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**PRESIDENT ASKS \$6,500,000 FOR RE-EQUIPPING NAVY**  
Plan Behind Request Marks Change of Policy Since Arms Conference

**MODERNIZED OLD SHIPS TAKE PLACE NEW ONES**  
Old Armament is Inefficient to Cope With Modern Methods of War

(By The Associated Press)  
Washington, Dec. 30.—In order to keep the first line of the American navy on a par with the sea forces of the other great powers, President Harding asked Congress today for a special appropriation of \$6,500,000 as a beginning on a battleship modernization program.

The plan behind the request marks a change of policy resulting directly from the Washington arms conference and was described by Secretary Denby in a letter accompanying the President's recommendation as of major and vital importance in national defense. Before the conference it had been the practice to build new ships rather than modernize old ones, a policy which no longer can be followed because of the construction limitations imposed by the naval limitation treaty.

**Wants Detailed Study**  
Secretary Denby reported that a detailed study of the problem had been made by naval officers and that the \$6,500,000 asked for would make it possible to begin work on thirteen vessels. Ultimately he estimated the program would cost \$10,000,000.

No detailed information as to what ships will be affected by the first appropriation or what work will be done on them was given to Congress by Mr. Denby or made available to the news correspondent. It is known, however, that in general the tentative plans call for equipment of all of the 14-inch gun ships of the fleet with deck protection against aircraft bombs and high angle fire and the protection against torpedo attack and modernization of the main armament to give them a range now usable with aircraft spotting.

The British ships of the same general type have already been brought up to date in this way as a result of lessons learned in the war. The work was begun in British naval yards during the war and a specific provision permitting the navy to treat the ships as if they were new was included in the displacement of each ship was included in the naval treaty.

The new ships which the United States is building and has agreed to scrap under the treaty are equipped with all the devices which it now becomes necessary to add to the older craft. The new ships would have had main batteries with ranges of 15,000 yards and the interior construction of the hulls was calculated to minimize the danger from torpedo attack.

**Old Guns Inefficient**  
The old 14 inch gun ships which are to be retained under the treaty were designed and built before aircraft spotting made possible active fire beyond the limit of vision from the ship. They were also built before the great war proved the effectiveness of submarines attack with torpedoes.

It is doubtful that the modernization program will include any of the 15 inch gun ships of the American navy which because of their lighter guns and light armor are not regarded by naval experts as ships of the first line battle.

**U. S. TO SEE INDIAN BEAUTY**



American eyes, next year, may have the opportunity of feasting upon the beauty of Her Royal Highness, the Maharane of Takari, shown above, wife of the Maharaja of Takari. The Maharane, who was selected recently as India's most beautiful woman, expects to visit this country.

**GRAVES AND BROCK TO PRACTICE HERE**  
Former Judge of Superior Court Bench and Solicitor Form Partnership

**YOUNG GRAVES IN FIRM**  
Members of Firm to Move Families Here Soon

Solicitor S. Porter Graves, Judge Walter E. Brock, and Attorney William Graves, have formed a partnership for the practice of law in Winston-Salem, and will open offices in this city Monday morning, January 1. The partnership was perfected last night and the announcement of the coming here of this array of legal talent will be warmly welcomed by their admirers in this city.

The partnership will be known as the law firm of Graves, Brock & Graves, and will do general law practice in this city and surrounding territory. Temporary offices will be located on the second floor of the Masonic Temple in the suite of offices occupied by A. F. Bann who resigned the 1922 session of the legislature.

Members of the firm stated yesterday afternoon that an office will be maintained for the present in Mount Airy, but the home of the firm will be in Winston-Salem, where each of the three members of the firm will reside. They will move their families here in the near future.

Judge Brock, who is recognized as one of the leading members of his profession in North Carolina, together with Porter Graves, a lawyer of well known ability, and Willie Graves will compose a law firm that will have few peers in the state.

**Two Survivors**  
Pinehurst, Dec. 30.—William Reekie of Upper Montclair, N. J., and Donald Parsons of Youngstown, Ohio, survived the semi-final round of the mid-winter golf tournament here today and will meet for the trophy Monday.

T. Russel Brown of Montclair went down four and two before Reekie today and John E. Daley, Jr. of Rochester, N. Y., before Parsons attack five and four.

**YOUNG CRAIGAINS LIBERTY THROUGH MORRISON'S ACTS**

**Governor Refuses to Allow Young Man to Be Carried to Kentucky**

**SAYS BOY ACTED UNDER INFLUENCE OF FATHER**

**Efforts Will Be Made to Protect Him in Virginia Where He is Student**

(By Brock Barberry)  
Raleigh, Dec. 30.—William Bingham Gray, wanted at Mumfordsville, Ky., to answer charges of obtaining money under false pretenses through his solicitation of students for the Bingham School at Mebane, got his freedom today when Governor Morrison refused to allow his return to Kentucky following a hearing on the request for extradition today.

While finding that the young man had been perhaps too elaborately in his description of "a splendid football team, large parade uniforms and twenty-five instructors," the governor said he did not believe he was playing the part of the thief in his solicitation of prominent Mumfordsville fathers to send their sons to Mebane.

Under Father's Influence  
To send him back to Kentucky to face trial on the fraud charges doubtless would ruin an otherwise promising career, the governor said, expressing the belief that in being merely as the agent of his father, Preston Lewis Gray would be free of the influence of his father, who, striving for the return of a school like the one conducted at Mebane until fifteen years ago, had advertised his school through the actualities.

Young Gray had his class when he was in his father's school and last term he had the first-year law class at the University of Virginia. He spent a year at Yale before going to Virginia, and as a student has been exceedingly brilliant. He is attending the Virginia law school this year and was home for the Christmas holidays, but last summer Colonel Gray said his plans for starting up again and he doubtless dreamed, the governor figured, of another big institution.

He hired five instructors and is his catalogue to Kentucky and with its glowing pictures and literature and his own power of descriptive language induced seven prominent Mumfordsville business men to send their sons to the Bingham school at Mebane. He collected on the tuition, the amount running to about three thousand dollars.

**PITT IS VICTOR IN GAME WITH STANFORD**  
(By The Associated Press)  
Stanford University, Cal., Dec. 30.—University of Pittsburgh's Panther football team defeated the Stanford University eleven 18 to 7 here today before a crowd of approximately 14,000 persons. For three periods Stanford was entirely on the defensive but in the fourth quarter it displayed an offensive that resulted in its only goal. In most departments Pittsburgh showed a superiority over the visitors.

**Forty Railroads Earned More Than Six Per Cent**  
(By The Associated Press)  
Washington, Dec. 30.—Approximately 40 railroads in the United States have earned more than the 6 per cent fair return standard set by the transportation act, the Senate Commerce committee reported to the Senate today in response to a resolution by Senator Capper, Republican, of Kansas. Estimates of the amount which may be due to the United States as a result are being worked out but determination of the precise amounts must await conclusion of the work of valuing railroad property.

Under the transportation act the commerce commission is required to make rates which will give railroads a fair return on the value of their property used in transportation. For 1921 the fair return standard was set at 6 per cent by the law but in 1922 the commission reduced the percentage to 5 1/2.

**SEVEN WAR-TIME OFFICIALS HELD FOR FRAUDS; ENGLAND HAS PLANS FOR DEBT CURB**

**Bonar Law Will Go to Paris Conference With Three Provisions in Plan Looking Toward Restoring Economic Welfare in Europe**

**HUGHES SPEECH SEEN AS FAVORING BRITISH VIEW**

**With America Won Over and Italy Practically Neutral, Downing Street Now Sees France Standing Alone**

(By The Associated Press)  
London, Dec. 30.—Since the adjournment of the allied premiers here on December 11 in order to avoid an open break between Great Britain and France on the subject of reparations there has been a flood of rumors and reports concerning the solution of the deadlock that Prime Minister Bonar Law was likely to propose when the allied representatives resumed their discussion in Paris.

Only today, however, was an authoritative statement forthcoming from official circles. This was to the effect that the British premier would go to Paris next Monday armed with a new plan for final and complete settlement of the whole question of Germany's war obligations.

Immediately after the London breakdown, Downing Street's hopes were that the French attitude would change, but the last fortnight has shown the trend of French official opinion to be away from, instead of toward, the British with the result that Mr. Bonar Law yesterday presented to his cabinet a plan which it is stated comprises the utmost limit of British concessions.

**General Plan**  
In its broad principles the plan is said to be as follows:  
First—any reparations program agreed upon in Paris must be a firm one which will not be subject to the wrangling of the last three years and give an opportunity for the re-construction of Europe.

Second—a moratorium for Germany is essential for a period of from two to four years in which time Germany must balance her budget, stabilize the mark and undergo general financial reform under allied supervision, but not under allied restriction.

Third—reduction of the reparations total to approximately \$5,000,000,000 sterling which if not forthcoming after Germany has given a satisfactory guarantee of her obligations will be obtained by an ascending scale of economic penalties.

British officials discount official reports from Paris that the French plan to negotiate with Germany beginning January 15. It is stated that Premier Poincaré is likely to be surprised to find Mr. Bonar Law's plan, which has been formulated as a result of the German sources of production will be a party of the western world economic upheaval in the district (Continued on Page Six, Column Two)

**SIRENS FROM STATE TO ENCHANT TOURISTS**  
(By The Associated Press)  
Asheville, Dec. 30.—Believing that if the thousands of Florida tourists now wintering in Florida had to offer a large percentage of them would return north via the scenic highways of the western North Carolina mountains, the Asheville Chamber of Commerce, is planning to send to Florida a motor company from Asheville.

**Russia Wishes Good Will To All People Of All Countries**

Lausanne, Dec. 31.—M. Tohtcherin, the Russian soviet foreign minister, made an appeal for recognition of the soviet federation today in a statement to the Associated Press.

"The soviet republic," he said, "earnestly hopes that the beginning of the new year will bring us into closer collaboration with the American people for productive work and for the opening of our natural resources to mankind.

"Our most earnest desire is universal naval disarmament, as well as disarmament on land, peace and productive work. The soviet republic is strong enough to resist aggression, but we must regret that the scheme which has prevailed at Lausanne will compel us to arm and fortify our south coast and will divert us from our fundamental aim—production."

The entire soviet delegation delivered a New Year's sermon to the powers, taking as a text "Russia's sympathy for oppressed peoples."

M. Tohtcherin distributed to all the delegations at Lausanne a memorandum declaring that a solution of the Near East problem is possible only by abandonment of the policy of conquest and intervention toward Turkey. Happily, the soviet's advent to power in Russia had saved Turkey from total disintegration. Unhappily, however, at Lausanne, according to the memorandum, the great powers continue their old policy of domination and expansion and seek to settle the Straits problem so that it can be used as a basis of attack against the Black Sea countries.

The memorandum warmly takes sides with Turkey in her struggle for sovereign freedom and insists that imperialistic nations must cease to consider Moslems as inferiors. In behalf of the Moscow government, Tohtcherin recommends the calling of a special conference to examine into the status of the minorities of all countries and declares that the only way to establish peace in the valley of the Danube and in the Balkans is the formation of a confederation by the peoples of those regions, each state retaining its autonomy.

**SENATE PASSES DEFY COURTS TO APPROPRIATION CONSIDER BOOZE**  
Naval Bill, Including \$325,000,000 Goes By Without Opposition  
BORAH NOT MENTIONED ATTEMPTS TO REDUCE NAVY IS NIPPED IN BUD

(By The Associated Press)  
Washington, Dec. 30.—After a calm of the senate's three day storm through withdrawal by Senator Borah, republican Idaho, of his amendment proposing a world's economy conference, the senate today passed the \$325,000,000 naval appropriation bill and adjourned over New Year's day.

Debate on the Borah amendment was not resumed today and the bill also was passed without mention of the house provision requesting the president to negotiate with the principal naval powers for further armament limitation. This provision remaining in the bill will go to the president and will not come before the senate and house conference.

It was intimated that the president to negotiate with Great Britain, Japan, France and Italy with a view to agreements limiting vessels under 10,000 tons and aircraft not covered by the arms conference treaties.

**Alleged to Have Participated in Frauds During the War in Which Several Hundred Million Dollars Were Involved**

**INDICTMENTS FIRST OF THEIR KIND RETURNED**

**Forty-seven Overt Acts Are Mentioned in Indictments, Among Them Being Conspiracy**

(By The Associated Press)  
Washington, Dec. 30.—Benedito Crowell, former assistant secretary of war, and six other war time officials of the war department were charged today in an indictment returned by a special federal grand jury in New York City with obstructing the government and with delaying and defeating the administration of law.

Seven defendants were said by the jury to have participated unlawfully in the award of contracts let by the government during the war and after the armistice involving expenditures totalling hundreds of millions of dollars and in which some of these number had a pecuniary interest.

Those named as conspirators were: William A. Starrett, of New York, engineer and architect and to have been a member of the firm of Starrett and Van Vleck and the Thomas Starrett Company, incorporated and later associated with the George A. Fuller Company, general contractors. He was chairman of the war department committee on emergency construction, connected with the council of national defense.

Morton C. Tuttle, of Boston, said to be general manager of the Aberthaw Construction Company and formerly a member of the emergency construction committee. He was chairman of the Cleveland, Ohio, said to be vice president and general manager of the Crowell-Lundorf-Little Company and general manager of the Crowell-Lundorf Construction Company. He also was a member of the emergency construction committee.

Clair Foster, reported to live in Canada, said formerly associated with the Thomas Starrett and George A. Fuller companies, and also with the emergency construction committee.

John H. McGibbons, of Baltimore, said to be a member of the firm of McGibbons and Co., which represented a bonding company issuing bonds for contractors, and during the war with the construction committee.

James A. Moore, of Boston and Portland, Maine, former general manager of Fryd T. Ley and company, incorporated, general contractor for construction of a hospital by department of justice was awarded. He was secretary to the construction committee in the war department during the war.

First indictments of kind in the history of the federal government are returned as a result of investigations of war fraud cases initiated by Attorney General Daugherty. Others are expected to follow, completion of which by department of justice agents which is said to be rapidly approaching the stage for jury consideration.

**WEATHER CONDITIONS**

North Carolina: South Carolina: Rain Sunday and probably Monday; warmer Sunday; fresh east shifting to south winds.

Virginia: Rain or snow; warmer Monday, probably rain. Tennessee: Rain Sunday; warmer in east and colder in extreme west portions; Monday colder.

**Wilmington Bank Is Closed By Examiner**

(By The Associated Press)  
Wilmington, Dec. 30.—Thomas E. Cooper, president of the Commercial National Bank which was closed by W. K. Folger, federal bank examiner, upon instructions from the comptroller of the currency this morning, tonight declared that all depositors will be paid 100 per cent.

**Body Former Society Belle Found in Hovel**

Chicago, Dec. 30.—Neighbors breaking down the door of a cheaply furnished three-room apartment today found the body of Mrs. Maude Fuller Dellus, oldest daughter of the late Melville W. Fuller, chief justice of the United States supreme court.

A Washington society favorite, a generation ago, Mrs. Dellus, police believe ended her life some time during the last three weeks. She was last seen alive on December 2.

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