

THE WEATHER
North Carolina Rain and warmer Wednesday; Thursday clearing and colder.

The News and Observer

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SIMMONS OPPOSES TARIFF EMBARGO ON IMPORTATIONS

Proposed Action "Would Be Height of Folly" Declares The Senator

TAR HEEL MEMBERS OF CONGRESS UNDECIDED

Imports of Canadian Wheat Causes Worry To Farmers While Country Has Produced Twice As Much Wool As Needed; Trade Conditions Need Adjusting

The News and Observer Bureau, 608 District National Bank Building, By R. E. POWELL. (By Special Laid Wire.)

Washington, Dec. 21.—The evident determination of House Republicans to press consideration of the "emergency" tariff bill with duties on agricultural products now foreshadows a fight in Congress that even the Republicans thought would be deferred until after Mr. Harding got into office.

"With the agricultural sections of the country clamoring for an adjustment of trade conditions with Europe, the Republican party with premeditation and deliberation, it appears, seeks to put an embargo on importations," one prominent Democratic Senator said this morning.

"It would be the height of folly for us to place an embargo or protective tariff on the things Europe sells to this country," said Senator Simmons today. "While it might possibly help one element of the people, it would so impair European market conditions as to measurably restrict exports."

The House Members Undecided. The North Carolinians in the House, for the most part, were undecided today as to how they will vote on the Green proposal which has been given right of way in the House tomorrow. All members are receiving telegrams asking them to support a tariff on different items in the bill, notably cotton seed oil and wool.

The urging of support of the wheat proposal is because Canadian wheat is coming into the border States and selling at less than the Western wheat farmer can grow it. The situation, however, is described as abnormal, and one that cannot be charged to ordinary international trade conditions.

With wool, the situation is that the country has produced twice as much wool as it actually uses. During the war the industry was stimulated by government demands and there is enough in this country for home needs. England, because the exchange disturbances do not apply to her colonies, is getting wool from Australia and sending it here to apply on her debt, thereby glutting the markets. This situation ought to be relieved, Senator Simmons said today, in order not to stifle the sheep industry in this country.

But to go further with the proposition to put a duty on corn, cotton, beans and meats and other things is to further hopelessly involve trade conditions. What the country needs next to the domestic relief Congress has shown a willingness to extend, the Democrats say, is the adjustment of trade conditions with Europe.

Farmers Need Credit. German agents in this country now are begging for two million bales of cotton, Senator Overman has been informed, and they want nine months' credit. If the United States could extend the credit, students of the financial situation would take an upward flight.

Some doubt was expressed today as to whether or not the President will sign the joint resolution reviving the War Finance Corporation, which means, experts calculate, the extension of a billion dollars' credit to the farmers for exporting. Senators Simmons and Overman both believe the President will sign the resolution with the section censuring the Federal Reserve Board stricken out.

Much satisfaction has been expressed in Washington today over the statement made in New York last night by William Gibbs McAdoo, and although the Republican comment is that McAdoo is thinking more of 1924 than he is of 1921, the general impression is that he has offered a solution of the grave problems confronting the country.

Signing of the resolution by the President and the prospect of an agreement between the two houses over the bill to authorize the farmers to establish organizations for cooperative marketing and handling of their products in this country will considerably help the present situation, it is believed here.

The appointment of Willie M. McCauley to be postmaster at Elon College was announced today by the Postoffice Department and the President is expected to send the name to the Senate for confirmation right away. Other post-office items announced included an examination on January 15 to fill the vacancy in the office at Kannapolis, the position paying \$2,400, and an examination for vacancies at Newell, Wanshish, Huntley, Elk Park, Glencolony, Henry, Lewistown, Umana, all to be held soon.

Robert E. Holloway has been appointed postmaster at Sioux, Yancey county, succeeding James L. Warwick, who resigned.

Sensors Simmons and Overman and Representative Clyde Hoey left Washington today for their respective homes at New Bern, Salisbury and Shelby to spend the Christmas holidays. To Push Road Legislation. The opinion that a "rider" to some of the regular "appropriation bills" will be necessary to get Federal aid road legislation through this session of Congress was expressed today by Farmer Bob Doughton, second ranking Democrat on the roads committee of the House.

An adjourned meeting of the roads (Continued on Page Two)

HARD BATTLE OVER EMERGENCY TARIFF APPEARS PROBABLE

Fordney Measure To Protect Farm Products To Come Up In House Today

PROponents DECLARE ITS PASSAGE CERTAIN

Differences of Opinion Among Southern Members Regarding Emergency Tariff, With Many Outspoken Against It; Advocates Win In First Skirmish In The House

Washington, Dec. 21.—The Fordney emergency tariff measure, designed to protect some twenty-odd farm products by virtually stopping their importation through heavy duties, will be called up in the House tomorrow under a special rule giving it right of way and limiting debate.

Although a hard fight is expected, proponents of the bill declared tonight its passage by the House was certain. Its fate, however, in the Senate is regarded as somewhat doubtful.

In the first test vote today advocates of the special tariff legislation won a signal victory by adopting, 206 to 76, a motion to suspend the business of calendar Wednesday so as to bring the bill to a vote tomorrow before adjournment. There will be no opportunity to include articles by amendment.

Madden Denounces Bill. The bill was denounced in the House today as "special legislation" by Representative Madden, Republican, Illinois, who declared it "unwisdom must be manifest to everybody." The purpose of the measure, Mr. Madden said to legislate on a few articles and to eliminate from consideration many other articles in the hands of thousands of dealers. The only other reference to it on the floor was by Representative Longworth, Republican, Ohio, who said it was needed to save important agricultural interests "from stark and certain ruin."

Southerners Differ. Wide differences of opinion have developed among Southern members regarding the Fordney tariff proposal. Some members, among them Representative Dominick, Democrat, South Carolina, are flatly opposed to the bill in its present stage. Daily conferences are being held in an effort to reach an agreement as to action upon that section which places a tariff of seven cents a pound on long staple cotton. While some members are of the opinion that the bill would probably give temporary relief for long staple cotton producers, they fear a Republican "trick" to put them on record as favoring a high tariff.

Representative Dominick, in a statement declaring his opposition to the bill, stated: "I refuse to sacrifice a principle for a so-called temporary relief measure," referring to the proposed tariff on long staple cotton. "We should be more interested now in getting foreign markets for our products than in building a tariff wall around us."

Would Not Delay Vote. Senator Smith, Democrat, Georgia, declared that if long staple cotton, peanuts, peanut oil, and cotton seed oil remain in the bill the Democrats of the Senate did not propose to delay the measure when it gets to the Senate, but will let it come to a vote. Senator Smith added that if these commodities were eliminated the situation would be different.

Governor-elect Hardwick, of Georgia, who appeared before the House yesterday and means committee, which is conducting hearings on the Fordney measure, discussed the plan for a sales tax, which is known to have the support of several Republican members of the committee, including Chairman Fordney.

Mr. Hardwick, representing bottlers of carbonated beverages, told the committee that in his opinion a sales tax should not burden the consumer to the extent that an excess profits or a tariff levy would.

VERDICT OF GUILTY IN LIPPARD MURDER CASE

Jury Pronounces Verdict of Second Degree Murder Against Defendants

Morganton, Dec. 21.—"Guilty of murder in the second degree" was the verdict rendered by the jury in the Lippard murder case at 8:30 tonight, after deliberating less than an hour.

When it was announced that the verdict was ready a small crowd gathered quickly in the court room to hear the decision. J. Ed. Seott was spokesman, telling the court that the verdict applied to each of the three defendants.

John Heffer, father of Cecil and Dock Heffer, was with his boys, and seemed to take the result quite as stoically as they. Lona Young, the other defendant, was the only one who was noticeably agitated.

Attorney Whitener entered formal motion for new trial, but was overruled. Judge Shaw announced that sentence would not be passed until tomorrow morning.

Mr. Whitener consulted with the defendants immediately following the verdict and said they are still most emphatic in their protests of innocence of the crime or any "trick" on the part of the State.

NINETEEN OPPORTUNITIES STILL REMAIN TO BE TAKEN

Three more days before Christmas and nineteen Opportunities left. And among the number not yet taken are some of the most touching cases, including mothers with children abandoned by worthless husbands; old ladies trying, with what strength is left them, to make ends meet by sewing and doing odd jobs of household work.

Nineteen opportunities for Christmas service are yet to be taken. The list is shrinking. Call The News and Observer early this morning for the address of the Opportunity you select. The Opportunities, including those taken yesterday and those not yet taken, follow:

- OPPORTUNITY NO. 7. Widow with one son. Both work. Woman does house work.
- OPPORTUNITY NO. 10. Old lady and one son. Both work. Woman does house work.
- OPPORTUNITY NO. 11. Taken by Mr. D. H. Chapman, 114 E. Park Drive.
- OPPORTUNITY NO. 24. Old man. Peddles books and works all he can. Deserving.
- OPPORTUNITY NO. 25. Couple, husband blind, wife feeble-minded. Both very industrious and work.
- OPPORTUNITY NO. 26. Widow with five children, all work who are old enough. Children's ages: boys, 14, 12, girls 3, 6 and 8 years.
- OPPORTUNITY NO. 28. Old lady lives alone. Works when able.
- OPPORTUNITY NO. 33. Very old couple. Deserving.
- OPPORTUNITY NO. 34. Taken by Mrs. E. H. Pauls, The Elms.
- OPPORTUNITY NO. 35. Old lady cripple. Works all can. Very deserving.
- OPPORTUNITY NO. 40. Family of 4, mother, father, little boy and little girl 3 years old. Mother and father both been sick. Father working, but gets very small salary.
- OPPORTUNITY NO. 41. Taken by Mrs. M. R. Holding, Mrs. J. L. Martin and Mrs. Frank Hicks.
- OPPORTUNITY NO. 44. Old lady lives alone. Takes in washing and does work by the day.
- OPPORTUNITY NO. 47. Old lady lives with niece. Deserving.
- OPPORTUNITY NO. 48. Taken by Senior Philathea Class Baptist Tabernacle.
- OPPORTUNITY NO. 50. Old couple, husband blind. Wife works in mill. Very poor.
- OPPORTUNITY NO. 51. Taken by Rev. N. C. Hughes' Private School.
- OPPORTUNITY NO. 52. Woman and two small children. Boy 6 years, girl 2 years. Husband deserted several months ago. Woman sick in bed. Very needy.
- OPPORTUNITY NO. 53. Taken by Friend.
- OPPORTUNITY NO. 54. Taken by Mrs. P. D. Gatts, 928 N. Person street.
- OPPORTUNITY NO. 55. Old lady very poor, works all she can.
- OPPORTUNITY NO. 56. Family of seven, mother, father and five children. Girl 7, boys 9, 10, 11 and 14 years. Father works hard.
- OPPORTUNITY NO. 57. Mother, father and little girl 8 years old. Father works, mother been sick. Very deserving.
- OPPORTUNITY NO. 58. Mother, father and little girl 3 years old. Father been sick and not able to provide well for family.
- OPPORTUNITY NO. 59. Taken by Friend.
- OPPORTUNITY NO. 60. Family composed of mother, father, and five children. Boys 7 and 5 years. Girls 10, 3 and 1 years. Father works hard.
- OPPORTUNITY NO. 61. Taken by Mrs. R. T. Gray, Blount street.
- OPPORTUNITY NO. 62. Mother, father and little boy 5 years old.
- OPPORTUNITY NO. 63. Taken by Mrs. J. B. Martin, 415 Elm street.

PRICES COLLAPSE IN STOCK MARKET

Every Branch of the List Encompassed By Violent Downward Movement

New York, Dec. 21.—On transactions approximating 1,700,000 shares, the largest turnover of the year, the Stock Market today experienced another drastic readjustment of quoted values, which forced many issues down from 3 to 22 points and established numerous new low records for from 1 to 4 years.

The collapse, which exceeded in violence any movement of the prolonged reaction, encompassed every branch of the list, but was most extensive in the group of so-called independent stocks, copper, motors, and inflated shares. Waiving admitted adverse conditions in trade and industry, not only in this country but throughout the world, traders declared there were no specific developments to explain the slump, other than the growing conviction that many war millionaires in and out of Wall Street have reached the end of their financial tether.

In substance, traders asserted, the credit situation has closed the money market to the country's speculative operators, although local banking institutions aver that no more than the usual calling of loans customary at this time of year has been engaged in.

It is accepted as a fact, however, that banks have been strengthening their resources to meet requirements of the coming year, this policy having the tacit approval of the Federal Reserve Board and other conservative interests. News of the day which bore directly upon the action of the Stock Market was provided by the shutting down of many mills and factories, especially in New England, for "inventory" purposes. In a majority of cases these are likely to reopen after the holidays on a reduced basis of wage schedules. Much of today's unsettlement was produced by an abrupt drop of about 22 points in Republic Steel, which is controlled by some of the largest factors in the steel industry. Republic recovered only 3 points of its loss at 50 and Vanadium Steel, which has close relations with Republic, dropped more than 7 points, rallying just one point.

Among coppers, motors and kindred specialties, the reaction due in part to the disorganized state of these industries, ran from 3 to 6 points, the market for those issues being negligible. Oil suffered declines of 2 to 4 points with only nominal recoveries, and equipments, which naturally follow the course of steels, also reflected the lack of support.

Shippings, recently among the weakest elements of the entire market, were heavy at all times, particularly Atlantic Gulf and West Indies and American International Corporation, the latter being among the issues to make a new low record. Dividend paying rails held their ground until the final hour, when the wide sweep of the liquidation became too strong to be resisted. Reading, one of the sheet anchors of the transportation list, finished at a loss of five points, and Southern Pacific, a target of the bears ever since the publication of the terms of its "melon" forfeited 2 1/2 points.

Will Remember Soldiers. Asheville, Dec. 21.—Barren and Philathea classes in many sections of North Carolina as well as in Knoxville, Norfolk, Richmond and other cities are preparing great boxes of sweets together with fowers and special presents to be sent to the sick and wounded soldiers who are now stationed in the United States public health service hospital at Otawa and Kenilworth.

LAUNCHES CHARGES AGAINST OFFICIALS

Cushing Declares Government Officials Joined In Profiteering In Coal

Washington, Dec. 21.—Charges that government officials joined in coal profiteering during the period of shortage last summer were made by George Cushing, managing director of the American Wholesale Coal Association, testifying under oath today before a Senate investigating committee. In an executive session the committee, according to Senator Calder, Republican, of New York, its chairman, was furnished by Mr. Cushing with the name of one man, said to have been a principal in an operation by which a group of men in government service obtained 450,000 tons of coal, which they sold later at a profit of \$600,000. Railroad officials and one army officer also participated in the profiteering, Mr. Cushing was said by Chairman Calder to have charged.

This phase of Mr. Cushing's testimony before the committee overshadowed the rest of his statement, which was to the effect that the coal shortage of last summer was due to "hoarding" and largely caused by statements of the Interstate Commerce Commission, the Geological Survey, the Railroad Administration and the Senate Interstate Commerce Committee telling the consuming public about a coal shortage this winter.

J. A. D. Morrow, vice-president of the National Coal Association, an organization of operators, the office records of which were examined last week by the Senate committee, took the stand late in the day and began a denial of the "panic" theory advanced by Cushing to explain the shortage. Mr. Morrow was censured until tomorrow, when the committee took Mr. Cushing into executive session.

Chairman Calder, at the close of the executive session, recounted a part of Mr. Cushing's statement, saying that no names would be made public by the committee until investigation of the charges was completed. Certain officials, it was said, Cushing testified, were able to secure information as to communities where shortage conditions were particularly feared and possessed information as to the effects of priority orders on the furnishing of coal cars.

These officials also were said to have obtained information as to coal transit and to have been able to obtain supplies which could be diverted to more lucrative markets. One "pool" mentioned by Cushing, Senator Calder said, involved 450,000 tons while other operations were said to have been intimated. The government official named by Cushing was said by the witness to have resigned some time ago.

AIR PILOT FAILS TO ESTABLISH NEW RECORD

New York, Dec. 21.—Lieutenant C. C. Kirkpatrick, an army pilot, who started from the ground at Mitchell Field, Mineola, at 7:35 yesterday morning in an effort to establish a world's endurance record in the air, was forced to land at 1:36 o'clock this morning. He had been in the air 18 hours and one minute. The record is 24 hours, 19 minutes and seven seconds. A leak in the gasoline tank forced him to give up the attempt.

BIG FIRE AT WAGRAM CAUSES A BIG LOSS

Wagram, N. C., Dec. 21.—Loss estimated at between \$175,000 and \$200,000 resulted from fire here early today which destroyed three-story buildings and 250 bales of cotton.

The fire broke out at 10:30 p. m. and spread rapidly, burning for several hours before being brought under control. The cause of the fire is not yet known.

AVERAGE PRISONER. NOT ESSENTIALLY BAD SAYS BICKETT

Victim of Environment Rather Than Criminal Instinct, He Believes

CONFESSION OF FAITH ACCOMPANIES PARDONS

No Apology For His Record of Having Pardoned Nearly 600 Prisoners During His Term As Governor; Believes Indeterminate Sentence Should Be Used Generally

"I do not have in my heart anything that resembles an apology for throwing out the lifeline to these men who have fallen overboard," declares Governor Bickett in drawing up a "confession of faith" with which he accompanies his Christmas series of pardons to men and women confined in the State prison, or in county penal institutions.

The Governor has closed what some of his critics have been pleased to call his "pardon mill," with not quite 600 paroles and pardons since his first in January 25, 1917. He will consider no more applications for pardon, although his office is besieged daily by telephone, telegraph, mail, and distressed friends, mothers, fathers who come hourly to his chambers for intercession.

"Mistakes have been made by myself, and by all Governors who have gone before me and will be made by the Governors who follow after me," the Governor says, "and for the simple reason that man who is so cold-blooded that he will not occasionally make a mistake on the side of mercy will never get close enough to the people of North Carolina to be chosen their Governor."

Not Regretful of Critics. The Governor's statement is as follows: "I am this week issuing my final series of pardons and paroles. In connection with these last acts of executive clemency I desire to make a statement to the public. I have been much criticized on account of my exercise of the pardoning power. I have regretted these criticisms but have not resented it. It is entirely possible that if some other Governor had made the same pardon record I would have been found among his critics. It is simply impossible for an outsider to see the case with the Governor's eyes.

"Of course mistakes have been made by myself, and by all Governors who have gone before me, and will be made by all who follow after me, and this for the simple reason that a man who is so cold-blooded that he will not occasionally make a mistake on the side of mercy will never get close enough to the people of North Carolina to be chosen their Governor."

Grateful For Power. I do not have in my heart anything that resembles an apology for throwing out the lifeline to men who have fallen overboard. I am deeply grateful to God and to the people of North Carolina for giving me the power to do so. But I do think it proper, just before the curtain falls on my administration, to make known to the people the principles that have guided me in the exercise of the highest and most sacred function of my office.

"First I believe in the indeterminate sentence. That all punishment should be for a minimum and maximum time. The people of North Carolina believe in this principle. The General Assembly in the year 1917 conferred on our Judges the right to impose the indeterminate sentences. In the vast majority of cases before me I have simply applied this principle to prisoners convicted before the passage of this law. Wherever the Judge has imposed a maximum and minimum term I have not, so far as I can recall, interfered in any case before the minimum term imposed by the Judge had expired. The underlying principle is intended to rebuild men, and not destroy them.

"I am profoundly convinced that the average man sent to prison is not essentially a criminal. As Attorney General of the State, I prosecuted every criminal case that came before the Supreme Court in eight years. During these years I was immersed in the study of crimes and criminals. It was my duty to sustain every conviction when legally possible to do so, and my work tended to develop a bias against the prisoner.

"But these eight years' experience and study has produced in my mind a deep and definite conviction that the average violator of the law is not a moral perverser, is not essentially a criminal, but is a perfectly normal man who, by reason of an environment for which he was not responsible, or by reason of some sudden passion or overwhelming temptation commits an act for which he is very properly sent to prison. But, after this normal man has been in prison for a reasonable time, if the State gives him another chance he will not be a menace to society, but will be a better citizen than he was before he fell into temptation. He has learned something about the wages of sin.

"There are, of course, gross and vicious exceptions to this general rule, but the conviction that the average prisoner is not fundamentally wicked has been intensified by my study of crimes and my experience with criminals during my four years' service as Governor.

In the exercise of the almost God-like power granted me by the Constitution, I have not been guided by impulse, by spite or sentimentalism, but in every case I have put to my soul the question, 'Is the man worth saving, and is it possible to save him without hurt to society at large?'

"This is no defense of my pardon record. It is my confession of faith—"

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TWO KILLED WHEN TRAIN STRIKES AUTOMOBILE NEAR GREENSBORO AT CROSSING

Burlington, Dec. 21.—Ollie Halthcock and his sister, Mrs. Floyd Whitt, were instantly killed and two others severely injured about 3 o'clock this afternoon when a Southern passenger train, eastbound, crashed into the automobile in which they were riding at Buffalo Crossing, a few miles east of Greensboro. While the names of the other occupants of the car were not learned, it is understood that they were also from Burlington.

TRAIN KILLS HAW RIVER MAN.

Haw River, Dec. 21.—A freight train running ahead of eastbound Southern train No. 16, killed Bill Williams, age 49, an employee of a local cotton mill, this afternoon at 3 o'clock. Williams had started home and was walking down the track, it is stated, not far east of the station when the train came around the sharp curve at that point. He leaves a wife and six children and was highly thought of in the community. The funeral will be held here tomorrow.

JUDGE RELEASES FOUR DEFENDANTS

Court Rules Insufficient Evidence To Hold Persons In Shepard Case

Macon, Ga., Dec. 21.—All four of the defendants charged with poisoning Fred D. Shepard of Houston county, for his money were discharged here today by Judge H. A. Mathews of Superior court. The judge held that even granting that Shepard was poisoned the State had not presented sufficient evidence to connect them with the deed. He also declared testimony of experts regarding the alleged poisoning was conflicting.

There was a mild outburst of applause as the preliminary hearing which had lasted a week came to a close and then Shepard's widow, now Mrs. Pauline Elmer of Jacksonville, leaped up and facing the judge cried: "Jesus did not walk alone in the Garden. I did not walk alone. God was with me."

The woman's words drifted off into incoherence and suddenly she toppled over backward but was saved from a fall by attorneys nearby. Friends crowded around the other defendants, Mrs. Elmer's son, Ernest Hopson; her younger sister, Mrs. Inna Henry and Mrs. Annie Cutts, of Fitzgerald. In a few minutes Mrs. Elmer had recovered sufficiently to be taken away by her friends.

The court room which had been well filled throughout the hearing was emptied tonight and friends of the defendants crowded around to congratulate them. As they left the court house, they were halted again on the sidewalk to receive congratulations.

NEW BERN WORKERS WILL RUN PLANT THEMSELVES

After Deducting Overhead Expenses, All Profits Will Be Theirs

New Bern, Dec. 21.—Beginning tomorrow the foundrymen and machinists expect to take over the plant of the New Bern Iron Works and Supply Co. and after paying the overhead expenses to divide the profits among themselves. The plan was proposed Saturday by the general manager, E. L. Willis when the workers objected to a further cut of ten per cent Saturday but he was called out of the city before the agreement was formally drawn up and will not return until tomorrow.

The workers were given a cut of ten per cent in wages two weeks ago and Saturday were told that another cut of ten per cent would have to be made or the plant closed down as the company was not making expenses. Then the machinists proposed that the plant be turned over to them which Mr. Willis agreed to. They returned to work Monday morning with that understanding but as he had been called away, the agreement has not been formally completed.

It is their expectation, however, that it will go into effect as Mr. W. A. McIntosh, secretary and treasurer, who with Mr. Willis controls the stock in the company is understood to be agreeable to the plan. As outlined, the plan contemplates the operation of the plant by the workers themselves.

MORE DISORDERS IN IRELAND REPORTED

Heavy Fighting Between Civilians and Soldiers; Numerous Casualties

Dublin, Dec. 21.—(By the Associated Press).—Heavy fighting has taken place between large forces of civilians on one side and soldiers and police on the other in the section lying between Collan, county Kilkenny, and Glenbowser, county Tipperary.

The military and police were ambushed at not less than three different places yesterday and numerous casualties resulted on both sides. These included Sergeant Walsh, Royal Irish Constabulary, killed, and Sergeant Shannon and several soldiers wounded. About thirty civilians were wounded or captured.

An official communication issued by the general headquarters tonight estimates the casualties among the attacking forces at sixteen and gives the military casualties as one private severely wounded. No police casualties are mentioned. The statement says that the details are still in doubt, and that no information has yet been received regarding the ambush of police reinforcements from Clonmel.

The inhabitants of the countryside are in a state of terror and many are fleeing from their homes.

KAHN URGES SALES TAX AS NECESSARY TO HELP BUSINESS

New York Banker Discusses Tax Revision Before Ways and Means Committee

ADVOCATES REPEAL OF EXCESS PROFITS TAX

Thinks Sales Tax Plan Would Act As Check To Profiteering Which Has Resulted From Excess Profits Tax; Tax Burden Has Already Stopped Commercial Growth

Washington, Dec. 21.—Establishment of a sales tax, repeal of the tax on excess profits, reduction of the higher rates on income surtaxes, upward revision of the tariff and the levying of a flat tax on net profits of corporations were advocated before the House ways and means committee today by Otto H. Kahn, New York banker, in a comprehensive discussion of tax revision legislation.

Mr. Kahn, one of the few witnesses invited by the committee to appear before it, dwelt at length on the question of a sales tax, partly in response to indications in the committee that this sort of tax is gaining in favor. Chairman Fordney, before Mr. Kahn was called, said he and several other members believed some sort of sales tax would result, but were seeking methods by which the tax would not be multiplied and the consumer unjustly taxed in the final purchase.

Check Profiteering. As a result of the chairman's statement, Mr. Kahn discussed that phase of the problem advocating legislative provisions which would require the tax to be made known in each sale and added to the selling price as a separate item. Such an arrangement, he said, in his opinion, would check "the profiteering which has resulted" from the excess profits tax.

In his discussion of the need for a revised taxation program, Mr. Kahn declared that American business could not experience a healthy growth if the government continued "on a road of excessive taxation and continued to absorb the life blood of business through concentration of taxes on incomes and capital." He added that "the tax burden" had already actually stopped commercial development.

Has Hurt Business. "What has happened in the past," he continued, "can reasonably be expected to happen again in the future. We have seen the end of this tax plan and have seen its disastrous results. It has forced every business house to run to banks for credit to conduct business, but finally the banks ran out and the Federal Reserve Board had to call a halt.

"After this came the collapse in markets. It hit the farmers first, but none have been spared and all business has felt the effects. The retailer has not been struck so far, but that I fear he will. We need to see from that what will happen unless the principle is changed."

One of the means suggested by Mr. Kahn for lifting the present tax burden was a funding of the Victory notes and War Savings certificates. He urges payment out of taxes of the treasury certificates of indebtedness, however, saying it appeared that this would be done without inconvenience before they fall due.

Favors Sales Tax. Employment of a sales tax as one of the means of raising the four billions of revenue needed annually by the government is being considered by some members of the committee. Chairman Fordney declared: "We said other members were in favor of 'some kind' of a sales tax."

"It seems a sensible tax," said Mr. Fordney, "but we do not want a sales tax that will be multiplied and pyramided into a burden on the consumer. We want to avoid a law which will cause to be passed on to the consumer a levy which nets more profits to the merchant than tax to the government." The chairman added that under some of the present taxes, merchants were adding under the guise of taxes much more to the price of articles than the tax levy justified. He contended that this was one of the problems which Congress must solve in revising revenue laws.

Hardwick Before Committee. Governor-elect Hardwick of Georgia, representing bottlers of carbonated beverages, told the committee a sales tax should not burden the consumer to the extent that an excess profits tax or a tariff levy would. "With respect to the tariff, Mr. Hardwick declared that that sort of a tax meant that the government would get only a tax proportionate in amount to the quality of the commodity imported while the percentage would pay no tax.

This same commodity, however, he asserted, would be increased in price to the consumer to the same extent that an import duty had been levied.

BILLY SUNDAY SPEAKS TO BIG CHARLOTTE AUDIENCE

Charlotte, Dec. 21.—Tonight Billy Sunday spoke to about four thousand people in the auditorium, the personnel representing every grade and class of people in the city. His subject was "Home—The Need of Good Homes in the World Today, Good Mothers and Good Fathers."

"Bless the South," he said. "It is freer from isms and schisms than any section on God's green earth. I like it. I like your reverence for God and the Sabbath Day. The people of the South are more loyal to the real downright principals of Christianity than the people of any other section. I've heard everything about Charlotte that was good and I have always wanted to come here. I've only visited one town so far here in North Carolina, and that is Raleigh."

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