

LEAGUE REFUSES TO STAY SHELVED REPUBLICANS FIND

Former Premier of France Arrives To Discuss Subject With Mr. Harding

NOT VISIT OF COURTESY AS SOME WOULD THINK

"Irreconcilables" Up In Air Over Viviani's Coming To America; Tax Revision and Tariff Continue To Worry Old Guard Leaders In Congress; After Kramer's Scalp

The News and Observer Bureau, 603 District National Bank Bldg., By EDWARD E. BRITTON.
(By Special Leased Wire.)
Washington, March 28.—Bene Viviani, former Premier of France, set foot on American soil today and is in New York tonight. Viviani is here to talk of the League of Nations to President Harding and Secretary of State Hughes, if all signs do not fail, and the information that reaches me are that the signs are not going to fail. You are going to hear from Republicans of the "irreconcilable" class, and those who simply gabble against the League because they are Republicans and think the administration is to continue to scrap it, that the Viviani visit is "a mission of courtesy to President Harding," but simple-minded indeed is that one who thinks that the great Frenchman has crossed the ocean to pay a "courtesy" visit to the new President. It is out of reason to think such a thing.

The "irreconcilables" are up in air over the Viviani visit and are frankly disturbed by it. Back of all the soft pedal stuff about the purpose of his visit is the evident fact that he is in the United States in order to get this country to go into the League, whether it is termed a League, or an association, or a society, or any other name. The essential thing is that the opponents of the League are fast realizing the fact that this country will be forced by the absolute necessity of events to become a member of the League in order to save its own interests.

Refuses To Stay Shelved.
The "irreconcilables" are on the guessing reel right now as to what President Harding is going to do. They feel that Secretary of State Hughes and Secretary of Commerce Herbert Hoover are for the League in some form and they fear the influence of these men, who it is certain realize that it will take the United States to do the work necessary to put an end to the chaotic condition of affairs that exist in Europe at this time. This morning at his conference with the newspaper men Secretary Hughes declined to say one word with reference to the League of Nations, but the signs are that the administration is getting ready to give consideration to European affairs and to deal in some way with the League Covenant. It is a subject that refuses to stay shelved.

But there are other things which are disturbing the "master minds" of Republicanism now. Whether to take up revision of the tariff with the beginning of the next session of Congress as the first matter is a problem not yet solved. And then there is the question as to whether it will be an emergency tariff first, or will there be an entire revision of the tariff undertaken. President Harding is said to be advocating an emergency tariff first, but there are Republicans who are against any such party make-shift and who want to go to the whole thing. And there are those even in Republican ranks who are beginning to realize that world conditions are such that the United States must have an export trade or we invite commercial and industrial stagnation in addition to agricultural collapse. The road ahead for Republicans has some bumpy places in it, as well as a number of hurdles, and the driving over it is not of the extremely inviting kind.

After Kramer's Scalp.
In the pursuit of the Republicans for office for the faithful of the party, the position of prohibition director has been seen as a good thing and there are Republicans who are after the scalp of Prohibition Director Kramer. Talk of ousting Mr. Kramer is stirring the Anti-Saloon League people, and they are protesting against his being separated from office, in fact the outlook is that they are getting ready to make a row about it if there is a fight on him, for they are satisfied with his conduct of the office. But there are Republicans to whom the position looks mighty good, and they are after it. It is a lively feud, with feathers flying in their efforts to get Mr. Kramer a place in the discard.

The Woman's World Disarmament committee, which staged a big meeting at the National Theater here yesterday afternoon, following the adoption of a resolution requesting President Harding to call a conference of the nations on the question of world disarmament is endeavoring to have a committee of 48 women, one from each State in the Union, present the resolution to the President. But the organization is shy of membership in a number of Southern States, among these being North Carolina. Inquiry at the headquarters brought the answer that there was no North Carolina member, that only a few Southern States are represented in the organization, and that the membership is scant even in those States, which are Virginia, Tennessee, and Texas. Endeavors are to be made to secure membership in North Carolina and the other Southern States now conspicuous by their absence.

Annual Egg Rolling Event.
The Easter egg rolling on the White House grounds today took children by the many thousands there, while the streets around the grounds were crowded with grown-ups locking over the fence at the merry-making. In order

BRITISH LABOR PARTY REJECTS LENINE PROPOSAL

Extreme Left Wing of Party Declines To Become Affiliated With Soviet

Southport, England, March 28. (By The Associated Press.)—The Independent Labor Party, in conference here today rejected by an overwhelming majority a proposal to accept Lenin's 21 conditions for affiliation with the Third International of Moscow.

The minority report favored acceptance and this element may secede from the party.

By the vote today the party has for the second time in succession defeated the extremist section wishing to affiliate with the Third International. Fifteen branches of the party supported the Moscow conditions and some stormy incidents marked the conference, but when the decision was taken on a card vote, the Moscow proposal was defeated 521 to 97.

The Independent Labor Party is the extreme wing of the Labor Party and today's vote is interesting in connection with Premier Lloyd George's speech on March 23 accusing the Labor Party of revolutionary proclivities. This speech has been the subject of much excited criticism and on the labor side has been interpreted as preparing the ground for a general election and indicating that the prime minister has resolved to throw in his lot with the Unionist Party and become its titular leader.

REVOLT PUT DOWN IN GERMAN TOWNS

Revolting Workmen Have Upper Hand In Only One City, Reports Indicate

Halle, Germany, March 28.—(By The Associated Press.)—Eisenstein is quiet and the town is under control of the police. Reports from Bitterfeld say the authorities have suppressed the revolt. The only fighting has been near Sangerhausen, where a workman's armored train was held up and an engagement ensued, a few men being killed or wounded.

The workmen still have the upper hand in Leuna, the police showing no intention of attacking them for fear that they will fulfil their threat to blow up the big factories there. At Halle the situation is quiet, this being due, according to the police to postponement of the Communist plans, which provided for the capture of the surrounding towns first.

The intention then was to march into Halle and gain control of the strategic and industrial centre of the whole province. The police are not yet ready to say that the Communist movement has failed, and are still nervous over the outlook. Conditions, however, are such that it is generally believed the police are in a position to enforce the law.

Later in the day Halle was cut off from virtually every line of communication, except to Berlin by the police, who instituted rigorous control of all activities in an effort to check agitation by alleged Russian Bolsheviks, whom they say are numerous here. No telephoning was permitted except in German. The streets were ordered cleared by 9 p. m. and no vehicles were permitted to go beyond the city limits. Congregation in the streets of more than three persons was forbidden and there were wholesale arrests of suspects.

The Associated Press correspondent and two other American reporters and one Englishman who had been frequently investigated, were placed under arrest for the second time while entering the security police administration headquarters, where they had been a number of times. They were sent to district police headquarters under guard and examined for three hours.

TWO AIRPLANES TO MAKE TRIP TO VIRGIN ISLANDS

Leave Washington This Morning, First Stop Will Be at Fayetteville

Washington, March 28.—Two airplanes, piloted by Marine corps personnel will leave Bolling Field here tomorrow morning for a 2,750 mile flight to St. Thomas, Virgin Islands, as a demonstration of the adaptability of land type aircraft for combination land and water flying and to map the route. The flight will be made by easy stages and no effort will be made to establish a speed record.

Major T. C. Turner, commanding the expedition, and Lieutenant B. C. Bradley will be in the first plane, and Lieutenant L. H. Sanderson and Gunnery Sergeant C. W. Rueker in the second.

Stops will be made at Fayetteville, N. C., Paris Island, S. C., Daytona, Fla., Miami, Fla., Havana Cuba, Camaguey, Cuba; Guantanamo, Cuba; Port Au Prince, Haiti; Santo Domingo City, Dominican Republic; San Juan, P. R., St. Thomas, V. I.

CONVICT BIGHAM OF KILLING FIVE FAMILY MEMBERS

South Carolina Man Before Receiving Death Sentence Reiterates Innocence

SMILE LEAVES HIS FACE WHEN VERDICT RETURNED

Court Not Impressed By Statement of Defendant and Denies Motion For New Trial; Wife Collapses When She Learns of Conviction; Jury Stayed Out Only Short While

Florence, S. C., March 28.—Edmund Bigham, charged with killing five members of his family at Pamlico over financial troubles, was convicted of murder by a jury here today and sentenced to die in the electric chair at Columbia between the hours of 10 and 2 o'clock Friday, April 8.

After passing sentence, Judge R. W. Memminger, presiding over the trial, denied a motion for a new trial and A. L. King, counsel for the defense, announced he would appeal.

Mr. King, in his plea for a new trial, asserted that previous to the trial one of the members of the jury had declared he would like to see Bigham burned. Mr. King also had asked for delay in arguing his motion before Judge Memminger but this was denied. Reiterates His Innocence.

Bigham turned pale when the verdict was read and his face lost the smile that it had worn during the trial, but when asked what he had to say before being sentenced he leaned forward from the dock and in a clear and unshaken voice replied:

"Nothing except that I am innocent. I know nothing of how that crime was committed. That is the truth as help me God!" "That's all I have to say," continued Bigham, who was charged with shooting his mother, brother, sister and the latter two adopted children, "I wish my mother could come down and tell how that thing happened. I wish that little boy had lived when I asked Dr. W. H. Poston to save his life. He would have told the same things my wife and I have told you will give me time so some of the people who testified here against me may have a chance to come forward and tell the truth and not come too late, like Judas making his offering of the 30 pieces of silver."

Wants Another Chance.
"I do not go to say anything more, and I hope you will take no exception to it. As far as you are concerned, I have had a fair trial, but if people had had time to think things over, consider and take it up with their God, they would have testified differently."

When asked to explain the finding of his pistol in his dead brother's hand Bigham said:

"I left that pistol in my bureau drawer and it has been testified that the door was found broken open. That is the only way Smiley could have got it."

"If I am guilty, I hope I may be petrified in front of this court house. I am as innocent as the new-born babe."

After Bigham had continued his statement Judge Memminger before passing sentence reviewed the case and referring to Bigham's statement of innocence, said:

"I have never known a prisoner convicted of a similar crime to make acknowledgment of his guilt. In all that you have said in your favor there is no excuse in the law."

PROBE ATTEMPTS TO INCITE WHITES AGAINST NEGROES

Notes Sent Out That There Would Be Negro "Uprising" Placed Before Jury

CONDITIONS RAPIDLY BECOMING NORMAL NOW

Georgia Plantation Owner, Held On Charge of Killing Eleven Men, Will Not Go On Trial This Week; Governor Dorsey To Send Attorney General To Ad In Probe

Atlanta, Ga., March 28.—Alleged attempts to incite white persons in Newton county against negroes by spreading reports that negroes were preparing to "wipe out the whites" as a result of the deaths of the negro laborers on the Williams plantation, will be inquired into tomorrow by the Newton county grand jury, according to dispatches from Covington tonight.

While no definite statement could be obtained from officials pending the meeting of the grand jury, it was said that during the investigation notes which, it was reported, a white man had sent out regarding a negro "uprising," would be placed before the jury.

Conditions becoming normal. The reports which became current at Covington yesterday created excitement at the time, but conditions in Newton county, where three negroes were found dead in Yellow river, and in the adjoining county of Jasper, where eight other negroes were found dead, were rapidly becoming normal. Investigators for the State inquiring into the murders and for the Federal government gathering evidence to support charges of peonage against John S. Williams, wealthy Jasper county plantation owner, continued at work. Officials characterized as baseless reports that more bodies had been found and expressed the opinion that he total would remain as eleven.

Williams, who, according to the confession of Clyde Manning, a negro, was responsible for the deaths of the eleven men, will not go to trial Thursday in Covington, Judge John R. Hutcheson having granted the plea of the defense. Federal agents in connection with the deaths of three negroes found in this county before the Ocmulgee circuit court takes up the charges against him arising from the deaths of the other eight negroes. Mr. Brand contended that the negroes found in the river in Newton county were killed by being drowned and that their deaths actually took place in Newton county.

Investigate Recent Lynching.
Officials of the Ocmulgee circuit, which includes Jasper county, are investigating the recent lynching of Ennis H. Williams, a negro, and are still inquiring into the Williams plantation affair. Solicitor General Doyle Campbell of the Ocmulgee circuit, left tonight to hold a conference with Governor Hugh Dorsey and it was expected that the Jasper county grand jury would be called Friday or Saturday to start its investigation. Governor Dorsey it was said, has decided to send either Attorney General R. A. Denny, or Assistant Attorney General Graham Wright to Jasper county to aid in the investigation.

Local agents meanwhile are inquiring into reports that a negro woman left either Jasper or Newton county for Atlanta several months ago, because of the mysterious death of her husband. Four other plantation owners in addition to Williams were said to be under investigation of Federal agents in Jasper county, who are seeking evidence to convict in alleged peonage cases. Sheriff W. F. Persons of Jasper county, and his son already are under indictment and are to go to trial April 4 in Atlanta, on charges of having kidnaped negroes and taken them into peonage.

COLD WAVE HITS LARGER PART OF ATLANTIC STATES

Line of Freezing Advances Eastward Towards the Atlantic and Gulf

Washington, March 28.—The cold wave which came out of the West, struck the Atlantic States today and was expected to overpread this section tonight and tomorrow. The weather bureau ordered storm warnings hoisted along the Atlantic coast and north of Cape Hatteras and on the Gulf coast at and west of Cedar Keys, Fla. Cold wave warnings were ordered for the Gulf and Atlantic States, except Florida.

The line of freezing temperature today advanced eastward to West Virginia, Western Maryland, Pennsylvania, Central New York and southward to Kentucky, North Arkansas, North Texas and South New Mexico.

A storm of considerable intensity was central tonight off the New England coast and was moving eastward. It has been attended by strong winds and rains along the middle Atlantic coast, the highest velocities reported being 80 miles an hour from the north-west at New York and sixty miles an hour from the north at Cape Henry, Va. The cold wave coming after a period of balmy weather, which enticed fruit and vegetation to bud forth a month prematurely, has caused apprehension among fruit growers and farmers, who fear the freezing weather will kill their crops.

GOVERNMENT WINS THREE VICTORIES IN TAX DECISIONS

Supreme Court Holds Gain Derived From Corporate Securities Is Taxable

INCOME TAX APPLIES TO ANY CAPITAL GAIN

Contentions of Treasury Department In Income Tax Cases Upheld In Every Particular, Solicitor General States; Much Tax Litigation Cleared Up By Last Ruling

Washington, March 28.—Three sweeping victories were won by the government today in the Supreme Court interpretation of the term "income" for the assessment of taxes under the income and excess profits act.

The court held that any gain derived from corporate securities or corporate assets, and any increase in the value of a capital investment, when realized, is taxable as income. In each case the opinion was endorsed by the entire court.

Solicitor General Friereson, who was present to hear the opinions read, interpreted them as upholding in every particular the contention of the government. He believed elimination of problems involved in cases decided today would go far toward relieving the Treasury Department of inconveniences it has suffered as a result of many cases of litigation facing it for the past year. No estimate could be obtained tonight as to the amount in dollars and cents affected by the court's action.

To Clear Docket of Cases.
Apparently with a view of clearing the docket soon of all important tax questions the court before recessing until April 11, advanced to that date hearing of arguments in the insurance dividend case, the corporation reorganization case and the inheritance tax case. The first involves taxation of dividends applied as the partial payment to insurance premiums, the second applying to stock received from the reorganization of a corporation—in this case the Dupont Powder Company and the last, whether inheritance taxes can be deducted from taxable income.

The "key case" selected by the court for decision today was the appeal brought by the Merchants' Loan and Trust Company, as trustee of the estate of Arthur H. Hinson of Chicago, from a decision of Illinois courts holding assessments levied by internal revenue officials upon profits realized through the sale of certain trust assets. Included in the trust fund were 9,500 shares of stock in Joseph T. Ryerson and Son, a corporation, which were valued at \$661,000, March 1, 1913, but which were sold in 1917 for \$1,250,000. Collection of a tax on the difference in value between March, 1913, and the date of sale, as income, was upheld by the court in the decision rendered today.

Definition of Income.
The word "income" was defined by the Supreme Court in a case under the corporation excise tax act of 1909. Justice Clark said, as "a gain derived from capital, from labor or from both combined."

"This definition, frequently approved by this court," the opinion continued, "received an addition in the latest income tax decision (Eisner v. Macomber), which is especially significant in its application to such cases as we have here. The definition was thus to read: 'The word "income" was defined as a gain derived from capital, from labor, or from both combined, provided it be understood to include profits gained through sale or conversion of capital assets.'"

"It is obvious that unless this definition be modified, it rules the case at bar, and, notwithstanding the arguments heard in this case, we continue entirely satisfied with that definition. Since the fund so taxed was the amount realized from the sale of stock in 1917, less the capital investment as of March 1, 1913, it is taxable as income."

BOARD DISMISSES WAGE INCREASE PETITIONS

Four Thousand Employees of Short Lines Railroads Ask For More Money

Chicago, Ill., March 28.—The petition of 4,000 employees of 67 "short line" railroads for wages and working conditions identical with those on the trunk lines of the country was dismissed by the United States Railroad Labor Board today. The case was heard last fall on the request of fifteen unions that the wage scales and National working agreements on the standard railroads be applied to the short lines.

Because of the diversified duties of the short line employees the Board declared it was "impracticable to determine what reasonable rules shall be on the short lines" and, without a uniform classification of work, the Board declared it could not undertake to determine reasonable wages.

An elaborate study of the kinds of work performed on the short lines was necessary to establish reasonable rules, the decision said, and until the general rules hearing affecting the trunk lines of the country is disposed of, the Board pointed out that it was impracticable to take action on the short lines.

MAKE EFFORT TO SECURE RELEASE OF AMERICANS

Washington, March 28.—Efforts to release about 50 Americans held in Soviet Russia are being made by the State Department through unidentified agencies, according to information given today to Senator Hefflin, of Alabama, who has made inquiry in behalf of Emmett Kilpatrick, said to have been sentenced to 20 years' imprisonment at Moscow.

Of the 50 Americans held by the Bolsheviks, Senator Hefflin was informed, about six or eight, including Kilpatrick, are reported in prison. The others were said to be under detention in various towns. Kilpatrick, a former Red Cross agent, is said to have been accused of serving with the armed forces of Lithuania against the present Soviet Government and with being in the employ of the United States Government. He is a native of Uniontown, Ala.

Senator Hefflin said that the State Department while making every possible effort to effect release of the Americans was not in a position to disclose the agencies which are being used.

DR. J. D. HUFHAM CLAIMED BY DEATH

Venerable Baptist Divine Passed Away Sunday Night; Funeral at Scotland Neck

Rev. J. D. Hufham, D.D., one of the best known and most highly esteemed Baptist preachers in the State and referred to by many as "the Baptist bishop of North Carolina," died Sunday night after a brief illness with pneumonia at the home of his daughter, Mrs. Singleton, at Mebane, where he had lived for the past few years.

Dr. Hufham's funeral will be held tomorrow morning at Scotland Neck and the services will be conducted by Dr. R. T. Vann, assisted by Dr. Livingston Johnson and the local pastor, Dr. Charles Anderson.

Dr. Hufham, who was in his 88th year, was born in Duplin county, near Warsaw. He received his early education in the local schools and then went to Wake Forest College. He matriculated at this institution at an unusually early age, being the youngest graduate in the history of the college at the time of his graduation.

Held Important Pastorates.
Dr. Hufham had a number of important pastorates and other important posts in the activities of the Baptist denomination. Among the pastorates he held were those at the Tabernacle Baptist church, Raleigh; Scotland Neck, Tarboro, Henderson, Shelby and Warsaw. He was the first pastor of the organization of the Tabernacle church. For the last ten years of his life he served as the pastor of the Scotland Neck territory, which was practically all missionary territory. With the impetus which he gave the work during his stay in the section and the subsequent activities of his successors, there was developed what is now the Roanoke Association, which is the banner association of the State convention.

Another achievement of Dr. Hufham which was his efforts in starting the orphanage work of his denomination in this State. The State convention refusing at first to undertake the orphanage undertaking, Dr. Hufham formed an orphanage association to launch and carry on the task of caring for orphan children. The association was later absorbed by the convention, under the control of which the orphanage has been since that time.

Editor of Biblical Recorder.
For a number of years, also, Dr. Hufham was corresponding secretary of the Baptist State Convention, and likewise served for a term of years as editor of the Biblical Recorder, the organ of the Baptist denomination.

He was the oldest trustee of Wake Forest College, attending the sessions of the board with great regularity and even in his last years taking the keenest interest in the proceedings. He attended the last regular meeting at commencement of 1920.

Dr. Hufham was of the type known as the old-fashioned Southern gentleman. He was an ardent Southerner and never quite got over his antipathy to the North. This is well illustrated by an incident which is told of him while he was attending the Southern Baptist Convention when it was held last year in Washington City. While at the Capital he was taken sick. Owing to his age he feared the illness might become fatal. He said to a friend who was looking out for him, "I think you had better take me back to Mebane. I believe I will go to heaven when I die, but I had rather go from south of the Mason and Dixon line." He was an uncompromising Democrat and a staunch admirer and supporter of Woodrow Wilson.

His wife died many years ago. He leaves one son, J. D. Hufham, Jr., of Portsmouth, Va., and two daughters, Miss Annie Hufham, who is a teacher in Converse College, S. C., and Mrs. Singleton, of Mebane.

Eulogized By Leaders.
Baptists in Raleigh were greatly grieved at the news of Dr. Hufham's death. Leading members of the denomination expressed their great admiration for Dr. Hufham and his achievements.

SOUTHERN BELL IS SEEKING INCREASE IN 'PHONE RATES

Two Vice-Presidents Before Corporation Commission at First Hearing

CITIES' REPRESENTATIVES WILL CONTEST INCREASE

Hearing Will Consume Several Days; Vice-President Hoxsey Devotes Much Testimony Toward Explanation of Contract With American Telephone and Telegraph Company

The Southern Bell Telephone and Telegraph Company asking for an increase of telephone rates averaging twenty-three per cent had its first day of testimony before the North Carolina Corporation Commission yesterday when J. M. B. Hoxsey, vice president, and C. E. Yundt, vice president in charge of operations, occupied the day with details of the value of the Southern Bell contract with the American Telephone and Telegraph Company and with data concerning the financial operations of the concern.

Hunt Chipley and James H. Poy, represent the Southern Bell, while cities are represented by Robert Ruark, for Wilmington; C. A. Hines, for Greensboro; J. A. Bell, for Charlotte; George Pennell, for Asheville; and Col. Albert I. Cox, for Raleigh. Two days more will be required to complete the testimony of the Southern Bell and then its officials will be cross examined by representatives of the cities. It is not believed that the cities will offer direct testimony.

Rates asked by the Southern Bell vary with the size of the exchange. Advances asked for special lines, business and residence are: Cary from \$2.50 and \$2 to \$3.25 and \$2.50; Apex, Gibson, Murphree, Rowland, Southport, Wendell, Zebulon, from \$3 and \$2 to \$3.60 and \$2.40; Cleveland, Davidson and Laurinburg, from \$3.25 and \$2 to \$3.90 and \$2.40; Hamlet, Reidsville and Rockingham, from \$2.50 and \$2.25 to \$4.55 and \$2.90; Burlington, Goldsboro and Selma, from \$4 and \$2.50 to \$5 and \$3.10; Greensboro, Raleigh, Wilmington and Winston-Salem, from \$5 and \$3 to \$5.25 and \$3.75; Charlotte, from \$5.50 and \$3.25 to \$6.50 and \$3.90; Wrightsville, Beaufort, seasonal rates increased only.

Two party and four party line increases asked for are in keeping with the business and residence rates proposed. Petition for these increases has been on file with the Corporation Commission since last summer. Within the last two months, commissions in Alabama, Georgia, South Carolina, Mississippi and Louisiana have allowed increased rates on approximately the same scale as that now asked for by North Carolina.

Stock Owned by A. T. and T. Co.
Mr. Hoxsey, first witness under examination of Mr. Chipley, placed the capitalization of the Southern Bell Company at \$53,371,613.45 and declared that all the stock of the company is owned by the American Telephone and Telegraph Company which, for certain services rendered the Southern Bell receives four and one-half per cent of the gross revenues under a contract. The contract has been submitted to the commission. In amount, the 4 1/2 per cent totaled approximately \$65,000 last year, and according to the official figures the Southern Bell the benefit of the A. T. and T. Company's extensive research laboratory.

In great detail Mr. Yundt, who succeeded him, went into the various items embraced in the service of the A. T. and T. Company to the Southern Bell, giving a value to the equipment furnished as an investment and showing the saving in annual operating expenses by leasing of getting this equipment under the contract. This saving from telephone instruments, loading coils, telephone repeaters, improved toll cord circuits and superimposed telegraph service in investment, Mr. Yundt said, is \$650,467 in investment and \$120,670 in annual operating costs.

At the afternoon session of the Commission Mr. Yundt declared that there are now more demands for telephone service in North Carolina than the company can supply, and the company is badly crippled for wire facilities. A total of 1,437 telephones were added in 1915 and 1916; 687 during the year of 1917 and 1918, and 2,967 in the post-war years of 1919 and 1920. Fully 129 applications signed up, and now on file with 2,080 requests for service.

The investment of the company since 1916, he said, has increased per station from \$141.18 to \$150.05, while the total expenses increased per station from \$33.69 to \$50.82.

Program of Improvement.
In its petition, the Southern Bell set out the need for the increased rates in order to pay a fair just and compensatory return on invested capital in order that it might get sufficient capital to carry out a five year program of improvement. In 1921 Mr. Yundt said, the program contemplates the expenditure of \$425,000 in North Carolina. The cost of material, he contended, has little to do with the current expenses of the company, explaining that a decline of sixty per cent in expenses would bring an accompanying decline of only one half of one per cent in the operating expenses of the company.

The reduction cost of the system in North Carolina based on March 1921 prices, Mr. Yundt fixed at \$6,469,943 and the Corporation Commission, which during the gas rate hearing last week heard much of reproduction values, allowed the evidence, after some words from the opposition "for what it may be worth."

The hearing will be resumed this morning at ten o'clock.