

SOUTHERN POWER GETS HALF RATE PETITION SOUGHT

Approximately 20 Per Cent Increase Granted by Corporation Commission Over Average Contract Rate

RATE ORDERED INTO EFFECT TO INCREASE REVENUES \$750,000

Power Rates Standardized in North Carolina For First Time Since Water Power Development Began; Respondents' Valuation of Petitioner's Property at \$16,000,000 Taken As Basis for Fixing Rates; Hardest Fought Case in History of Commission.

The end to the most bitter struggle ever waged before the Corporation Commission was written yesterday when the commission handed down an order wherein the petitioner, Southern Power Company, was granted an increase of approximately 20 per cent in the rates charged for electric power in North Carolina, which will net the company approximately three-quarters of a million more revenue than the old rates.

Along with the order is the commission's denial of the contention of respondent cotton mill users of the power that fixing the rates involved is a matter for the Interstate Commerce Commission; the declaration of the real value of the Southern Power Company's holdings in North Carolina, and what would be a reasonable return upon the sixteen million dollars worth of property owned.

The order definitely places the Southern Power Company under the regulation of the commission, and the rates declared supersede all existing individual contracts and agreements entered into by the power company and corporations and municipalities. In place of a variable rate the commission establishes a fixed and standardized rate that applies to all consumers within the nine different classifications.

Ten Schedules Presented.
On the main schedule the petitioner asked for a rate of 1.4 cents per kilowatt hour. The commission grants an increase from the old average rate of 1 cent to 1.35 cents per kilowatt hour. Nine other schedules of varying rates are declared in the order, all keeping fairly close to the standard set in the main schedule. During the past year the company produced in North Carolina 393,835,983 kilowatt hours of power which sold for approximately \$3,750,000. The increase will swell the earnings to approximately \$4,500,000.

Working on the legal basis which requires the commission to fix a rate for power that will return the company a reasonable income on its working investment, the commission took the values urged by the respondent consumers in the case, with the exception of transmission lines which bring power from South Carolina into North Carolina for distribution, and upon that value undertook to fix a rate that would yield a legal rate of interest. The result will give the company an estimated gross income of 25 per cent on the value of the property. The estimated net income will be about six per cent.

Battle Begins in January.
The battle began January 24 when the commission began hearing the evidence in the petition for a higher rate. Two score cotton mills, municipalities and other users of power produced by the petitioner came in as respondents in the action to oppose any interference with the then existing rate. Taking testimony consumed five days, and the stenographic reports of the proceedings covered five hundred pages.

At the end of the hearing the respondents threw a bomb into the proceedings when they declared that fixing rates for power was without the authority of the commission, and that it lay entirely in the hands of the Interstate Commerce Commission. Bulling went against them, and their following a period of six weeks when each side was allowed to submit briefs. And then early in April came the argument in the case, which covered a period of three days. Among the ablest lawyers in the State were retained on either side.

During the lull between the taking of testimony and the hearing of arguments, the respondent corporations undertook to pass a measure in the General Assembly which in intent would restrain the Corporation Commission from interfering with the established power rates. The law proposed to declare power contracts beyond the intervention of the commission. There followed the most desperate struggle of the entire session of the General Assembly. Powerful lobbies were retained on either side. The Senate gave favorable action to the bill, but it died in the House by a margin of one vote.

In its presentation to the Corporation Commission, the power company cited the act of 1913 which gave the Commission control of power rates in North Carolina. Such authority had never been exercised by the Commission, and all dealings between consuming companies and municipalities had been carried on through individual agreements on a varying schedule of rates. The power company undertook to have the Commission declare a general rate 40 per cent higher than the average individual rate.

VISITS GUARDSMEN AT CAMP GLENN



Adjutant General John Van E. Metts, who has charge of the National Guard of North Carolina, is at Camp Glenn with the First Regiment and helped to get the encampment started off in fine shape. General Metts is very much pleased with splendid spirit shown by the Guardsmen who are getting down to work.

CAMP GLENN BUSY PLACE THESE DAYS

National Guardsmen Under Intensive Training But Have Time For Recreation

By JONATHAN DANIELS
(Staff Correspondent)
Camp Glenn, July 12.—Training at the National Guard encampment has begun in earnest. From reveille at 5 o'clock until the late afternoon intensive work in all lines of military training takes up the time of the guardsmen. Besides the regular routine work the men spend a great deal of their time in swimming, boating, and fishing. Care is taken that the men new to the life have plenty of time for recreation and rest.

Each afternoon and night train and boat carry large numbers of the men to the beach and to Morehead City. At the hotels on the beach and in the town there are dances almost every night to which the men of the encampment are invited.

"Y" Doing Good Work
The Y. M. C. A. within the camp has done much in providing amusement for the guardsmen. Sunday night a religious song service was held there and so great was the attendance that the floor broke through on both sides of the building. Last night the "Y" provided movies for the men in the building, which were also largely attended.

Under the auspices of the association a series of elimination baseball games have been started among the companies, and two games have been played so far. Company D, of Durham, won yesterday from Company E, of Concord, by the overwhelming score of 8 to 1. In a close and well played game Company C, of Henderson, defeated Company M, of Wilson, by a single run margin, the score was 3 to 2. Corporal C. B. Sturgis, of Henderson, who pitched for Company C, was pitching his first game and his work, pitching almost shutout ball, was an important factor in the victory.

Men Well Cared For
The camp is in a particularly fine condition and yesterday won the unqualified approval of Col. J. H. Freer, officer in charge of National Guard affairs in the Fourth Corps area, who came here on a tour of inspection. The men are quartered in tents behind their company buildings where their mess is served. The food is excellent and well prepared. The dining rooms are clean and light. Col. Don Scott, regimental commander, tells an amusing incident about the mess hall that he overheard on a boat returning from the beach last night. The Colonel was seated in one of the boats that carry the men back and forth from the camp to the beach and in the dark none of the men recognized him. Said one of the privates, "They had me up before the kangaroo court today."

EXPECT MORRISON TO CALL SPECIAL SESSION

Asheville, July 12.—A special session of the General Assembly of North Carolina is expected to be called following a conference between Governor Cameron Morrison and members of the Council of State to be held in Raleigh Thursday. The special session in all probability will be called to convene within sixty days.

FRANCE TO CONTINUE TO OCCUPY RHINE REGION

Paris, July 12.—France has informed Germany she will continue the occupation of the Rhine region until Germany has complied with the conditions of the treaty of Versailles relative to the punishment of those who violated the rules of civilized warfare in the World War. Premier Briand told the Senate today.

KOHLLOSS LANDS IN SPITE OF PROTEST OF "DRY" LEADERS

Anti-Saloon League Reconciled To Inevitable and Appointment Certain

"HOG COMBINE" GOES ON HAVING ITS WAY

Democrats Lambaste Republicans For Change of Front on Bonus Bill; President Harding Unfortunate in Using Word "Gratuities" As Describing Proposed Relief

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

Washington, July 12.—The "hog combine" slate for Federal prohibition director of North Carolina is not going to be broken. Unless there is an absolute change of front R. A. Kohloss, of Salisbury, charter of praises of National Committeeman Morehead, is going to land in that fat job with its \$8,000 a year salary, and the signs on the moon—near the moonshine—are that the appointment will be made this week by Commissioner Blair. The announcement through Prohibition Commissioner Roy Haynes the O. K. by Secretary of the Treasury Mellon.

As I have seen the matter since the confirmation of Internal Revenue Commissioner Blair, the appointment of Kohloss has been a certainty. The backing of National Committeeman Morehead, and the indorsement of the "hog combine" membership of the Republican State committee made this certain, as I have long ago pointed out. The fight inside of the Republican party, the objection of former Senator Marion Butler, the kick up of Jake Newell of Charlotte over the selection of a "furriner" for the job, the opposition of others of the Republican party has had no effect, for the bosses of the Republican party in North Carolina have picked Kohloss, and that settles it. Commissioner Blair is going to stand by Morehead in the appointment that the North Carolina Republican National committee and demands for Kohloss. In fact Mr. Blair was one of the Kohloss backers as part of the Republican machine. Will a duck swim? Yes. Then Mr. Blair is going to see that Mr. Kohloss gets in the swim of Federal picketers.

Recognize the Inevitable
The coming appointment of Kohloss as Federal director of prohibition for North Carolina is admitted by the Anti-Saloon League forces, and rumor has it that Commissioner Blair has told them that the matter is fixed. The League has the understanding that the appointment of Kohloss has been agreed upon. In the face of this it will no longer fight what is considered a losing battle, but will submit to the inevitable. Its fight on Kohloss was on ground that he was held as a "wet" by League forces, and the Anti-Saloon league is eternally against prohibition enforcement officials who are tinged in any way by wetness. Wayne B. Wheeler, general counsel of the league, in view of the coming appointment of Mr. Kohloss says:

"The Anti-Saloon League will cooperate in every way with those who are named as prohibition enforcement officials, and it will cooperate with Mr. Kohloss when his appointment is made." It is the frankly stated position of the league as made through Mr. Wheeler that it has a deep concern in the appointment of men to positions as prohibition officers, and that it will fight any person who is named when it is considered that such a person is of "wet" sentiment, as it believes that prohibition laws should be enforced and can be best enforced, by those who believe in them.

Last week Commissioner Blair told me that the appointment of the Federal prohibition director of North Carolina could be expected this week. My information is that it will be made at least by Thursday. And the man named will be R. A. Kohloss, of Salisbury. After that there will come the appointment of the Republican prohibition enforcement agents throughout the State, some 45 such positions now existing, with the likelihood that the number will be increased. And the pickings in the way of salaries is good.

Republican Senators Flop.
President Harding's appearance in the Senate this afternoon in opposition to the passage of the soldier compensation bill, and the flop of Republican Senators from pledged support of the measure, brought a vigorous lambasting of the President for his action, and of the Republican Senators for their surrender and change of front, from Democrats who fought the resolution of Senator Boies Penrose to send the bill back to the finance committee. The onslaught of the Democrats was led by Senator Robinson, of Arkansas, who was the chairman of the Democratic National convention at San Francisco. He focused attention on the carefully staged appearance of the President, after there had been a poll to see if his position would be sustained, denounced the Republican Senators for their change of position on the bill, declaring that after having circulated among the membership of the Senate and getting support for the bill, they were now hiding behind the personality of the President of the United States in his opposition to the passage of the bill, so as to try to save their faces with the country and with those to whom they had given pledges to support the measure. And Senator Jones, of New Mexico, declared that for the first time in history a President had to come before the Senate to urge it to a course of inaction on a measure, that other Presidents voted measures to which they objected. Senator Mc Keller, of Tennessee, added to the castigation with the statement that for the first time a President had inter-

acted as "scandalous." (Continued on Page Two.)

POOR FARMERS ARE HAVING HARD TIME IN SECURING FOOD

Sub-Committee Members See Conditions in Two Carolinas and Georgia

TEXAS CONGRESSMAN IN STATEMENT ON FINDINGS

Declares Extraordinary Effort Is Necessary To Strengthen Position of Agriculture; If Country Banks and Farmers Fail Years of Depression Are Ahead, He Says

Washington, July 12.—Returning here today from an inspection trip through North Carolina, South Carolina, and Georgia, Representative Sumners, Texas, chairman of an agricultural subcommittee investigating the cotton situation, declared in a statement that the poor farmers were having a hard time getting food for their families and stock, and that he was certain a large part of the people were underfed.

"I have talked to farmers, country merchants, country bankers, wholesale merchants, city bankers, cotton merchants, exporters, cotton manufacturers and exporters of cotton goods. The condition is about as I expected to find it. The people are doing their best, with very little complaining, considering their circumstances. Most of the country banks have practically suspended loaning and merchants are selling very little, either on credit or for cash. The poor farmers are having a hard time getting food for their families and their animals. I am certain that a large part of the people are underfed."

Need Emergency Relief
Mr. Sumners declined to express an opinion as to remedial measures, except to say that agriculture must be given emergency relief.

"I do not believe that we can overestimate the gravity of the situation which will develop when the new crop comes on the markets," he added, "unless an extraordinary effort is made in advance of that time to strengthen the position of agriculture. If we can get by this next marketing period without too many failures and too much agricultural distress, the gradual return to normal world conditions will make easier the solution of our agricultural and other domestic problems, but if we permit our farmers and country banks to fall this fall, we may expect years of depression and industrial and political discord."

RETAIL JEWELERS MEET TO HOLD CONVENTION

President Fred Day Wins Free Trip to National Convention in Buffalo

Winston-Salem, July 12.—The 16th annual convention of the North Carolina Retail Jewelers' Association convened in Zinzendorf Hotel this morning with President Fred N. Day, of this city, presiding.

The address of welcome was delivered by O. B. Eaton, former mayor of Winston-Salem, who most highly complimented the jewelers upon their optimistic view of business. He declared that if you talk good times the country will have good times.

William G. Frazier, of Durham, responded to the address of welcome in a fine manner.

R. C. Berman, of Greensboro, secretary, announced that 44 new members were secured during the past year, making enrollment now 88. Thirty-eight of new members were accredited to President Day, who wins the free trip to the National convention in Buffalo in September.

The convention will close tomorrow afternoon with the election of officers. A banquet was held tonight.

HARRY HAWKER, NOTED AIRMAN, MEETS DEATH

London, July 12.—(By the Associated Press)—Harry G. Hawker, the famous aviator, was killed on the Hendon Flying Field today. His machine burst into flames as it alighted on the field.

Hawker achieved fame in May 1919, when he attempted a trans-Atlantic flight from the Canadian coast to Ireland, but failed, his machine falling in the mid-ocean. He was rescued by the Danish steamer Maryland. On his return to England he was decorated by King George.

PRESIDENT TELLS SENATORS BONUS BILL WOULD IMPERIL STABILITY OF OUR FINANCES

Text Of Harding's Address

Washington, July 12.—Following is the text of the address of President Harding to the Senate:

"Mr. President and Gentlemen of the Senate: There has come to my attention the pending unfinished business before the Senate, and it is an imperative duty to convey to you the probable effect of the passage at this time of the proposed act, providing for adjusted compensation to our service men in the World War. If this measure could be made effective at the present time with out disaster to the Nation's finances and without hindrance to imperative readjustment of our taxes it would present an entirely different question than that which is before you. In a personal as well as a public manner, I have commended the policy of generous treatment of the Nation's defenders, not as a part of any contract, but as the payment of a debt which is owing, but as a mark of the Nation's gratitude. Every obligation is to the disabled and dependent. In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action as is taken. Without such reservation, however, a modified view would be wholly justifiable at the present moment, because the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will impair our capacity to discharge our first obligations to those we must not fail to aid.

Executive Appears Before Senate and Urges Temporary Postponement of Consideration of the Measure

precise figures no one can give. If it is conceivably true that only two hundred millions a year will be drawn annually from the treasury in the few years immediately before us, the bestowal is too inconsequential to be of real value to the nation's defenders; and, if the excess of the option should call for cash running into the billions, the depression in finance and industry would be so marked that vastly more harm than good would attend.

Must Meet Obligations
Our government must undertake no obligation which it does not intend to meet. No government that will pay our bills, the exchanges of the world testify today to that erroneous theory. We may rely on the sacrifices of patriotism in war, but today we face markets and the effects of supply and demand, and the inexorable laws of credits in time of peace.

At the very moment we are obliged to pay 63 1/2 per cent interest for government short-time loans to care for our floating indebtedness, a rate on government borrowing, in spite of tax-exemption which ought to prevail in private transactions for the normal interest charges.—Definite obligations amounting to seven and a half billions in war savings certificates, Victory bonds and certificates covering floating indebtedness are to mature in the two years immediately following, and the over-burdening for the treasury now means positive disaster in the years immediately before us. Merest prudence calls out in warning.

Our greatest necessity is a return to the normal ways of peace activities. A modest offering to the millions of service men is a poor palliative to more millions who may be out of employment. Stabilized finance and well-established confidence are both essential to restored industry and commerce.

Slump Inevitable Aftermath
The slump which now is upon us is an inevitable part of war's aftermath. It has followed in the wake of war since the world began. There was the unavoidable readjustment, the inevitable charge-off, the unfeeling attendance of the losses in the wake of high prices, the inexorable deflation which inflation had preceded. It has been wholly proper to seek to apply government relief to minimize the hardships, and the government has aided wherever possible, and is aiding now, but all the special acts ever dreamed of, all the particular favors ever conceived will not avoid all the distresses nor ward off the losses. The proper mental state of our people will commit us resolutely and confidently to our tasks, and definite assurances as to taxation and expenditure will contribute to that helpful mental order. The only sure way to normalcy is over the paths nature has marked throughout all human experience.

With the approval of Congress the executive branch of government has been driving toward that decreased expenditure which is the most practical assurance of diminished taxation. With enthusiastic resolution your administrative agents are making not only conscientious effort to reduce the call for appropriations, but to reduce the cost of government far below the appropriations you have already provided. It is easy to believe that the only way to diminish the burdens which the people must pay is to cut the outlay in which public moneys are expended. War is not wholly responsible for staggering costs; it has merely accentuated the menace which lies in mounting cost of government and excesses in expenditure.

It is unthinkable to expect a business revival and the resumption of the normal ways of peace while maintaining the excessive taxes of war. It is quite as unthinkable to reduce our tax burdens while committing our treasury to an additional obligation which ranges from three to five billion dollars. The

(Continued on page four.)

REVOKE COLONEL HARVEY'S TITLE

South Carolina Chapter of Rainbow Division Denounces Ambassador

Hickory, July 12.—The South Carolina Chapter, Rainbow division, of veterans, adjourned its second annual reunion here this afternoon after electing officers and selecting Greenwood, S. C., as the place for the 1922 convention City. Officers are: Major A. V. Hooks, President; J. W. Coggeshall, Vice-President; L. A. Dugan, secretary-treasurer, and Jos. L. Murphy, historian. Memorial services also were held this morning, the principal address being delivered by O. Max Gardner-former Lieut.-Governor.

Resolutions thanking the city of Hickory for its hospitality, urging material aid for disabled and dependent world war veterans, pledging the division to the propagation of American principals, and denouncing George Harvey, American Ambassador, featured the closing session. The Harvey resolution follows: "Whereas, George Harvey, representing we hope temporarily this great government at the Court of St. James and who is sometimes called Colonel, has recently uttered official, unrepentable slander and lies, and

DISARMAMENT IDEA MEETING SUCCESS

France Accepts President's Invitation; Japan Has Not Responded Yet

ITALLY APPROVES PLAN FOR DISARMAMENT MEETING
Rome, July 12.—(By the Associated Press)—The foreign ministry of Italy tonight notified the American Embassy tonight that President Harding's plan for a conference for the limitation of armaments meets with the full approval of the Italian government.

Washington, July 12.—President Harding's proposal for an international conference on disarmament and related subjects has been received with many expressions of approval abroad that officials here already are beginning to turn their thoughts to details of the meeting and of its work.

Although the first definite acceptance of that of France did not reach the State Department until today, it was learned that all but one of the powers invited to the conference had given informal assurances of co-operation in the President's plan. Officials would not disclose which nation had not responded, but press dispatches from abroad have indicated the missing reply was that of Japan and that it would be forthcoming in the near future.

Make Arrangements
The expectation here is that preliminary arrangements would be completed by late fall, and Armistice Day, November 11, has been suggested as a possible date for the assembling of the delegates here. This feature of the plan, it was explained, will, of course, be subject to change as developments may dictate, but it is accepted as virtually certain.

REPUBLICAN LEADERS CLAIM ENOUGH VOTES TO LAY MEASURE ASIDE

President Calls Attention to Condition of Treasury and Says That Added Burden Would Threaten Disaster; Also Urges Action on Tariff and Tax Legislation, and Expresses Disappointment at Slow Action on Readjustment and Reduction of War-time Taxes; Penrose Offers Motion to Recommit Bonus Bill, But Democratic Opposition Flares Up and Prevents Action Until Today

Washington, July 12.—Pledges of a wide majority of votes to lay aside the soldiers' bonus bill were claimed by Republican leaders and conceded by opponents after President Harding, in an address to the Senate today, had made formal request for temporary postponement of consideration of the measure. In making his request the President called attention to the condition of the treasury, saying that enactment of the legislation at this time would "greatly imperil the financial stability of our country."

Immediately after the President had finished speaking, Chairman Penrose, of the finance committee, moved that the bill be re-committed to his committee, but Democratic opposition flared up and prevented a vote today. The motion was under a unlimited debate, but a vote tomorrow was expected, although some Democratic opponents said it might be delayed until Thursday.

President Harding delivered his address at 2 o'clock before a distinguished audience. Reiterating his recognition of the obligations to care for disabled and dependent war veterans, the President said general compensation "should be entered upon at a time when it would be consistently possible."

Overburdening of the treasury now means positive disaster in the years immediately before us," the President declared. "Merest prudence calls out in warning."

Although the bonus bill was the President's major subject, he also urged action on tariff and tax legislation, for which the extra session was especially called. There was, he said, "confessed disappointment that so little progress has been made on readjustment and reduction of the war-time taxes." He also urged early passage of the bill to organize war risk and vocational training for service men.

The President reached the Senate just as the bonus bill was laid before it for the day's debate. He was applauded for about a minute when he entered the chamber and again when he concluded, but his remarks were not interrupted. Galleries and lobbies outside were crowded. In the executive's private gallery were Mrs. Harding and a party of friends and Brigadier General Sawyer, the President's personal physician. On the Senate floor were virtually all Senators in the city, scores of House members, including Representative Mondell, Republican floor leader, and Attorney General Daugherty, Postmaster General Hays, and Secretary Davis.

Motion for Re-commitment
Immediately upon the president's departure Senator Penrose offered the Republican motion for recommitment of the bill, with a promise of "further careful consideration." Democrats rose at once in opposition.

Senator Robinson, Democrat, Arkansas, declared the motion meant "obsequies" for the bill. It would become "dead—for some years," he predicted, declaring the recommitment motion was a "shield" for Senators pledged previously to support the measure.

Another opponent of the Penrose motion, speaking for two hours, declared the Senator Jones, Democrat, New Mexico, President's action unprecedented. No other executive, he said, had ever appeared before Congress to oppose legislation, but only to advocate it. Defense of the President was made by Senator King, Democrat, Utah, an opponent of the bonus measure, who said the executive's course was "proper and courageous."

INCORPORATION FEES SHOWING HEAVY SLUMP

Decrease of \$23,000 for First Six Months As Compared to Similar Period 1920

Despite the fact that effective last August the corporation tax was virtually doubled, the fees collected by the Secretary of State for the first six months of 1921 are \$23,870.19 short of the total for the first six months of 1920.

In August, 1920, the tax was increased from 20 cents for each \$1,000 of capital stock with a minimum of \$25 to 40 cents; for each \$1,000 with a minimum of \$40.