

## Harding Asks Congress to Broaden Powers of the War Finance Corporation

### To Take Charge of Funding \$500,000,000 Railroad Debts AND HELP FARM CREDITS

Message Deals Particularly With Railroad Financing. NO ADDED EXPENSE ASKED

Declares Government Legally and Morally Bound to Help Roads and Farmers.

WASHINGTON, July 26.—Partial response was made immediately by Congress today to a special message from President Harding requesting that powers of the war finance corporation be broadened to take charge of funding upwards of five million dollars of railroad debts and to provide additional farm credits.

The President in his message, transmitted by messenger, declared that the government was "morally and legally bound" to fund the railroad debt and was under "an impelling moral obligation" to provide agricultural credits.

The first step toward meeting the second of the two requests provided for in the message was taken in the Senate before the presidential message was read. Senator Kellogg, republican, Minnesota, introduced a bill, drafted by Secretary of Commerce Hoover and Director Myers of the war finance corporation, and said he would have the approval of the President, as a substitute for the pending Norris bill to create a one hundred million dollar farm export corporation.

The bill as introduced embraced the President's suggestions to empower the war finance corporation, instead of a new federal corporation, as provided in the Norris bill, to advance credits for agricultural exports.

The President's message dealt particularly with railroad financing and declared the proposal that the war finance corporation take charge of the funding of railroad debts to be a "no added expense, no added liability, no added tax burden." The President described the proposal as "a simple, direct, and effective" measure.

The bill as introduced provided for the "simple securities" deposited by the railroads.

The message was referred by the Senate to its interstate commerce committee, but Chairman Cummins in his report was out of the city and when the railroad legislation would be taken up in the House.

Leaders, however, expected action within the next fortnight. Several senators opposing any semblance of government advances to the carriers, stated privately that they would fight the legislation.

No added expense, said the President, explained the requirement, "no added liability, no added tax burden." There is no added liability, no added tax burden.

"It is merely the grant of authority necessary to enable a most useful degree of government activity to use the available funds to purchase securities for which Congress already has authorized the issue, and turn them into channels of finance ready to flow them."

The contract covering operation, said the message, "provided that the railroads should be returned to their owners in as good condition as when taken over by the government, and the transportation act to recognize the settlements and additions belong to capital account, provided that such sums as the railway companies owed the government for betterments and new equipment, added during the period of government operation, might be funded. There has been, at no time, any question about the justice of funding such indebtedness to the government. Indeed, it has been progress to measure the degree of indebtedness to the government of the railroads to their owners. It has been limited, however, to such cases as those in which final settlements with the railway administration have been effected. The process is admittedly slow to meet the difficult situation which the owners of the railroads have been facing, and I believe it essential to restore railway activities and essential to the country's good fortune to have both funding and settlement.

"Quite apart from the large sums owing to the government, which we are morally and legally bound to fund, the government and legally bound to fund, the government admittedly owes the railway companies large sums on various accounts such as compensation, depreciation and maintenance.

Railways Needs.

"The way now would seem to be clear to very early adjustment and relief; except for the fact that the railway administration, though possessing assets, does not command the funds necessary to meet what will be its admitted obligations.

"There is no thought to ask Congress for additional funds. Perhaps five hundred million dollars will be

## OVERHAULING OF FORDNEY TARIFF BILL NECESSARY

### Else It Cannot Be Effectively Administered, Says Davis.

### CUSTOMS OFFICER HEARD

### Sees in American Valuation Plan Cause for "Unending Litigation" Tells Committee.

WASHINGTON, July 26.—Overhauling of rates in the Fordney tariff bill will be necessary in order to permit its effective administration, the Senate Finance committee was told today by George C. Davis, chief of the comparative values bureau in the New York customs house. Mr. Davis, declared further that if Congress adopted the American valuation plan of levying import duties, even more radical changes in the rates would have to follow.

The American valuation plan as a substitute for the present system of assessing duties on foreign values was attacked by the customs official, who saw in it the cause for "unending litigation and a general tying up of the importing business."

He added that, as drawn, some of the rates in the bill, administered on an American valuation basis, meant a "positive prohibition" of importations. He did not, however, enumerate the commodities of which he spoke.

Mr. Davis said that no one knew what the effect of the change would be and predicted it would take years to learn, whereas the customs service with nearly 50 years of experience under the present plan had back of it a century of accepted business practices and a generally stable foundation upon which to work. All of this would be lost in the change, he declared, and another era of litigation gone through before interpretation could be had of the bill's provisions.

Mr. Davis said there would be an increase in amount of work placed on the customs service by the new duty basis, informing the committee that it would require that every package entering customs would have to be examined. At present, he said, inspectors examine only about 10 per cent of the imports.

Mr. Davis said that the bill would require that every package entering customs would have to be examined. At present, he said, inspectors examine only about 10 per cent of the imports.

Mr. Davis said that the bill would require that every package entering customs would have to be examined. At present, he said, inspectors examine only about 10 per cent of the imports.

## RATE INCREASES PROTESTED BY NORTH CAROLINA

### Will Fight Advance in Freight to Virginia Cities.

### STATE WELL REPRESENTED

### Corporation Commission Files Protest Following Conference With Shippers.

WASHINGTON, July 26.—The North Carolina corporation commission presented to the interstate commerce commission today its protest against increased freight rates.

The corporation commission, chambers of commerce and shippers organizations in the state held a rate conference in the Raleigh hotel today to discuss international commerce commission docket number 10,500 and 10,515.

Resolutions agreed to stated that the order of the interstate commission "does not contemplate a general advance in rates from eastern cities to Virginia cities and a disruption of the relationship between north Atlantic ports" and further:

"That good faith demands that the carriers proceed to publish in conformity with the decision of the commission in 10,500 and 10,515 the rates ordered established on basis of present rates.

"If, after compliance with the commission's order, the carriers wish to make any further changes, such changes be handled in an orderly way, as provided in case of other changes in rates.

"That further general increases in rates to the southeast are not in conformity with the general tendency of the times, nor in accordance with the policy expressed by the traffic executives in conference with the shipper, on December 14, 1920."

Among Those Present.

At the conference from this state were: Allen Taylor, N. Jacobi and James M. Cowan, of Wilmington; W. T. Lee, George P. Pell and A. J. Maxwell, Col. Albert L. Cox, M. J. Resman, W. G. Womble and T. J. McPherson, of Raleigh; W. S. Craighead, C. G. Yates, C. F. Newman and C. W. Roberts, Greensboro; Burke Hogwood, Durham; H. L. Aiken, Goldsboro; D. U. Sandifer, Charlotte; J. H. Hinton, Salisbury; M. Y. Scott, Wilson; R. Y. Chambliss, Rocky Mount; H. E. Beney, R. A. Brand, G. W. Perrin, R. G. Hodgkin, Wilmington; H. L. Smith, Greenville; W. L. Hope, Statesville.

The statement said in summarizing the state's position:

"In conclusion, we deprecate the attempt of the carriers to complicate the working out of the interstate commerce commission 10,515, by advancing the rates between Virginia cities and North Carolina points by the use of a new scale and a new percentage relation of classes. The rates between Virginia cities and North Carolina were voluntarily established rates, which have existed for many years and have borne their burden of all increases authorized by general order 28 and its parts.

"With this unwarranted advance dismissed the order in international commerce commission 10,500 can be worked out speedily between the east and North Carolina, and the rates published by August 15, as prescribed by the commission.

"We respectfully insist that this be done. This will leave the western rates to be disposed of. We understand that the carriers have until October 1 to adjust those rates from Cincinnati.

"We are willing to discuss with the carriers, at once if they desire, the consideration of first class rates from Cincinnati and C. F. A. points to the present North Carolina and Virginia zones, the remaining classes to be published on existing relationship. We are further prepared to discuss an alternative mileage scale to the southeast with a view to enabling publication of satisfactory rates in connection with the prescribed or modified zones.

"Rates from Carolina to the southeast are not affected by such scale to be published by August 15 under the present rates from Virginia cities, subject to revision under the basis in international commerce commission 10,500, when new rates are published from Virginia cities to South Carolina and the southeast."

## EIGHT SOUTHERN STATES PROTEST AGAINST PLAGUE AND SEMI-FAMINE REPORT

### WARNING OF PELLAGRA EPIDEMIC DOES NOT APPLY TO N. CAROLINA

### State Board of Health Reports for First Half of Year Show Decrease in Number of Deaths — Poverty of Diet to Cause Pellagra Not Found in State; Fruits, Fresh Vegetables and Milk Furnish Preventive.

RALEIGH, July 26.—No famine nor unusual prevalence of pellagra exists in North Carolina, according to a joint telegram sent today by Dr. W. S. Rankin, secretary of the state board of health, and W. H. Richardson, private secretary to Governor Morrison, in response to an inquiry received at the executive offices from The St. Louis Post-Dispatch.

This morning the governor's office received the following message from the St. Louis paper:

"Will you please telegraph what famine and pellagra condition if any there is in your state needing relief contemplated by President Harding's statement to public health service and Red Cross."

The following reply was sent:

"No famine in North Carolina nor unusual prevalence pellagra. Thirteen pellagra deaths less this year than last year for same period."

Supplementing this exchange of wires the health department late today issued the following statement:

The general warning of a wide spread epidemic of pellagra in the southern state, and especially in the cotton belt, issued by the U. S. public health service is not applicable to North Carolina, according to statistics on file with the state board of health.

"Pellagra is not a reportable disease in North Carolina and there is, therefore, no way of checking the number of cases except through the number of deaths reported. For the first six months of 1921 there was a decrease of 13 in the number of deaths from this cause in North Carolina. A decrease is shown for each month up to June, which latter showed an increase of four. The total number of deaths reported for 1920 as having been caused by pellagra was 297. The total number reported for the first six months of 1921 was 116. If the same average is maintained for the remaining six months of the year, 1921 will show a net decrease of 65 deaths from this cause.

"Pellagra is a nutritional disease and the U. S. public health service has attributed the increase in its incidence in the southern states to the poverty of diet that has followed the tremendous depression in the prices of farm products. While North Carolina has been affected from this cause, it has not had the other southern states, you reports to the state board of health would indicate that there has not been the resulting poverty of diet that might have been expected. Fruits, fresh vegetables and milk when forming a large percentage of the diet prevent pellagra on all cases it when it has been caused by a deficient diet."

## CHARGED WITH MURDER OF PROHIBITION OFFICER

ASHEVILLE, July 26.—"Babe" Bennett is charged with murder in the first degree in the bill of indictment returned by a Swain county grand jury today. He was immediately brought before the court and entered a plea of not guilty of the murder of Hol Rose, prohibition officer, slain in a raid in that county last October. Names of one hundred witnesses were drawn and ordered subpoenaed to appear Thursday morning at 10 o'clock, at which time the trial will begin.

## DONATE A DAY'S PAY TO TEXTILE STRIKERS

### Labor Organizations in Asheville Have Taken a Very Decided Stand.

### WALLACE AND ROOSEVELT INVITED TO GREENSBORO

### Tar Heel Delegation Asks Them to Attend Southern Tariff Congress.

WASHINGTON, July 26.—Headed by Senator Overman, a delegation from North Carolina called upon Secretary of Agriculture Wallace and Assistant Secretary of the Navy Roosevelt today with invitations to address the Southern Tariff congress at its session in Greensboro, August 1 and 2.

Both the secretaries were said to have given assurance they would make every effort to be present.

The delegation included C. W. Roberts, secretary of Greensboro chamber of commerce; George F. Newman, Greensboro; Burke Hogwood, Durham; George Comer, Henderson; George West, Washington; C. E. Hope, Statesville; W. G. Turner, Statesville; J. H. Cowan, North of Wilmington; and Norman Y. Chambliss, secretary of Rocky Mount chamber of commerce.

## CAMP BRAGG TO BE ABANDONED

### Camp Jackson and Five Other Cantonments to Go.

### Reduction of Army to 150,000 Men to Be Accomplished by July 31, Says Weeks.

### BODY YOUNG SOLDIER BURIED WITH HONORS

### JO JO SAYS

YORK, S. C., July 26.—After funeral services conducted in the First Baptist church at 2 o'clock this afternoon by the Rev. J. L. Oates, D. D., the body of Corporal Erwin Clark Graham, company G, 118th infantry, who made the supreme sacrifice in France October 6, 1918, was laid to rest in Rose Hill cemetery. Members of the Meacham post of the American Legion attended and took part in the services. The burial was with military honors, a guard of soldiers firing the last volley over his grave.

Corporal Graham at one time lived in York but entered military service from Fort Mill, where he was residing when the war began. His death was due to wounds received in action. He was a son of Burton S. Graham, now a resident of Belmont, N. C.

## JAPAN LINES UP ELECTION FRAUD FOR CONFERENCE CASE RE-OPENED

### Her Full Participation is Now Regarded as Assured.

### Officials Begin Consideration of Date of Meeting as Next Step in Preliminaries.

### MILITARY COMPANY BACK

### SHORT IN HIS ACCOUNTS

ROCK HILL, S. C., July 26.—The local military company returned last night from Mount Pleasant, where for two weeks the boys have been getting acquainted with the rigors of military life, learning to shoot straight and how to handle their weapons with ease. The wet weather marred the pleasures of the boys to some extent, but between drills and shoots they had ample time to enjoy the surf and take in the island and the city of Charleston.

Justice is represented as being blindfolded, but the probabilities are she sometimes peeps.

### RAILWAY LABOR AND SOUTHERN ARE AGREED

Special to The Observer.

SPENCER, July 26.—The statement is made authoritatively that all of the crafts on the Southern Railway System have agreed to accept a new wage scale to be paid skilled and unskilled labor and that the contract will be signed within fourteen major points as to rates governing working conditions have been settled. Information comes from the same authority that these points are already near an agreement and that the delay in signing the contract will be incident principally to the approval of the national labor board, which may take a few weeks. It is also stated that the Southern railway officials are willing to accept a wage scale upon terms any other road in the United States, and that there has been an apparent desire on the part of the Southern officials to give the workers on the system all the consideration possible, both as to wages and working conditions.

