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"Be Just and Fear Not—Let all the ends Thou Aims't at be thy Country's, Thy God's and Truth's."

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LIVE NEWS OF WASHINGTON STATESMEN

Correspondent Claims Republicans Helpless to Relieve Situation

By WALLACE BASSFORD.
(Special News Correspondent)

Washington, Jan. 26.—Speaker Gillett appears to have at last given up the belief that the Republican party can produce prosperity by the mere fact of its being in power. He has written a dismal wail to his constituents up at Springfield, Mass. After promising them a new Federal building, which appears to have been promised for some years, he uses these truthful but gloomy sentences: "I receive many expressions of disappointment with the work of Congress. This is quite natural. Some of our legislation, notably the tax bill, has excited great disapproval. I do not pretend that I have supported all that we have done. On the contrary, some of the measures have passed against my energetic opposition. The industrial depression intensifies the criticism of Congress. Men suffering from idleness or ruin look to us to save them; nothing can bring prosperity again except self-denying, economy and incessant, productive work. With those frank admissions going over the country in cold type from the man who heads the present Congress it is difficult to see how the Republicans can ask for re-election next fall at the hands of those suffering from idleness or ruin, which the Speaker admits his party is helpless to relieve.

No one in Washington who observes events has any doubt that the Associated Press report as to Harding's attitude on the naming of a "farm" on the Federal Reserve Board was correct. Unquestionably, in their view, the president went up in the air when the group of progressive senators made the request but by the next day he saw the poor politics in his curt refusal and then inspired a statement to the effect that it was all a mistake that he had been imposed. To those who have grown used to the stiff back-bone of Cleveland, Roosevelt and Wilson, this rapid change in tendency of the president is not conducive to confidence in the strength of the executive. From time out of mind we have admired the man who was reputed to carry the "list of steel in the silken glove," but no one loves the president whose list of mush is concealed in a glove of the same.

While Senator Penrose carefully provided in his will that there should be no inventory or accounting made of his estate, he overlooked an item of \$225,000 in cash which he had in a safe deposit box in Washington, partly in ten-thousand dollar bills, mere loose change saved from his salary. Everyone recalls that at the time of the Chicago convention of 1920 he was very ill. Now his physician comes forward and tells how the big boss was unconscious for hours, then came to himself and asked what was going on at the convention. Upon his secretary informing him that the convention was deadlocked, he replied: "Tell me to throw it to Harding." And yet there are millions of patriotic men and women who grew up in the Republican party, some of whom were for General Wood, some for Lowden or Senator Johnson, who have fondly imagined that they were having something to do with the nomination of a candidate when they went to the primaries and cast their ballots. Under the boss-ridden party of today they have no more to do with selecting the candidate than if they lived in New Guinea. Penrose, big boss of the lesser bosses, just told them what to do, and he, in turn, was told what was wanted by the Mellon-Dupont outfit. Once in a while the people still rise up in their might and do something proving that they still have the power—for instance, the dry laws—but power unused is like the hoe that rusts in the shed—it produces no crop.

The Republicans are having trouble raising campaign funds. The business man who has no money to put into his own business is a poor subject for the campaign solicitor. There is little relief from the necessarily high war taxes, which the Republicans all voted for but which they are unable, for some reason, to lessen appreciably. Freight rates remain very high and trade languishes, while Congress fritters away its time trying to enact an anti-lunching bill to coddle the negro voter, though the best constitutional lawyers on the Republican side admit that the Supreme Court will make short work of the law when it finally gets to them, for it is absolutely subservive of that provision of the organic law which gives the police powers to the states. The men who have furnished campaign funds in the past are getting poor return for their money and are sitting as judges of a Congress that satisfies nobody. Its failures can not be hidden, for they are visible in stunted industry, low prices for farm products and mil-

FARMERS' CONFERENCE HAND PICKED

J. Scottowe Wannamaker Charges that There is a Cut and Dried Program

Washington, Jan. 24.—The National Agricultural Conference which was opened here yesterday with an address by President Harding got down to work on details this afternoon when the committees appointed at the first session held their first meetings. The morning was given over to an open session marked by addresses by Eugene Meyer, Jr., managing director of the War Finance Corporation; G. F. Warren, of Ithaca, N. Y., who has just completed a study of European conditions; Wesley C. Mitchell, New York economist; and Herbert Myrick, of Springfield, Mass., editor of Farm and Home. Another open session is to be held tomorrow morning.

The first signs of differences in the conference appeared after the defeat today of a motion by J. S. Wannamaker, of South Carolina, for appointment of a committee on resolutions. This motion was defeated on the ground that the committees already appointed were expected to consider resolutions. Mr. Wannamaker issued a formal statement later, attacking the conference and declaring "about all the farmers and farm leaders have to do in this conference is to shake hands with the president, meet some official dignitaries and partake of a little ice cream and cake and then go home."

"Selection of committees has been made in such a manner," Mr. Wannamaker said, "as to suggest that those responsible for such service are either totally ignorant of the qualifications of the delegates or have lent themselves to a cut and dried and well backed scheme to prevent the forward-looking farmer representatives from bringing any good whatever from out of the conference."

He was "confident," he continued, that it was "the purpose of those responsible for the conference to destroy the farm bloc." The president's address in opening the conference, he continued, "indicated very clearly that such was the purpose."

Influenza Epidemic Threatened

New York Health Officers Taking Steps to Protect Public

New York, Jan. 25.—City health officials are taking steps to prevent the threatened influenza and pneumonia epidemic which is incipient.

On top of all the other troubles, the Republican party left a very bad taste in the country's mouth by seating Newberry. This man was indicted and convicted on a felonious charge and escaped because the Supreme Court found that the law specified "election," while the bribery charge was committed in a "primary election." He escaped by the saving grace of one word! What a splendid vindication! His family should adopt a coat of arms bearing a ten dollar bill rampant, standing triumphant over the remains of a tin lizzie, with the motto in letters of gold: "By one word."

Debs seems to be a hero—at least, he is in Terre Haute, where the socialist martyr kissed him twice. Most folks who have seen Debs would decline to kiss him more than once. By the way, what is happening to his party? In the recent election in New York City it almost disappeared—but that is the common history of new parties. If they can not win in the second or third attempt, they fade away. They can not live on hope alone.

THE PEOPLE GETTING WISE TO LODGISM

Gov. Cox Brings Indictment Against Republican Party For Treachery to the Public

Dayton, Ohio, Jan. 25.—James M. Cox, Democratic candidate for president in 1920, and former Governor of Ohio, tonight told Democrats gathered here at a Jackson Day banquet, that their party stands just where it did "when the votes were counted" and is "ready for the next fight." Public opinion, he declared, has "steadily borne the destiny of America nearer each day to the seat of the League of Nations at Geneva."

In his first public address since the campaign of 1920, Mr. Cox assailed the policies of the present administration, condemning the work of the Washington armament conference, declaring that America had refused to accept world leadership and that financial depression was due to the "treachery of Lodgism." Thousands of Republicans, he declared, "now realize that the leaders of their party in the making of policy... have profaned Republican history by forsaking the soul of Abraham Lincoln for the spleen of Henry Cabot Lodge."

Mr. Cox said in part: "As I interpret properties, the defeated candidate for the presidency should hold to the unspoken word until time has brought the unmistakable evidence of payment in default by those in power on campaign pledges."

"Almost a full year has elapsed and very properly can we apply an analysis of its developments. The ruins of war still mar the international prospective. Willing industry is without the aid of financial credits. Countries solvent if not rich in natural resources, are in idleness and misery. The reaction, true to prophecy, is upon us and every community is affected. The echoing cry of 'America first' is a mockery to human intelligence as unhappy experience tells us that we are a part of the whole world in soul by the will of Almighty God, and in practicalities by the logic of nature's laws—Republican dictum to the contrary notwithstanding."

"Farm products have diminished in price much below the labor cost of production; vast inventories of shop and mill have followed the downward trend until thousands of farmers and business concerns are hopelessly insolvent. Only the resiliency of our banking system has averted the most destructive panic in all history. Inventories have diminished in value, but debts remain the same. There can be but one final result of this situation."

"And how needless it all has been! When peace came Europe needed rebuilding, America had the supplies. Europe required America had a prosperity upon which credit could have been given."

"The distress in Russia is chargeable to the terrors of Socialism. The distress in America to the treachery of Lodgism. 'The first essential thing to our prosperity is the formal recognition by our government of the fundamental cause of depression. Since this would carry acceptance of the theories of Woodrow Wilson, there is hope only for the belated relief that will come from the pressure of public opinion. Every economist and statesman in the world whose mental processes are free from ulterior thought admits that the house of civilization cannot be put in order without the cooperation of the nation possessing both the leading sold supply and the facilities of transport. In the face of these fundamental truths, the administration at Washington is vainly trying to bring better times, by resort to the noisy methods of a circus. 'Of the present treaty between the governments of the United States, Great Britain, France and Japan prudence might suggest that judgment be reserved until we know what the treaty means and the extent of Mr. Lodge's secret interpretation of the written word; Mr. Lodge instantly corrected him with the statement that the real meaning was in the unwritten word—in the understandings between the representatives—which Mr. Lodge had refrained from mentioning when he addressed his countrymen. Just when nations seemed committed to open diplomacy, Mr. Lodge in the name of America, resorted to the diplomatic methods of old. 'In its behalf it is said of the treaty that it recognizes the principle of arbitration and gives protection against external aggression. On the other hand, it creates a group of nations, and thus may encourage the establishment of other groups. This treaty creates division of moral purpose. The League of Nations contemplates the merging of purpose. This treaty sets up a new enterprise that may lead to other like projects. The League of Nations assembles all nations deserving of name, if the present pact, after mature re-

COTTON FUTURE BRIGHT

Director of War Finance Corporation Says Products Must Be Sold More Gradually

Washington, Jan. 24.—Eugene Meyer, managing director of the war finance corporation, addressing the National Agricultural Conference, said corporation advances have been a material help to agriculture and the cotton growing states may view the future hopefully. He said they must recognize the necessity of selling products more gradually.

Chicago, Jan. 25.—A crime wave broke here last night. One man was shot and wounded, probably fatally, two jewelry stores were robbed, and there were twenty-eight holdups and a score of minor crimes. All the police reserves were called out.

OPPOSED TO THE GENOA CONFERENCE

Administration Persists in Policy of Holding Aloof from Europe

Washington, Jan. 26.—It is indicated in official circles that the United States is not in favor of participation in the Genoa conference at the time set, but might consider a date for the discussion of the general European economic situation.

Big Fire at Scranton

Three Buildings and Stocks of Goods Burned Wednesday

Scranton, Jan. 25.—Scranton suffered a very heavy loss by fire this morning. The alarm given at 1 o'clock when fire was detected in the front portion of J. M. Parker's store, a strong wind was blowing. As the town has no means of fighting fire the flames soon spread to G. C. Cusack's grocery store, and the Singletary Drug company. The three brick buildings were completely destroyed, with goods and fixtures, except a small portion from Cusack's Grocery store.

J. M. Parker's loss on stock and building is between \$22,000 and \$25,000; G. C. Cusack's loss on stock, \$6,000; Singletary Drug company's loss on stock and building, \$29,000.

All parties will lose very heavily as buildings and stock were partly covered by insurance. It is understood that the buildings will be replaced at once.

Against Rural Police.

Orangeburg, Jan. 24.—Senator L. A. Hutson will probably introduce a bill in the senate this week to do away with the county rural police system. It now costs the county more than \$14,000 for the rural police, and it is the idea of the new bill to curtail expenses. The new bill would give the magistrate a constable and save the county a considerable amount.

COTTON GROWERS' ASSOCIATION

Carl Williams Discusses Cooperative Marketing Before Agricultural Conference

Washington, Jan. 25.—Carl Williams, president of the American Cotton Growers' Exchange, told the agricultural conference that the State Cooperative Marketing Associations of cotton growers, which handled fifty million dollars worth of cotton this season, apparently will become permanent institutions, saying that the association provided for the orderly marketing of the crop and shortening the route between producers and spinner.

CHARGES MADE AND DENIED

Claim Soldier is Shot When He Failed to Keep Up With Command

Washington, Jan. 25.—Charges that Colonel Paul Malone, stationed at Camp Benning, Ga., shot and killed a soldier, in France, because he failed to keep up with the command were made and denied before the committee today.

Ford Signs War Department Contract

Acceptance of Bid For Lease and Purchase of Muscle Shoals Now Up to Congress

Detroit, Jan. 25.—The contract covering the proposed lease and purchase of the government's nitrate and water power projects at Muscle Shoals, Ala., was signed by Henry Ford and returned to the War department tonight, a few hours after it had been received. It was announced at the offices of the Detroit manufacturer.

Weeks Would Complete Muscle Shoals Dam.

Washington, Jan. 25.—Secretary Weeks informed delegates to the National Agriculture conference in session here today "that if there were no Ford offer" he would recommend to Congress the completion of the Wilson dam at Muscle Shoals, Ala."

Death in White Corn Liqueur

Louisville, Ky., Jan. 23.—"The face on the bathroom floor should be a skull, with crossbones under it, these days," declares Geo. H. Blincoe, federal prohibition agent.

SHIPPING BOARD REDUCES SALARIES

Washington, Jan. 25.—A reduction of wages of officers and men on shipping board vessels amounting to over fifteen per cent is effective February 6th, it is announced.

INCOME TAX BILL MEETS OBSTACLES

Present Law is, Except For Rates, Practically a Duplicate of Present Federal Law

Columbia, Jan. 25.—"What is all about?" is the question that a great many people are now asking relative to the differences on the income tax bills. The House has passed the income tax bill that was prepared for it by the experts, after the committee had digested the measure. As a matter of fact, what seems to have occurred is this: The bill was prepared by tax experts and the ways and means committee understood that it was, to all intents and purposes, a duplicate of the federal law, except as to the rates, and it was only the rates that were seriously considered by the committee. The bill then passed the House without discussion, practically the federal law except as to rates. It is now before the Senate committee on finance, and people are asking what is really in the income tax bill, and it promises to be the real bone of contention at the present session. The finance committee now expects to give final consideration to this measure at its meeting on Thursday afternoon and it may go smooth out the wrinkles and satisfy the various contentions in committee, that the bill will go through the Senate as reported. As I have said before, the chances are today that the income tax bill will pass in some form.

The issue at the moment is the rate of taxation. The bill before the General Assembly takes 15,000 words to explain all of the details and practically a newspaper article that undertakes to explain the essential points must necessarily be brief and touch the high spots. The heart of the pending bill as passed by the House, and now before the Senate, is contained in sections 6 and 7, which read as follows: "Normal tax: There shall be levied, collected and paid for each taxable year upon the net income of every inhabitant a normal tax of 3 per cent of the net income in excess of the credits provided in section 12; provided, that in the case of an individual taxed as a citizen or resident of the state of South Carolina the rate upon the first \$4,000 of such excess amount shall be 2 per centum."

"Surtax: That in addition to the normal tax imposed by section 6, of this act there shall be levied, collected and paid for each taxable year upon the net income of every individual for the calendar year 1921 and each calendar year thereafter, a surtax of 3 per centum of the amount by which the net income exceeds \$5,000."

It will be illuminating to present this angle of the contention. Under the federal law the normal tax carries the same exemption as under the proposed bill, that is, \$2,500 for the head of a family and \$400 additional exemption for each dependent child under 18 years of age. There is no difference between the federal law, the proposed state law and that advocated by the South Carolina Taxpayers' Association as to the exemption for the head of a family. Unmarried or single persons carry an exemption of \$1,000. Under the federal act taxable incomes between \$2,500 and \$4,000 pay 4 per cent.

Under the proposed House bill the tax is 2 per cent. Under the proposal of the South Carolina Taxpayers' Association the normal tax for the same amount there is suggested a one-half of 1 per cent tax. Then on incomes over \$4,000 the State association proposes a 1 per cent rate.

Under the federal law the taxable net income of \$4,000 to \$5,000 and upwards is taxed at the rate of 8 per cent normal tax. Under the plan of the taxpayers' association this net income would carry a rate of 1 per cent. A very material point of difference is in the surtax charge. The federal law has an ascending scale on taxable incomes over \$5,000, beginning with 1 per cent and running up to as high as 65 per cent where the income exceeds \$1,000,000. Under the proposed and pending House bill a flat rate of 3 per cent is suggested, applying to all taxable incomes over \$5,000 by way of the surtax. Under the plan of the South Carolina Taxpayers' Association, the surtax begins at one-half of 1 per cent and increases up to 4 per cent to \$22,000 net annual income, and there stays as to rate. And throughout the proposed bill this strain is continued, which looks towards the collection of an income tax on incomes shown during the year 1921.

INSURRECTION BREAKS OUT IN EGYPT

British Troops Quell Revolution in Cairo Killing One Hundred and Wounding a Thousand

London, Jan. 26.—It is reported unofficially that fresh disorders have occurred in Cairo, Egypt, one hundred and ninety persons being killed and over a thousand injured. British troops quelled the insurrection.

Dr. Moffatt Dies in Columbia

Columbia, Jan. 25.—Dr. J. S. Moffatt, who was until a few weeks ago president of Erskine College, Due West, S. C., but who has since been pastor of the Associate Reformed Presbyterian church of Columbia, died at a hospital here today, after an illness of several weeks with cancer. Dr. Moffatt was one of the prominent men of the state and a leader in the "seceder" denomination of the south. Dr. Moffatt resigned as president of Erskine last spring and was succeeded by Rev. R. C. Grier, who was then pastor of the A. R. P. church in Columbia, the two men swapping jobs. He was born in Arkansas. He is survived by his widow and nine children. The funeral will be held at Due West.

Geneva, Jan. 26.—Nineteen million Russians are suffering for want of food and fifteen million will die unless succored, Dr. A. Naess told the League of Nations relief committee.

A 600 profit mark was reached, \$2,000 exemption is also added and no longer applies. It is important to understand that the federal law collects a different rate for the profits that were made during the year 1921 from what it will collect during 1922 from the profits made in 1922. Under the South Carolina house bill, now before the senate committee, corporations are to be charged a flat rate of 3 per cent on all profits. A credit is here also allowed in section 20 of \$2,000, which is likewise absorbed when the profit is in excess of \$25,000. The federal corporation tax is 12 1/2 per cent on corporation income, as against 3 per cent in the South Carolina bill, and 2 per cent in the taxpayers' suggestion of amendment.

The proposed house bill provides that the flat rate of 3 per cent shall apply for the calendar year 1921 and for each calendar year thereafter. Under the proposed amendment of the South Carolina Taxpayers' Association, instead of 3 per cent provided in the house bill, the suggestion is that a 2 per cent flat rate be provided for all years. The Taxpayers' Association, through Mr. McLeod, made an important suggestion, by which it is proposed to put teeth in the income tax bill, and suggested that an amendment of two paragraphs looking to the enforcement of the bill, which provides:

"Any taxpayer that makes an income tax return to the state under the provisions of this act for a less amount than is made to other governmental authorities for the same taxable period shall be guilty of a misdemeanor, and shall be fined not more than \$10,000, or imprisoned not more than one year, or both, together with the cost of prosecution. Any taxpayer may file with the Tax Commission a copy of the income tax return made to the federal authorities for the same taxable period provided in this act in lieu of the state income tax return on forms prescribed by the Tax Commission."

The exemptions, deductions, credits and allowances, the filing of returns and all of the details in the bill proposed by the South Carolina house, now before the senate, are practically identical and essential details are absolutely identical with the federal statute. A material issue that is being much discussed is contained in these few words of the pending house bill:

"The first taxable year to be called the taxable year 1921, shall be the calendar year 1921." And throughout the proposed bill this strain is continued, which looks towards the collection of an income tax on incomes shown during the year 1921. The income to the state under the pending ways and means committee income tax bill is estimated by its advocates at \$1,600,000. Some, not over-friendly to the bill, say at the rates provided it ought to raise \$5,000,000. It was developed at the hearing that, with a strict enforcement, there would be raised under the Taxpayers' Association amendments about \$1,000,000. Advocates of the house bill argue that if the amendments suggested by the Taxpayers' Association be adopted the net proceeds would be about \$10,000,000—exactly a very wide difference of computation. The income tax bill is still before the senate finance committee.

HOW MUCH MORE TAXES CAN THE PEOPLE STAND?

Secretary Mellon Reiterates Opposition to Soldier Bonus and Explains Why the Burden is Too Great

Washington, Jan. 24.—Treasury opposition to a soldier bonus remains unchanged, but if there is to be a bonus it must be provided through taxation in addition to taxes imposed by existing laws. Secretary Mellon declared tonight in a letter to Chairman Fordney of the house ways and means committee. Any attempt to provide for the bonus through the use of the principal and interest on the foreign debt to this country, he contended, "would be futile as well as unwise."

Mr. Mellon's letter was in response to a request from Mr. Fordney for an expression of the views of the secretary and the treasury department on the government financial outlook for the coming year and a half and for suggestions as to legislation. Submitting detailed estimates of government receipts and expenditures for the fiscal years, 1922 and 1923 and the treasury plan for refunding the short dated debt, Mr. Mellon declared no allowance had been made for any extraordinary expenditures for a soldiers' bonus, which would cost on the most conservative estimates, he said, probably not less than \$850,000,000 in the first two years.

"The figures," he contended, "show there will be no available surplus but more probably a deficit, and that with the enormous refunding operations which the treasury has to conduct it would be dangerous in the extreme to attempt to finance the expenditures involved in the bonus through new borrowings. The position of the treasury remains unchanged, but if there is to be a soldier's bonus, it is clear that it must be provided for through taxation and through taxation in addition to the taxes imposed by existing law."

On the other hand no indirect means of financing the bonus would make it any less an expense to be borne in the long run by the tax payer. Mr. Mellon declared, taking up the proposal to use the foreign debt as a basis for bond payments.

It is impossible, he maintained, in advance of funding arrangements to estimate what may be collected on the foreign debt in the near future by way of principal or interest. The obligations, which are in the form of debts of obligations, are not, he asserted, in shape to sell to the public, while to offer them with the guaranty of this government would interfere with the treasury's refunding operation and prove more expensive than the sale of direct obligations of the government.

"At the same time," he added, "it would enormously complicate the international situation and certainly embarrass the funding negotiations." It would accomplish nothing, Mr. Mellon argued, to set aside the foreign debt for the payment of the bonus, even if enough could be realized in time.

Discussing the financial outlook of the government, Mr. Mellon presented detailed figures covering budget estimates which, he said, indicated a deficit of over \$24,000,000 for 1922, and a deficit of over \$187,000,000 for 1923. Not allowing for \$50,000,000 requested by the shipping board for the payment of claims, \$7,000,000 to be spent for Russian relief by the United States Grain corporation and \$5,000,000 to be paid as the 1923 installments under the treaty with Colombia, a total of \$112,000,000.

To overcome these deficits, he explained, expenditures must be reduced in the aggregate by about \$300,000,000 in the next two years, while at the same time the government faces a heavy shrinkage of receipts. In view of the depression in business, he added, there is grave doubt whether the estimates of receipts which appear in the budget can be realized.

The overwhelming problem of the treasury, Mr. Mellon declared, was in the handling of the public debt, amounting at the end of the past year to \$23,428,984,251 of which \$6,500,000,000 falls due within the next 15 months. The refunding of this vast maturity, he asserted, would require the treasury's constant attention from now on. How much additional taxation would be necessary to pay a soldier's bonus, Mr. Mellon declared, would be difficult to estimate but on the basis of the McLeod bill it would appear that the total cost would be about \$2,300,000,000, of which at least \$500,000,000 would fall due in the first two years of operation and possibly as high as \$1,000,000,000 if an unwise "fully large number of veterans should choose cash. The minimum cost he placed at about \$1,500,000,000 based on cash payments and the maximum cost at about \$2,250,000,000. If all veterans should take certificates in lieu of cash,