

THE WEATHER
North Carolina - Fair some-
times warmer Saturday Sun-
day cloudy.

The News and Observer

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VOL. CXXIII, NO. 29. TEN PAGES TODAY. RALEIGH, N. C., SATURDAY MORNING, JANUARY 29, 1921. TEN PAGES TODAY. PRICE: FIVE CENTS

BEGIN PRUNING ON MONEY ALLOTTED FOR HARBORS WORK

Republican Committee On Ap-
propriations Cuts Amount
To Almost Half Sum

PROVIDE LUMP SUM TO
CARRY ON IMPROVEMENTS

Latest Proposition, However,
Does Not Interfere With
Earlier Appropriations For
Rivers and Harbors; Con-
gressman Hoye Thinks Well
of General Assembly

The News and Observer Bureau,
603 District National Bank Bldg.
By JOE L. BAKER.
(By Special Leased Wire.)

Washington, Jan. 28.—The annual
river and harbor appropriation bill, as
approved by the House today, is a
wreck of what it was when approved by
the committee on January 22.

As approved by the House today, the bill
carried appropriations totaling about \$25,000,000.
As reported by the Appropriations Com-
mittee today, it carries appropriations of
\$12,400,000, with accompanyingundry civil
contracts for \$382,700, making a total of
\$12,782,700 appropriated. This is only
a little more than half the appropri-
ations approved by the Rivers and Har-
bors Committee.

As approved by the Rivers and Har-
bors Committee, the bill carried approxi-
mately \$48,000,000 for continuing work now
in progress on rivers and harbors in eastern
North Carolina, with those rivers
and harbors to share in appropriations
of something more than \$3,000,000 recom-
mended for dredging along the At-
lantic coast.

Instead of adopting recommendations
for the appropriations of given sums for
designated pieces of work, the Appropria-
tions Committee recommended a
blanket or lump sum appropriation, and
it will be left to the Secretary of War
and the army engineers if the bill shall
go through in that form, to determine
where and how the money shall be ex-
pended.

However, improvement work now
in progress is not dependent on the ap-
propriations in this bill alone, for the
Appropriations Committee, in its report
on the bill, shows that there is a bal-
ance of \$47,149,000 for this work left
from earlier appropriations.

Representative Clyde Hoye, of the
Ninth District, returned to Washington
today from Raleigh, where he went to
appear before the State Corporation
Commission to resist the application of
the Southern Power Company for an
increase in rates. Mr. Hoye visited the
Legislature while in Raleigh, and came
back with the word that the Legislature
is made up of men of a high average
of intelligence and with the confidence
that its work will be for the advancement
of the State along all the lines
which it should legislate.

Mr. Hoye is winding up work in his
office, preparatory to retiring on March
4, when he will resume the practice of
law in Shelby.

An army order made public at the
War Department today relieves Maj.
Edward H. Hicks from duty with the
Fifth Field Artillery at Camp Brass
and directs him to proceed to San Fran-
cisco, where he will embark for Manila
for duty with either the 24th or 25th
Field Artillery upon assignment
upon his arrival.

Two Postmasters Named.

Two North Carolina postmasters were
appointed today. Rufus C. Hassell was
appointed postmaster at Archdale, Ran-
dolph county, vice Jesse W. Blair, re-
signed, and Curtis W. Stokes at New-
sum, Davidson county, succeeding James
F. Stokes, resigned. Both are fourth-
class offices. Charles A. Craig was
named acting postmaster at Saw Mill.

The Shuford National Bank, of New-
ton, N. C., has made application to the
Comptroller of the Currency for authori-
ty to increase its capital stock from
\$60,000 to \$100,000.

C. E. Hope, secretary of the States-
ville Chamber of Commerce, and
Charles H. Turner, also from States-
ville, are here attending the meetings
of the housing conference of the
United States Chamber of Commerce.

The North Carolina Society of Wash-
ington is about to get into the swing
of activity for the winter and spring.
Organization has just been completed.
President E. E. Britton announcing the
appointment of an advisory committee,
as follows:

Members at large: Mrs. Josephus
Daniels, of Raleigh; Mrs. A. W. Mc-
Lean, of Lumberton; T. M. Robertson,
of Randolph; Mrs. H. E. C. Bryant,
of Charlotte; R. H. McNeill, of Wilkes-
boro; Mrs. J. S. Tomlinson, of States-
ville. By congressional districts, the
members of the committee are: First,
Miss Mary Weston Swan, of Warren-
ton; second, Mrs. C. F. Taylor, of Magnolia;
third, Mrs. E. H. Pace, of Raleigh;
fourth, Mrs. C. E. Mebane, of Graham;
fifth, Mrs. L. W. Lister, of Greenville;
sixth, Mrs. W. W. Scott, of Statesville;
seventh, Mrs. G. H. Brenner, of Charlotte;
eighth, Mrs. Rebecca S. Harrison, of Franklin.

The officers of the society are: Presi-
dent, Edw. E. Britton, of Raleigh; vice-
presidents, Mrs. M. M. Moseley, of
Windsor; second, Capt. Terry A. Lyon,
of Elizabeth; third, James Lee Best,
of Salisbury; fourth, Mrs. Eugene F. Hart-
ley, of Clinton; fifth, Col. Alexander
Williams, of Charlotte. The secretary
is Eugene F. Hartley, of Lexington.

TWO MEN HOLD UP CASHIER AND GET AWAY WITH \$26,000.

Tampa, Fla., Jan. 28.—Two men
held up Cashier E. F. Smith at the
American Railway Express Com-
pany's main office at the union sta-
tion here this afternoon about 4:15
o'clock and got away with them
\$19,700 in cash and two other pack-
ages, merchandise, which they seized
from the safe and a desk in the
cashier's office.

TARIFF BILL HITS ROCKS IN SENATE

Chances of Measure Coming
To Vote This Session Grad-
ually Growing Less

Washington, Jan. 28.—Consideration
of the Fordney emergency tariff bill
was delayed in the Senate again today
and new rocks appeared in its path.
With filibustering openly charged,
leaders of both sides declared that
the chances of the measure coming to a
vote in this session were gradually
diminishing.

The consideration given the tariff
at today's session consisted of a speech
by Senator King, Democrat, Utah, on
Russian trade, which occupied almost
the entire afternoon and contained only
occasional references to tariff matters
and brief exchanges concerning the
meaning of Senator Penrose's cloture
petition which was circulated yesterday.

The open charge of filibustering was
made by Senator Ashurst, Democrat,
Arizona, following a colloquy between
Senator Thomas, Democrat, Colorado,
and Senator Penrose, relative to in-
surrections of a filibuster. The
Pennsylvania Senator assured Mr.
Thomas that he had not intended by
circulating his petition to insinuate that
a filibuster had been organized.

Senator King then began his speech
on Russian trade but was interrupted
by Senator McCumber, Republican,
North Dakota, who suggested that the
tariff was the subject technically be-
fore the Senate. The latter mentioned
his references made to a filibuster and
Mr. Ashurst broke in with the exclamation:
"I do not intimate that there is a
filibuster, I charge it."

Discusses Russia Thoroughly.

The accusation, however, failed to
interfere with Mr. King's speech and for
more than four hours he discussed Rus-
sia, his government, its people, its trade
and internal conditions and the pros-
pects of establishment of a permanent
republic. His discussion thereafter was
interrupted only when Senator France,
Republican, Maryland, engaged with
him in a debate over actions of the
Soviet government.

When the Senate recessed Senator
King said that he had much more to
say tomorrow and it was understood
also that several others were preparing
to speak on subjects not closely re-
lated to tariff questions. This prospect
was said by leaders to mean the hasten-
ing of action on the plan to lay aside
the Fordney bill and dispose of the
money measures which have come over
from the House.

HARDING PARTY REACHES
MIAMI ON THEIR CROISE

President-elect Will Go To Fish-
ing Ground To Southwest
For Few Days

Miami, Fla., Jan. 28.—The house-bout
Victoria, on which President-elect Har-
ding is cruising through the Florida coast,
tied up tonight at Fort Lauderdale,
about 80 miles above Miami, and is ex-
pected to complete her southward voy-
age to this port tomorrow.

TENTATIVE PLAN ON REPARATIONS PROBLEM REACHED

Proposed Scheme Provides For
Payments of Annuities For
Period of 42 Years

Paris, Jan. 29.—The session of
the committee of experts of the
allied supreme council ended at
12:30 o'clock this morning, after
having reached a complete agree-
ment on the system of annual pay-
ments of reparations to Germany for
the years 1921-1962.

It now remains only for the plen-
ary sitting of the supreme council to-
day (Saturday) to endorse the agree-
ment, draw up instructions for the
Brussels representatives and fix
penalties for defaults by Germany.

Premier Briand declared as he
came from the meeting early this
morning that the conference of the
supreme council would not break
up without having reached a definite
decision.

Paris, Jan. 28.—(By the Associated
Press).—A solution of the problem of
German reparations was tentatively
reached late tonight by the committee
of experts appointed yesterday by the
allied supreme council. Confidence was
expressed that the council would ap-
prove the committee's plan tomorrow.

The proposed scheme provides for the
payment of annuities on a sliding scale
of from 2,000,000,000 to 3,000,000,000
gold marks over a period of probably 42
years and also twelve and one-half per
cent ad valorem tax on German exports
so that her creditors would be paid, ac-
cording to Germany's prosperity.

Follows Widening Breach.

The sudden ironing out of differ-
ences came after two days of a con-
tinually widening breach that threat-
ened to break up the conference, it
being virtually suspended except for
private conferences. Official French
circulars give the Belgian delegation
credit for the success in reconciling the
British and French viewpoints.

The project in its final form, when
approved by the supreme council, will
be submitted to Germany for acceptance
as an agreement outside of article
233 of the peace treaty which entrusts
the reparations commission with the
task of fixing the amount of the indemnity.
Then another conference will be
called to which the Germans will be
invited.

The committee of experts was in ses-
sion at midnight considering the ques-
tion of shortening the period of pay-
ments to thirty years, for which the
treaty of Versailles specifically provides.
But it is expected that the period of
forty-two years finally will be adopted,
as the whole agreement is outside the
treaty and the longer period of pay-
ments will make the task easier for
Germany.

Conferences between small groups of
the delegates went on this afternoon in
an effort to clear up the tangle in the
situation which had arisen.

Much Speculation On Result.

Speculation was rife throughout the
day as to what ultimately would be the
result if an agreement were reached.
The general opinion seemed to be that,
should failure result, M. Doumer,
French minister of finance, would be
held responsible for raising objections
to a settlement of the reparations ques-
tion and that it necessary to resign.
Persons close to Premier Briand ex-
pressed the belief that if M. Briand
were unable to conciliate the French
view with that of the British he would
report the circumstances to the Chamber
of Deputies and then announce the
resignation of the entire French cabinet.

Late in the afternoon the alternative
proposition was submitted to the French
delegates, providing for fixed annuities
for forty-two years plus varying an-
nuities figured on Germany's foreign
trade.

This plan was suggested to give satis-
faction to the French viewpoint that,
owing to the impossibility of determin-
ing now what Germany's situation will
be in the future, no part of France's
claim should be abandoned. Under
this plan the French and other creditors
of Germany would be paid a minimum
consisting of fixed annuities and an ad-
ditional sum proportionate to the econ-
omic prosperity of Germany.

WOULD BRING NEW RAILROAD SYSTEM TO CAPITAL CITY

Extension of Montgomery Lum-
ber Company's Railroad Line
From Rolesville To Raleigh,
And The Construction of
Terminal Facilities In Ra-
leigh Involved In Proposition

Notice has been published by the Ra-
leigh Chamber of Commerce that a bill
drawn up by that organization will be
introduced in the General Assembly
providing for the creation of a special
bond and tax district in Wake county
and the issuance of bonds not ex-
ceeding \$800,000 for the purpose of ex-
tending the Montgomery Lumber Com-
pany's railroad line from Rolesville to
the State Capital at Spring Hope,
Shelby and Rocky Mount and linking
the county directly with the prosperous
northeastern section of the State.

The matter of extending the lum-
ber company's line to Raleigh has been dis-
cussed for several years, it being re-
garded as a means of eventually bring-
ing the Atlantic Coast Line Railroad
to Raleigh, of making the State Capital
directly accessible to the northeastern
section of the State and of developing
the important and productive territory
involved. The Chamber of Commerce
recently took up the matter from the
viewpoint of a county or community
project and a bill has been drawn em-
bodying a proposition by which its
framers believe the new line can be-
come a reality. Meeting the require-
ments of the law, the chamber has pub-
lished notice of the purpose of the bill
and present plans call for its intro-
duction in the General Assembly the
latter part of next month.

Create Special Tax District.

The object of the legislation is to
create a special bond and tax district in
Wake county, embracing the territory
which would be directly affected and
benefited by the extension of the rail-
way line. A bond issue not exceeding
\$800,000 would be provided for construc-
tion of the 17 miles of rail line. In
event arrangements would be made for
the new line using either the Seaboard
or Norfolk Southern terminals in Ra-
leigh, it is estimated that construction
of the road would cost \$350,000 or \$400,
000. However, if the people in the
special tax area decided on a separate ter-
minal the cost would be near the \$800,000
mark.

Under present plans, the proposition
is one for the people of Raleigh and a
certain section of Wake county aiding
the lumber company in extending the
railway line to Raleigh. The bonds of
the county to the amount necessary to
construct the road would be exchanged
for first mortgage bonds of the lum-
ber company, giving the voters or bond-
holders a first mortgage on the exten-
sion, and at the same time the present
part of the road as security. The
county's bonds would bear 6 per cent
interest, while the lumber company's
first mortgage bonds would bear 6 per
cent, giving the county a return of 1
per cent. Under such a plan the propo-
sition takes on an attractive investment
aspect for the county.

The special tax district that would be
created is as follows: Raleigh township;
that portion of Neuse river township
lying and being to the east of the Ra-
leigh and Wake Forest main road via
Millbrook and Wyatt; that portion of
St. Matthew's township lying to the
west of Neuse river and north of the
Millbrook road; and that portion of
Wake Forest township lying and being
to the east of Smith's creek and to the
north and east of Neuse river from the
mouth of Smith's creek to the corner
of Neuse river, St. Matthew's and Wake
Forest townships.

The notice issued by the chamber,
besides describing the territory, states
that the bond issue will be for "the
purpose of aiding in the extension of
the Montgomery Lumber Company rail-
road from the present terminus in
Wake Forest township, Wake county,
into the city of Raleigh, or to a point
on the Norfolk Southern Railway with-
in three miles of the nearest boundary
of said city, or to a point on the Sea-
board Air Line Railway within three
miles of the nearest boundary of the
said city."

A. C. L. Runs Into Spring Hope.

At the present time the Atlantic Coast
Line Railroad operates a branch line
from Rocky Mount to Nashville to
Spring Hope. The Montgomery Lum-
ber Company has a standard gauge road
from Spring Hope to Rolesville via
Bunn. The lumber company is now
furnishing passenger and freight ser-
vice on its road in addition to using
it for hauling timber to its large plant
at Spring Hope. The road has been
extended from Spring Hope to within
two miles of Rolesville, or about 17
miles of Raleigh. The 17-mile extension,
which it is proposed that the county
build, thus would complete a rail route
from Raleigh to Rocky Mount via
Rolesville, Spring Hope and Nashville.
Although nothing definite has been
made known, the possibility of the At-
lantic Coast Line acquiring the entire
road in event of its completion is not
regarded as remote.

The completion of this line would cut
the distance from Raleigh to Rocky
Mount by rail 21 or 22 miles, and give
the first direct route to that city from
the State Capital. At present it is nec-
essary to change cars at Selma, Wilson
or Weldon to reach Rocky Mount from
Raleigh by rail. Also, travelers from Ra-
leigh cannot go to Spring Hope and
Nashville without going first to Rocky
Mount. The route would make it pos-
sible to reach Castle, in Nash county,
without going to Rocky Mount first.
Another direct access to the main line
of the Atlantic Coast Line would also
be gained.

Atlanta Gets Major League Player.

Atlanta, Ga., Jan. 28.—Frank Schulte,
former major league outfielder who
managed the Syracuse (N. Y.) baseball
team last year, has been obtained by
the Atlanta Southern Association club
in a trade for Harry Danner, infielder,
it was announced tonight.

UNDISGUISED CHALLENGE TO OLD LINE LEADERSHIP IN GOVERNOR'S MESSAGE

Governor Morrison's Opening
Message to General Assembly

Governor Morrison in his message to
the General Assembly said:
To the members of the General As-
sembly:
Having called your attention to the
larger problems of the State in my In-
augural Address and urged your atten-
tion to them in a manner which I be-
lieve the people have authorized me as
their spokesman to do, I now desire
your indulgence for some further and
more particular recommendations upon
one of the subjects discussed in my In-
augural Address, of which I gave notice
on that occasion.

I refer to the subject of taxation for
the support of the State Government.
I believe I have been peculiarly au-
thorized to speak for the people of the
State upon this most important sub-
ject, and I therefore speak with gen-
eral judgment of the people; we ought
not to levy any ad valorem taxation
upon the property of the people, but to
completely release the counties and
towns and cities this source of taxation;
but we ought to levy sufficient taxation,
other than ad valorem, to discharge the
high duties of a great and progressive
State and to administer our State gov-
ernment in rigid economy, though in
unquestioned efficiency. Prolonged dis-
cussion and consideration of the sub-
ject has resulted in a fixed judgment
by the people of this State that ad
valorem taxation for State purposes is
the most difficult of all tax to levy and
collect in equity and justice and that it
is also the most expensive to collect;
that it is no longer necessary for State
purposes and that the counties and
towns and special tax districts of the
State require all the revenue which can
be justly and constitutionally levied
through ad valorem taxation upon the
property of the State.

Tax Upon Principal Property.

I do not deem it wise to occupy your
time with arguments and discussion, be-
cause I feel sure that this question has
been discussed for so long and with
such thoroughness that anything I could
say would largely be repetition. We
now know that ad valorem taxation is
a tax upon the principal property of
the people and that when levied by an
arbitrary rule it frequently bears most
burdensome and unjustly upon those
least able to pay. A tax upon property
necessarily reaches those who by reason
of age, infirmity, youth or sex have lit-
tle earning capacity and although
possessing some property, need all the
income to be derived from it upon
which to live. These non-earning classes
although small property holders may
have such small incomes that they are
utterly unable to bear heavy taxation
and the State must either tax them op-
pressively or decline to do any things
which are going to oppress the weak
and non-earning property owners with
additional taxation. The tax which the
counties, towns and cities and other
communities will levy upon the
principal property of the people
will require all of the taxation which it
is either wise or just to levy upon prop-
erty in this State. Government is be-
coming more and more expensive be-
cause it is property doing more and
more to improve and protect the people.
The necessary county and town ex-
penses are great, but the people from
this local government obtain more ben-
efit than in the past, and more than is
received in any other country in the
world. It is, therefore, necessary, un-
less we are going to retard the prog-
ress of our people, to allow the towns
and cities and counties of the State
larger revenue.

State Can Raise Enough Revenue.

But because we are about to adopt a
new system of taxation under which ad
valorem taxation will be released to
the counties and the towns and cities,
we must not conclude that the State
will be unable to raise by constitutional
and just taxation all the revenue which
it may need for the purpose of sustain-
ing the institutions established for the
care and maintenance of its unfortunate
and defective people; to support its in-
stitutions for higher learning and to
discharge all of the duties of a great
commonwealth. We can tax the prop-
erty of the State as well as without ad
valorem taxation as with it, but
with greater justice to all classes. There
is absolutely no reason why we should
not raise through taxation all the money
necessary to pay the interest upon a
sufficient issue of State bonds to make
the permanent improvements necessary
for our institutions for the care of the
unfortunate and defective of our State
and for our institutions for higher learn-
ing, and to defray the current annual
expenses of an economically adminis-
tered State government.

Budget Report Should Not Bridge.

There should be no extravagance or
waste in this State, either in the perma-
nent improvements made at our State
institutions, or in the annual expenses
of the maintenance, and certainly
there should be most rigid economy in
the administration of our government,
not only at these institutions, but in
every department of it. No set of men
had any right to anticipate what the
income of North Carolina would be
through taxation for the next two years.
The progressives of the State had just
won a great victory. We were pledged
to progress. We had amended our
State Constitution upon the subject of
taxation. We had cleared away the ob-
stacles and made ready to take care of
this State's unfortunate and to make
our institutions for higher learning
worthy of the age in which we live.
What the representatives of this new day
in North Carolina would do and not be
defeated by a budget commission, and
we ought not to be misled by its
recommendations. We ought to exer-
cise the credit of this State, not merely
to give to our institutions for the un-
fortunate and defective and our insti-
tutions for higher learning what we
must give to save ourselves from post-

Hard Surfacted Highways.

We must not only take care of these
servants of the people. We must build
a system of hard surfaced State high-
ways. The State should not waste its
money in building mud roads.

The people demand that this whole
program shall be carried through, and
fully know that they are amply able to
do it, if they can get their public
servants to enact the legislation neces-
sary. If they did not want these
things done, why did they elect me
Governor of North Carolina? For I
advocated the whole program in the
primaries and in the general election,
from Swain to Pasquotank. How can
we raise the money with which to pay
the interest for the public improve-
ments and the current expenses of the
government? There is no difficulty
about it if it will get away from
the idea that the only thing we can
legally tax is the property of the own-
ing and the widow, and realize that the
modern sense of justice in taxation
suggests less of the burden upon the
principal property of the people and
more upon annual income, profits and
business.

The United States government for
some years has been levying and col-
lecting the largest tax bills ever levied
and collected on earth, and not one
dollar of it is upon an ad valorem basis.
It collected from North Carolina last
year more than one hundred and sixty
million of dollars, and every source
of taxation used by the United States
government is available to the people
of this State. Of course, as State tax-
ation, some of it would be most unwise
and I would not for one moment advise
some of the taxation levied by the
United States government, but we could
levy it, and besides, tax other sources
not touched by the United States. The
proper committees of the General As-
sembly ought to ascertain what reve-
nue North Carolina needs to pay the
necessary interest upon the money
which should be borrowed to put our
educational and charitable institutions
upon a sound and wise basis, and to
build a system of hard surfaced high-
ways in this State, and then levy it.
The money can be found without op-
pression or injustice to anybody. We
can tax every business and trade in
North Carolina and classify the trades
and businesses. We can tax incomes;
we can tax annual profits; we can levy
franchise and inheritance tax, etc. Our
difficulty in finding revenue through
just taxation is nothing like so great
as it is to find public men with the
courage to go forward and levy it.

No Need For Extra Taxation.

We can construct a system of high-
ways in North Carolina without in-
creasing the taxation now paid one dol-
lar by simply adopting the modern con-
ception of progressive government;
borrow the money, and use the auto-
mobile tax to pay the interest, and
realize that maintenance and upkeep is
not a new burden, but will be a
smaller one than is now borne by keep-
ing up the mud holes of the State called
roads. We ought not to waste one dol-
lar of this money building or keeping
up dirt roads in the State or our re-
venue to defray our other interest charges
and current expenses should be levied
upon the subject now taxed, and in in-
come tax, and if necessary taking ex-
clusively to the State some of the
license taxes now allowed towns and
cities and counties. The income tax
is the fairest of all taxes when rightly
levied. In my judgment it ought not to
be graduated. We would not graduate
a tax if we were levying an ad valorem
tax upon the property from which the
income is derived, and a graduated tax
upon the income derived from the prop-
erty is just as unjust as it would be
if it were an ad valorem tax. If it
was proposed in North Carolina to levy
a tax of fifty cents on the hundred dol-
lars of value on the man owning one
hundred acres of land, and seventy-five
cents upon the one hundred dollars of
value on persons owning two hundred
acres of land, and so on, it would shock
the sense of justice of our people and
not for one moment would it be tol-
erated; but when we levy it upon the
income, we have followed a popular
fallacy and come to believe in grad-
uating the tax.

Income Rate Should Be Fixed.

I believe our income tax should be a
fixed rate above the exemption and let
each man pay according to his income.
This is just, and if this principle is
adopted there will not be a murmur of
opposition throughout North Carolina
from the worthy men and women of
the State and business interests from
whom so much of the income will, and
ought to, come; but when we depart
from the principle of uniformity in
rate of taxation, there is no principle
to control us, and the body levying
the tax empirically decides how much
they will take from these with larger
incomes. This produces a feeling of
fear and a danger of injustice which
troubles people of large incomes. The
man with an income of five thousand
dollars enters his exemption ought to pay
a certain amount, and a man with an

Disregard Budget Commission
and Use State's Credit
Without Stint

SWEEPING ORIGINALITY
LEAVES MEMBERS DAZED

Abandon All Property Tax For
State Purposes, Name Two
New Commissions and Give
Executive Power To Dismiss
at Will; Presages Bitter
Fight, Opinion of Members

Governor Morrison's Opening
Message to General Assembly

Governor Morrison's opening mes-
sage to the General Assembly of North Car-
olina, which was delivered at a quiet
half session yesterday when, appear-
ing before the body in person for the
delivery of his first message, he called
for a new system of taxation, asked
that State institutions be unbridled
from the Budget Commission's report,
demanded a State system of hard sur-
faced roads, suggested the creation of
two new departments to take over
certain functions of the Corporation
Commission, and recommended gubern-
atorial power to remove at will and
without cause executive officers not
elected by the people.

From appropriation that heralded the
message as the greatest State paper
since North Carolina was one of the
thirteen colonies, to opposition that
threatens doom to the program the
reception of the Governor's recommen-
dations ran the gamut of legislative
feeling. One thing is certain, the
undisguised challenge to the conserva-
tive leadership, with indications of
generous support, presages a battle that
may make the 1921 session memora-
ble.

Both Houses ceased the routine of
their procedure and assembled in the
Hall of the House a few minutes be-
fore noon yesterday. Short recesses
in each chamber had preceded the hour
of noon, set for the appearance of the
Executive. Neither had done more than
the introduction of a few minor local
measures, and the clearing of the cal-
endars of such bills as had come from
the committees. The Governor's mes-
sage overshadowed the sessions.

Assembly Cheers Governor.

The House gallery began filling when
the session was convened at 11 o'clock,
the lobby of the chamber was fairly
well filled by the noon hour, and
laborers brought chairs for the Sena-
tors and placed them in the aisles.
Speaker Grier and Lieutenant Govern-
or Cooper sat together at the Speak-
er's desk. Mr. Nuttall, and Miss Ida
Morrison, sisters of the Governor, oc-
cupied chairs at the left of the
speaker's desk. They were applauded
as they entered the chamber.

Accompanied by a joint committee
sent to conduct him to the Hall of
the House, Governor Morrison entered
a quarter of an hour past noon, and
mounted the platform. The assem-
blage stood and cheered as he entered,
and again applauded him when he
turned from shaking hands with Speak-
er Grier and Mr. Cooper to begin
his address. He was in excellent voice
and read clearly, and with force.

Clear Cut Document.

No executive message, within the
memory of any present member of the
General Assembly, has been more
sweeping in its recommendations, more
clear cut in its definitions, nor has
any ever been heard with more pro-
found attention. Here and there, he
was applauded, but for the most part
the interest was too intent to brook
interruption. The Governor read
rapidly, and the 3,000 word message
was through within half an hour, and
the Executive returned to his cham-
bers.

Concise in form and clear cut in its
arrangement, the message dealt direct-
ly with these phases of the Adminis-
tration's program: taxation; expansion
in support of the State institutions;
with the construction of a system of
hard surfaced highways; the establish-
ment of additional administrative ma-
chinery, and the vesting of controlling
power in the hands of the governor
over the appointive executive officers.
Each was discussed at length, but
without the use of words not necessary
to the conveyance of the speaker's
thoughts.

All taxes on property should be left
to the smaller civic units, and the
State left to depend upon indirect
sources of revenue, he declared. The
income tax, the privilege tax, inheri-
tance and profits taxes were pointed
out as sources of revenue sufficiently
productive to take care of the cost
of an efficient and economic State ad-
ministration.

Straight upon the heels of the Govern-
or's declaration for the abandonment
of the property tax for State purposes
and the release to counties, cities and
towns of this source of revenue, came
his sweeping demand for unstinted sup-
port of the State's charitable and edu-
cational institutions and for the con-
struction of a system of hard surfaced
highways.

Attacks Budget Report.

The Governor's attitude on taxation
was generally known, but no one was
prepared for the declaration that if
followed would sweep aside the report
of the budget commission and pledge
the State's credit for extensive expan-
sion of State institutions.

"No set of men had any right to an-
ticipate what the income of North Car-
olina would be through taxation for the

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