

**Expect Loosened Credit**  
**Trying to Satisfy Business**  
**Inflation Outlook**  
**Liquidating Highways**

The financial education of the Administration appears to be progressing nicely. Chairman Jesse Jones of the Reconstruction Finance Corporation, after "bawling out" bankers on numerous occasions for not lending more freely, has admitted publicly that the main reason for restricted credits is "the lack of demand for good loans," and that this is due to "uncertainty on the part of both bankers and industrialists that markets could be found for the manufactured products to finance which the loans were intended to be made."

Mr. Jones spoke feelingly, after trying to lend \$500,000,000 to industry under the authority granted at the last session of Congress to the RFC, and finding himself unable to put more than \$10,000,000 out in good credits. And while Mr. Jones did not say so to the public, he expressed himself vigorously to the Secretary of the Treasury about the policy of the banks to "bear down" on business men who are trying to carry on and who have always been regarded as entitled to reasonable bank credits.

The upshot of this situation was the calling to Washington of the chief bank examiners from all over the country, for a conference in which the Federal Reserve Board, the Reconstruction Finance Corporation and the Federal Deposit Insurance Corporation took part with the Treasury. The outcome is expected to be a general loosening up of the restrictions which have been placed on bank credits by the Comptroller's office. That office has jurisdiction over only National banks, but state banks usually have to follow the practices of the national banks in their localities.

Secretary Morgenthau is taking an active hand in trying to bring about more effective cooperation and bureaus of the Government. There is reason, therefore, to expect that bank credit will be easier for sound business men.

Friends of the Administration are beginning to be troubled about what appears to be a growing hostility on the part of business men and industrialists. The first inclination when reports of dissatisfaction began to pour in was to pooh-pooh them as emanating from political sources. Now Washington is becoming convinced that the business leaders are serious and is trying to figure out what it can do to satisfy them. The stumbling-block seems to be the President himself, who is reported by those extremely close to him as being unable to understand why business needs any more reassurance.

Conservative members of the Administration are now saying rather openly that if business men had been assured some months ago that there would be no further changes in the rules under which they are supposed to do business, they would have begun to expand their activities and by now real recovery would have been under way.

## Release Of Home Funds Expected November First

**1,000,000 Or More Homes Is The Actual Need In This Country**

According to the plans and expectations of the federal housing administrator, James A. Moffett, the releasing of funds for the construction of at least one million new homes will begin by November 1.

Organization work for the "1,000,000 or more homes this country actually needs," Moffett said, "is progressing with all the speed consistent with safety and efficiency."

"In this plan for construction of entirely new homes we are venturing into an unexplored financial field," he said. "Therefore, our rules and regulations must be drawn with great care and caution. We expect to be under way by November 1."

"In connection with our work I have contacted the country's in-

# LEVY \$1000 TAX ON BEER SELLERS

## City Due \$17,748 On Lyerly Bond

## Abandon Vote On New N. C. Constitution

### Federal Law In Dry States Be Enforced

**Beer Exceeding 3.2 Held Illegal In North Carolina**

#### ASK RULING

Charles H. Robertson, collector of internal revenue, has announced his intention of imposing the special excise tax of \$1,000 on individuals and firms selling beer with greater alcoholic content than the 3.2 percentage specified by North Carolina law.

The federal revenue act of 1920 provides for levy of the excise tax in the case of each person carrying on business of a brewer, distiller, wholesale liquor dealer, retail liquor dealer, wholesale dealer in malt liquor and manufacturer of stills in states where such business is prohibited either by state or local law.

Although Collector Robertson did not receive an official ruling from Dennis G. Brummitt state attorney general on the question he stated that he was relying upon a statement attributed by news dispatches to Mr. Brummitt to the effect that legal beer in this state has 3.2 per cent alcohol. This means that the collector's office will impose the excise tax on persons selling beer of greater alcoholic content.

Payment of the excise tax to the federal government does not exempt the person paying the same from penalty or punishment at the hands of the state government, it is specified by the revenue act, which also stipulates that a person required to pay the excise tax is subject to \$1,000 fine for failure to pay the special tax before the violation is discovered.

The spirit of the federal law calls for co-operation with state authorities in the enforcement of individual alcoholic control statutes. However, the collector of internal revenue is concerned only with collection of the excise tax from the person violating a state law and has nothing to do with enforcement of that law.

In North Carolina the situation with reference to state alcoholic control laws seems to be similar to the situation in Georgia and Alabama where the collector had already announced that they would impose and collect the excise tax.

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### Battle Front Scenes in Great Textile Strike



WASHINGTON . . . Above is a photo of President Roosevelt's Textile Mediation Board at headquarters here in the effort to end the Cotton Textile Strike. . . . Left to right, Marion Smith of Atlanta Ga., Chairman John S. Winant of Vermont, and Raymond V. Ingersoll of New York. Below; National Guardsmen employing tear gas to scatter strikers at a textile mill at Greenville, S. C.

# LINDBERGH SUSPECT IS ARRESTED

Richard Hauptmann, German alien, was arrested yesterday in New York, charged with participation in the kidnaping and murder several years ago of the infant child of Col. and Mrs. Charles A. Lindbergh.

Police stated that Hauptmann was the man who received the \$50,000 paid by Col. Lindbergh in a futile effort to recover his child. A total of \$13,750 of marked money was in the possession of Hauptmann when arrested. The money was in \$10 and \$20 bills.

### City Quiet As Strikers Rest

"All is quiet on the western front."

That ostensibly was the situation as far as the textile strike in Salisbury is concerned at this time. All local mills of the city are at a standstill and pickets continue peaceful and everything is being conducted in an orderly manner. No violence of any consequence has been reported in the county.

### SHOOTS WIFE AND SUSPECTED LOVER

Quince Souther, 30, night watchman at a veneer plant at Statesville, fired at his wife when he returned home ahead of his usual time and found Clarence Poole in his home. He fired at the suspected lover. Mrs. Souther is in a hospital suffering from serious abdominal wounds. Souther is in jail, and Poole is held without bond pending developments in the condition of the wounded woman.

### GUARD DUTY COSTS STATE

No official estimate has been made as yet of the cost to North Carolina, but an unofficial statement has been made by one in position to know that, for present number now on duty, in strike areas, the cost per day for food and compensation, alone will amount to \$4,500 or more. This applies to approximately 2,300 troops under 38 national guard units that have been called out.

### Vote Planned In November Held Illegal

**Proposal Should Have Been Submitted In Repeal Election**

#### HALT CALLED

The state supreme court, in an advisory opinion handed to Governor Ehringhaus, held unanimously that the election last November was "the next general election" after the 1933 legislature, and plans for the submission of the proposed new constitution this fall were immediately abandoned.

Dennis G. Brummitt, attorney general, heading a group against the proposed new constitution, and Kemp Battle, chairman of the committee for the document, immediately announced that offices that had been opened had been closed and that plans for the campaign had been called off.

Governor Ehringhaus asked the supreme court for the advisory opinion last Saturday on the request of Major L. P. McLendon of Greensboro, chairman of the state board of election.

### Fight To Finish, Thomas Exhorts Textile Strikers

Norman Thomas, socialist leader, stopping in Salisbury on his flying trip through the cotton mill belt, found an overflowing crowd at the community building and exhorted them to see the textile strike through to a successful finish.

Declaring that the strike is a struggle against the crime of poverty in a land of plenty and that increased purchasing power of the workers is essential to prosperity, he stated that success of the strike depended on the strength of the workers to hold their lines and maintain their organization both now and following the strike.

### October Court Jurors Chosen

Following is a list of the jurors chosen to serve at the October term of superior court, beginning October 8. Judge A. M. Stack will preside over this term which is for trial of civil cases:

Robert Bray, Spencer; D. M. Brown, Rt. 3, Salisbury; G. H. Cauble, Granite Quarry; A. N. Honeycutt, Rt. 7, Salisbury; Elmer Barber, Rt. 1, Cleveland; Quincy Troutman, Granite Quarry; David Fesperman, Faith; F. M. Loflin, East Spencer; A. E. Holshouser, Rockwell; Coy Miller, Rt. 2, Richfield; W. C. Lomax, Rt. 4, Salisbury; Louis Kesler, Rt. 4, Salisbury; Charley Jones, Faith.

J. T. Bailey, Woodleaf; R. F. A. Stirewalt, Rt. 1, China Grove; D. J. Smith, China Grove; J. D. Thomas, Granite Quarry; Lester O. Karriker, Kannapolis; W. W. Wilhelm, Cleveland; Robert Ritchie, RFD, China Grove; Monroe Faust, Cleveland; T. D. Brown, Salisbury; W. D. Morgan, 625 W. Liberty St., Salisbury.

### START DEATH PROBE 24TH.

A coroner's inquest will be held at the county courthouse at Anderson, S.C., beginning next Monday, investigating cause of death of seven men at Hones Path due to strike activities at Chiquola mill on September 6.

### Queen Of Forests



HUNTINGTON W. VA. . . . Miss Garnette Northcott (above), of this city has been elected Queen of the annual Mountain State Forest Festival which is featured at Elkins W. Va., the first week in October.

### Murderers Of Will Reeves Sentenced To Die November 2

Roland Earl Allen and Lowell Massie, convicted of the murder of Will Reeves, prominent Rowan county farmer, were sentenced to die in the electric chair in the state prison on November 2 between the hours of 10 a. m. and 2 p. m., by Judge A. M. Stack in the Rowan Superior court Saturday morning. Elmer Waggoner, pled guilty Saturday to being an accessory before the fact of robbery in the same case, and was sentenced to serve not less than two and not more than five years in the state prison at hard labor and wear stripes. The jury Friday afternoon, composed largely of middle aged farmers, was out only an hour and 45 minutes. Two ballots were taken, it is understood, and on the first ballot four members of the jury voted second degree murder against Massie.

### FATALLY HURT IN CRASH

Lyda Phillips, 46, of Canton was fatally injured and Roy Mann of Luthers seriously hurt when an automobile driven by William A. Julian of Newbridge struck them on highway No. 10 near Asheville.

### Congressman Doughton Opens His Campaign For Reelection

### Rowan County Is Presented With "Doughton Banner" For Majority In 1932

A large delegation of Rowan county Democrats, numbering around 75, headed by Ross M. Sigmond, chairman of the county executive committee, motored to Boone Saturday to attend the ninth congressional district meeting, which was the occasion of the launching of the campaign for re-election by Congressman R. L. Doughton.

Mr. Doughton spoke at length in support of the new deal, pointing out that the coming congressional campaign will be based almost entirely on the record made by the new deal in comparison with that made by the old deal in the United States.

The speaker described the condition which the country faced during the latter part of the Hoover administration. "Actual starvation stared many in the face and terror had seized the public mind," he said. "Conditions were so serious

### Judge Stack Hands Down New Ruling

**Reverses The Opinion Of Frank H. Kennedy, Referee, Charlotte**

#### PLAN APPEAL

The City of Salisbury is entitled to recover the sum of \$17,748 from George M. Lyerly and the Hartford Accident and Indemnity Company, according to a decision rendered Thursday by Judge A. M. Stack who is presiding over a two weeks term of superior court here.

Judge Stack's decision reversed an opinion rendered in this matter some time ago by Frank H. Kennedy, referee, of Charlotte.

Judge Stack's judgment follows: "State of North Carolina, County of Rowan—In the Superior Court, September term, 1934.

"City of Salisbury, Plaintiff, vs. "George M. Lyerly and Hartford Accident and Indemnity company, Defendants.

"The above-entitled action coming on for hearing at this term of court, upon exceptions filed to the Referee's report, and after hearing same, the argument of counsel for both sides, and after considering the able briefs filed on both sides, the court is of the opinion that there was error in the Referee's conclusions of law and the exceptions thereto are sustained and judgment rendered against both defendants in favor of the City of Salisbury, the plaintiff.

"The court is of opinion, and so holds, that it is immaterial in what capacity the defendant Lyerly collected the city's taxes, assessments, etc., whether as a de jure defacto collector or otherwise. When Lyerly collected the city's property, in any capacity, when he became in possession of the city's money, derived from city taxes assessments, etc., his duties as city tax collector ceased and he then held the city's money as city treasurer, and a failure to account for, pay over or deposit in the bank to the city's credit was a breach of his duty and bond as treasurer for which both he and his surety were liable. He was elected treasurer of the city, qualified as such, was bonded as such, acted as treasurer, and the defendant, Accident and

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that many of the states had already closed all state banks by official mandate and those that were not closed had lost, or were rapidly losing, the confidence of the public. Old remedies had been fully tried and tested, and found ineffective and futile, and, while much of the new deal is still in an experimental stage, judged by what it has already accomplished and is capable of accomplishing, enough is known of its effect to show that the nation has been saved from utter collapse and is beginning to breathe and function in a normal way.

"And in this connection may I say with reference to my own record under the Roosevelt administration, I consider that mandate of leadership so overwhelmingly given to President Roosevelt by the election of 1932 carried with it

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