

WEATHER:

Generally fair Monday and Tuesday.

The News and Observer

WATCH LABEL

On your watch, please, remove it daily before circulation and avoid making a sharp curve.

VOL. CX. NO. 42.

TWELVE PAGES TODAY.

RALEIGH, N. C., MONDAY MORNING, AUGUST 11, 1919.

TWELVE PAGES TODAY.

PRICE: FIVE CENTS.

EXTRA LEGAL MEANS OF REACHING PROFITS

Atty.-General Palmer Calls On State Food Administrators To Get Busy

FAIR PRICE COMMITTEE WANTED IN EVERY COUNTY

These Will Investigate What Is Being Charged For Retail Necessities And If In Excess of What the Committees Consider Just They Will Publish a List of Fair Prices for Guidance of Public; Text of the Telegram

(By The Associated Press.) Washington, Aug. 10.—Attorney General Palmer started out today to ascertain how much of the high cost of living is due to excessive profits by retailers.

In a telegram to all State food administrators who worked with Administrator Hoover during the war, the Attorney General requested the appointment of a fair price committee in each county to investigate what is being charged for retail necessities and if in excess of what the committee considers just, to publish a list of fair prices for the guidance of the public.

This is the "extra legal" means of reaching profiteering which Mr. Palmer recently indicated was under consideration. He has frankly admitted from the start that there was no means to prosecute directly a man guilty of extortion in prices. Retailers who are gouging the ultimate consumer will have to be disciplined by public sentiment, which officials have no doubt is sufficiently alert to the situation now to act vigorously in clear-cut cases.

However, on the other hand, can be reached through the wartime food laws of the Sherman act, and Mr. Palmer requested the State food administrators to transmit to him any evidence of hoarding or other violations of the law which they might encounter in their work, with the promise that the government's law enforcement machinery would act promptly.

Text of the Telegram. "There is a pressing necessity for the restoration of normal conditions," Mr. Palmer's telegram said, requesting the men who did such effective work during the war to take up the burden again.

They were asked to serve without remuneration, the attorney general believing that the public service to be performed now is as important as when the country was engaged in hostilities, and that no patriotic citizen would refuse the call to duty. The attorney general's telegram follows: "In order to secure accurate information relative to charges of profiteering by dealers in necessary commodities it is the desire of the government to ascertain whether or not such dealers are making more than a fair margin of profit. Will you assist in your State by requesting those persons who have been county food administrators under your jurisdiction to appoint fair price committees including one retailer of groceries, one of dry goods, a representative of the producers, organized labor, of housewives, two or three representatives of the public generally, also a wholesaler who can practically please request them to purchase approximately the same quantities with reference to food products and the ordinary necessities in dry goods and clothing that were purchased by your fair price committees under the food administration act. This committee will be an extra legal body without power to summon witnesses or fix prices. It is requested, however, to ascertain the cost prices, determine a fair margin of profit and if retail prices are in excess of what the committee regards a fair price to have published its list of fair prices, reporting to you for review. You are requested to report to the department of justice a general review of the situation in your State.

Turn Over Evidence to U. S. Attorneys.

"Any evidence of hoarding or other violations of the food control act which may be developed in the work of such committees should be turned over to the United States attorney who will be instructed to employ all his resources, as well as those of the Bureau of Investigation to cooperate with you and your committees in seeking out and punishing all violators of the law.

Normal Conditions Must Be Restored.

"There is a pressing necessity for the restoration of normal conditions, and it is believed that through the same organization which you had as Federal food administrators you and your administrators, together with their appointees, can render a valuable service to the country at this time, and your cooperation and theirs, without compensation, will be greatly appreciated. The widest publicity of this movement and the results obtained by the county committees, it is believed, will be an important factor in its success. Please wire whether the government can count upon your active cooperation.

REVOLT AGAINST CARRANZA: PARTICIPANTS JAILED

El Paso, Tex., Aug. 10.—A plot to have the Chihuahua City garrison revolt against the Carranza commanders and join Villa was discovered early Wednesday morning, according to American and Mexican passengers arriving from Chihuahua City today. A large number of federal officers and soldiers were placed in the federal penitentiary charged with inciting a mutiny, the travelers said.

FEDERAL RESERVE BOARD'S REMEDY

To Meet Increased Cost of Living, "Work and Save," If Any Is Left

CURRENCY CONTRACTION OPPOSED BY HARDING

Work "In Order To Produce And Distribute the Largest Possible Volume of Commodities," He Advises; Strikes And Extravagance Alike Censured by Gov. Harding

Washington, Aug. 10.—"To work and to save" is the remedy for the increasing cost of living pointed out today by the Federal Reserve Board.

In reply to an inquiry from the Senate Banking Committee, asking if it was advisable to attempt contraction of currency by legislation in the hope of reducing prices, Governor Harding wrote Chairman McLean that the growth in the volume of circulating notes was the effect and not the cause of advancing wages and prices and that the war period of finance would not be over until government obligations, now carried by the banks, were absorbed through the actual savings of the people.

Strong censure of strikes and extravagance was implied in Mr. Harding's letter, which did not, however, undertake to blame any one section of the population, but referred to the nation as a whole especially to the relaxation of economies practiced during the war and the purchase now of non-essential articles by persons enjoying large incomes for the first time.

"The Federal Reserve Board believes that any currency legislation at this time is unnecessary and undesirable," Mr. Harding wrote, "and would suggest that whether viewed from an economic or financial standpoint, the remedy for the present situation is the same, namely, to work and to save; to work regularly and efficiently in order to produce and distribute the largest possible volume of commodities, and to exercise reasonable economies in order that money, goods and services may be devoted primarily to the liquidation of debt and to the satisfaction of the demand for necessities, rather than to indulge in extravagance or the gratification of a desire for luxuries.

"The war is over—in a military sense—and while the bills have been settled by loans to the government, these obligations, so far as they are carried by the banks, must be absorbed before the war chapter of the financial history of the country can be closed."

Money in circulation actually has shown a decline since the post-war period set in, Mr. Harding said. The total on December 1, 1918, was \$5,129,985,000, a per capita circulation of \$48.13, which was reduced to \$4,796,890,000 and \$45.16 on the first of this month. The figures on April 1, 1917, were \$4,100,976,000 and \$37.88.

In considering the increased circulation, the committee was told there should be considered the factors demanding more currency, such as the enlargement of pay-rolls both as to the number of workers and the wages paid, the effect on prosperity on the amount of money carried by individuals, in the increased amount locked up by highly paid workmen ignorant of banking methods, money carried out of the country by aliens returning to Europe, and prosperity in the Philippines, Hawaii, Cuba and certain Central American countries where United States money circulates freely. Foreign circulation of United States currency was estimated at \$150,000,000.

U. C. V. REUNION IN ATLANTA OCT. 7-10

Mobile, Ala., Aug. 10.—General William H. Mickle, Chief of Staff, United Confederate Veterans, has announced that the next Confederate reunion will be held in Atlanta, October 7, 8, 9, and 10. The annual meeting of the Confederate Southern Memorial Association and the Sons of Confederate Veterans will be held in Atlanta on the same dates General Mickle announced.

CO-OPERATION IS THE WORD, SAYS JOHN D.

New York, Aug. 10.—John D. Rockefeller, in a brief article written for the August number of The Lamp, a magazine printed for employees of the Standard Oil Company, declares that cooperation is the keynote on which the reconstruction of the war-torn world must be based.

"The world needs, above all else, cooperation," wrote the Standard Oil founder. "A new world is to be founded. The men of this generation are entering into a heritage which makes their fathers' lives look poverty stricken by comparison. You need only to steer the straight course, to apply yourselves assiduously to the task to use your imagination, your sympathy, your best judgment and success must be yours."

COURSE OF THE TROPICAL DISTURBANCE IN CARIBBEAN SEA.

Washington, Aug. 10.—The Weather Bureau announced tonight that the tropical disturbance in the Caribbean sea was continuing on a westerly course with its center apparently south of Jamaica, but its intensity is still unknown.

RAILWAY PROBLEM SOLUTION COMING

National Conference To Consider All Plans Before Congress

JUDGE CLARK, CHAIRMAN OF PLUMB PLAN, TALKS

In Statement Chief Justice of N. C. Tells of the Work To Be Done and the Division Into Committees To Figure It All Out; To Report on Agreed Plan

Washington, Aug. 10.—A national conference to consider all plans submitted to Congress for solution of the railroad problem will be held here October 6, under auspices of the Plumb organization bureau. In making public announcement tonight of the meeting Chief Justice Walter Clark, of the North Carolina Supreme Court and chairman of the Plumb plan preliminary conference said special committees would be appointed to analyze the different proposals.

"One of those committees," Judge Clark said in a statement, "will be composed of engineering and technical experts to report upon the proposals as regards their meeting the test of economy and efficiency; another will be composed of legal authorities to report upon the various legal and constitutional questions and a third will be composed of economic and financial experts, who will report upon the soundness of the plans from a financial standpoint."

The American people were urged by Judge Clark to consider all the proposals "without prejudice and without passion, and to examine those which have been outlined in the light of the principles which we have enunciated."

Keys to Solution. Declaring that efficiency and economy in transportation are the keys to the solution of the problems of the high cost of living, Judge Clark added that any plan for solution of the railroad problem "must meet the test that it will provide transportation at actual cost."

"The existing state of affairs," he added, "is more costly to the consuming public than to the workers or to the owners of capital. Any plan for the solution of the railroad problem which seeks the endorsement of the workers in the management and in the profits arising from increased efficiency. We, therefore, welcome any well considered movement toward democratization of the railroads as being in the interest not only of the workers, but even more in the interest of the public."

"The rights of private property actually invested in the provision of transportation service for the public must be protected. At the same time it is imperative in the interest of economy and efficiency and as a means of decreasing the inflated cost of living, that the returns to the owners of capital invested in the transportation industry shall not exceed the amount actually necessary to secure their investment and shall not be paid upon fictitious capitalization."

SAYS CONSPIRACY WAS ENTERED INTO

Gaston Means Seeks To Secure Indictment Against New York Lawyer

Concord, Aug. 10.—Cabarrus Superior court convenes tomorrow with Judge W. J. Adams presiding, and the grand jury will have presented to it testimony charging John T. Dooley, assistant district attorney of New York City, and W. S. Miller, attorney for the Northern Trust company of Chicago, with conspiracy and subornation of perjury in connection with the trial of Gaston B. Means in the fall of 1917, when Means was tried for the alleged murder of Mrs. Maude A. King.

Depositions, letters, telegrams, documents and other data will be presented to the grand jury, it is stated, in addition to prominent witnesses, and a bill of indictment will be asked for once. If a true bill is found requisition will be made upon the governors of New York and Illinois to bring the parties here for trial if they refuse to come voluntarily.

Gaston B. Means arrived in Concord today from New York with other witnesses from there and Chicago who will appear before the grand jury tomorrow. When requested for an interview Mr. Means said he would pursue the same policy adopted by him before and during and after the trial for his life when he referred all reporters to his attorneys.

Aviator Killed at Frederickburg.

Frederickburg, Va., Aug. 10.—James N. Hopkins, a civilian aviator of Newport News dashed to his death at 5 o'clock this afternoon when his plane plunged nose downward following an exhibition of the commercial value of airplanes. Hopkins was connected with a firm giving exhibition flights. In the machine with him was James Hantz, also of Newport News, who escaped serious injury.

Prince of Wales' Ship En Route.

St. Johns, N. F., Aug. 10.—The admiralty wireless station announced tonight that the British battleship Renown, on which the Prince of Wales is coming to this colony and Canada was met by the cruiser Dauntless 120 miles off St. Johns at 3 o'clock this afternoon.

FOR REGULATION OF GOLD STORAGE

One of the Problems Which Congress Will Consider This Week

TREATY OVERSHADOWED BY HIGH FOOD PRICES

Much of Most Important Work Will Be In Hands of Committees; Organized Labor's E. R. Bill Up Today Before I. C. Committee; Prohibition Enforcement Measure

(By The Associated Press.)

Washington, Aug. 10.—Congress tomorrow begins actual consideration of high cost of living problems. Plans have been made by leaders for immediate consideration of the legislative recommendations made by President Wilson in his address and the cost of living questions promises this week to overshadow even the peace treaty and many other important affairs at the Capitol.

Federal Licensing of Corporations.

Work for several days will be in the hands of committees. The House agriculture committee will take up a bill for government regulation of cold storage facilities and Chairman Cummings, of the Senate Interstate Commerce Committee is expected to announce a special sub-committee to consider the President's proposals for regulation of foodstuffs entering interstate commerce, including Federal licensing of interstate corporations. Tuesday the Senate agriculture committee meets to consider the wheat price question, extension of the food control law and other similar questions. Chairman Gronna and national grange leaders plan a statement early this week, giving the farmers' side of problems now under discussion. All senators from agricultural States have been invited to the meeting Tuesday.

Labor's E. R. Bill.

With jurisdiction over the railroad brotherhood's demands for increased wages to meet living costs, shifted from Congress to the President and Director General of Railroads, the House Interstate Commerce committee tomorrow will resume hearings on the organized labor's railroad bill. Glenn E. Plumb, author of the measure, is expected to conclude his statement tomorrow and be followed by A. B. Garretson, chief of the conductors' brotherhood. Other advocates of the Plumb plan and opponents will be heard later.

Spirited debate on the high cost of living questions is expected tomorrow in the Senate. Senators Reed, Missouri, and McKellar, Tennessee, Democrats, have announced addresses on the subject and others are in preparation.

The peace treaty and League of Nations, however, are not to go into total eclipse in the Senate because of interest in the cost of living.

Loge Speaks On Treaty Tuesday.

Republican Leader Lodge Tuesday will deliver an extensive analysis of international problems and other speeches are to follow. Secretary Lansing tomorrow will resume his testimony on the peace negotiations and related subjects before the Foreign Relations committee. He probably will read a prepared statement of the negotiations of the Lansing-Ishii agreement which defined Japan's special interest in China and re-affirmed the "open door" policy. The committee also is expected to receive a communication from President Wilson in response to requests for data and documents on the negotiations at Paris.

Want to Hear From Cal. House.

Republican leaders said today that the end of the committee's deliberations on the treaty was not in sight, despite demands for early ratification as a means of insuring peace and aiding in the solution of living cost problems. Some Republicans insisting that no action be taken on the treaty until Col. E. M. House can appear before the committee.

The general investigation of Mexican affairs, authorized by the Senate resolution adopted last week is to be launched tomorrow at a meeting of Senator Fall's subcommittee to discuss procedure. An inquiry of many months is in prospect.

Another foreign relations subcommittee also plans action this week on a reservation to the \$25,000,000 Colombia treaty protecting American oil and other interests in Colombia regarded as threatened by a recent Colombia decree. The House prohibition enforcement bill, before a Senate judiciary subcommittee for a month, is to be reported tomorrow to the full committee with prospect of further extended discussion in committee.

Oil Land Leasing Bill.

Report of the oil land leasing bill is planned Wednesday by the Senate public lands committee. Permanent military legislation will be taken up again Thursday by the Senate military committee, which will hear the views of Secretary Baker.

House committees except for the railroad hearings and the Agriculture Committee promise to be inactive for some time. Many House members still are absent and there is a temporary cessation of committee work. The House will not meet until Tuesday and then may adjourn until late in the week, having legislation ready from committees for action.

War and Aircraft Inquiry.

The War Department investigations will continue, however, but with activity curtailed from Washington of subcommittees. One sub-committee now is en route to Europe and another, that on aircraft, headed by Representative Frenz, of Wisconsin, left today for the West.

The aircraft committee will hold a

(Continued on Page Two)

Author of Labor's New Railroad Plan



Underwood & Underwood. Glenn E. Plumb, attorney for Railroad Brotherhoods, appearing before House Interstate and Foreign Commerce Committee in advocacy of the Plumb Plan for the Nationalization of the railroads and sharing of profits by employees, is 50 years old and has made a life study of railway legislation and operation.

THREE CITIES HAVE STREET CAR STRIKE

No Disorder Reported Either In Charlotte, Winston-Salem Or Greenville

Charlotte, Aug. 10.—Charlotte and Winston-Salem, and Greenville, were without street car service today, following the strike of the motormen and conductors announced at 3 o'clock this morning. No disorder occurred here and none was reported at the other cities involved.

Officials of the Southern Public Utilities Company, owning the railway system in the four cities, declared that no attempt would be made to operate the cars at present, nor until an adequate force could be secured to man the cars without importing "strike breakers." It was said also that in employing men to resume car service no discrimination would be exercised against the strikers or union men, but President Z. V. Taylor, who arrived tonight from Asheville, said the company would not deal with the Amalgamated Association of Street and Electric Railway employees of America. The company was ready at any time, however, he said, to deal with the local union representatives.

As to the demands for increased wages, President Taylor said the revenues of the company do not warrant increases in addition to those voluntarily announced by the company on July 31, effective August 1, ranging from 20 to 30 per cent, which increases the carmen have declined to accept.

TWIN CITY HAS COMPLETE TIUP; JITNEYS OPERATE.

Winston-Salem, Aug. 10.—As a result of the strike order issued in Charlotte last night not a street car was operated today. There are 65 motormen and conductors in the employ of the Southern Public Utilities Company here and all of them are idle. Manager B. J. Pfohl stated this afternoon that he had not received any direct information today from the head officials of the company in Charlotte neither was he in position to say whether any other local employees would join the strikers. While street car traffic here is always the heaviest on Sunday the greatest inconvenience to those who patronize them will be felt on working days, should the strike continue. The jitneys here did a capacity business today as a result of the inactivity of the street cars.

Situation at Greenville.

Greenville, S. C., Aug. 10.—No street cars were operated here today following the strike call issued following a conference at Charlotte Saturday night of representatives of local divisions of the Amalgamated Association of Street and Electric Railway Employees of America of Charlotte, Winston-Salem and Greenville. There were no disorders reported. Street car service at Anderson was not suspended, the carmen there not being involved in the strike, it was learned here tonight by long distance telephone.

CHARLOTTE MAKES CLEAN UP IN CHARLESTON CONTESTS

Columbia, S. C., Aug. 10.—The week's play in the South Atlantic Association was featured by the performance of the Charlotte club in making a clean sweep of a four game series with Charleston and displacing Charleston from second place. The leading Columbians lost ground but retained first place. Columbia was only to win only four of six games played and its lead was reduced to two games. Charlotte while Charleston is but one game in advance of Greenville. The week brought the first forfeited game of the season when Manager Leval of a double header at Columbia Saturday, after Outfielder Deverox of Greenville and Umpire Weir had participated in a fist fight on the field. The score at the time was a tie at 3 to 3.

MEETING OF R. R. SHOPMEN CALLED

Chicago Dist. Council Issues It To Determine Upon Future Course

ATLANTA DISTRICT CONTINUES STRIKE

Meeting Sunday Appealed To Fruitlessly By Grand Lodge Officers; Convention of All Locals in Southeast Called To Meet At Atlanta; Electricians Resume Work

(By The Associated Press.)

Chicago, Aug. 10.—A call for a convention of representatives of the striking railway shopmen of the country to be held here next Thursday to determine definitely what action shall be taken, was issued today by the Chicago district council of the Federated Railway Shopmen, which called the strike August 1 in defiance of the international officers of the shop crafts unions.

This action grew out of a conference yesterday of some of the international officers and representatives of the council and the strikers. At the meeting it is expected a definite decision regarding President Wilson's request that the men return to work pending settlement of their demands for increased wages by the railroad administration will be reached.

Declared Illegal.

The strike has been declared illegal by the international officers. It was called by the Chicago district council, whose officers declared the rank and file wished it because the international officers had failed to obtain a settlement of demands for 55 cents an hour for mechanics and sixty cents for helpers, presented last February to the rail administration. The council's secretary sent a telegram to President Wilson yesterday, refusing to order the men to return to work.

Hawver's Statement.

L. M. Hawver, president of the district council, said his men dominated the conference yesterday and that a proposed plan of action with a committee of fourteen to direct it was defeated. He said it was agreed then that a convention of union representatives should take action.

ATLANTA COUNCIL REFUSES REQUEST OF G. L. OFFICERS.

Atlanta, Ga., Aug. 10.—(By The Associated Press.)—After an all-day session during which appeals were made to them by grand lodge officers to order all strikers to return to work, members of the Atlanta district council Federated Railway Shopmen, tonight announced they had reached a decision to continue the strike until the original demands were met.

Convention of Locals Called.

The executive committee also adopted a resolution calling a convention here at once to which all locals in the Southeast were requested to send representatives.

The action of the executive committee was taken despite appeals made by grand lodge officers of the Interna-

(Continued on Page Two)

BURNED TO DEATH IN SUNDAY RESORT

Bodies of Seven Victims Recovered And Other Lives Probably Lost

Montreal, Aug. 10.—Several persons were burned to death tonight in a fire on a scenic railway at Dominion Park, an amusement resort near this city. The bodies of three men, three women and a boy were recovered from the ruins shortly before midnight. It is feared several more persons lost their lives and that the bodies will be recovered when search is resumed tomorrow. It has been impossible so far to identify the dead.

The cause of the fire, which not only destroyed part of the scenic railway, but also the "mystic mill," nearby is unknown but it is believed it was started by a fly lighted cigarette or match.

The fire started in the mill and quickly the flames laid hold on the skeleton structure of the railway. When the flames struck the mill was a blazing pyre and a few minutes later that part of the railway constructed over the mill fell with a crash into the roaring furnace. According to witnesses a car filled with merry-makers, took a fatal leap into the flames.

Coming from the mill could be heard moans of agony and cries for help, but the firemen found it possible to rescue only a few of the men, women and children trapped in the blazing structure. They did succeed, however, in cutting their way through the walls and dragging forth a few persons almost smothered by the smoke.

Two of the bodies were found huddled together in the ruins. The others lay in different parts of the burned building so badly charred that it is believed identification can be established in only one or two cases, and these by watch charms and rings worn by the victims. It was a ghastly tragedy. When reports of the fire reached the city, thousands of persons hastened to the park, seven miles away in every manner of conveyance.

On reaching the resort nothing tragic at first met the eyes of these curiosity seekers. To allay the fears of the thousands who already crowded the park, Bousa's band which is playing

(Continued on Page Two)

REVENUE DEMANDS CAUSE PROTESTS

Requests of Internal Revenue Department Burdensome In Some Instances

SENATOR SIMMONS TAKES UP MATTER WITH ROPER

Commissioner Writes That Every Effort Is Being Made To Secure Needed Information About Income Taxes With the Least Trouble To Those Who Are Involved

The News and Observer Bureau,

603 District National Bank Bldg. By S. R. WINTERS. (By Special Leased Wire.)

Washington, D. C., Aug. 10.—On account of letters received from individuals and corporations in North Carolina, Senator Simmons has felt that perhaps the internal revenue bureau in Washington has in some instances, without due consideration, made demands for information in connection with income tax returns that have been very burdensome and in some instances impossible to comply with. Of course, the revenue bureau is entitled to have as full an explanation of income tax returns as is necessary to satisfy a reasonable mind that the full amount on taxable income is being returned.

The bureau, of course, finds it necessary to make inquiries in many cases respecting the details of returns. Senator Simmons has felt, however, that these inquiries ought to be as few and as reasonable as practicable and that a demand for information that will keep the bookkeeping force of a business concern busy for days and in some cases for weeks, ought not to be made without the fullest consideration and without the absolute necessity for such demands. The business concerns in North Carolina, except a few of the larger ones have not in the past had a system of bookkeeping and accounting sufficiently complete and comprehensive to furnish every detail that the imagination of all auditors in the internal revenue bureau could conceive to ask, but there is no question about the fact that North Carolina people generally are trying to ascertain and to pay the full amount of tax for which they are liable under the law.

Commissioner Roper Writes.

A few days ago Senator Simmons took up with Commissioner Roper personally, the matter of these annoying and exacting demands which it is alleged are being made upon the business concerns of North Carolina and the country. He selected one of the letters which he has received upon the subject as the subject of his communication with Commissioner Roper. The Senator has received from Commissioner Roper under date of August 8, the following letter, the name and location of the concern therein referred to being left blank:

"Upon receipt of your letter of the 5th instant, I examined the record relating to the income tax liability of the _____, about which _____ of the company wrote you on the second instant in order that I might determine the propriety and necessity of the letters which have been addressed to this company recently by the bureau.

"As you say, it is probable that our auditors may occasionally draft letters calling upon taxpayers for minor information, without due consideration of the burden thus placed upon business concerns. To prevent this we are constantly on the alert and are continuously reviewing and improving our methods and procedures. I do not find that the letters addressed to the _____ have been unusual and if the number of them has been unusual it is because the information furnished by the company in response to our first request was not comprehensive or wholly responsive.

The return of this company is of considerable consequence and it is important that items of deduction which are largely based upon judgment, such as example as depreciation, be analyzed to ascertain whether the computation has been made according to the requirements of the department. The company has furnished considerable data on this and other phases of its return, but we are still waiting for essential information to enable us to determine the justness of deductions claimed on account of depreciation of important property.

No Implied Insultations.

"It is to be regretted that—regards our inquiries as implied insinuations that his company has not fulfilled its tax obligation. As you know this is far from the fact. The purpose of the merit of these returns is to determine true tax liability and this is in the interest of the tax payer as well as in the interest of the government because the tax payer who overpays his taxes is thus assured of refund to him of his overpayment and the government is assured in any case of underpayment of the collection of the additional tax actually due. This assures tax payers, who like _____ have conscientiously prepared their tax returns, that the returns of persons who have not been so conscientious will be carefully scrutinized and discrepancies discovered. The only practical way of doing this is to scrutinize all returns. Because of the great volume of the work it has seemed desirable to settle as many cases as practicable by correspondence instead of personal investigation by representatives of the bureau. This policy has been highly commended by many tax payers who find it far more convenient to prepare necessary reports and tabulate at their reasonable business convenience than to drop their current affairs to respond to personal inquiries of investigating officers who of necessity must follow itineraries that are not adaptable in all

(Continued on Page Two)