

REVISION OF TAX SYSTEM SLATED

Repeal of Excess Profits and Avoidance of New Burdens Sought.

THIS IS HARDING PLAN Announcement Made After President Discusses Situation With Cabinet.

MELLON SEES PENROSE Treasury Department to Furnish Senate Finance Committee With Data on Needs.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., April 8. Revision of the entire tax system with the repeal of the excess profits tax and a determined effort to avoid imposition of any additional taxes as a substitute was the plan indorsed by President Harding and his Cabinet today.

Any doubt that may have existed as to the intention of the Republican Administration to repeal the excess profits tax was removed by Mr. Harding today following the meeting of the Cabinet. It was disclosed that tax revision had been discussed and the President let it be known that he had in no wise changed his views since he supported during the campaign the platform pledge of his party to repeal the unscientific and burdensome tax on excess profits.

Immediately after the Cabinet meeting Secretary of the Treasury Mellon went directly to the office of Senator Penrose (Pa.), chairman of the Finance Committee, and there conferred with him and Senator Watson (Ind.), a member of the committee, regarding the proposed tax revision programme. Senator Knox participated in the early discussion, which lasted about two hours.

Secretary Mellon made no statement, although he admitted that his talk with the members of the Finance Committee related almost entirely to tax matters. Dr. Adams, one of the financial experts from the Treasury Department, was called in for consultation and advice. It was agreed that the Treasury shall furnish a complete statement to the Finance Committee so far as that is possible of the exact condition of the Government Treasury, the prospective income that may be estimated from various sources, how the income will be affected by the changes to be made in the laws and what the precise requirements of the Government are to be met.

"While our meeting to-day was informal, I regard it as of great value and importance," Senator Penrose said. "It is the first time that the Secretary and I have had any prolonged exchange of views over tax revision, and it is bound to be very helpful."

Senator Penrose was asked if the Secretary had made any specific recommendations on tax legislation, but said he could not speak for the Secretary, who would make his views known later in a formal recommendation to Congress.

"Secretary Mellon said he was very glad to learn of the programme of the Finance Committee and expressed his willingness to cooperate in every possible way," continued Senator Penrose. "He agreed as to the desirability of tax revision and the gathering and submission to Congress of information as to the resources and needs of the Treasury. Treasury experts will begin at once to assemble the data, and will be prepared to present it to our committee not later than May 1. In my opinion this will be the first time in years that such information has been presented."

Senator Penrose said there might be some slight inaccuracies in the survey of the Treasury situation to be presented by the Treasury Department in view of the uncertainty regarding appropriations that will be sought in the Army and Navy bills which failed last session, and must be reenacted before July 1. He stressed the necessity for economy and the cutting of appropriations to the bone and advocated the abolition of many useless boards and commissions.

"In my judgment the appropriation for the Army and Navy should be reduced to the lowest possible minimum consistent with the maintenance of their organization," Senator Penrose added. "I would look on those branches of the Government as I would on any industrial establishment which is for the time being inactive. Expenses must be cut to a low point consistent with preserving the organization."

"No sane man contemplates the possibility of a great war in the lifetime of the present or the next generation, and, therefore, we should reduce defence appropriations, although with due regard to purposes of national defence," Senator Penrose repeated his statement that the hearings on tax revision would begin with the sales tax and he followed by those who wished to talk on the excess profits taxes.

SENATE GETS HERRICK NOMINATION MONDAY

Formally Announced Ohioan to Be Ambassador to France.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., April 8. Formal announcement that Myron T. Herrick of Cleveland is to be nominated Ambassador to France was made today at the White House. The nomination is to be sent to the Senate soon after Congress convenes in extra session on Monday.

Mr. Herrick was Ambassador to France under the Taft Administration, continuing until after the European war began, when he was succeeded by Ambassador Shattuck. It was stated that a great number of nominations, many of them recess nominations already announced, would be sent to the Senate next week.

HARDING TO MEET CONGRESS.

Will Deliver His Message Personally, as Wilson Did.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., April 8. Word came from the White House today that President Harding has decided definitely to deliver in person his message to the new Congress which is about to convene. It is expected that the message will be delivered on Tuesday at noon. The meeting on the day of call, next Monday, will be perfunctory. The custom of delivering messages in person was revived by Woodrow Wilson eight years ago. George Washington adopted this course, but later Presidential messages were sent to the Capitol and read by clerks.

HARDING MESSAGE WILL URGE VETERANS' RELIEF

Speedy Action by Congress Is Expected.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., April 8. Many of the recommendations of the Dawes report for aid to disabled veterans of the world war and for consolidation of the Government agencies doing this work are in accord with Administration views on the subject and will be made part of the legislative programme. The subject will be treated in President Harding's message to Congress next Tuesday. The President will urge speedy action. It was stated at the White House today that many of the recommendations of the Dawes report are already a part of legislation proposed by the House.

It is expected that soldier aid legislation of the kind outlined will be one of the first accomplishments of the session. FARMERS' TARIFF BILL UP. High Duties on Agricultural Products Proposed.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., April 8. Republican members of the House Ways and Means Committee today brought out an emergency farmers' tariff bill with high protective tariffs on a number of agricultural products.

This bill is to be introduced in the House next Monday, it was stated by Representative Young (N. D.), who is in charge of the legislation, and is to be taken up for consideration Wednesday, with the expectation that it will pass the House that day. The bill has not been submitted to the Democratic members of the committee for their approval, and a report in condemnation of it is being written by Representative Kitchin, Democratic leader.

The measure is similar to the Fordney bill, except that the period of its effectiveness after passage is limited to six instead of ten months.

MANY THOUSANDS IN MAIL HOLDUP LOOT

Three 'Registered' Sacks Are Stolen From Truck in Ohio.

CINCINNATI, April 8.—The value of the three sacks of registered mail which were stolen last night by three unmasked bandits, after they had handcuffed the driver of a United States mail truck and a railway mail clerk to the wheels of the truck, had not been determined late today. It is believed, however, that it will run far up into the thousands.

John Clark, superintendent of the Railway Mail Service, is making inquiries in the effort to find out what points in Ohio the registered mail was sent from. Clark believes that the sacks may have contained money and possibly Liberty bonds shipped from towns like Sidney, Wapakoneta, Dayton and other points between this city and Toledo.

"Thousands of dollars are shipped by banks in those cities to Cincinnati, but it will be several days before we can determine whether there was any large amount in the stolen mail," Clark said.

GLOVES

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HARDING PURPOSES HIGHWAY REFORMS

Will Halt Use of Public Funds for Construction Without Maintenance.

WANTS PATROL SYSTEM

Believes Motor Vehicle License Money Should Aid Road Upkeep.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., April 8. Untold waste of Government funds has resulted from the construction of public highways which when built are allowed to ruin for want of a proper system of maintenance.

That is the opinion of President Harding, who set it down as a Government policy today that not a penny more of public money is to be spent for road construction until such a maintenance system is established. In the view of Mr. Harding the custom of the past to let the roads deteriorate almost beyond possibility of repair before a quarter of the bonds are redeemed amounts to a public scandal.

The view which Mr. Harding holds developed after he had conferred with a group of good roads advocates at which the entire subject of Federal aid for building was discussed. It became known then that Mr. Harding feels keenly on the subject of Federal aid as at present administered, taking the stand that it is just as important to keep the roads in repair as to build new ones.

It is the belief of Mr. Harding that the money received from licensing motor vehicles should go to keep up the roads since motor vehicles are almost entirely responsible for their destruction. In the absence of definite recommendation he believes that practically all the money received as licenses should go to the upkeep of the roads.

Mr. Harding feels that a graduated license system should be put in force whereby heavy automobiles would pay more than those less destructive. It is a matter which might easily be worked out to the general benefit, he believes. The thing the President has in mind is a patrol system by which at given intervals the roads would be overhauled and repaired, and kept in good shape all times. That is not now general, of course, the general rule being to let contracts for the repair of roads. But at best, Mr. Harding thinks, this is a hit and miss system which ought to be corrected.

PANAMA TO SUGGEST BOUNDARY REHEARING

Enforced Evacuation of Coto an Act of Coercion.

WASHINGTON, April 8.—Panama's note in reply to the demand of Secretary Hughes that the boundary dispute with Costa Rica be adjusted peaceably and on the basis of the Writ award is expected here to suggest a rehearing.

J. E. Lefevre, charge of the Panama legation, said if the United States should refuse an appeal for a rehearing, his country's only course would be quietly to await the next move by Costa Rica. Panama's attitude is understood to be that it is open to conviction regarding the justice of the American position, but that it would regard enforcement of the demand for evacuation of the disputed territory of Coto without a "full discussion" of the boundary question as "an act of coercion."

DROPS 10 CENT FARE REBATE.

Pennsylvania to Substitute Five Cent Penalty on Train Payments.

HARRISBURG, April 8.—Notice that on May 15 the Pennsylvania Railroad will abolish its present ten cent rebate system for fares paid on trains and substitute a five cent penalty was filed today with the Public Service Commission. The fares were paid last year and asserts the practice delays conductors.

The new plan will not affect passengers entering trains at non-agency stations or where ticket offices are closed.

LACKAWANNA TO CUT FORCE.

Announcement was made yesterday by the Delaware, Lackawanna and Western Railroad that notices had been posted in the locomotive shops of the corporation at Canton, Pa., to the effect that 15 per cent of all workers will be laid off temporarily next Tuesday.

Presidential Succession Fixed on Mrs. Harding

Special Despatch to THE NEW YORK HERALD.

CHICAGO, April 8.—Came before Judge Joseph Sabath in the Superior Court one John Anderson, formerly of Stockholm, announcing that he desired to become a citizen of the United States. Judge Sabath asked him questions pertaining to his history, government and traditions of the country, and John answered them correctly. Then came the last question. "If President Harding should die who would assume his duties as President?"

John, looking perplexed, scratched his head for a moment and said: "Mrs. Harding." "You've done so well on the others," was the decision, "that we'll let you get by, John."

NAVY LOSES HOPE OF SAVING BALLOONISTS

Search for Five Men Is Continued, However.

WASHINGTON, April 8.—Hope virtually has been abandoned by the Navy Department that the five men who left the Pensacola air station in free balloon A-560 March 22 will ever be found alive, according to an announcement made at the department to-night. The search has not been entirely abandoned, the statement said, but little hope is entertained that either the men or the balloon will be found.

A board of investigation has been ordered which is to inquire into all the circumstances connected with the flight and the subsequent loss of personnel and material. Capt. H. H. Chantry, Commandant of the station, reported to the department to-day.

The flight was duly authorized, the report said, for purposes of instruction in night flying, four students being carried in addition to Chief Quartermaster G. K. Wilkinson, who was in command. The report told in detail of the methods of search employed in attempting to locate the big gas bag, seaplanes, landplanes, motor boats, destroyers, submarines and dirigibles being used for that purpose.

The only tangible indication of the fate of the balloon, the report said, was word received on March 29 and again on March 30 that cries had been heard in the swamp west of Lake Wilcox. The area was carefully searched without result, the report declared.

HOUSE DRY ADVOCATES SPLIT ON ENFORCEMENT

Transfer to Department of Justice Proposed.

WASHINGTON, April 8.—A split developed to-day among dry advocates in the House when Representative Wood, Republican (Ind.), announced he would introduce a bill transferring enforcement of prohibition from the Internal Revenue Bureau to the Department of Justice. Chairman Volstead of the Judiciary Committee, author of the enforcement act, declared he was opposed to such legislation.

Mr. Wood said he believed his measure would remedy non-enforcement conditions. He recalled that he said on the floor of the House last session that he would take such a step if Representative Volstead did not do so, on the ground that the enforcement machinery established by the Volstead act had fallen down hopelessly.

"Some of those who want prohibition enforcement transferred to the Department of Justice do not want the law rigidly enforced," was Representative Volstead's comment to-day.

PROMOTION FOR EDWARDS.

Secretary Weeks Prepares Army Recommendations.

WASHINGTON, April 8.—Secretary Weeks has completed his selections for general officer promotions in the army for transmission to President Harding. There are twelve major-generals and twenty-five brigadiers on the list, compared to the names of eleven major-generals and twenty-two brigadiers submitted by President Wilson and which the Senate failed to confirm. The name of Brig.-Gen. Clarence Edwards, who commanded the Twenty-sixth New England National Guard Division, stands first on Secretary Weeks's list of major-generals.

RAIL CONFERENCE URGED ON HARDING

Security Owners and Labor Propose Adjustment of National Problem.

CUMMINS PLANS INQUIRY

Drafts Resolution Calling for Congressional Investigation of Roads.

WASHINGTON, April 8.—The National Association of Owners of Railroad Securities joined to-day with five railroad labor unions in proposing that President Harding call a conference of representatives of both owners and employees to discuss the railroad problem, particularly as it affects wages and working conditions, now in dispute before the Railroad Labor Board.

S. Davies Warfield, president of the association, and Darwin P. Kingsley, president of the New York Life Insurance Company, conferred for an hour with the President on the general transportation situation and suggested the conference as one of the means for adjusting the difficulties the roads face.

Coincident with the conference at the White House and the receipt of the telegram, Chairman Cummins of the Senate Interstate Commerce Committee, announced he had drafted a resolution, for introduction next week, authorizing a general and exhaustive investigation of railroad affairs.

No comment on the conference to-day was made at the White House, but after the meeting a memorandum left with the President by the representatives of the securities owners was made public by them, saying the conference "covered a wide field."

After agreeing that "property calls" meetings between the men and those representing the railroads be held under the auspices of the existing Governmental agencies—the Labor Board and the Interstate Commerce Commission," the memorandum said: "We are on record that wage adjustment is only part of the problem," and expressed the view that this "should be attained under circumstances carrying assurances to railway workers that whatever may be brought about is reasonable and just."

N. Y. BARGE CANAL BOAT BIDS RIDICULOUSLY LOW

All for \$2,000,000 Equipment Rejected Except \$7,177 Tug.

WASHINGTON, April 8.—Secretary Weeks indicated to-day a determination to see that the Government receives a fair return for surplus supplies sold through the War Department. He is of the opinion that many firms submit ridiculously low bids.

Bids were opened to-day on eighty-five barges and tugs, formerly used on the New York State Barge Canal, ordered sold by Congress. They are valued at more than \$2,000,000. Nine bids were received and only one accepted, for a single tug, which sold for \$7,177.

"Some of these bids were only 25 per cent of the present replacement value of the equipment," Mr. Weeks said. "All such bids were rejected. We shall keep the material until a fair price can be obtained for it."

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WESTCHESTER FARES CONTINUED BY ZONES

Single Five Cent Rate Is Held Unreasonable.

ALBANY, April 8.—An order holding that it is "unreasonable" to require the Westchester Electric Railroad, the New York, Westchester and Connecticut Traction Company and the Yonkers Railroad Company to transport passengers between points in different municipalities for a single five cent fare was issued by the Public Service Commission, Second District, to-day.

The order permits the three trolley lines to continue to collect fares on the basis of the present zoning system for the transportation of all passengers in Westchester county. Franchise fare restrictions were waived in April, 1919, for two years and these waivers are about to expire. They permitted collection of fares by zones, generally each municipality constituting a zone. To-day's order continuing the zoning system was granted on the application of the operating companies.

In BLASCO IBANEZ' new novel THE MAYFLOWER PUBLISHED THIS DAY the Valencian seashore glows like a Scrolla painting. This vivid story of primitive fisher folk presents the sea as a living actor in their life-dramas of ambition, toil, love, success, suspicion and revenge. Beside and by it they live, and in the terrifically impressive climax of the story it becomes the frowning avenger of treachery. The wonderful virile intensity of the book is characteristic of "the greatest story-teller of to-day."—N. Y. Times. Each, \$2.00 BLASCO IBANEZ' marvellous power is again demonstrated by the great success of the Metro's screen version of "The Four Horsemen of the Apocalypse," which, says Life, "lifts the silent drama to an artistic plane that it has never touched before." Other of his tremendous novels are:—The Shadow of the Cathedral; Blood and Sand; La Bodega; Mare Nostrum; Woman Triumphant; The Enemies of Women. Each, \$2.15 Obtainable at any bookstore, or direct from E. P. DUTTON & CO., 681 Fifth Av., New York

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