable opponents of ratification, said the President had helped insure the treaty's defeat by throwing cold water on compromise. Democratic senators were quick to advise them to vote against ratification, as he did last November, not to promise to give the treaty in a white house pigeon hole if it were ratified with more than interpretative reservations. In that respect they contrasted it with his letter to the Senate, in which he had promised that he would suggest that the treaty with the republican reservations be voted down.

DURHAM'S MODERN ENOCH ARDEN CASE ENDS IN DIVORCE

Husband Returns From War To Find His Bride The Wife Of Another Man.

Durham, N. C., March 8.—Mrs. Ida Page Griffin, the central figure in Durham's modern Enoch Arden case, was today granted a divorce from Walter Griffin, the husband with whom she was living when T. O. Page, her first husband, believed dead, returned from army service.

Mrs. Page, according to the evidence produced in the trial this afternoon, had been officially notified by army officers of her first husband's death. Some time later she married Griffin. Only a few months ago the first husband returned to Durham to claim his wife. He found her living with the second husband.

Recently Mrs. Griffin, through her attorney, announced her intention of divorcing both husbands.

"For myself, I feel that I could not look the soldiers of our gallant armies in the face again if I did not do everything in my power to remove every obstacle that lies in the way of the adoption of this particular article of the covenant, because we made these pledges to them as well as to the rest of the world, and it was to this cause they deemed themselves devoted in a spirit of crusaders. I should be forever unfaithful to them if I do not do my utmost to fulfill the high purpose for which they fought."

"I think, my dear senator, we can discern from our minds the idea that it is necessary to stipulate in connection with article ten the constitutional

Says Modification Of Article 10 Would Cut The Heart Out Of The League.

MORAL OBLIGATION

Unthinkable That This Country Should Ignore Her Pledge To The World.

OPINION OF WORLD

Nullifying Amendments Would Make League Another "Scrap Of Paper."

Washington, March 8.—President Wilson re-stated for democratic senators today his opposition to any peace treaty reservations which would weaken the full force of article ten or otherwise materially impair the provisions of the league covenant.

Without saying specifically what qualification he would or would not accept he wrote in a letter to Senator Hitchcock, the administration leader, that almost all of the reservations he had heard suggested were "in effect virtual nullification" of the treaty articles to which they applied.

"I hear of reservationists and mild reservationists," the letter added, "but I cannot understand the difference between a nullifier and mild nullifier."

Discussing article ten particularly, the President wrote that there was "no escaping the moral obligations which are expressed in positive terms in this article," though there could be no objection to explaining in an interpretation the constitutional methods by which such an obligation would have to be fulfilled. The "very heart of the covenant," he reiterated, would be imperiled by weakening article ten.

President's Letter In Full

The President's letter, written in response to a request that he confer with Senator Simmons, of North Carolina, in charge for the democratic senate in current negotiations for a compromise, follows in full:

"My Dear Senator Hitchcock: I understand that one or two of your colleagues do me the honor of desiring to know what my views are with reference to article ten of the league of nations, and the effect upon the league of the adoption of certain proposed reservations to that article. I welcome the opportunity to throw any light I can upon a subject which has become so singularly beleaguered by misapprehensions and misinterpretations of every kind."

"There is no escaping the moral obligations which are expressed in positive terms in this article of the covenant. We won a moral victory over Germany, far greater even than the military victory won on the field of battle, because the opinion of the whole world swung to our support and the support of the nations associated with us in the great struggle. It did so because of our common profession and promise that we meant to establish an organization of peace which should make it certain that the combined power of free nations would check every invasion of right and serve to make peace and justice the more secure by affording a definite tribunal of opinion to which all must submit and by which every international adjustment that cannot be amicably agreed upon by the peoples directly concerned shall be sanctioned.

"This promise and assurance were written into the preliminaries of the armistice and into the preliminaries of the peace itself, and constitute one of the most sacred obligations ever assumed by any nation or body of nations. It is unthinkable that America should set the example of ignoring such a solemn moral engagement."

"For myself, I feel that I could not look the soldiers of our gallant armies in the face again if I did not do everything in my power to remove every obstacle that lies in the way of the adoption of this particular article of the covenant, because we made these pledges to them as well as to the rest of the world, and it was to this cause they deemed themselves devoted in a spirit of crusaders. I should be forever unfaithful to them if I do not do my utmost to fulfill the high purpose for which they fought."

"I think, my dear senator, we can discern from our minds the idea that it is necessary to stipulate in connection with article ten the constitutional