

## FAILURE OF SHIP SUBSIDY APPEARS TO BE CERTAIN

G. O. P. Planning Alibi By Centering Attention On Debt Settlement

SEEKING A FEATHERY BED FOR PRESIDENT

Republicans Do Not Appear To Have Nerve Enough To Block Farm Credits; Nine Postmasters For North Carolina Are Confirmed By The Senate

News and Observer Bureau, 603 District National Bank Bldg., By EDWARD E. BRITTON (By Special Leased Wire.)  
Washington, Feb. 6. — The talk around Washington is that President Harding has at last taken to heart the clear indications that the American people do not favor the passage of his pet scheme, the ship subsidy bill, and that there is being made a pushover movement by which to find for him a feathery bed on which to fall and avoid the bump and the jolting that otherwise would come when the present Congress expires and the ship subsidy bill is left high and dry on the sands while the tide of Congressional action passes out to sea.

### Preparing Soft Spot

This soft spot on which President Harding is to alight to avoid the bumps is to be found in the British war debt agreement. Despite the protests of Senator Randell, of Louisiana, and the Merchant Marine Association, the President and his cohorts in the Senate will lay aside the ship subsidy bill and go to it with the British debt settlement business. So comes the news to Washington from sources around the White House and from various and sundry Senators, among these being Senator Watson, of Indiana, who is so close to the President as to give official color to utterances from him as to White House utterances. And it is at times most noticeable that Senator Jones, of the state of Washington, who is in charge of the ship subsidy bill, is easily driven away from his position on the bill by the measure when ever anything turns up for which some other Senator can find some reason for dragging forth for action by the Senate.

### Tactics In House

Over in the House there are somewhat different tactics seen in this matter, but at the bottom of this there can be discovered an effort at the same result. The Lenroot-Anderson-Capper farm credits bill have reached that body and Representative Mondell, after a conference with President Harding, has declared that there are so many difficulties in the way of an agreement in the bills that despite the fact that legislation on the subject has passed both the Senate and the House it was entirely possible that the farm credits measure could not be enacted into law before the expiration of the session on March fourth. In other words, it appears that he has served notice upon the advocates of farm credits that they must be good and let the ship subsidy bill have smooth sailing if they want farmers' aid bills written into law. Inevitably, the holding up of farm credits legislation will bring on more debate and hence lessen the already brief time for ship subsidy bill consideration, and it is not to be expected that the Republicans will dare adjourn sine die and leave farm credits legislation up in the air, for of all things at present the Republicans want to see laws enacted that will tie up the farmer vote with the G. O. P.

### Attorneys Progressive

That the ire of the Progressives in the Senate and likewise of all who are in real earnest in seeking farm credits legislation will be stirred up by such tactics can be readily seen. They will resent the using of the big stick upon them in the matter of ship subsidy legislation, and it is believed that this situation is in the minds of those who are trying to find the soft spot for President Harding when he bumps the bumps with the failure of action on the ship subsidy bill. He and his friends can then declare to the country that there has been no repudiation of the Lasker-Harding scheme of paying out great numbers of millions of the peoples money in ship subsidies to private interests, that the matter simply could not be reached for a vote by reason of the urgency of the British war debt settlement and because of the time necessary to whip the farm credits legislation into shape. There will be excuses galore, but at least many Republicans will rejoice at the escape from having another hand-cup for the 1924 race.

### New N. C. Postmasters

North Carolina topped the list in the number of confirmations of postmasters by the Senate this afternoon, there being nine places on the list. In order of the confirmation made these were: James H. Carlton for Burgess, succeeding G. W. Collins, commission expired; Dudley J. Wallace for Carthage, succeeding J. E. Mose, commission expired; William E. White for Colerain, succeeding A. J. Perry, commission expired; Lewis E. Norman for Elk Park, succeeding T. G. Tucker, resigned; Rufus W. Carwell for Forest City; Elmer C. Cleveland for Highlands; John W. Kelly for Jonesboro.

## NO TURNING BACK IN DRIVE FOR EDUCATION

A. M. Scales Denies It Is "Ultra Progressive" to "Enrich Minds of the Young — To Fit the Rising Generations to Build Here a Great State."

By A. M. SCALES

Mr. Maxwell says that he wrote a piece and held it for ten days "pending consideration of it from every angle of public interest involved," but when he saw in the press the announcement of the reorganization of the Association for the Promotion of Education in North Carolina for "another and still greater raid on the treasury of the State's institutions," the impression became imperative "that the public should at least know the facts."

He says "he is 'this' messenger" and seems to fear that he will meet the lamented fate of Cleopatra's messenger. A messenger is one who is sent, but Mr. Maxwell gives us no hint as to what Cleopatra sent him. We are only told that he dawdled ten days before delivering the message entrusted to him, and then only decided to deliver it when he saw that we were trying to do something for the education of the State's young people.

Oh, faithless messenger! A prompt delivery of the message might have prevented the expenditure of fifteen million dollars for good roads, but you waited until education was being considered and then, and not until then you delivered the fatal message. And what a message! "Bare bones of Facts" and yet no mention of the fact of the unpaid railroad taxes, nor of the fact of the income tax for the past year.

"Oh, thou Messenger! Hast thou wandered there, To wait us home the message of despair?" Would you have us turn back in our efforts to provide education for every son and daughter of our State? You call us "ultra progressive." Is it ultra progressive to enrich the minds of the young—to fit the rising generations to build here a great State?

For a hundred years the State seemed to care but little whether her children were educated or not. The children of the rich and well-to-do were educated and formed an aristocracy of culture, but the masses were left in ignorance. Thirty years ago there were less than two hundred students at the State University. The North Carolina College was just being organized, and the State College had just begun work, and the college at Greenville had not been dreamed of. There were practically no high schools. Now there are two thousand students at the University, with a yearly increase of two hundred and fifty. There are fourteen hundred young women at the North Carolina College and hundreds of students at the State College and at Greenville, with overwhelming increases each year.

We should rejoice and give thanks for these "Bare bones of Facts" instead of throwing stones. Suppose we had made these "raids" upon the treasury a hundred years ago. Suppose we had provided proper training—industrial, agricultural and literary—for our young people for all of our young people. What a State we would have now!

The "Messenger" says that the Association for the Promotion of Education in North Carolina is "Worshipping at the Shrine of the God of Things as They Want Them to Be." That is a great shrine to worship at when we are trying to help build a great State. Would that our ancestors had worshipped at this shrine. If they had, things would be now as we want them to be.

### Short Ballot Is Included In New Coordination Scheme

Provision for the appointment by the Governor with the consent of the Senate of ten of the sixteen heads of major departments to be created out of a re-organization of the sixty-six independent agencies of State government, will be contained in a measure to be submitted to the General Assembly shortly by way of carrying out the recommendations of Major Baxter Durham, State auditor.

## PRINTING INQUIRY ON SMITH CHARGES IS NOW UNDER WAY

Head of Edwards & Broughton Co., Is First Witness Before Committee

DISCRIMINATION IS BASIS OF HIS CLAIM

First Night's Testimony Confirms Earlier Indications That Fight of Publishing House Is Not So Much Against Head of Department As Union Assistant

Investigation by legislative committee of charges of discrimination brought by Dr. Charles Lee Smith, president of Edwards & Broughton Printing Company, against the State Department of Labor and Printing in the distribution of the public printing got under way in the city court room last night with Dr. Smith as the first witness.

Intentions in the preliminary proceedings which led up to the opening of the investigation last night that the target of the charges brought by the publishing house was the assistant commissioner of labor and printing, Lawrence E. Nichols, rather than the Commissioner M. L. Shipman, were confirmed in the testimony of Dr. Smith. Dr. Smith charged that his concern since the strike of union printers in May, 1921, has not been getting his proper proportion of the State printing and that in other ways, in the course of the work assigned to his plant, his concern has been discriminated against. Last night, he attributed this feeling against him by Nichols, union man, following the establishment of the non-union shop in this plant.

With Dr. Smith still on the stand, the committee recessed at 10:30 to meet again in the city court room this afternoon at 2:30.

Senator Mark Squires presided over the committee hearing last night as chairman and at times broke into the questioning conducted by J. C. L. Ewinghouse, who with L. T. Hart, conducted the hearing, to ask technical questions about the printing process involved.

"I think it proper to say in behalf of the committee and counsel, that it is the earnest desire of the committee to conduct this investigation with strict regard to the scope of the inquiry as set out in the resolution," said Mr. Ewinghouse last night in a preliminary statement which preceded the actual taking of testimony.

### Mysterious Pamphlet

First flurry in the hearing came when to members of the committee were distributed printed copies of the pleadings furnished by Edwards & Broughton Company and containing in addition what J. W. Bailey, attorney for M. L. Shipman and Lawrence E. Nichols, declared to be extraneous matter. Mr. Bailey asked the privilege of protesting against

## APPROVE BILL TO RETURN PROPERTY TO ENEMY ALIENS

Measure, Amended in Many Important Particulars, To Congress Soon

WILL SEEK PASSAGE BEFORE ADJOURNMENT

To Return As Much As \$10,000 of Each Trust Fund Held by Property Custodian; Bergdolls Blocked From Any Return; Provisions of Measure

Washington, Feb. 6. — The administration measure proposing return of many millions of dollars worth of enemy alien property seized during the war was formally approved today by the House Interstate Commerce Committee after it had been amended in many important particulars.

Payment to the original owners of all income from trusts administered by the custodian. Return to the original owners, other than enemy aliens, of their stock in corporations, companies, partnerships and associations in such cases where a majority of the stock was owned at the time of seizure by other than enemy aliens. Restoration to the original owners of all patents seized and not in litigation and not sold or licensed by the War or Navy Departments.

Under the \$10,000 return provision, Col. Thomas A. Miller, the custodian, estimates that approximately 25,000 trusts of less than that amount in total value would be completely liquidated and that \$10,000 would be paid out of each of 2,200 trusts aggregating more than \$10,000 limitation.

This provision would permit the custodian to turn back outright about \$45,000,000 of the approximately \$50,000,000 of property now held by him. This would leave around \$5,000,000 to guarantee payments of American claims against Germany in addition to the \$200,000,000 worth of the once-tiered-owned ships which the American government now holds.

Probable Returns. Colonel Miller estimates that the payment to the owners of the income from trusts would turn back from \$6,000,000 to \$7,000,000 annually. Since the seizure of the property this income has been held by the custodian or the Treasury.

### Conference Fails

So far as its object was to conclude a speedy peace, the Near East conference has failed. Count Masigi, as secretary general, in behalf of the powers, urged Ismet Pasha to remain and continue the negotiations. At the same time he asked for a clear statement of the points Turkey insisted upon in the treaty.

## GERMANS SAY POLICY OF RESISTANCE IN THE RUHR HAS NOT BEEN MODIFIED

Anti-Ku Klux Bill Defeated In House By Narrow Margin

Silent Majority Votes Down Milliken Proposal To Make Public Membership

GALLERIES APPLAUD OPPONENTS OF BILL

Measure Preventing Firms Pleading Usury Passes Second Senate Reading

Milliken's bill to bring all secret orders out into the open by registering the names of their members with the Secretary of State went down to defeat before an almost silent opposition in the House yesterday morning by a vote of 53 to 50 but with its proponents fighting the most brilliant battle that has been staged on the floor of the House during the session.

Not a speech was made against the bill and little was said against it except by way of questions interposed when its champions were on the floor on its behalf. Bergdolls, of Northampton, led the fight for the measure on what must thus far be set down as his most convincing achievement on the floor of the House, ably

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## Mediation Again Fails To End Near Eastern Crisis

Turks Will Not Sign Treaty, Even With Concessions By Allies

ISMET PASHA WILL GO BACK TO ANGORA TODAY

Earlier Reports Were That Prospects For Settlement Were Brighter

Lausanne, Feb. 6. — (By The Associated Press.) — All mediation has definitely failed; Turkey will not sign the Allied treaty at the present time, even with the latest concessions proposed, and within a few hours Ismet Pasha will leave for Angora to consult with his government.

So far as its object was to conclude a speedy peace, the Near East conference has failed. Count Masigi, as secretary general, in behalf of the powers, urged Ismet Pasha to remain and continue the negotiations. At the same time he asked for a clear statement of the points Turkey insisted upon in the treaty.

Up To Allies. Ismet replied that the next move was up to the Allies, for Turkey stood by her note of February 4, namely, that she would sign now about 90 per cent of the clauses of the treaty, but desired that the others, including the financial and economic clauses, should be postponed for later negotiation.

### No Hostilities

Ismet added that he needed to consult with his own government, but was ready to resume the negotiations when the Allies suggested. As the conference had not officially broken down, the armistice would continue, and he promised to do everything humanly possible to prevent an outbreak of hostilities.

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## BROOKS REPLIES MAXWELL CHARGE

Deficit of \$710,000 Not Chargeable To Him, He Says; Wins Committee

Answering for his stewardship of the public schools of the State in another two-hour speech before the House and Senate Committees on Education last night State Superintendent E. C. Brooks included the Maxwell charges of a State deficit of five million dollars in his statement with the declaration that as it applies to the schools it is so misleading as to require explanation.

No denial was made that the State is in debt to the amount of \$710,000 for the equalization fund of 1921, but he disclaimed any responsibility for it. It is purely a legislative deficit to account for miscalculation in the income to be derived for school purposes under the Revenue act of the special session of 1920, and could not be charged to the State Board of Education.

Coming back to the committee last night Dr. Brooks launched out into the field of the cost of administering the schools in the State and devoted two hours to a detailed analysis of his proposed revision and recording of the State school laws making the State the system of organization and administration.

### Plenty of Money

"The efforts of the committee for the defense of the Ruhr," formed under Chancellor Cuno's direction, are beginning to be seriously felt. This committee was of one time presided over by Burgmaster Schmidt, who, however, was recently expelled from Dusseldorf. The French have abandoned hope of the German railroad men resuming their posts; they are well supplied with money, which enables them to live on the same standard as when working.

## Senators In Warm Debate Over Rivers And Harbors

Washington, Feb. 6. — Consideration of the rivers and harbors provisions of the annual army appropriation bill occupied the Senate six hours today and was still under discussion when recess was taken.

Acceptance by the Senate committee of an increase of more than 100 per cent in the item over the Budget Bureau's estimate was attacked by several Senators as embodying a death blow to the whole budget theory and was defended by others as an effort to provide sufficient funds for army engineers to carry out carefully considered projects already approved by Congress.

The Senate defeated, 48 to 15, an amendment offered by Senator McCumber, North Dakota, which would have set aside \$250,000 for the lump appropriation of \$56,589,919 for improvement work on the Missouri River between Sioux City, Iowa, and Fort Benton, Montana.

The New York Senator declared that as a result of the substantial cuts which had been made in purely military items, the United States Army has ceased to exist as such.

### Army Cut Too Much

The road from Dusseldorf to Essen and Gelsenkirchen is filled with foot-weary pedestrians laden with packages, who look scowlingly at passing motors as they plod along between the villages and towns in the absence of trains. The correspondents met 875-86 automobiles loaded with prosperous-looking German men bound from Dusseldorf to Essen and Gelsenkirchen.

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## Leads the State

The News and Observer is Growing Day By Day In Circulation, Also In Every Way

The American Audit Bureau of Circulation (excluding all free papers or all papers not paid for) once every year makes a complete audit of newspaper circulation. Its latest audit gives THE NEWS AND OBSERVER for three months ending December 31, 1922, this average circulation:

Daily	25,957
Sunday	31,279

This is over 5,000 more paid circulation than the North Carolina daily paper with the next highest circulation.

THE NEWS AND OBSERVER has an automatic cash-in-advance system, and no subscriber is carried a day after his subscription expires.

LARGEST IN RALEIGH  
The Audit Bureau of Circulation also gives THE NEWS AND OBSERVER the largest paid circulation of any paper in the city of Raleigh.