VOL. CXIII. NO. 85.

RALEIGH, N. C., SATURDAY MORNING, MARCH 26, 1921. TWELVE PAGES TODAY.

PRICE: FIVE CENTS

WATCH LABEL

BUTLER PRESENTS HIS COMPLIMENTS TO "HOG COMBINE"

Wielder of Olive Branch Finds Himself "Disappointed and Disgusted"

THREATENS TO TELL MR. HARDING ABOUT IT ALL

Conduct of Linney and Morehead "Simply Shameful," Says Sampsonite In State. ment To Newspapers In Upon Their Heads

The News and Observer Bureau, 603 District National Bank Bldg., By EDWARD E. BRITTON. _(By Special Leased Wire.)

Washington, March 25 .- Declaring as satisfactory. that he was "disappointed and disgust ed" and that it was inside secret tactics of a "hog-combine" of the Republican State committee that had parcelled out among themselves, former Senator Marion Butler was back in Washington today after being at the committee meeting in Greensboro yesterday. He did not mince words in his denunciation of the tactics which had knocked into motor ride tomorrow, he said, but it smitheroeas any harmony business for was not probable.

"All they wanted was to take all the offices to themselven" declared Mr. But-ler who told of the leadership at the meeting of "a small ring master" who

meeting of "a small ring-master" who was "ready to seat negro delegates over white, regardless of the evidence for the sake of pie at the Republican National convention at Chicago."

Conduct Simply Disgraceful.

Mr. Butler declares that secret tactics were played by the "hog-combine" Republicans in order to keep many prominent men away from the meeting by misstating its purposes. "Their conduct" he declared "was simply disgraceful. I know of no performance by any ful. I know of no performance by any committee, even in carpet-bag days, which was more disgraceful." And the former Senator emphatically asserts that President Harding is to be told of their conduct. He has thrown away the olive branch which he offered and is going to use with all his might the

They did not want harmony, neither for hunting submarines, the only dif-were they interested in the success of ference being that this time they were the party. All they wanted was to take all of the offices for themselves, and that is exactly what they conspired to that is exactly what they conspired to do. A majority of the committee, under the leadership of a small ring master, who showed at Chicago that he was ready to seat negro delegates over the leadership of the committee over the leadership of the leade white, regardless of the evidence, in order to get command of the patronage pic trough, formed a hog combine to di-vide all of the offices among themselpes. Of course, the smaller such a man is in such a combine, the more he abserts his right to the higgest office, to the exclusion of more competent men large number of vastly more competent and deserving men all over the State. Kept Meeting Secret. "It is now known that it was the par-

pose of this small hog-combine to keep the time and place of this committee meeting a secret. By agreement among themselves, no notice of this meeting was given to the press. When it leaked out through somebody up in the mountains that there was to be such a meet-ing, then the combine tried to mislead port that patronage matters would not be taken up, but that the only business would be to accept Mr. Linney's resignation and elect a new chairman. Indeed, the combine, it is now known, Indeed, the combine, it is now known, had also agreed on, for their new chairman, the little boss man Friday, who helped with him the negro delegate business at Chicago; but when the combine learned that the dark delegate business at Chicago was known, they business at Chicago was known, they decided to held Mr. Linney on the job for the present; because they were evidently afraid to risk the election of either the Honorable J. J. Parker or the Honorable A. A. Whitener. Besides, the east was demanding the chairman-ship, if there was to be a change, and this combine was determined ship, if there was to be a cannot, this combine was determined that the East should have nothing outside of the combine championship. It is known that many prominent ship. It is known that many prominent men in the party in various sections of the State who wanted to be present when matters of public office were considered were prevented from attending by the false and misleading reports about the purpose of the meeting.

While the harmony program was being treated so contemptuously by this hog-combine, the large number of representative Republicans present were giving their heariy and unanimous endorsement to such a program in the in-

resentative Republicans present were giving their hearty and unanimous endomement to such a program In the interest of common fairness and common deconcy I am using some rather strong language, but I am not using language, as strong as the provocation demands. I am not mad but I am disappointed and disgusted. I thought I knew before the size of those who made up that amall hog combide, but I confess that I had not dreamed that they could stoop to such littleness, prompted by such small and selfish metives. Their conduct was simply shameful. I know of no performance by any committee, even in carpetbag days which was more diagraceful.

WILSON SUFFERS FROM

ATTACK OF INDIGESTION Physicians Hurriedly Sum moned To Minister To For. mer President at Home

Washington, March 25 .- Former Pres ident Wilson was said tonight to be recovering satisfactorily from an acute attack of indigestion which be suffered shortly after noon today. Admiral Cary T. Grayson, the former President's physician, said it probably would be another day or two before Mr. Wilson could be considered as entirely re-

Mr. Wilson has been subject to nervous indigestion for a number of years and today's attack, although Harding Cabinet Holds Meeting without warning, was not wholly un-expected, it was said. Only members of his family and servants were pres ent when the attack occurred but hur-ried calls brought Dr. Sterling Ruffin, Washington; Heaps Invective who previously had attended him, to the home oh "B" street. Dr. Grayson arrived soon after and with Dr. Ruffin applied the remedies that had proved successful in previous attacks. Mr. Wil son was said to have quickly responded to the treatment and Dr. Ruffin on leaving the Wilson home about 2:30

Most of the afternoon was spent by the President in bed, his condition being described as much similar to that of the normal person who had suffered from such an attack. Late in the after the Federal pie in North Carolina noon he was up for a little while and seemed to feel much better.

Dr. Grayson said tonight that he had prescribed a diet for his patient until a wore off. It might be possible for the tween the two countries are once more former President to take his daily to be opened. The communication

NOTHING SEEN OF MISSING BALLOON

Squadrons of Airplanes, Flying Boats and Dirigibles Continue Search

Pensacola, Fla., March 25.-Continued search today by squadrons of sirplanes, flying boats, dirigibles and eagle boats failed to discover any trace asking that trade relations between the United States and Russia be restored of the missing naval balloon in command of Chief Quartermaster G. R. Wilkinson, carrying four students which the committee and continued:

"That unjority spurned and spat upon every suggestion for a barmony program under which mea of the high est qualifications, representing all elements of the party should be selected to represent the government in the important positions of honor and trust. They did not want harmony, neither for hundle the party. All the selected in the selected to represent the government in the important positions of honor and trust. left the naval air station here Tuesday

Flying Boats Scan Sea. sea and lost, men in the big F.5 and H-16-A, flying boats achanned every inca of land and sea in vain search for Chief

Wilkinson and his comrades.

Despite today's disappointment, naval officials have no intention of surrendering hope, and the search is being continued tonight and will be carried again tomorrow, the circle ever widen

The balloon in which the five men left Pensacola at 5 o'clock on the even-ing of March 22 was a 35,000 cubic foot craft. Besides the men and ballast, two pigeons were carried. One of these refurned to the air station at 9:30 o'clock Thursday moraing with a message which had been started nearly 24 hours before. The second pigeon returned Thursday afternoon and it, too had been 24 hours on the way. The last message gave the position as 20 miles off St. Andraw's Bay with the drag rope in the water and all supplies exhausted At this time, the wind was on shore and the balloon we slowly drifting

northward.

It is on the wording of this last message that naval officials base their belief that the balloon landed somebelief that the balloon landed somewhere on the deserted coast of the outer Island. The balloon apparently had almost sufficient buoyancy to remain in the air and thus it is certain that when the basket touched the water the descent would stop. It is believed by balloon experts here that the craft would keep the men above water for several days if the weather remained caim.

remained caim.

May Have Landed on Beach.

With ah on-shore wind officials believe the balloon may have been carried to the beach in some remote place from which the fliers have been unable to semmunicate or work their way to civ-ilization. If they landed on the outside ilization. If they landed on the outside Island their hardships are likely to be much greater than if they reached the mainland because the reef is almost barren without any place where fresh water might gather. The mainland, however, while broken and barren is many places, has many fresh water streams where the fliers could quench their thirsts. Food can be obtained almost anywhere because of the wealth.

To Care For Wounded Soldie Washington, March 25.—Confidence of early improvement in facilities for the care of wounded soldiers of the World War was expressed by administration officials today as a result of a carrage of the alturation made at the direction of President Harding The

AMERICA REFUSES TO RESUME TRADE WITH RUSSIA NOW

Fundamental Changes Must Be Made In Economic System Under Soviet Rule

NOTE DISPATCHED BY SECRETARY OF STATE

To Discuss Note and Agrees On Definite Policy In Line With That Adopted By Wil. son Administration; Secretary Hoover Approves It-

Washington, March 25 .- The Ameri an government notified the Soviet authorities in Russia today that resumpo'clock described the patient's condition tion of trade between Russia and the United States could not be considered until fundamental changes had been made in the economic system underlying the Soviet trogime.

Safety of human life, guarantee of among the requirements laid down in a brief note by Secretary Hughes as added that "convincing evidence of the consummation of such changes" must be furnished before this government even cared to discuss the subject. Foundation For Productivity.

These requirements the note declared, lay at the foundation of Russian productivity, by which alone the nation could hope to rebuild her foreign trade and make herself attractive mically to the nations with which she desired to exchange products.

The communication was made public at the State Department in the form of a statement by Secretary Hughes with the notation that a copy of it had been sent to the American consul at Reval, Esthonia, to be handed to Litvinoff, the Soviet representative there. The note was in reply to an appeal recently addressed by the Soviet regime to President, Harding and Congress and proposing to send a delegation to the United States to negotiate to that No mention was made by Secretary Hughes of the proposal to send delegation to this country.

Discuss Russian Trade.
Prior to making a final decision, the Russian trade question was discussed for nearly two hours by President Harding and his cabinet taking into account a vast collection of data on Russian conditions gathered by the State and Commerce departments. In a statement after the note had been ide public Secretary Hoover declared the conclusion reached "shows the complete agreement of the views of the whole administration."

Unlike previous official pronounce ments of the American governments attitude toward the Soviet regime, Secretary Hughes' note dealt solely with the economic aspects of the problem litical shortcomings of the unrecognized Bolshevist government. It set forth in a few words the reasons why the United States considers it poor business to trade with Russia under existing con-ditions but made no indictment against

Bolshevism as a political system.

It was pointed out, however, that
there was nothing in the note to reverse or modify the communication to Italy in which the Wilson administra tion set forth at length last August the unwillingness of the United States to enter into political negotiations with a government "based upon the negation of every principle of honor and good

Secretary Hoover's Views.

Secretary Hoover's statement follows "Secretary Hughes statement follows:
"Secretary Hughes statement of the
Russian trade situation today shows the
complete agreement in the views of,
the whole administration.

'As a matter of trade the first thing to be determined about Russia is if and when they change their economic system. If they so change its basis as to accept the right of private property freedom of labor, provide for the safe the

freedom of labor, provide for the safe tielay, ty of human life, etc., there is hope of their recovery from the miserice of famine; there is hope of a slow recovery in production and the upbuilding of trade.

"Nothing is more important to the whole commercial world than the recovery of productivity in Russia. However, without a fundamental change in their whole economic system, there will be no consequential trade or production and no stoppage of continuous detion and no stoppage of continuous de-

Must Restore Economic Basis Must Restore Economic Basis
"The government of the United States," says Secretary Hughes' communication "views with deep sympathy and grave concern the plight of the people of Russia and desires to aid by every appropriate means in promoting proper opportunities through which commerce can be established upon a sound basis. It is manifest to this government that in existing circumstances sound basis. It is manifest to this gov-erament that in existing circumstances thre is no asurance for the development of trade, as the supplies which Bussia might now be able to obtain would be wholly inadequate to meet her need and no lasting good can result so long as the present causes of progressive impover-ishment continue to operate. It is only in the productivity of Bussia that there is any hope for the Busian people and it is idle to expect resumption of trade in the preductivity of Russia that ther is any hope for the Busian people an it is idle to expect resumption of trac until the economic bases of productic are securely established."

Chargo Against Officers Dropped Asheville, March; 25.—In Super Jourt today, the case of Otto Isr ormer county commissioner, and C hims, former county road inapec-ters ended when the State took as-ros in Israel's case and found S

RESTRICTIONS PUT ON

Washington, March 28 .- Officesackers, inventors of reform panagross and others who want to ask fayors or dispense advice at the White House must make their calls on Monday, Wednesday or Friday herenfter, if they hope to see Pres-

ident Harding.
Announcement that engagements would be granted for only three days a week was made by White Bouse officials tonight in accord with a decision by the President that he was giving too much time to the harde of visitors who have thronged the executive offices ever since inauguration. The demand on his time has been so great that he has spelt most of his evenings at work on correspondence and other pressing business.

DEBS RETURNS TO HIS PRISON CELL

Socialist Leader Back From Visit To Attorney General In Washington

Atlanta, Ga., March 25,-Eugene V. property rights, free labor and observ penitentiary today to resume the ance of the sanctity of contracts were routine of prison life again after his trip to Washington where he discussed with case Daugherty.

The Socialist leader who is serving & ten year term on conviction of violat-ing the war-time espionage act was before he met the warden and was whisked away to the prison, he answerest every question asked except those about his conference or his have undertaken to the utmost to fulfill these demands.

"I appreciated the confidence shown in me by letting me go alone and on

my honor to Washington," said Mr. Debis, "and I enjoyed the trip."

"Yes, I'm going back to be a good convict again," he said smilingly, a moment later in answer to a query as to whether he was going directly to the

The Socialist leader feels that the Department of Justice has been "fair and square with him so far, no matter what the final decision is," according to Samuel Castleton, attorney for Debs. Mr. Castleton joined him at Buford, Ga., this morning and rode back, discussing the status of his case.

"Personally I think his chances pro good but that is only my personal opin good but that is only my asked about ion," said Castleton when asked about the result of the conference. Debs made it plain to the Attorney General that he had nothing to take back, nothing to recent," added Castle-ton, "and he was not asked to."

ton, "and he was not asked to."
"They discussed the case in a fivehour conference. I wish I were permitted to give details of what took

Debs left here Wednesday morning his departure shrouded in secreey on orders from Washington but there was no especial effort to prevent his return becoming known. Warden Zerbst, who was said to have received orders from Washington to meet the prisoner at the station, declined to say what train he would come in on but after Debs' arand made no attempt to discuss the po-

tion him.

The two shook hands in hearty fashion as Debs alighted from the train, Debs greeting the head of the penitentiary with "I'm might glad to see you

Immediately there was a pop-fire of questions from newspaper men and the warden apparently by design dropped to one side and let the prisoner make his own replies.
"Oh, I can't talk to you about that,"

Debs said to almost every question regarding the conference in Washington and the chances of a pardon as a result

The entire trip was uneventful, Debs said, and added that he enjoyed it and felt fine. He was plainly enjoying the novelty of being outside the prison Metion pieture cameras were grinding

away as he passed down the station and for a time he would not pause to permit special pictures but he finally yielded gracefully to the importunities and with brief apology to the warden for his clay, faced the battery of cameras

figain.

Warden Zeebst drove the car in which
he and Debs and Castleton went to the prison, and passing by the postoffice the Debs made another trip alone. This was into the personles is mail some letters. Half an hour later he was back

in the prison again.

When he does leave the penitentiary for good, Debs expects to go to Terre Haute, Ind., and spend some time with his family, his attorney said, and will make his future plans then.

CALLS SPECIAL SESSION OF

CONGRESS IN PANAMA
Washington, March 25.—President
Porras, of Panama, has called a special
session of Congress for next Monday
to consider Panama's attitude toward the demand made by the American government that Panama accept as final the White award as to the boundary between that country and Costa Rica. This information was contained in a dispatch received today by the State Department from the American leastless of Panama City legation at Panama City.

BISHOP, KILGO GOES TO

HOSPITAL IN BALTIMORE.
Baltimore, Md., March. 25.—Bishop ohn C. Kilgo, of the Methodist Episco- all church, South, a member of the coard of directors of the Southern tailway Company, arrived in Baltisare today from his home in Charlotte, C. Later he west to Dr. Howard A. John C. Kilgo, of the Methodist Episco-pal church, South, a member of the board of directors of the Southern Railway Company, arrived in Balti-murs today from his home in Charlotte, N. C. Later he went to Dr. Howard A. Kelley's Sanatorium, on Eutaw Place, where he will remain for several days.

WHITE HOUSE VISITING POLICE CAPTURE GERMAN TOWNS IN

> Recapture Middle German Industrial Centers From The Communists

RESUMPTION OF WORK AFTER RESTORING ORDER

Recent Uprising Traced To Bol. shevistic Influences From Russia; Situation Still Con-Porces of Law and Order Gradually Getting Control

Berlin, March 25 .- (By the Associated Press.) - Advices received tonight from the disturbed industrial areas in mid die Germany state that the police recaptured Einleben and Rettatedt from the Communists after violent fighting. The Communists have taken posses-

sion of large nitrogen works in Leuna, Debs returned to the Atlanta Federal near Halle, where they are reported to have formed a Red army of 6,000. Leaders of the Communists at Eisleben, the advices add, were overthrown Attorney General and fighting in the Manafeld District

has crased. Resumption of work in Eisleber has been made conditional by the police commander upon the restoration of oring the war-tiefe espionage act was commander upon the results amiling and cheerful as he alighted der, the return of property and the from the train and in the brief time handing over to the authorities of all hefers he met the warden and was ammunition. He premised that those who voluntarily surrendered would not be punished. The Communist leaders

PARIS THINKS UPRISING

LARGELY SPURIOUS ONE Paris, March 25, Official circles here egard the communist uprising in Germany as "spurious" basing their judgment on despatches received in this

Latest reopris reaching official quar ters are to the effect that a large number, of Russian bolsheviki succeeded in entering Hamburg, bringing with them large supplies of money for propaganda The uprising there is attri buted in most part to their influence.

PORCES OF LAW AND ORDER

GRADUALLY GETTING CONTROL London, March 25.—Although the situation hrising from the communist outbreak in Germany is still danger-ous, the communists are being exercine by the forces of law and order, according to reports from the different centers, says a Central News dispatch from Berlin today.

There has been no repetition of the disorders in Hamburg, where the police are masters of the situation, the reports

Investigation of the reported com munist attempt to blow up the satau-ary in the Sieges Allee in Berlin is declared to have revealed the existence of a widespread conspiracy of violence which was to have been started today, Good Friday.

TO SECURE CONTROL SOON Berlin, March 25 .- (By the Associated Press.)-Belief was expressed in government circles today that unless the communists succeed in tying up mid-Germany's industrial areas in a gen-etal strike the government will be able to cope with the rioting prevaiting in Elizieben, Mansfeld, Hetterstedt and

Leuna. The local communist organizations thus far have not been given open support by the National communist leaders, most of whom are away from Berlin or are in seclusion here.

The majority and independent Socialists and the independent labor unions continue their vigorous condemnation of the present communist revert, warning organized labor against giving the

ommunists moral or physical support. The gas and water works in Halle are tied up although the other municipal plants voted against striking. The communists also are making an effort to shut down the Goethen power plant near Bitterdeld, which supplies a large ection of Berlin with current. Technical auxiliary troops are in readiness to keep the public utilities in operation hould the employes walk out

MARINE ENGINEERS GO **BACK TO THEIR JOBS**

New York, March 25,-Marine engineers and officers on Ocean-going tugs along the Atlantic coast, who went on strike yesterday in protest against wage reductions have returned to work pending conciliation by the Depart-ment of Labor.

Coast conference of the Marine Engineers beneficial association. He also sent a message to Secretary of Commerce Hoover, who brought the strike situation to the attention of the De-partment of Labor thanking him for

his intercession.

Orders for marine workers to return were immediately dispatched to all af-fected Atlantic ports by Mr. Healey on receipt of a telegram from the director of conciliation of the Department of Labor, offering conciliation and urging that the engineers remain at work. Th

FRIDAY IS UNLUCKY FOR GAS COMPANIES

VIOLENT FIGHTING CONEY INJURED BY SMASH INTO TREE

Army Aviator Misses Chance To Excel Record For Trans-Continental Flight

Natches, Miss., March 25 -Au x ray examination of Lieutenant Coney's injuries disclosed the fact that his back is fractured, according to physidered Dangerous But sicians attending him who state that he has only about one chance in ten to recover. He is still conscious and cheerful, but his physicians say fever is developing. At 10:45 o'clock tonight Doctors

Charles Chamberlain and J. S. Ullman, in charge of the case, issued the foldition of Lieutenant Coney, as disclosed by their examination;

"Lieutenant Coney is suffering from fractures of the third, fourth and fifth vertebrae. He is paralyzed from the chest down; temperature 103. We regard his condition as very ser-

STILL HOPES TO MAKE FLIGHT ACROSS CONTINENT

Monroe, La., March 25,-"I will make he flight from the Atlantic to the Parific yet if death does not stop me," heutenant William Devoe Coney, trans continental flier, who crashed to earth on the Mose Lanier farm at 7:30 o'clock this morning, declared this afternoon shortly before he was conveyed by au-tomobile and train to Natchez, Miss., where he will be given treatment at a sanitarium.

"I wanted to break my own world's record in my trip back to the Pacific and my beenest regret is that I have failed," the injured flier continued. "I know that I would have established new record if I had not been beaten Hinsdale will offer additional testimony by nature. It is pretty hard to overome the laws af gravity and to find out new things in nature. I thought that I was learning some of her secrets when this accident occurred. I would have won out if it had not been for those fogs along the Mississippi river. I had a fair flight until I struck the fog banks along the river and then I lost my way to some extent, and from the Mississippi river until I hit the ground I was flying low. I was preparing to make a landing because of engine trouble when I struck a tree and went down. I do not remember much about what occurred after I struck the tree until I found myself

in the arms of Mose Lanier and his good wife, who conveyed me to their home. I guess it is all over." Says He's Going To Die. Lieutenant Coney early in the

kept repeating over and over that he was going to die, but his physicians had cheered him up to some extent this afternoon and he was inclined to take more philosophic view of the accident. His keenest disappointment is over his failure to set up a new record; delivered from the mines for an averthe fact that he may die or be maimed for life being secondary, according to

those who have talked with him.

Drs. C. M. Darrell and J. W. Winn, who attended the young flier through out the day, were not prepared to say tonight as to whether he would live or die. "If he does not dive or die. "If he does not die," said Dr. Darrell, 'I fear that he will be crippled or paralyzed for life. Of course, there is hope, and I would not say defi-nitely he will not recover the use of his limbs, but the chances are against

Doctors Darrell and Winn late today issued the following report as to his condition:

"Lieutenant Coney is paralyzed in his lower extremities. There is loss of sensation and motion in the lower extremities. His temperature is 10214. pulse 100, respiration 26. Lieutenant Coney is conscious and cheerful but

Sends Telegram to Fisncee.

The injured filer late this afternoon sent a telegram to Miss Mary Morgan, San Diego, Cal., said to be his fiancee The message was brief, simply stating, "my plane fell this morning and my spine was seriously injured."

After spending the day at the Mose Lanier farm, Lieutenant Coney was taken to Winnsboro this afternoon at 3 o'clock. He was in charge of J. O. Parker, Doctors Darrells and Winn and others. At Winnsboro he was transferred to a train for Natchez, where he

was due to arrive early tonight.

Tears fell from the young man's eyes
when he told Lanier and his wife good-Sye. "You have been good to me," he said, "and I shall never forget you." He also thanked the physicians and towns people for coming to see him and giving him aid. Large quantities of flowers were taken to the Lanies This message was sent to the Department tonight by Thomas B. Healey, he was taken away and he was deeply chairman of the Atlantic and Gulf touched by the tribute.

MRS. CONEY LEAVES TO BE AT BEDSIDE OF SON

Jacksonville, Fla., March 25.—Mrs. E. F. Coney, accompanied by an elder son and Mrs. W. H. Devoc, left here early tonight for Natchez, Miss., to be in attendance at the bedside of her son, Licutenant W. D. Coney, Trans-Continental aviator who received serious transfer when his machine erashed near injuries when his machine crashed near

rowville, La., early today.

Mrs. Coney had apparently recovered
ufficiently to make the trip from the shock caused by the news of the acleaving by advices from Natches that Licutenant Coney would recover from

Send Airplane To Ald Coney Washington, March 25.—An airplane has been ordered disputched from Love Field, Dallas, Texas, to Mouroe, Louisians, where Lieut, W. D. Coney fell today on his return trans-continental Chy there he will remain for several days.

Another Candidate For Mayer.

Charlotte, March 25.—James O. Walter and the fourth candidate for mayor, making the fourth candidate Tidewater Power Company of Wilmington Has Hard Grilling at Hands of City Attorney Ruark

HUGH MACRAE PUTS UP PLEA FOR CONCERN

McNinch Closes Up Hearing For Charlotte With Motion To Dismiss While Greensboro Rate Matter Is Disposed of Briefly; Raleigh Case To Be Concluded Today

The Tide Water Power Company, of Wilmington, with a gas rate of \$2.35 paying seven per cent oh its common and preferred stock and laying aside a handsome surplus came in for pointed grilling at the hands of City Attorney Robert Ruark, of Wilmington, before the Corporation Commission yesterday in the series of gas rate hearings which are being held this week to determine whether or not the public utilities in the State are to maintain their tem

The scrambling of gas, street raliway and electric light and power service all in one corporation, in-divisible and apparently handsomely profitable, the offering of one value tion for tax purposes and another double the first for a rate basis together with evidence of an immense leakage double the normal were outstanding features of the day so far as this con cern was concerned.

Yesterday morning, Mayor McNineh, of Charlotte, completed his cross ex-amination of Mr. Marshall, of the Southern Public Utilities Company of Charlotte and lodged a motion to dis-miss the Charlotte petition. In the afternoon the Greensboro hearing was disposed of, and this morning, beginning at ten o'clock City Attorney John for the people of Raleigh.

Hugh MacRae Opens The Tide Water Power company is the largest locally owned gas-power-traction company in the South, Hugh MacRae, its president, declared opening the case for his company during the morning session. Its interests are inextricably inter-woven with the interests of the community, and if the power company suffered, the city sufered, he maintained.

Placing a value on the combined pro-perties of \$3,500,000, which he claimed was the actual price of the property, he suggested that the Corporation Com-mission ought to fix a fair rate of net income and a fair depreciation percen-tage, and allow the company to charge rates that would ensure, under effici-ent management, such a return on the invested capital.

invested capital. Although 1920 was a good year, and the company made and sold 99 million feet of gas, the profits of the corpora-tion were almost non-existent, he un-dertook to show. Cil was bought at an average of 8.9 cents pergallon, and coal age of \$6.79 per ton. The cost per thousand feet of gas for manufactur-ing slope was \$1.32. Added to this cost

was distribution, taxes, etc.
Mr. MacRae paid high tribute to his general manager, Raymond Hunt, and atributed the relatively low cost of manufacturing gas to the fact that Mr. Hunt had been able to negotiate ad-vantageous contracts for raw materials. He regarded the management of his properties as very highly efficient, and thought that this consideration ought to be taken by the Commission.

Somewhat gloomy was Mr. MacRae in regard to the future of the gas business in Wilmington. Business depression the shipyards there, materials are going to be higher, and consumption of gas lower. His estimate of the cost of coal was \$7.82 per ton for the coming year. Decreases in wages to the em ployes of the company were not going to be made if avoidable, he said.

Robert Ruark, city attorney for Wil-mington, interrupted Mr. MacRae fre-quently during the two hours of his presentation of the Tide Water com-pany's case. At one stage Mr. MacRae submitted newspaper cliniques submitted newspaper clippings of a meeting held in Wilmington protesting against the gas service, and also criti-cizing Mr. Buark for not taking more drastic steps to remedy the situation.

'Do you think that representative e

the intelligent jublic opinion of Wil-mington?" Mr. Ruark interrupted. "I do not, but it is the unintelligent opinion that is always after us that we have to fight," replied Mr. MacRae

with some heat.

Mr. Raurk on cross examination first devoted his attention to an attempt to bring out the exact nature of the nancing by which the Tidewater Power nancing by which the Tidewater Power has been built up, his object being to show that the bulk of the \$600,000, of common stock, the majority of which is held by Mr. MacRae had been liberally sprinkled, not to say watered. Mr. MacRae parried by declaring it was worth every dollar that it represented, and Corporation Commissioner Lee cut the proposition short by stating that it was the practice to make rates on the basis of property values instead of capitalized values.

Mr. MacRae wanted Mr. Raurk to continue.

continue. tem," said Mr. MacRae, who asked that the atorncy be given free range, but the commissioners had visions of sit-ting there through the summer and de-cided to get down to more concrete

Mr. Ruark got an admission from Mr. concern in 1918 and had refused to an aver certain questions until ordered to do so by the Corporation Commission.

Afr. Ruark sprang hits taxation figure of \$1,900,000 for the Tidewater corporation as compared with the property value of \$3,952,000, as shown by the latest report to the commission.

It was about this point that Judge Pell became apprehensive about the thing never ending and suggested that Mr., Ruark devote his attention to the

(Continued On Page Two)