

THE WEATHER
Partly cloudy Monday and
Tuesday; somewhat warmer
Tuesday.

The News and Observer

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VOL. CXI. NO. 33.

TWELVE PAGES TODAY.

RALEIGH, N. C., MONDAY MORNING, FEBRUARY 2, 1920.

TWELVE PAGES TODAY.

PRICE: FIVE CENTS

MIDDLESEX YOUNG COUPLE SUFFOCATE IN NORFOLK HOME

Mr. and Mrs. Ollie Murray Are Asphyxiated While on Visit To Their Uncle

ARRIVED FOR VISIT TO UNCLE SATURDAY NIGHT

After Attending Theatre, They Retire and Both Found Dead Early Sunday Morning; Cor- oner Finds Gas Jet Turned Too Far Off When Extinguished

Norfolk, Va., Feb. 1.—Ollie Murray, 25 years old, and his wife, 16 years old, of Middlesex, N. C., were asphyxiated early this morning in the home of Murray's uncle, W. A. Murray, 610 Berkeley street, in this city, where they came Sunday night for a visit. Coroner J. J. Miller viewed the remains and pronounced death from accidental suffocation. The bodies will be shipped to North Carolina tomorrow, as soon as notices from Mrs. L. T. Murray, the mother of the dead man, are received here.

Mr. and Mrs. Murray reached Norfolk last night and went to the home of Mr. Murray's uncle. They obtained a theatre in the city, and retired shortly after. About 11 o'clock this morning a member of the household went to their room to wake them for breakfast. Reported knocks on the door brought no response, and orders of gas were detected coming from the room. W. A. Murray's son entered the room and found both the guests dead.

Dead for Several Hours

The summoned other members of the family and physicians were called, but found the couple had been dead for several hours. Mrs. Murray was lying in her night clothes in a natural position in the bed, while the body of her husband was found lying on the floor at the foot of the bed and just beneath a gas jet. The room was filled with gas when the bodies were found.

Coroner J. J. Miller was called, and his investigation has revealed the opinion of Mr. and Mrs. Murray were accidentally asphyxiated. According to Dr. Miller's belief, the gas jet was turned too far off when the light was extinguished last night, and in this way the gas was allowed to creep from the foot of the bed. It appeared that Mrs. Murray did not recall before she died that her husband was aroused by the gas fumes. He made a feeble effort to reach the gas jet to turn off the gas, but was too weak and died before he could accomplish his purpose.

No Thought of Suicide

The coroner's inquest was brief, and the remains of the couple were turned over to an undertaker, L. L. Williams, who prepared them for shipment to North Carolina. Mrs. Murray, mother of Ollie Murray, was notified at once, and instructions as to the disposition of the bodies were notified here tonight.

No thought of suicide was entertained by the authorities who investigated the case. The young couple, who were married last December, were in the best of spirits last night before they retired, according to the uncle of the dead man. Mrs. Murray was a Miss Alma Kirkland before her marriage.

Fatal at Middlesex Today

Middlesex, Feb. 1.—Messages received here this afternoon stated that J. O. Murray, recently discharged from the army, and his young wife, were found dead in Norfolk this morning. Their remains will be buried near here tomorrow afternoon.

ROBBERS GET \$8,000 FROM SAFE AT ROANOKE RAPIDS

Weldon, Feb. 1.—It is currently reported here that \$8,000, which was placed on Friday in the safe of the Roanoke Manufacturing Company, at Roanoke Rapids, to be used in paying the employees Saturday, was taken from the safe during the night, with no clue as yet to the robbers.

Friday was observed as Library Day at the school in Weldon. Quite an interesting program, with a talk by Professor Edwards on the origin of books, and other numbers along the same line, which were appropriate and enjoyable. Weldon is fortunate in having a live faculty and superintendent, and the school seems to be in fine operation. A new heating plant has been recently installed and is giving entire satisfaction.

FRENCH ACADEMY BELIEVE COMMUNICATION POSSIBLE

Paris, Feb. 1.—The Academy of Sciences evidently considers communication between the earth and the planets as among the possibilities, for it has undertaken to act as judge for a prize of 100,000 francs to be given for the best means of making a sign to a heavenly body and the receipt of a reply. It has been the custom of the Academy always to refuse to handle prizes for any feat which it considers a mere waste of time. In presenting the present prize for competition the Academy makes the proviso that "the planet Mars is included as being sufficiently known."

"Until a solution is obtained" says the Academy's announcement "the interest on the prize of money will form a prize for scientists making the greatest progress in knowledge of the planets and their relation to the earth."

WOMAN GOLFER GETS WET BUT RECOVERS HER BALL

Drives Into Pond at Pinehurst, and Falls Head-First In In Driving Out

Pinehurst, Feb. 1.—Two highly unusual golf recoveries were made at Pinehurst today. A woman player who prefers to remain anonymous drove a bunker ball into the pond at the tenth hole of the championship course. The ball came up near the bank and her recovery shot left nothing to be desired, technically speaking. The player, however, had to lean over too far and she plunged head first into the water as the ball winged its way toward the green.

Remarkable recovery, No. 2 was made by Parker W. Whittemore, of Brookline, who drove 800 yards or so into a bad spot in a trap on his way to the thirteenth, a 335-yard hole, and then took his nibble and holed out for one of the most sensational twos that has ever been played at Pinehurst.

ANOTHER RELIABILITY AIR RACE ACROSS CONTINENT

Tentative Plans Announced For Army Air Service Race To Alaska and Return

New York, Feb. 1.—Tentative plans for a transcontinental air race this year between New York and Nome, Alaska, a distance of 4,870 miles, were announced tonight by the American Flying Club, which is co-operating with the training and operations group of the army air service in the project. The proposed race will be held under the same rules and handicap plans as the race between New York and San Francisco last year.

From Minneapolis to Minot, North Dakota, a distance of 1,075 miles, the route will be over United States territory. At North Gate, N. D., the course crosses the International border into Saskatchewan, Canada, and continues 1,300 miles across the Dominion to Fort Egbert on the Alaskan border. In Canada the course lies along the New Grand Trunk Pacific railroad running from Edmonton, Alberta, to Prince Rupert, British Columbia. At Hazelton, B. C., the proposed route branches north between the coast range and the Rocky Mountains following the valleys which are the most populated. This route is covered by the only telegraph line and is the most favorable from the supply point of view.

In Alaska the route runs from Fort Yukon and to Fairbanks by way of Fort Gibbon, thence to Nulato and Nome.

Compulsory stops will be arranged at an average of every 150 miles. Only qualified aviators will be allowed to enter, and their machines will be examined at each stop before being allowed to proceed. Detailed plans will be announced later.

DENIES GREAT BRITAIN SEEKS LARGE LOANS HERE

Statement Issued By British Charge d'Affaires In Wash- ington Through Glass

Washington, Feb. 1.—Positive assertion that the British government does not plan to seek further loans in the United States but on the contrary is desirous of reducing the obligations it already has incurred here is included in a statement from London, transmitted to Secretary Glass through R. C. Londy, British Charge d'Affaires, and made public tonight.

The statement denies emphatically "repeated allegations in the press that the British government desires to borrow large sums in the United States."

Secretary Glass in a letter to Charge Lindy in connection with the statement directed attention to the substantial agreement between the two governments with respect to finance and points out also that Great Britain contemplates relief measures similar to those which he recently proposed to the House ways and means committee.

ITALY NOW WAITING UPON AMERICA, NEWSPAPER SAYS

Rome, Friday, Jan. 29.—In an editorial dealing with the Jugo-Slav situation to the ultimatum of the Supreme Council of the Peace Conference the Journal d'Italia says:

"We will see whether America will take upon herself responsibility for delaying peace, for the Adriatic question has become devoid of any importance since sovereignty over the state of Fiume has been excluded from the President Wilson showed he was siding with Jugo-Slavs, but now he does not have a majority with him and his verdict would not be ratified by public opinion in his country or in Congress."

Belief is expressed by the Tribuna that Jugo-Slavs cannot appeal to America because the proposed compromise was presented by the Allies without participation by the United States. It says this was "due to the defeat of President Wilson in his own country and the virtual withdrawal of America from the peace conference."

ARMY AVIATOR IS KILLED BY FALL AT KELLY FIELD

San Antonio, Tex., Feb. 1.—Capt. Field E. Kindley, American ace and commander of the 94th Aero Squadron, was killed instantly in aerial maneuvers at Kelly Field No. 2 this afternoon. Capt. Kindley's home was at Gravelle, Ark.

The accident occurred while a group of planes were in practice formation preparing for an exhibition scheduled in honor of General Pershing's visit Tuesday.

Captain Kindley's machine fell when he was about fifty feet above the ground. He was crushed and burned.

Capt. Kindley was one of the air service officers summoned before the House subcommittee investigating the air service recently. He came to Kelly Field from Mitchell Field, Long Island, one month ago.

EPIDEMIC SEEMS TO HAVE REACHED CLIMAX IN STATE

Scattering Reports Yesterday Indicate Fewer New Cases Developed

STATE HEALTH BOARD RECEIVED NO REPORTS

Methodist Orphanage Here Still In Grip Of Scourge With Two Boys Near Death; Bun- combe Teachers Protest Against Closing Schools; Wilson Superior Court Sus- pended

Scattering reports available yesterday from sections of the State in which there has been a recurrence of the epidemic of influenza indicate that the spread of the disease has reached its climax. There were materially fewer new cases reported from places where the epidemic has been most widespread, but with some new cases of pneumonia mentioned.

The offices of the State Board of Health were closed yesterday and no reports were received from that source. Asheville reports that the number of new cases is materially reduced, but preparations are being continued to open an emergency hospital today. Reports from Wilson are to the effect that there are 40 new cases of "something," the doctors having disagreed about it, and that Superior Court, scheduled for today, has been abandoned.

The Methodist Orphanage, Raleigh continued to face a serious situation with 200 of the 250 children in bed with influenza, among whom four cases of pneumonia have developed. Four other cases of pneumonia seemed imminent last night, but physicians deferred diagnosis until this morning. There was no new case of influenza yesterday. Two of the pneumonia patients, Malthus Edwards, 14, and Russell Nelson, 12, were said to be in an exceedingly critical condition last night, with but little hope for their recovery.

Authorities at the institution were hopeful last night that the worst had passed, but were somewhat anxious over the possible spread of pneumonia. Many of the 200 influenza patients are recovering rapidly, but for the next few days the pneumonia will be anxiously watched. Shortage of nurses hampers the work of caring for the stricken children. Many of the workers in the home are ill and their places have been taken by volunteers.

Five Cases At A. and E.

Five new cases, none of them serious, were reported at the State College for the day, making a total of 21 at the college. President W. C. Riddick said last night that he was somewhat worried about the prospect of a general epidemic in the college, and preparations were being made to cope with any situation that may arise. He is sending out an appeal for an additional nurse to supplement the regular staff of the infirmary.

No reports were available for the day in Raleigh, but the situation is not regarded as alarming. The Raleigh Red Cross is preparing for any emergency and is now ready to serve meals to any families who are unable to receive proper nourishment on account of sickness in the home. Requests for assistance should be phoned to the headquarters in the Commercial Bank Building.

Forty Cases in Wilson.

Wilson, Feb. 1.—Physicians of Wilson seem to be divided as to whether or not influenza is prevalent here, some saying that it is one many of the others contend that it is something else. But what's in a name? Forty cases of "something" have been reported and the death of one child. Whatever it is the complaint is fatal as was the epidemic of 1918.

The criminal term of Wilson Superior Court which was scheduled to convene Monday morning, has been suspended on account of "flu" being in the home of Solicitor R. G. Allebrook. The civil term, however, will convene Monday, February 9.

Sanctions Teachers Protest.

Asheville, Feb. 1.—Teachers of the county schools, in sections which so far have been free from influenza, today filed protests with the county board of education here against closing of their schools. "A general order to close all county schools was sent out Saturday. In many places in the county, the disease is raging, while in others it seems few or no cases appear. Action on these protests is expected at the regular monthly meeting of the board to be held tomorrow morning."

Open Emergency Hospital.

Asheville, Feb. 1.—A decision was reached today by the Red Cross influenza committee to open the emergency hospital tomorrow using the Montford Avenue Public School building, where about 50 beds can be arranged. Reports today showed fewer new cases, but more pneumonia, the health officer announced. General Swift, of Charleston, commander of the Southwestern Department, in a long distance message this afternoon, authorized the commander of United States Army General Hospital No. 19 at Oconee near here, to furnish the local committee with all necessary bed equipment and an ambulance for the epidemic.

Words Against Epidemic.

New York, Feb. 1.—Despite a decided

DANIELS DECLARES AMERICAN HAPPINESS TRAGEDY

Passing of Fiddling and Delay Secretary of Navy Says

CONFIDENT AMERICAN PEOPLE WILL DO DUTY

Speaking In Behalf Of Near East Relief Fund, He De- clares People Will Respond To Call; Navy Not Simply Fighting Machine But Also Powerful Implement Of Pro- tection

New York, Feb. 1.—The past year for the United States has been one of "fiddling and delay," and was characterized as "the tragedy of tragedies" by Secretary of the Navy Daniels who addressed the opening meeting here today of the campaign for the Near East Relief fund. Although America had not kept faith with the Allies, he said, he had confidence that the American people would do their duty.

"One of the beliefs that carried us into the war" added Secretary Daniels "was that small peoples have a right to liberty and to control their own destinies. Shall America alone fail now in sustaining that principle? I do not believe it. I am confident that the American people will respond to this call. Give to Armenia present relief from the perils of starvation and then provide for the freedom of the country from the rule of the Turks. They will respond to this call as they have responded to every call made upon them since April 6, 1917."

Secretary Daniels in speaking of the Navy said that it only exists as a fighting machine. This, he added, is its chief mission, but it is not proved a powerful agency in protecting the flag at all times it had failed of its mission. In the war, he declared, it had proved its worth and had done its full share in bringing about peace. There was nothing in the matter with the American Navy during the war. James W. Gerard, former Ambassador to Germany, said in a letter to the Secretary that he is "too good natured," added Mr. Gerard. "If I had been Secretary of the Navy and a bunch of admirals or anybody else had formed a soviet board of criticism, I would have had them on the slide and their hands in the basket inside of 24 hours."

Capt. George B. Hyde, a Near East Relief worker, told of horrible conditions and suffering in Armenia and charged that the Turkish leaders were still attempting "to wipe out the Armenian people."

There has already been \$1,000,000 subscribed to the relief fund in New York City, it was announced during the meeting.

DANIELS ENDORSES MOVEMENT TO OPEN PALESTINE TO JEWS.

New York, Feb. 1.—Endorse of Arthur J. Baur's pledge in behalf of Great Britain for the establishment in Palestine of a national home for the Jewish people, was coupled with a prediction that the end of religious persecution throughout the world would result from the war, by Secretary of the Navy Daniels in an address here tonight. He spoke at a dinner given by the Zionist Organization of America for the Palestine Restoration Fund.

The Secretary said, "This holy movement has our Godspeed to all who are engaged in it," adding:

"We love every foot of land which David's Palms and Solomon's Songs have made dear to all Jews and Christians. But I could not in conscience be with you and share your religious and patriotic fervor as I do in full measure if I did not know your whole-hearted devotion to the principle of religious liberty and that you hold as dear my right and the right of all men to religious freedom as you demand it for yourselves and your children."

He declared that one of the delayed blessings that shall be some compensation for the tragedy of the war "is that we shall not only in our day see religious persecution ended throughout the whole world, but what is quite as important we will help to usher in an era where not only the letter of the law, but the spirit as well, will be enforced and the uniform of a convict on a slanderous editor is the only costume that becomes him. Any private citizen who dares to utter a word against a fellow citizen."

Alluding to the first amendment to the constitution guaranteeing freedom of speech and freedom of the press, the Secretary declared "some people think they are ordained to say what others shall think or what others shall say, or what others shall print."

"There are laws against slander and laws against libel by an irresponsible press," he added. "These laws should be enforced and the uniform of a convict on a slanderous editor is the only costume that becomes him. Any private citizen who dares to utter a word against a fellow citizen."

RESIDENCE AT SOUTHERN PINES SAID TO HAVE BEEN PUT AT WILSON'S DISPOSAL

Pinehurst, Feb. 1.—President Wilson is expected to visit North Carolina very shortly and will probably stay at Southern Pines or at Pinehurst. One of the larger winter residences at Southern Pines is said to have been put at the President's disposal for the period of his visit.

FARMER BOB SAYS STATE STRONG FOR HERBERT HOOVER

Congressman From Eighth Dis- trict Surprised To Find So Many People For Him

FINDS THEM DISSATISFIED WITH G. O. P. INACTIVITY

The News and Observer Bureau
603 District National Bank Bldg.
By R. E. POWELL.
(By Special Leased Wire)

Washington, D. C., Feb. 1.—Activity of North Carolina Democrats in the Hoover-for-President move, coupled with late reports of a growing sentiment in favor of the former food administrator, have moved organization men to action. The Hoover wave, according to well posted Western North Carolina politicians, is beginning to be like a cyclone and there is anxiety lest it get beyond control.

One prominent Asheville lawyer, and a man well versed in political matters, told members of the North Carolina delegation here the past week that within a few days an active Hoover organization would be at work in that part of the state. Right on the heels of this announcement—which in itself caused some consternation here—"Farmer" Bob Doughton returns from a survey of folks and their farms in the Eighth district and reports that he found nothing but Hoover sentiment in the expressions of presidential preference.

Doughton Less Reserved Now.

Congressman Doughton found so much Hoover sentiment until he is far less reserved in stating his own position today than he was the day the New York World launched the Hoover boom. Then he told newspapermen he didn't see any objection to Hoover if his Democracy slacked up with the hand book requirements. Now, ten days later, he believes that the Democracy of Jefferson is just the stuff that is responsible for so much Hoover sentiment.

An analysis of the political gossip coming to Washington during the past week, that part of it dealing with presidential possibilities, reveals that the Hoover wave is strongest in the western part of the State. There is no attempt, other than local, being made to put folks on record but the movement seems to be rolling along without anybody pushing it.

There is little to indicate that the Hoover sentiment is near so strong in the western part of the State as McAdoo seems to have captured the majority of folks. Until the Hoover wave became big enough to cause concern among the old line politicians, it appeared that McAdoo would have little trouble in getting the solid Tar Heel delegation when the curtain rises in San Francisco. The enthusiasm for McAdoo is no less pronounced in the East than it has been and it looks now as if it is a question of which side spreads the fastest. McAdoo seems right now to have everything cast in the sentiment seems divided in the State like it is in the nation, the extreme west all for Hoover and the middle-west, with an open mind.

Little Interest in Politics.

According to Mr. Doughton, the interest in State politics is unusually mild for the season and the only time the folks are willing to talk about either one of the three candidates for Governor is when someone presses the question.

The thing that most surprised Mr. Doughton is that the farmers, including most of the "fair minded," Republicans, are as disgusted with the Republican congress and the mess it has made of the peace treaty as the most partisan Democrat.

The report that Congress has made is known alike to the Democrats and the fair minded Republicans in my district," he said, "and they are all equally disgusted with it. I was surprised at the large number of people who expressed their disapproval of the whole business."

"Of course, the reason for it is perfectly patent to any man, woman or child with sense enough to dodge a shower of rain. The people knew that the Republicans clamored, for an extra session of Congress they wanted to undo the legislation we had passed and they wanted to deal with new problems arising from the war. They were going to get the country back to a normal condition and they assured the people that when the Republicans got control, peace would settle in this country, everybody would be happy, and everybody would be happy."

"But what have they done?" Instead of meeting the problems confronting the country, which keep business in a state of anarchy and the public mind in a whirl, as statements first and politicians second, they have been playing the political game from the first and have done nothing else."

"When this session convened, Republican Chairman Hays came here and gave his orders. His first mandate was to defeat Representative Mann, who wanted to be speaker and who had a minority leader for seven years—shown ability not only as a leader, but as a constructive legislator. From that day until this, instead of conducting congress as the people who elected them expected them to do, they have been conducting a Republican campaign. The Republicans are not attempting to func-

MEXICAN GENERAL ORDERS RELEASE OF AMERICANS

Two Army Aviators Return To Their Post In Texas After Being Detained

San Antonio, Texas, Feb. 1.—Lieutenants E. F. Davis and G. E. Grimes, United States aviators, who have been held by Mexican authorities since Wednesday last, when they made a forced landing near Guerrero, were released at Nuevo Laredo this afternoon, and crossed the Rio Grande to Laredo, Texas, Colonel J. E. Fechet, Southern Department Air Service officer announced tonight.

The aviators were released by order of General Reynaldo Garza, commander of the garrison at Nuevo Laredo, after a conference with Major Julian P. Saenz, commander at Matamoros, who accompanied the aviators to Nuevo Laredo.

General Garza and Major Saenz called at the American Consulate and informed Rapolph Robertson, United States Consul, who had accompanied the aviators from Guerrero, where he had gone to look into the circumstances of their detention, that it would not be necessary to take them before General Murria at Matamoros, according to reports to Colonel Fechet from Laredo.

Lieutenant Stoner, an aviator, with station at Laredo, was sent to San Rafael Las Tortillas, 30 miles west of Guerrero, and late today returned with the airplane of Lieutenants Davis and Grimes, Colonel Fechet announced.

DANIELS TO REPLY TO SIMS' CHARGES

Chief Attention Of Congress This Week Directed Upon Senate Naval Committee

Washington, Feb. 1.—Military and naval legislation, appropriation bills and committee work on a variety of subjects constitute the week's program for Congress. In general interest, developments in committee are expected to overshadow those on the floor of either Senate or House, chief attention being focused on the appearance of Secretary Daniels Tuesday before the Senate Naval sub-committee investigating award of naval decorations. The Secretary is expected to reply to charges by Rear Admiral Sims and another general airing of the medal row is looked for.

On the Senate floor work will be continued on the army and navy pay bill, and when it is disposed of, an effort probably will be made to bring up the army reorganization bill recently reported by the Military committee. In the House appropriation bills will be in order.

No developments of importance affecting the peace treaty are expected by the leaders during the week.

Having disposed of most of the minor points at issue, Senate and House conferees on the railroad bill expect to work over time to settle promptly the more important features of the measure.

The Senate sub-committee appointed to investigate Russian Soviet activities in this country is expected to continue its hearings while another sub-committee will organize its inquiry into the charges of Senator Watson, Republican, Indiana, that the employees of the Federal Reserve Commission have been active in disseminating soviet and revolutionary propaganda.

FIVE BODIES FOUND ON JEKYL ISLAND IN GEORGIA

Vessel Of Some Description Wrecked Off Coast But Not Known Of Crew

Brunswick, Ga., Feb. 1.—A vessel of some description has been wrecked off Jekyll Island some time today, and already five bodies have been picked up on the beach and brought to this city, but it has been impossible to establish the identity of any of them.

Near where the bodies were found was a piece of wreckage and a life preserver. The name "Fortune," but no vessel of any kind by that name is known here. It is believed to have been either a prawn boat or a scow. There is no Brunswick boat by that name. It was at first thought that the bodies were those of the members of the crew of the Spanish schooner Sanfost, which went ashore off Dobby Thursday and is now wrecked. The crew of fifteen men is still missing.

It has been established, however, that the finding of the bodies on Jekyll Island has no connection whatever with the wrecked schooner. The last of the five bodies found floated up a De beach late this afternoon, and a search all along the beach will be made tomorrow morning for additional bodies. If the heavy northeast wind subsides somewhat, tugs will also go out to ascertain if possible, the name of the boat wrecked.

Wants To Desert Wood Forces.

New York, Feb. 1.—The Leonard Wood National Campaign Committee announced that J. J. McGraw, National Republican committee man for Oklahoma, has offered his resignation as a member of the Wood committee, but that his resignation has not yet been accepted. It was stated that Mr. McGraw wished to retire because of the development of opposition to his leadership in his own state as a consequence of the "split of two factions of the Republican party in Oklahoma."

LINCOLN MAN AWARDED
\$5,000 BY JURY FOR DAMAGES

Lincolnton, Feb. 1.—The jury in the \$50,000 damage suit of S. P. Hoover against one prominent citizen of Lincolnton, after deliberating all night, rendered a verdict today awarding plaintiff \$5,000.

TREASURY BEGINS DRASTIC PRUNING OF DEPOSITORIES

Less Than Four National Banks Expected To Survive Cut- ting Out Process

CHANGES IN FINANCIAL SITUATION RESPONSIBLE

While Cutting Out Inactive Accounts, Treasury Depart- ment Is Also Reducing Bal- ances Carried By Other Banks; To Depend More On Federal Reserve Banks

Washington, Feb. 1.—Drastic reduction in the number of the National banks designated as government depositories is being made by the treasury department with the result that less than 400 of the 1,331 such institutions holding Federal funds on June 30, 1919, are expected to survive the pruning knife.

Changes in the government's financial situation, brought about by the war's fiscal operations, it was said officially today, have made it necessary to abolish hundreds of the depositories and revise the plan for distribution of government moneys among banks employed since prior to 1912.

While the Treasury is cutting off the inactive accounts, it is also reducing the balances carried by many of the banks—in all in fact, where government transactions do not require the use of large sums.

Many Already Eliminated.

"Scientific apportionment" it is said, will be the basis in the future for disposition of surplus funds. Officials explained the new policy as to depositories would operate so that each bank will be able to realize returns on a basis of business done for the government. Included in the list of National banks struck off are 566 banks which had accounts of \$1,000 and which were designated as government depositories during the administration of Franklin D. Veagh as Secretary of the Treasury for President Taft.

Essentially half of the banks to be deprived of government balances already have been eliminated from the rolls and outstanding balances that have been reduced from \$32,000,000 to \$27,000,000. Other banks will be taken off the official list of depositories and other accounts will be reduced until by the end of the calendar year it is expected the new policy will be fully completed. Officials were reticent today as to the geographical location of the depositories cancelled.

The new policy of the Treasury does not contemplate disturbance of the present system of special depositories which was created as an emergency measure during the war. There was a total of 9,500 of these institutions at the first of the year. Such depositories automatically will cease to function when the period of their usefulness terminates, but so long as it is necessary to employ extraneous fiscal policies and so long as the war program of financing "hangs over," it is understood the government accounts will be retained in the specially chosen banks.

Defending On Federal Reserve.

The monetary operations of the government were conducted entirely through the sub-treasuries and national bank depositories prior to the creation of the Federal reserve system. With the establishment of the Federal reserve banks and branches, government payments have been made more and more through them and thus the abolition of the National bank depositories, therefore, represents a further leaning of the Treasury on the reserve banks in carrying on the nation's business.

Deposits in the national banks by the government only two per cent, but while there was a surplus of money in the Treasury, a wide distribution of government funds proved an investment. With the war came the great bond and indebtedness certificate issues on which the government is paying from 3 1/2 to 4 1/2 per cent interest. In withdrawing the deposits from inactive accounts and in reducing the balances in all banks in order to meet actual requirements, the government officials pointed out, is serving the difference in interest.

Since the Treasury began analyzing the question of depositories and since government accounts have been withdrawn one by one, officials have begun to receive many inquiries and naturally some protests concerning the new policy. There still are in Congress many Senators and representatives upon whose recommendations the depositories were designated and these are very solicitous about the banks "back home." Treasury officials said. There also has come from scores of State officials inquiries as to the significance of the withdrawal of accounts from banks in various sections of the country.

THREE RHODES SCHOLARS AT LARGE ARE NAMED

Washington, Feb. 1.—Robert P. Ham- ilton, Jr., University of Virginia gradu- ate, Charlottesville, Va.; Paul Robison Norton, Princeton University gradu- ate, Princeton, N. J.; and Theo. S. Wilder, Oberlin College graduate, 1875 East Twenty-fourth street, Cleveland, Ohio, have been selected as the three Rhodes scholars at large, allotted to the United States by the Rhodes trustees because of the unprecedented competi- tion for the 64 scholarships filled last November. This announcement was made here today by Prof. Frank Aydelott, director of the Massachusetts Institute of Technology, American secretary to the Rhodes trustees.

WANTS TO DESERT WOOD FORCES

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