

CROSBY CHARACTERIZES ASSERTION OF LORD BALFOUR REGARDING LOAN GUARANTEES AS MISAPPREHENSION

Former Assistant Secretary of Treasury Declares British Guarantees Were Not Required.

LOANS MADE WITHOUT CONSULTING BRITISH Only One Incident on Which Misapprehension Could Be Based, He Said; This Was Relatively Small Loan to Russia at Time When Only a Charge d'Affaires Represented That Nation in Washington.

NEW YORK, March 9.—(By Associated Press.)—Oscar T. Crosby, assistant secretary of the treasury during the war, emphatically characterized today as a misapprehension the assertion of Lord Balfour yesterday, in the house of lords, that the United States had demanded a British guarantee before financing other allies.

Entering the controversy in London between Lord Balfour and Ambassador Harvey, Mr. Crosby, who discussed war loans with Lord Balfour when the latter came here in 1917 as head of the British high commission, and who later served in Europe as president of the inter-allied council on war purchases and finance, declared he could recall but one incident on which the "misapprehension" might be based.

This incident, he said, was the granting to Russia of a relatively small loan of \$10,000,000 upon British indorsement, at a time when Russia was represented here only by a charge d'affaires holding over from the czarist regime, with no authority to sign obligations for the provisional government of Russia. Mr. Crosby admitted, however, that this loan had been left to the charge of Great Britain.

Referring to the Russian loan, Mr. Crosby said that the situation seemed to have been dominated by British indorsement, that Secretary McAdoo felt it was wise to leave the account as he found it. We knew nothing of the quid pro quo which might have existed between the indorsing governments, Great Britain and Russia, Mr. Crosby said. "Lord Balfour," he said, "though we should have taken over this relatively small amount, and I fancy his memory has retained the impressions resulting from the incident, while he has not kept pace with the other vastly larger transactions, in which his government was not asked to assume any responsibility whatever for allied purchases, other than British in our markets."

Mr. Crosby's statement, in part, follows: "I can recall but one incident, which, remaining in Lord Balfour's mind, may have given rise to the misapprehension appearing in his last statement in Washington and in London. It was in 1917, in part, with him.

"Shortly after our entrance in the war, it became my duty to obtain a statement of the commitments of the various allied governments for materials under contract in the United States. This statement was had from J. P. Morgan and company, who were acting as fiscal agents for Great Britain and other allies."

"When the Morgan statement was received, it showed about \$170,000,000 of contracts for deliveries to Russia, but with British indorsement. Russia was at that time represented only by a charge d'affaires holding over from the czarist regime. He had no authority to sign obligations for the provisional government of Russia. Secretary McAdoo could not lend money without having corresponding obligations of the borrower. But as to this necessary authority was given, loans were made directly to the new Russian government without indorsement of any other government."

"While the commitments of the big belligerents were taken over by them from loans made directly to them, the one just mentioned for Russia was left to the charge of Great Britain.

"There was no discussion as to British responsibility for the purchases here of the allied materials. But as to this Russian affair, it seemed to have been dominated by British influence (necessity doubtless in the confusion of the times) that Secretary McAdoo felt it was wise to leave the account as we found it."

"Lord Balfour thought we should have taken over this relatively small amount, and I fancy his memory has retained the impressions resulting from the incident, while he has not kept pace with the other vastly larger transactions in which his government was not asked to assume any responsibility whatever for allied purchases (other than British) in our markets.

"Lord Balfour says we explained to the American government that we should be able to find all the dollars necessary to purchase our own war materials without borrowing from the United States or anybody else." Certainly such a statement came to my knowledge. On the contrary, the need of borrowing dollars for British requirements here (and even in neutral countries) was always to the fore in my contact with the subject."

WASHINGTON, March 9.—Treasury spokesmen, answering inquiries today concerning statements made yesterday in the house of lords by Lord Balfour, had been made clear last August and they desired "to let the controversy drop."

Secretary Mellon reiterated that the United States had exacted no guarantees from Great Britain and referred to the statement in the house of lords that the British government had not been informed in most cases when other governments had requested ad-

Samuel Gompers Is Seriously Ill In New York With Pneumonia

NEW YORK, March 9.—Samuel Gompers, 73 years old, president of the American Federation of Labor, is at Lenox Hill hospital, this city, suffering from influenza and bronchial pneumonia, it was learned tonight.

His secretary, W. C. Roberts, announced that Mr. Gompers' physician, Dr. Gustav Fisch, reported the patient's condition as serious, "his advancing age greatly retarding convalescence."

CASE AGAINST SACCO AND CANZETTI AGAIN CONTINUED BY COURT

Postponement of Famous Murder Case Made At Defense Counsel's Request.

DEDHAM, Mass., March 9.—Another postponement was added today to the long list of delays ensuing after the conviction of Nicolai Sacco and Bartolomeo Vanzetti for murder in 1921. At the request of counsel for the defense the hearing scheduled for today on motion for a new trial was laid over for one week.

Armed state constabulary were stationed about the court house when court convened while within the building wing police officers were on duty to guard against any possible demonstrations.

Packing Plants Merger Is Virtually Complete

CHICAGO, March 9.—Merger of the Armour and company and Morris and company packing plants was virtually completed today and the consolidation awaits only formal announcement to become effective, it was announced here tonight.

Muscoutin Towing In a Disabled Schooner

NORFOLK, Va., March 9.—The coast guard tug Muscoutin passed in Cape Henry at 9:40 o'clock tonight with the disabled four masted schooner Jesse G. Moyes in tow. The schooner lost her foremast and main top mast in a storm off the North Carolina coast Thursday.

Old Graham Home At University Is Burned

CHAPEL HILL, March 9.—The Graham house, home of the late Edward K. Graham, and held in affectionate memory by many who were students of the university of North Carolina during Mr. Graham's lifetime, was destroyed by fire this afternoon.

FOOD PRICES PAST MONTH FALL OFF IN TWENTY-TWO CITIES

WASHINGTON, March 9.—Retail food costs in all of 22 representative cities decreased between January 15 and February 15, according to figures compiled by the labor department. Compared with the average prices in 1913, however, the range was 21 per cent to 50 per cent higher.

February Building Permits Take Jump

NEW YORK, March 9.—Building permit values in 149 cities of the United States in February were 127 percent higher than in January and 62.2 percent greater than in February 1922, according to Bradstreet's. The total value of permits filed in the 149 cities last month was \$216,748,197.

OPPORTUNITIES IN STAR-NEWS CONTEST

Wilmington and this entire section today is agog over the Star-News' great "Everybody Wins" free gift distribution. Everybody is talking. And but few are doing. It is not that the Star-News want it. It is candidates. And candidates are slow getting in.

Fort Myer Barracks Destroyed By Fire

WASHINGTON, March 9.—Fire broke out tonight in the barracks of enlisted men at Fort Myer, Va., just across the Potomac river from Washington. Fire fighting apparatus was rushed to the scene from Washington in an effort to confine the flames to one building, in which about 100 men were quartered.

Fire Building To Delay Examinations

LEWISTOWN, Pa., March 9.—Norman Deuel and Nelson Hanawalt, seniors, and Walter Harshbarger, a member of the Junior class, confessed today that they had set fire to the Lewistown high school building in order to delay examination for which they were not prepared.

Wealthy Wake Farmer Gets Prison Sentence

RALEIGH, March 9.—Niles O'Neal, wealthy Wake county farmer, today was sentenced to 18 months on the county roads by Judge Cramer in Wake county superior court when a jury found him guilty of having sold whiskey to two detectives employed by Solicitor W. F. Evans. O'Neal took an appeal and gave bond for \$3,500.

TURKS' REPLY TO ALLIED PEACE PROPOSALS HANDED TO HIGH COMMISSIONERS

CONSTANTINOPLE, Mar. 9.—The Turkish government's reply to the allied peace proposals arrived here by courier from Ankara this afternoon and was handed to the British, French and Italian high commissioners. Copies will also be delivered to the American and Japanese representatives.

RUHR SITUATION IS SUBJECT OF SPEECH BY FRENCH PREMIER

PARIS, March 9.—(By the Associated Press.)—Premier Poincare today addressed the foreign relations committee on the subject of the situation in the Ruhr. The premier went into details with regard to the Ruhr railroads, the organization of the customs, the putting into force of import and export licenses, and expulsion of German officials, the liaison established between the Bridgeheads, the relations between the occupation troops and the population and the arrangements made to insure progressively the delivery of coal and coke to France.

PACKING PLANT ARE TAKEN IN CUSTODY

CHARGED WITH THE EMBEZZLEMENT OF BONDS IN THE AMOUNT OF \$20,000, Robert M. Williams, president of the Southern Packing Corporation, operators of the Carolina Packing plant in this city, has been arrested in New York on a warrant forwarded by the local police, and is being held pending the action of the governor of New York state on extradition papers prepared by County Solicitor J. A. McNoron.

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FORECAST BY STATES

WASHINGTON, March 9.—Virginia: Increasing cloudiness and warmer Saturday followed by rain Saturday night or Sunday colder Sunday.

Morehouse Grand Jury Adjourns Until Monday

BASTROP, La., March 9.—(By Associated Press.)—The Morehouse parish grand jury adjourned late today until Monday with indications that its investigation into the operations of hooded bands in this parish would be concluded next Tuesday or Wednesday.

Carolina Beach Reported Burning Early Today

Residents of Carolina Beach, at 2:30 o'clock this morning, notified police headquarters here that "Carolina Beach is burning up." No details were given.

COUNTIES ARE GIVEN POWER TO ESTABLISH COURTS UNDER BILL

Authority Contained in Measure Passing Legislature At Closing Sessions. ANSWERS FOR JUDICIAL DISTRICTS MEASURE

Court Will Have Criminal and Civil Jurisdiction; People Must Vote On It.

MORNING STAR BUREAU. 312 TUCKER BUILDING. By BROCK BARCKLEY. RALEIGH, March 9.—The general assembly killed the judicial districts bill, but it gave counties burdened with congested superior court dockets authority to establish general county courts having civil and criminal jurisdiction and conducting trials by jury.

Harding Goes Into Jungles of Florida for Game of Golf

STUART, Fla., March 9.—President Harding had to go into a Florida jungle for a game of golf but he got it. The morning of the fourth day of his Florida vacation trip dawdled with the houseboat Pioneer on which the President is cruising down the Indian river, anchored just above Vero about 10 o'clock. The President and his golfing companions came ashore there and motored to the Rio Mar golf course.

President of Southern Packing Corporation Held in Default of \$50,000 Bail.

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