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FACTS DON'T BACK ECONOMY CLAIMS OF REPUBLICANS

Assistant Secretary of Treasury Shows Boasts of Old **Guard Without Basis**

NO JUSTIFICATION FOR THEM, GILBERT STATES

Through Use of "Revolving Fund," Railroads Obtain \$300,000,000, Which Does Not Appear In Regular Appropriations; Harding Using Stick To Line Up Congress

> The News and Observer Bureau, 603 District National Bank Bldg. By JOE L. BAKER.

(By Special Leased Wire.) Washington, Feb. 20.—Boasts from Republican leaders in Congress that their majority has been forcing economies upon the government departments that they, the Republicans have, vast amount of money have brought a hobbying, log-rolling, sharp retert from S. P. Gilbert, Jr., Only ten money the first special control of the control of assistant accretary of the treasury, in hefere the final gavels fall and the states to the state with the states of the states o

Mr. Gilbert shows that while economies might well be practiced that would save the government from \$50, 000,000 to \$100,000,000 without any impairment of efficiency, Congress has voted more than a billion dollars in subsidies, some to agriculture but chiefly to private interests, and has attempted to conceal the fact from the tax pay-At the rate Congress is squander ing money, Mr. Gilbert thinks, it is doubtful that four billions of revenue annually will be sufficient to foot the bills for a while.

Revolving Fund Scored. Mr. Gilbert showed that under the transportation act, provision was made for a revolving fund of \$300,000,000 with which to make loans to the railroads at less than the market rate of interest. In the same act, a standard return to the railroads for a period of six months after their return to private control was guaranteed, and this guarantee, he estimates, may take as much as \$650,-000,000 from the Federal treasury.

Revolving funds were scored by Mr.

Gilbert, who thinks it important that further drafts of such character on the Federal treasury be avoided. future, expenditures by direct and specific appropriations should be pro-vided for, Mr. Gilbert thinks. However, necessary such practices may have been during the war, he holds that they are vicious in time of peace. One of the chief objections is that they "are almost perfectly calculated to conceal even the fact of an appropriation, no matter how much money is actually spent. By means of indirect and indefinite appropriations of this character, hundreds of millions are spent which, if a direct apprepriation were necessary, would never be authorized."

authorized by Congress at the last ses- Congress. sion, in addition to the amounts show in the usual compiled statements of appropriations. "In fact," said Mr. "the practice has reached such proportions as to be almost a National seandal, and it was vigorously denounced in the President's message. Efforts are made to find gen eral words which do not speak in terms of appropriations and cannot be readily ealculated. The last session of the present Congress, for example, authorized additional expenditures out of balances of prior appropriations and from receipts to the amount of over \$500. 000,000, including over \$400,000,000 for the shipping board.

The present session of Congress, by similar procedure, takes credit for re-fusing appropriations for the shipping board, but at the same time proposes to authorize the expenditure of receipts in amounts that may reach as high as \$200,000,000. By the indefinite appropriation for the railroad guaranty, ab 8650,000,000 was in effect appropriated without appearing in any of the state-

ments of appropriations."

Harding Already Uses Stick. Republicans are finding that there is a difference in being "out" and "in." When the Democrats were in power in Congress, some of the Republicans had much to any about "executive usurpa-tion of authority." Yet already Presi-dent-elect Harding has found it necessary to step in and try to straighten out a legislative tangle that threatened to cause much important legislation to be left on the calendar at the end of the session. His message to Leaders Lodge and Mondell the other day, urging that the big appropriation bills be expedited, has caused the Republicans to be twitted by some of the Democrats. Without waiting to assume actual authority as Chief Executive, Mr. Harding is using his position as party leader to prompt legislative action, while Democrats are calling attention to the fact that during the pre-election campaign Mr. Harding, accusing President Wilson of assurption, assured the country many times that he would leave Converse to make the country to the count wilson of nauration, assured the country many times that he would leave Congress to meet its own responsibilities. His recent meeting to Lodge and Mondell, coming after those pre-election assurances, caused some surprise. Some of the Democrata are saying "I told you so." The short of it is that without leadership, without some one in the White House to use a sharp prod occasionally, Congress would be frequently getting into jams, for it seems that there can nover be a Congress that does not develop its petty jeniousies, rivalries which are some time embarrassing and often seriously hamper the legislative wheels.

While Mr. Harding's meanages have probably served to apped up the majority in the two houses in putting through legislation, they have also aroused some passituant, such at was indicated by Sentise Borsh's inthar

SEVERE STORM SWEEPING

ALONG ATLANTIC COAST. Norfolk, Va., Feb. 20 .- A severe storm is sweeping the coast tonight and a number of vessels are seeking shelter in Lynn Haven Bay and other points. At Cape Henry to-night the wind reached a velocity of 48 miles an heur, and was blowing directly from the north.

Reports received here indicate that the schooler Caroll A. Deering which went ashore on Dismond Shoals three weeks ago is breaking up un-der the habing of high seas.

Order Storm Warnings Up.

Washington, Feb. 20.—The weather

bureau tonight ordered storm warnings displayed on the Atlantic coast from Cape Hatterns to Eastport,

MUCH CONGESTION IN LEGISLATION

Congress Reaches Its Usual Near-Adjournment Stage of Piled Up Business

Washington, Feb. 20 .-- Congress has reached its customary near-adjournment stage of piled-up legislation, of "steering" by steering committees, of log rolling, trading and

Only ten more working days remain

Congress. Murmurs of filibustering, which have marked the end of every "short" session in March for years are heard both on the Senate and House sides, on the former against the Winslow bill for partial payment of government accounts to railroads and on the House side in the effort to force action on the packers' control

Tariff Bill Seems Doomed. The emergency tariff bill also re mkins a high point of controversy. Senate and House conferees are to meet tomorrow to discuss of amendments added by the Senste. Although Senator Penrose, of Pennsyl vania, once predicted that the would be in conference but "a half hour," any conference agreement still must run the gauntlet of both branches, in the closing days, with a prompt veto by President Wilson predicted generally and with no prospect of a

veto being over-ridden. A dozen other important bills also are in conference, including the immigration restriction legislation passed yesterday by the Senate. Adoption by the House of the Senate plan is ex-

pected.

The conference reports will have right of way in the House this week, while the Seaste is pressing to rush through the annual appropriation bills, all of which, except a general deficiency bill, have passed the House. The new House rules, however, are im peding its action on conference re-

In addition to the grist of legisla tion, the House judiciary committee tomorrow will take up the impeachment charges against Federal Judge Landis. Mr. Gilbert cited that estimates for the current year show that over one billion dollars of expenditures were authorized by Congress at the leaf case is planned before the end of

> Another important committee hear-ing tomorrow is the resumption of inquiry into the status of allied leans. ecretary Houston of the Treasury department will appear before th Senate judiciary committee in con-nection with pending resolutions to stop all further payments without special authority from Congress.

The soldiers' bonus bill is to be reported to the Senate early this week by the finance committee, minus the provision for raising revenues to pay the bonus, a question to be left to the next Congress. Republican leaders plan to pass the modified bill a simple authorization of the extra compen entions to service men, but strong opposition leaves its ultimate fate in

HARDING SPENDS SUNDAY QUIETLY AT HIS HOTEL

Goes To Church, Takes Walk and Talks With His Friend, Harry Daugherty

St. Augustine, Fla., Feb. 20,-Presi dent-elect Harding spent Sunday quiet ly at his headquarters here, seeing no callers and apparently bringing none

of the problems of his pre-inauguration period nearer to solution. With Mrs. Harding, the President-elect attended church in the morning and later went for a walk. He had a long talk with Harry M. Daugherty of Ohio, understood to be his choice for attorney general, but it is said Mr. Daugherty's visit was only a Sunday call and that no questions of policy

were discussed. Selections for the three unallotted cabinet places apparently were no nearer consummation tonight than they had been several days ago. Before final decisions are made late in the week Mr. Harding is expected to see more of the big leaders of his party. more of the big le Appointments of exceptional impor-tance are understood to be on his pre-gram for temorrow and Tuesday, but in conformity with the President-cleet's custom the names of those who will come here are withheld.

PARTY OF SEVEN PERISH IN CLIMBING EUROPEAN GLACIER

Vienna, Pob. 20,-A party of four men and three women who were climbing the Dachstein Glacier have perished.

Presbyterian Women Meet.
Nashville, Tenn., Feb. 20.—Presbyterian women from every State in the South will attend the women's suxilary ensuenties which begins here to morror and continuer Tuesday. A

SAY GERMANY MUST MEET LAST DEMAND

Premier Briand Opposes Reduction of Amount Agreed **Upon At Conference**

CAN CHANGE CONDITIONS BUT NOT THE AMOUNT

Twelve Per Cent Tax On Ger. man Goods Not Regarded As Export Duty But Simply As Standard and French Ready To Change It If Another Standard Can Be Found

London, Feb. 20,-(By the Associated Press.)-Aristide Briand, the French Prime minister and General Berthelot. arrived in London this evening for the allied conferences with the announced resolute purpose of not reducing by as much as a centime the total reparations that Germany must pay as a result of the world war as agreed to at Premier is disposed to examine atten tively and even sympathetically the conditions of payment should the Gorman delegates come to 17 day proposals reasoned to 12 day

of the allied decisions. Although B. Briand does not regard the 12 per cent tax upon the value of | festations' of the propaganda campaign. German goods sent abroad as an export duty, because it may be paid from in ternal or any other vevenue, yet in view of American criticism, that clause may be modified if another suitable standard to meet Germany's expanding prosperity can be found. Exports, within M. Briand's definition of the word, were selected simply as variable National earnings.

German reparations will not be con sidered formally until the near Eastern questions are settled; but reparations dominate the thought of French delegation, and this fact probably will have an important influence on the decision of the conference re specting the Turkish arrangements. The French and British governments are not in entire agreement upon the Severs treaty. It is the impression that Premier Lloyd George of Great Britsin will ask M. Briand to yield in some respects to the Turkish treaty in return for steadfast British support

with regard to reparations. The French have all but decided to withdraw from Cilicia but to retain the mandate for Syria, which is partially pacified, according to Gen. Gourand, pacified. according to Gen. Gourand, commander of the French army in the Near East. The situation in Cilicia promises prolonged trouble. General Gourand, who came to London with the French Mission considers that France could now withdraw from Cilicia without loss of prestige, having won a victory at Aintab.

POINCARE SAYS GERMANY MUST

ACCEPT THE ALLIED DEMANDS. Paris, Feb. 20 .- Former President Poincare in a signed article in the Temps, today declares that Germany must meet the demands made upon her by the reparation commission.

"If Germany refuses to accept the do-mands made at the Paris conference," says M. Poincare. "then the Versailles treaty automatically comes into force. It is impossible that a third bill of costs can be drawn up at London. The French government can count upon the firm determination of both chambers of Parliament to reject any further delays that Germany may claim concern-ing the penalties and also obtain from our allies full indorsement of France's demands.

'Dr. Simons (the German Foreign Minister), speaks today in tones he would not have dared to adopt six months ago, although six months ago Germany was haughtier than a year ing an ascending line, which, if main-tained, will mean that the victors will be humiliated by the vanquished and the victims jeered at by the execu-

"Once more let us remember what appened after the treaty of Frankfort and also what Germany would have ex icted from us had she been victorious. We do not wish Germany to weep but we have a right to demand that she do

ALL DELEGATIONS ARRIVE IN LONDON FOR CONFERENCES

London, Feb. 20.—(By the Associated Press.)—With the exception of the representative from Angora who did not leave Rome until Saturday night, the delegations of all the powers to the near East conference which will begin Tuesday have arrived in

While the conference is due to open

Tuesday morning there is a possibility of a postponement as a difference in prevails between the British, he Italians and the French as to the best means for eading the war in Anatolia. The salient questions in this respect are whether there shall be a modification of the treaty of Sevres or neistence on the fulfillment of that not, and these difference must be imposed before the conference proper sens. Also it is the wish of the allies composed before the conference proper opens. Also it is the wish of the allies that the official Turkish delegation and the representatives from Angora come to some agreement and act as a joint delegation. A settlement of this matter will be impossible until Monday night at the earliest when the Angora delegation invited to London by the British premier at the request of Count Sform, the Italian foreign minister, reaches London.

The hope is expressed that the Greeks and the Tyrks will hold a round-table conference before the opening of the general sessions in an affort to smooth out their differences. The Greeks who have the support of their former premier, M. Venission, she has come to London to aid the delegation, have their proposals ready

FRENCH LEADERS CLAIM PRO-GERMAN MELLON ATTACKED PROPAGANDA STILL EXISTS IN AMERICA

American Legion Issues Warnings To Posts To Watch For Its-Revival

PLAN MASS MEETINGS THROUGHOUT COUNTRY

Methodical Creation of Power. ful National Political Ma. chine Contemplated, Bulletin Declares; Seek To Turn American Sentiment Against Great Britain and France

Indianapolis, Ind., Feb. 20 .- Ameri can Legion posts throughout the United States were asked today by the legion's national headquarters here to watch for a revival of German propaganda in this

country.

A bulletin sent out by the national headquarters said the propaganda seemed intended to turn American sentiment against the allies, the recent Paris conference. But the and to create a "powerful national po litical machine by the amalgamation of here the past week.

land have been planned the bulletin said as one of the first national mani-The bulletin, which was sent to all

State headquarters of the legion said: "There has come to the attention of the national headquarters information indicating a move for a nation-wide re-German propaganda activities in the United States which are the result of a carefully directed national campaign, the object of which seems to

Seek To Disrupt Accord. "First: The disruption of the accord which exists between the United States and our allies with particular reference to France and Great Britain by the turning of American popular sentiment against the governments of those coun-

tries, and, -Second: The methodical creation of a powerful national political machine by the amalgamation of the disloyal elements of our population and their elevation to a place of power in American affairs by the invisible influence of this

organized minority. One of the first national manifestations of this activity will probably take the form of a series of mass meettake the form of a series of mass meetings throughout the country ostensibly in protest against the eccupation of the Ehine by French negro troops from Africa. The stieged presence of French colonials is to be used as a motive to turn American sentiment against France. Negro troops were withdrawn from the French army of occupation months ago. While there, their conduct was excellent, according to official reports from the American ambassador at Paris to the State Depart. bassador at Paris to the State Depart-

ment in Washington.
"It has been planned to hold a series "It has been planned to hold a series of such mass meetings in New York, Philadelphia, Cincinnati, Chicago, Milwaukee, Omaha, Cleveland and other cities. In all of these cities and in many others, there are committees and groups which aspire to be the nucleus of the national organization which and delivery of howitzer carriages commencing the first of May. It had a penalty in it if they could not produce and deliver them from time to time as propaganda is now working in the in-terest of Germany and in the United States with the hope to building up for the purpose stated above. Pre-German Activities Reported.

"Identified with this movement are individuals whose disloyalty and whose forts in the interest of Germany have been notorious in the past and who are now again in direct communication

with Berlin.
"National headquarters has received reports of pre-German activities from to connect directly with the m tional propaganda campaign here out

"Department officials are requested to make note of any dramatic activities in their community and to forward actual and complete reports of same to national headquarters.

Lemual Bolles, national adjutant of the Legion, said there was little he could add publicly at this time, but in a formal statement, supplementing the bulletin, he said "the greatest check to a movement of this kind will come from those citizens of Teutonic extrac tion of whose loyalty and sincerity there can be no doubt."

FOUR ARMED MEN TAKE MAN FROM HOSPITAL AND KILL HIM

Dublin, Feb. 20 .- Former Sergeant ohilly was shot and wounded in Cork Nohilly was shot and wounded in Cerk Saturday. He wa staken to a hospital. Four armed men this moraing entered the hospital and carried Nohilly, who was unconsious, on a stretcher into the street and shot him dend.

A laborer was shot dead near Cashel,

another inborer was shot and seriously wounded at Muliagh Meath last night. Twenty armed men-yesterday held up a train at Clara, Kings county, and took away the kits of the officers on

A freight train was held up in Cavar, and the contouts of the car scattered over the tracks.

ATLANTIC FLEET WINE BOXING

boxing championship of the American Navy was awarded to the Atlantic fleet tonight when Sutton of the flag-ship Pennsylvania won the decision over Etchell of the Arkansas in a six

Shoot Protestant Parmer To Death.
Belfast, Peb. 20.—A party of armed men inst night shot to death William O'Connell, a protestant farmer at his home in Lissanubig, Skibbersen, in the presence of his wife., O'Connell is reported to have informed the authorities concerning the activities of collec-

IN CONGRESS FOR FIRM'S WAR WORK

Representative Garrett Cites The World In Criticizing Cabinet Selection

REPUBLICAN CHIEFS IN PAST HAVE BEEN BITTER

Nebraska Republican in 1919 Denounced Standard Steel Car Company's Actions; Pro-With Being Fraudulent

Washington, Feb. 20.-The New York Vorld's story showing that the conrolling interest in the Standard Steel Car Company, denounced by Chairman William J. Graham of the House Committee on Expenditures in the War Department as the worst contractor the government had on war contracts, were owned by A. W. Mellon, selected by President-elect Barding for Secretary of the Treasury, caused much comment the dialoyal elements in our popular exclusive story from Washington appeared in the New York World of Fri

Tenneshee called attention in the Houses, or to the decloration of Mr. Graham that the Standard Steel Car Cempany matter was 'se permeated with fraud and cor ruption" he did not wonder any de he did not wonder any de fender of the administration would not care to discuss it. Waving a copy of The World over his head, Mr. Garrett shouted:

Directors Are Named. "That statement was made by the gen tleman from Illinois (Mr. Graham) last June. New, what develops from Here it is published in one of the great papers of the United States this morning, and further down it is pointed out that the directors of this company are John M. Hanson, W. L. Mellon, R. B. Mellon, A. W. Mellon and William Bierman.

"It is impossible to find a man suggested by the next administration as Secretary of the Treasury that does not come under this criticism of the Committee on Investigation."
A. W. Mellon, slated for the Harding

A. W. Mellon, slated for the Harding cabinet, and R. B. Mellon, mentioned here, are brothers, and W. L. Mellon is a nephew. The Mellons control the Standard Steel Car Company.

Knex Held Responsible.

It is understood here that Senotor Knex is responsible for Mv. Harding's selection of Mellon. He went to see the President elect and was told that he could have anything he wanted. "Give me Mellon; make him Secretary of the Treasury," he is reported to have said. Senator Penrose went to the support of Mellon later.

Mellon later. Republican leaders of the House have been very bitter in their denunciation of the Standard Steel Car Company for its war contracts. Representative Albert W. Jefferis (Rep., Neb.), speak-ing in the House Dec. 15, 1919, said:

mencing the first of May. It had a penalty in it if they could not produce and deliver them from time to time as the order required. It also provided that they were to have 10 per cent on the cost. The cost of these carriages, after a great deal of correspondence, etc., was fixed at \$40,000 by Col. Hughes, who afterward turns out to be the man that has very much to do with the setflement of the contracts.

Made at Hammend Plant.

There carriages were made at Hammond, Ind., in the place of business of the Standard Steel Car Company. The result was that they went on working on that order up to the time of the armistice, and by that time how many of these carriages at \$40,000 a piece had been produced or manufactured? The war was over then, and gun carriages were no longer needed. Up to that time they had succeeded in producing one.

"Instead of stopping that proposition

had been produced or manufactured?
The war was over then, and gun carrilages were no longer needed. Up to that time they had succeeded in producing one.

"Instead of stopping that proposition along during that time, or even when the Dent act was passed, they continued their contract in operation, with certain modifications until the latter part of June of this year. By that time the company had made 200 of the gun carriages, and then the time for settlement came, and what do you think the government had done for that company during that time? It had built them great buildings. One great building stands out there, made of brick and steel, 600 feet long, 280 feet wide. That company was making on another part of its promises a great number of cars for the Railroad Administration. The War Department hought that squipment and machinery for it. The government brought there for that institution materials and steel. "If you walked through that building, after the government bad taken, for the arsenals over the country some machinery and parts, that which remained scoording to the best information of the government accountants whose testimony was taken, there was on hand material that had cost the government, \$5,053,000. A pretty good sum of money raised from the people. In the settlement of that arrangement, whatever you call it, the company was permitted to retain that material that cost over \$5,000,000 at the sum of \$100,000.

"The contention might be made, as it was made by that company in order to try to sustain its many and manifold forms, some of it in its original state, to say that the material which cost the government of the United States \$6,000,000.

"The contention might be made, as it has many and manifold forms, some of it in its original state, to say that the material which cost the government of the United States.

"That was done in face of the fact, that a conocer in Cheage had been cost-ner, to occupy their plant.

"What a sext have well They filed first a claim separation the States and the spream o

HEAVY SNOW BLANKET IN SOUTHERN STATES

Warmer Weather In Southern States Expected With Worst of Storm Passed

Washington, Feb. 20 .- The storm bat came up from Alabama left in its wake a heavy blanket of anow and sleet in the Middle Atlantic Coast States, Western Tennessee, Ohio Valley and North Atlantic States.

Along the coast heavy gales were blowing tonight, ships were putting in to the nearest harbors and mariners exposed to the elements feared for the safety of their crafts. Storm warnings were issued by the weather bureau on the Atlantic coast from Cape Hatteras northward.

In some sections railroad transportation was reported delayed by snow drifts and communication in the rural sections was made difficult by a heavy posed Secretary of Treasury coating of snow and ice. Some damage to fruit was expected in the Southern Director In Concern Charged states where premature budding was encouraged by the unusually weather which had prevailed for the ast few weeks.

The weather report for tonight indicates that the worst of the storm had passed and that generally warmer weather may be expected in the obtained from income, privilege, license Southern states. The center of the and inheritances taxes, leaving all propstorm was reported tonight off the crty tax in the hands of county and coast of New England.

EXPECT BUSINESS WILL CONTINUE TO IMPROVE

business conditions from new on will along very well without any property show a gradual improvement was ex- tax. pressed in a business review issued to-day by the United States Chamber of Prepared by Archer Wall Commerce. Douglas, chairman of the chamber's rate of one to three per cent on indi-committee of statistics and standards, vidual incomes, together with privilege, the review stated "the most convincing evidence that we are on the high road to recovery is found in the universal report from every section of the country of steadily growing sentiment that business will be better in the spring."

The review predicted there would not a sudden return to prosperity but a "slow and natural working out of those processes of liquidation which are now in full operation.

In another statement issued by the chamber today, Joseph P. Defrees, its president, urged passage by Congress estimate. This schedule, it is estimated, will not the State \$3,000,000. under the present wasteful appropriation system, Mr. Defrees said, to bring about the economy and efficiency in public business which he said the country is demanding.

CARUSO WATCHES IT SNOW WITH YEARNING OF BOY While Tenor Enjoys Bight,

Physicians Announce His Continued Improvement New York, Feb. 20 .- Enrice Caruso

watched the falling snow that blanketed New York today from a window near his sick bed and with the yearn ing of a school boy with the measies declared "it looks fine." While the tenor was enjoying the sight, his physicians issued a bulletin indicating his continued improvement.

His family also planned to take him from the city as soon as he has recovered sufficiently The bulletin issued by the physicians remained consertative, but that no great anxiety was felt for the patient who a few weeks ago was stricken with pleurisy and hovered at death's door for several days after

"Mr Carnes has had a good night and he is quite refreshed this morning. His condition is quite feverish but quite satisfactory." Another bulletin will not, be issued

suffering a relapse just Tuesday night.

LEAGUE COUNCIL OPENS SESSION TODAY IN PARIS Publicity of Proceedings Will

Be One of First Questions

To Consider

Paris, Feb. 20.—(By the Associated Press.)—The council of the League of Nations will begin its sessions tomor-Petit Luxemburg palace, the residence

of Leon Bourgeois, president of the Senate and also president of the council. Publicity of the proceedings of the council will be one of the first questions discussed in accordance with the resolution passed by the Assembly of the League of Nations at Geneva. The working sessions of the council will be private, as has been the case in the

When the Germans will be invited to send a delegate to the transit con-ference to be held in Barcelona, Spain, next month, will be the second question on the program. The reappointment of the four members of the administrative commission for the Saar valley may be reached temorrow, as well as the ap-pointment of a committee to study the amendments to the covenant of the League of Nations. Sir Robert Borden former Premier of Canada, has been principally considered for the chair-manship of this lost and important

To Sentence Negro For Murder. Sylvester, Ga., Feb. 20.—Mace Gid-dens, negro, will be sentenced tomor-row by Judge Robert Eve In Worth Superior court to pay the penalty for slaying Deputy Sheriff W. P. Giddens, at Doles, in this county, two months ago, Giddens was found guilty by jury on Friday of first degree murder without recommendation.

Minister Charged With Murder.
Soperton, Ga., Feb. 20.—Boss Hooks,
a preacher, will go en trial in Treutien
Superior Court tomorrow on a charge
of murder in confection with the
double killing of T. K. Lumley, Sr.,
and Jr., which occurred near here last

STATE TO CONFINE REVENUES WHOLLY TO INCOME TAXES

No Property Tax For State Purposes Will Be Required Under New System

PRESENT UNDERSTANDING OF FINANCE COMMITTEES

Revenue Measure Will Be Finally Determined Upon To. night and Presented To The House Tomorrow Morning: Graduated Scale From 1 To 3 Per Cent

All of the twelve million dollars that North Carolina will need to run its business for the next two years will be obtained from income, privilege, license municipal governmental units, according to the present view of the joint finance committees of the House and Senate.

Tonight's meeting of the committees Chamber of Commerce of will determine definitely what the pro-

Stocke Engage Real Party Comments of the Par bership of the committee leans decid Washington, Feb. 20 .- Confidence that edly to the view that the State can get

Raine Six Million a Year. A flat rate of 3 per cent on the incomes of corporations and a graduated vidual incomes, together with privilege, license, franchise and inheritance taxes will not the State an estimated income of \$6,000,000 per year for the next two years, sufficient to meet the demands of the contemplated appropriation and educational measures, which are sched-uled to reach the House not later than

Thursday morning. The committee on finance has taken the year 1918 as a basis for its estimate of revenues under the income tax law, with a deduction of 25 per cent from estimate. This schedule, it is esti-mated, will not the State \$3,000,000. Added to this amount is an estimated three million from other sources indi-cated. All records of income have been carefully checked to make for ac

With the records of the finance com With the records of the finance committee before it, the appropriations committee will complete the draft of the appropriations bill, and present it to the House by Thursday morning of this week. The final hearing on the measure will be given Wednesday night when a delegation will appear on behalf of the State educational institutions to urge the committee's approval of the \$20. the committee's approval of the \$20, 000,000 expansion campaign of all State

Road Bill In Senate.

Matters of finance and appropriations will overshadow all other considers tions in the General Assembly during the week beginning today, but there is yet lingering on the calendars in both branches a mass of work of lesser import to be disposed of. still has the road bill, which will likely be passed Thursday, and two other public laws unacted upon. The House calendar is also fairly congested with legislation.

With a House vote of 102 to 11 in its favor, the Doughton-Connor-Bowie road bill will go to the Senate committee on roads tomorrow afternoon, and will on roads tomorrow afternoon, and will very likely come up on special order for its second reading Wednesday morn-ing, and its third reading not later than Friday. Very little change is an ticipated in its general outlines, although some minor alterations may send it back to the House for final adoption and ratification.

Canvass of the 50 members of the Senate indicate a final vote of 36 to 14 in favor of the bill, with perhaps a windling of the adverse vote to 10. No doubts are entertained in any quarter that the bill will have any difficulty in passing through the Senate, and interest in the measure has about reached the academic stage. Other matters on the Senate calendar for the week are attracting very much mose notice.

Constitutional Changes. Senate interest, centers chiefly in the consideration of the Stubbs measurcalling for a constitutional assembly

in 1923 and the Lambeth bill providing amendment for the appointment of constitutional officers by the Governor, Indications are that the Stubbs pass and that the Lambeth bill will be held in abeyance pending the proposed convention. Senator Lambeth will not, it is understood, consent for the side tracking of his measure.

In the House this week the moving

picture bill will be the storm center. The hearing begun last Thursday will be continued Wednesday afternoon, with Thomas Dixon returning to Raleigh to continue his crusade against censorship The proponents of the bill expect to be in readiness for the combat and the hearing will lack nothing of interest. The chances of favorable legislative action now appear somewhat remote. Mr. Dixon made a profound impression when he addressed the committee during the past week, and his presence here this week is being anticipated with kees interest. But at that the censorship bill is not without its friends in the House, and there will be a stiff fight

made, with the possibility that an upset may come before the vote is taken. Censorable Bill Up. In Mr. Matthewa the bill has one of In Mr. Matthews the bill has one of the best fighters in the House for its proponent, and in the Senate Senators Vexer and McCoin are sponsoring the bill. Mr. Matthews has with him Repre-sentative Doughton, who is practically committed to consormhip in some form, though not in complete accord with the provisions of the pending bill. Whether he will throw the weight of his influ-ence into the scales for the bill has not been indicated. He is very busy with

(Continued On Page 19