

THE WEATHER  
Increasing clouds, windy;  
clear Wednesday; Thursday  
fair and colder.

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## AMERICA DESIRES TO PRESENT VIEWS TO PARIS COUNCIL

### Secretary Colby's Note Regarding Action On Mandates Creates Surprise In League Circles

### FRENCH PLEASUED WITH INTERVENTION BY THE UNITED STATES AGAIN

### Equal Opportunities For Citizens of Allied and Associated Powers, Whether Members of League or Not, Insisted Upon By Secretary Colby; Policy in Line With That Outlined To Great Britain Several Months Ago; Action By League Council On Mandates Expected At This Session; San Remo Agreement Principal Point at Issue

Paris, Feb. 22 (By The Associated Press).—The United States delegation to the Council of the League of Nations today presented to the council at Washington desired to present the views of the United States before action was taken on mandates, created surprise in league circles. The gradual withdrawal of American representatives from the council's commissions connected with peace activities had tended to confirm the opinion that the outgoing administration would leave all such initiative to the new government.

The text of Secretary Colby's note will not be generally known until tomorrow, but his unexpected intervention is learned in French circles and among others also, with evident satisfaction as showing that the new world still maintains contact and is still interested in the old world's problems.

Notification of the imminent arrival of the note came when "mandates" was the first question on the agenda of the council, which spent nearly the entire day in discussing the reply to the American ambassador's letter and exchanging views upon these mandates which the American observations are not likely to touch.

The council's reply to Ambassador Wallace signed by Dr. De Cuir, president of the council, expresses the lively interest with which the council viewed the communication from the State Department, and its early delivery, says that in deference to his request the council will postpone all final decisions relative to the form of mandates now under discussion until receipt of the communication.

The note points out that the mandates on the agenda are all of type "A," Asia Minor, "B," Central Africa, it recalls that mandates of type "C," the Pacific Islands and German West Africa were decided upon two months ago and published. The mandates are as follows:

Type "A"—Great Britain mandatory over Mesopotamia and Palestine; France over Syria and Lebanon.  
Type "B"—Belgium mandatory over German East Africa; France and Great Britain over Togoland and Kamerun; Great Britain over German Southwest Africa.  
Type "C"—Japan mandatory over Northern Pacific Islands, including Yap; Australia over New Guinea; New Zealand over Samoa; Great Britain over Nauru; Union of South Africa over German Southwest Africa.

The note went forward last night to Ambassador Wallace, who is to present it to the council tomorrow. Its text was withheld, but State Department officers described it today as being virtually identical with the one on the same subject sent to the British government last November by Secretary Colby.

Combed in Firm Language.  
The note was couched in exceedingly firm language. In it Mr. Colby took issue with the British position that mandates agreements and treaties were to be considered only by states members of the league and declared that the United States as a contributor to the common victory in the world war could not consider "any of the anticipated powers, the smallest not less than itself, debarred from participation in the rights and privileges secured under the mandates provided in the treaties of peace."

## MRS. VARNER AGAIN DENIES CHARGES

### Reiterates Her Innocence of Any Intimate Relations With Baxter McRary

Greensboro, Feb. 22.—After examining 103 witnesses, occupying a period of seven days, counsel for both sides in the Varner suit rested this afternoon at 3:25 o'clock. The plaintiff examined 25 and the defense 78.

Following heated argument, three issues given below were finally decided on as being points involving verdict in the case:  
1. Whether Mr. Varner had turned Mrs. Varner out of his doors?  
2. Was Mr. Varner justified in turning her away on grounds of unfaithfulness?  
3. What amount, if any, should the plaintiff receive?

The defense contended that firing the suit was a mere legal technicality and that the plaintiff should be dismissed. Judge Boyd gave each side four hours for argument. This will give case to jury either late Wednesday or Thursday.

Mrs. Florence C. Varner, suing her husband, H. B. Varner, of Lexington, again took the witness chair in Federal court today and reiterated her innocence of any intimate relations with Baxter McRary.

Mrs. Varner was the chief witness at today's session of court. Both Mrs. Varner and her husband appeared emotionless during the entire proceedings this morning. However, both showed visible signs of the strain of the trial during the past six days.

Most of the questions asked her by her counsel appertained to minute details of alleged happenings correlated with charges against Mrs. Varner, made specific in the bill of particulars, filed during latter part of January.

## SENATE PASSES STUBBS MEASURE FOR CONVENTION

### Upper House at Same Session Overwhelmingly Beats Proposal For Pardon Board

### ACTION IS REGARDED AS VINDICATION FOR BICKETT

Senator Long, of Alabama, maintains that no man has Right To Attack Pardon Record of Governor Until He Has Examined Record In Individual Cases

The Senate yesterday passed the Stubbs bill calling a constitutional convention by a vote of 43 to 4, the vote disclosing a greater preponderance of sentiment than has yet prevailed in the upper branch of the Assembly on any important question. By almost the same overwhelming proportion the Senate then defeated the Walker bill for the submission of an amendment to the Constitution creating a board of pardons, only five votes being cast for the measure.

The Stubbs bill was read by its author, who stated that he considered the need for a revision of the Constitution so apparent as to need little argument, and was passed with a minimum of discussion. Senator Sims suggested that the apportionment for representation in the convention be the same as that which shall be adopted as result of the 1920 census instead of the present apportionment, as contemplated in the bill, but accepted the opinion of Senator Stubbs an indefinite apportionment could not be established lawfully.

Senator Patton offered an amendment, providing that candidates for seats in the convention should be placed upon the regular party ticket instead of being voted by separate tickets. However, the Senate thought the proposal would make a political master of the convention and voted down the amendment.

On the final roll call Senator Sims was the only Democrat to vote in the negative, being joined by Senators Burgumgar, Jones of Stokes and Reinhardt.

Submit To General Election.  
Under the terms of the bill the proposition would be submitted at the next general election and if the convention be called, it will assemble on the first Wednesday in May, 1923, sit for a period of not more than 30 days, during which amendments to the Constitution would be offered only, would adjourn for 60 days and reconvene for the purpose of adopting amendments.

## REPUBLICANS TO REPEAL SEVERAL LARGE TAX ITEMS

### To Repeal Excess Profits and Transportation Tax and Reduce Sur-Tax Maximum

### MEANS REDUCTION OF NEARLY BILLION DOLLARS

Difference Will Be Made Up By Customs Duties, So That Public Will Pay As Usual; Representative Longworth Will Introduce Bill Today To Try It Out On Sentiment

The News and Observer Bureau, 603 District National Bank Bldg. BY JOE L. BAKER (By Special Leased Wire.) Washington, Feb. 22.—The revenue bill to be adopted as early in the Harding administration as it can be put through will repeal the excess profits tax; reduce the sur-tax maximum from 73 to 40 cents; repeal the transportation tax and that part of the luxury tax which will be made up of increased duties levied at the customs ports.

Longworth to Introduce Bill  
A bill containing the above as its chief features will be introduced in the House Wednesday or Thursday by Representative Longworth, of Ohio, second ranking Republican member of the ways and means committee. Mr. Longworth, of course, has no idea of getting any action on his bill at this session, but plans to bring it in at this time in order to get it before Congress and the country to test out the sentiment of the public and see what "reaction" he gets from the proposals in the bill. Then, if sentiment doesn't react satisfactorily, of course, the bill can be changed before it is re-introduced early in the extra session.

Republican leaders have been sounded out on revenue matters, and it is the opinion of a majority of them that these must be the cardinal principles upon which the new revenue system will be built. The provisions in Longworth's bill correspond almost identically with suggestions laid forth by President-elect Harding last week by Representative Frear, of Wisconsin, another member of the ways and means committee, during his visit to St. Augustine.

While Mr. Harding did not definitely commit himself to the principles of the revenue plan laid forth by Mr. Frear, it is known that he concurs in the views of Mr. Frear, Mr. Longworth, Mr. Fordney, Senator Penrose, Senator Lodge and the other Republican leaders, and that whatever legislation they agree upon will be acceptable to him. They are pretty well agreed that there should not be a sales tax, which they have decided would be very unpopular; that the excess profits tax must go, because the corporations are demanding that it be removed, and that any time in order to get it repealed of the transportation and soda taxes can be more than offset by increased customs duties. They are of the opinion that repealing the transportation tax and the soda water tax will be highly popular with the public, and that, on the other hand, the public will never know that it is being taxed by the imposition of higher customs duties.

The Public Pays the Bill.  
Of course, every time a tariff on an import is raised, the cost of that commodity, whether imported or produced at home, is increased to the consumer, and the public pays the bill, as usual. But it is an indirect method of taxation that is rather concealed, and the average consumer doesn't stop to consider that he is paying a tax just as surely as he pays an income tax. After repealing some of the direct taxes and making it up with increased customs duties, the G. O. will claim that it has "no new taxes," but it will be noticed that the amount that will have to be raised to pay the cost of the government won't be lowered any.

## FINANCE MEASURE CARRIES 5 CENTS AD VALOREM TAX

### Revision of Franchise Schedule Necessitates Redrafting Bill

### OFFERED IN HOUSE BY DOUGHTON LAST NIGHT

Property Tax Will Be Used Exclusively As School Equalizing Fund; Income Features Follow Federal Act Closely; House Repeals Transfer of Prison To Asylum

Dividing its day into two sessions, morning and evening, the House yesterday started the Finance Act on its way to enactment, passed a measure repealing the enactment of two years ago turning over the State Prison to the State Hospital for the Insane, started a bill to supplement the Federal Employment service with a State appropriation, and cleared its calendar of most of the congestion of public business.

The Finance Act, which the House passed last night, contains a number of important provisions. It repeals the law which transferred the State Prison to the State Hospital for the Insane, and it repeals the law which transferred the State Prison to the State Hospital for the Insane. It also repeals the law which transferred the State Prison to the State Hospital for the Insane.

The rate of tax as to individuals is graduated in regular \$2,500 brackets, from one per cent on the first \$2,500 to 3 per cent on \$10,000 and over, above the exemption, which are the same as for the Federal law, \$1,000 for unmarried and \$2,000 for married individuals, with \$500 additional for each child. The following deductions are allowed:

Taxes on income and war profits, and excess profits taxes, and taxes assessed for local benefits tending to increase the value of the property assessed. Dividends from stocks in any corporation the income from which shall have been assessed and tax on such income paid by the corporation under the provisions of the revenue act, provided that when they are only part of the income of any corporation shall have been assessed under the act only a corresponding part of the dividends received therefrom shall be deducted.

The administrative features of the bill follow the general scheme of administration of the Federal income tax law on reports and remittances to be made to the State Tax Commission, with authority to appoint such district agents as are necessary for administration. The bill was offered by Mr. Doughton, and took H. R. 913 for its future identification. Five hundred copies were ordered printed and the measure set for a special order at noon tomorrow. In presenting it Mr. Doughton said that hopes were still entertained that the property tax might be eliminated, but under the present program it could not be done without jeopardizing the State's finances.

## HARDING FINISHES CABINET SLATE IN TENTATIVE STAGE

### Thumb Nail Sketches of Harding's Cabinet For Old Guard Regime Scheduled To Take Over Departments in March

### Brief Life Outlines of Men Scheduled To Take Over Departments in March

Secretary of State: Charles Evans Hughes, of New York City. Jurist.—Born Glenn Falls, N. Y. Age 58 years. University training. Practiced and taught law, New York, 1884-1900. Conducted insurance investigation, New York Legislature, 1905-08. Governor of New York, 1907-08 and 1909-10. Associate Justice, United States Supreme Court, 1910-16. Republican nominee for President, 1916. Practiced law since in New York. Conducted government aircraft investigation, 1918.

Secretary of the Treasury: Andrew William Mellon, of Pittsburgh, Pennsylvania. Banker.—Born Pittsburgh, Pa. Age 65 years. University education. Entered banking business 1874. President Mellon National Bank, 1902 to present. Active in industrial and financial developments in Western Pennsylvania. Trustee University of Pittsburgh and with Mellon family owned and operated many charitable and welfare organizations.

Secretary of War: John W. Weeks, of West Newton, Massachusetts. Banker.—Born Lancaster, N. H. Age 60 years. Graduate U. S. Naval Academy, 1881. U. S. midshipman, 1881-83. Member of firm of bankers and brokers, Boston, 1883-1912. Member of Congress, 1905-13. United States Senator, 1913-1919. Candidate for Republican Presidential nomination, 1916, receiving 105 votes. Served in Massachusetts naval brigade 10 years and in Volunteer Navy during Spanish-American War.

Attorney General: Harry M. Daugherty, of Columbus, Ohio. Lawyer.—Born, Washington Courthouse, Ohio. Age 61 years. University education. Practiced law, Washington Courthouse 1881-88. Elected State legislature in 1888, served 5 years. Chairman, State Republican executive committee 1912. Also twice chairman State Republican central committee of Ohio. Campaign manager for Harding at Chicago convention.

Postmaster General: Will H. Hays, of Sullivan, Indiana. Lawyer.—Born Sullivan, Ind. Age 41 years. Graduate Wabash College. Prominent in county, State and National Republican politics during last 20 years. Member law firm Hays & Hays, Bank director. Chairman Republican National committee since 1916. Mason. Presbyterian.

Secretary of the Navy: Edwin Denby, of Detroit, Michigan. Lawyer.—Born Evansville, Ind. Age 51 years. Educated in public schools and graduate in law of University of Michigan. Went to China 1885, with father, then U. S. minister in Chinese Imperial Maritime Customs service for ten years. Returned to America in 1894, and entered University of Michigan. Admitted to bar in 1896 and since, in practice in Detroit. Gunner's mate U. S. Yosemite during Spanish American war, 1898; Sergeant U. S. Marine Corps, 1917, and on reserve as major Jan. 1, 1919. Member of Michigan House of Representatives 1902-03; member 59th to 61st Congresses, 1905-11, First Michigan district; President Detroit charter commission, 1913. Episcopalian.

### President-Elect Trots In Michigan Lawyer For Navy Portfolio and Includes Herbert Hoover

### ANDREW MELLON STAYS ON AS SECRETARY OF TREASURY DEPARTMENT

Will Hays Goes In Expected Column As Postmaster General While Senator A. B. Fall Draws Job As Secretary of Interior; J. J. Davis, of Pennsylvania, Lands As Secretary of Labor and John W. Weeks Becomes Head of War Department; Appointment of Edwin Denby As Secretary of Navy Only Surprise In Batch

New York, Feb. 22.—Herbert Hoover said here tonight he had discussed with President-elect Harding over the telephone the acceptance of a cabinet post offered to him. "Mr. Hoover's statement following: 'It is true that Senator Harding and I have had a conversation over the telephone this evening as to my accepting a post in the cabinet. 'Naturally these are matters requiring consideration and equality they are not matters for me to discuss now.' Mr. Hoover, who was seen in a box at the Metropolitan Opera House where he was attending a benefit performance for European relief, declined to discuss the subject further.

St. Augustine, Fla., Feb. 22.—(By The Associated Press).—President-elect Harding has reached a tentative decision on every place in his cabinet and unless there are last-minute changes the official circle of the next administration will be composed of these men: Secretary of State—Charles Evans Hughes, of New York, former Governor, Justice of the Supreme Court and Republican nominee for the Presidency. Secretary of the Treasury—Andrew W. Mellon of Pennsylvania, a banker and financier, member of a family reputed to be among the wealthiest in the country. Secretary of War—John W. Weeks, of Massachusetts, former United States Senator, and in 1916 a candidate for the Presidential nomination. Attorney General—Harry M. Daugherty, of Ohio, who managed the pre-convention campaign resulting in Mr. Harding's nomination. Postmaster General—Will H. Hays, of Indiana, chairman of the Republican National committee. Secretary of the Navy—Edwin Denby, of Michigan, a former member of Congress, who has served as an enlisted man in both the Navy and Marine corps.

Secretary of the Interior—Albert B. Fall, of New Mexico, now a United States Senator. Secretary of Agriculture—Henry Wallace, of Iowa, editor of Farm publications. Secretary of Commerce—Herbert Hoover, of California, former Food administrator and conspicuous leader in various movements for European relief.

Secretary of Labor—J. J. Davis, of Pennsylvania and Illinois, a former Union Steel worker, who has become highest official of the Moose fraternity. No Changes Probable

If changes are made, they are most likely to affect the appointments for Navy, Commerce and Labor, all of which are understood to have come to the point of decision within the last twenty-four hours. In regard to none of these has there been an exchange of formal invitation and acceptance, but in every case the selections made by Mr. Harding are expected by his closest associates to stand. Assignment of the Navy portfolio to Mr. Denby, who is a Detroit lawyer, furnished the first real surprise of the Cabinet situation, for his name had not been mentioned publicly in connection with the place until today. It is understood that from the first he has been under consideration, however, and was held in reserve for just such a contingency as Mr. Harding faced last week, when former Governor Frank O. Lowden, of Illinois, declined to be considered for the Navy secretaryship. It is expected that before the President-elect makes a formal tender to Mr. Denby he will call him into consultation and go over with him the naval problems of the coming administration. Today Mr. Harding was in (Continued On Page Two)

## CONTINENTAL FLIER NOT TO CONTINUE TRIP ACROSS

Dallas, Texas, Feb. 22.—Lieut. William Conroy, trans-continental flier, who was attempting a record flight from the Pacific to the Atlantic, but who was forced to land at Breaux, approximately 250 miles southwest of here early today because of engine trouble, will proceed to Love Field, Dallas, tomorrow morning. Maj. E. C. Richards, commander of Love Field, who went to Breaux in an airplane today, wired tonight that he and Lieutenant Conroy would leave Breaux early Wednesday morning.

## SENATE PROVIDES \$1,000 WITHOUT MISSING A CENT

Washington, Feb. 22.—The Senate celebrated Washington's birthday with an impromptu feast served by Senator Adams, Democrat, of Arizona. He appeared with packages of Waters green soap and dates and began a speech by reading pages under the Star with a flourish. When everybody was chewing contentedly he asked a \$1,000 from the Senate and date plant investigations instead of \$1,000 provided by the House. The Senators voted the additional \$1,000 without missing a cent.

## PRESIDENT WILSON WILL CONTINUE PEACE EFFORTS

Washington, Feb. 22.—President Wilson expressed the determination today to devote himself upon retirement to private life to a continuation of his efforts toward world peace. In his first public utterance since the November election, the President in receiving a delegation from the Woodrow Wilson Club of Harvard University at the White House, declared he had no intention of writing a history of the Paris peace conference. He added that was a task he preferred to leave to the professional historian as the public might be prone to take into consideration the personal equation in any account of the peace proceedings he might write. After their visit members of the delegation stated that they were deeply impressed with the great heart of the President as he seemed in reflection to think over the question of peace, and said that they were "deeply touched by the President's faith in the ultimate accomplishment of his efforts toward peace and by the almost brilliant good humor with which he is leaving the White House."