

INFLATION FACING SUPREME TEST IN SENATE

Senate Nears Vote On Sales Tax As House Passes Beer Bill

Will Vote First On The Hinsdale Luxury Tax Plan

If That Loses, Clement Tax
on Manufacturers Will
Follow Before Gen-
eral Sales Tax

SENATE KILLS BILL
ON BANK DEPOSITS

House Debates Reorganiza-
tion of Textbook Commis-
sion; Also Adopts Confer-
ence Report on Measure
Abolishing Free Tuition at
State Schools

Raleigh, April 27.—(AP)—The Sen-
ate today neared a vote on the con-
sumption tax article of the
federal revenue bill, as the House
passed the State beer regulatory act
and sent it back to the Senate for
concurrence in amendments.

Debate on the sales tax was un-
limited, but indications were that a
roll call would be taken on the pro-
posal to substitute the Hinsdale
selected commodities tax for a general
sales tax during the afternoon ses-
sion.

If the Hinsdale bill loses, the Sen-
ate will then be offered the Clement
tax plan to tax the products of in-
dustry in the State in a production
tax before final action on the general
sales levy may be taken.

The revenue bill before the Senate
contains a two percent general sales
tax, but the finance committee has
offered an amendment to boost the
rate to three percent.

House passage of the beer regula-
tion act came on an 85 to 4 vote, and
the measure was rushed to the Sen-
ate by special messenger without be-
ing engrossed, in an attempt to speed
its enactment.

The Senate was in committee of
the whole on the revenue measure,
so it did not take up the measure im-
mediately. Sale of beer becomes legal
in the State at midnight Sunday.

The House adopted a conference re-
port on the Clement bill to abolish

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Merchants Bitter On Sales Tax

But They Carry on
and Stage Last-
Ditch Fight as Sen-
ate Prepares to Act

Daily Dispatch Bureau,
In the Sir Walter Hotel,
BY J. C. BASKERVILLE.
Raleigh, April 27.—Despite the fact
that a sales tax is now regarded to
be inevitable since the House of Rep-
resentatives last week approved a
revenue bill carrying a two percent
general sales tax, the merchants who
have fought a sales tax from the be-
ginning and had depended on the low-
er branch of the General Assembly
to block its passage, have not given
up hope of defeating it. Yesterday
there were numerous delegations in
Raleigh to fight the proposal as the
Senate began consideration of the

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Judge Facing Ouster



Federal Judge James A. Lowell, of
Boston, against whom impeach-
ment proceedings are threatened by
Representative Howard Smith, of
Virginia. The judge recently
freed George Crawford, a Negro,
who was under indictment in Vir-
ginia for the murder of Mrs. Agnes
Hilly, wealthy sportswoman, and
her maid, at Middleburg, Va., last
year. Judge Lowell refused to ex-
tradite Crawford on the contention
that if the accused man were con-
victed in Virginia, the U. S. Su-
preme Court would nullify the con-
viction, because Negroes are not
allowed to serve on the jury in that
State.

BEER PASSES BUT MAY BE TOO LATE

House Amendment to Sen-
ate Measure More or Less
Inconsequential

SALE BEGINS MONDAY
If Upper House Concurs Immedi-
ately in Proposal, It May Become
Law by That Time, Pro-
viding Regulations

Daily Dispatch Bureau,
In the Sir Walter Hotel,
BY J. C. BASKERVILLE.
Raleigh, April 27.—The beer ma-
chinery bill, setting forth the man-
ner in which the sale of beer shall be
taxed and otherwise regulated in
North Carolina, finally passed the
House today on third reading and
was sent to the Senate. It is hoped
that the Senate will concur in the
numerous House amendments, none
of which is material, so that the bill
can be ratified and become law by
tomorrow or Saturday. If the Senate
does not concur in the House amend-
ments and sends the bill back to the
House again, it will have to go on
three more readings, with the result
that it cannot be finally passed until
next week. In that event, beer will
go on sale in the State May 1, with-
out any regulatory law in effect at
all.

Even if the Senate does concur in
the House amendments and the bill
can be ratified by tomorrow or Sat-
urday, it will still be impossible for
the State Department of Revenue to
set up the necessary machinery pro-

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Concord Bank Questions Reynolds Case Authority

Concord, April 27 (AP)—The Cab-
arrus Bank and Trust Company, co-
guardian of baby Anne Cannon Rey-
nolds, today questioned the author-
ity of any court in North Carolina
or elsewhere to sanction a proposed
settlement of Smith Reynolds estate
whereby each of his two children
would receive two million dollars,
and an estimated \$15,000,000 balance
would be used to establish a phil-
anthropic foundation.

The bank filed a supplementary
statement to its petition requesting
that Mrs. Anne L. Cannon, joint
guardian, be ordered to participate in
proceedings testing the validity of the
pre-divorce settlement, in which little
Anne's right to the estate of her fa-
ther were renounced for \$255,000.
This statement was filed here short-
ly before Judge Wilson Warlick was
scheduled to consider the bank's or-
iginal petition.

A MOMENTOUS BRITISH-AMERICAN CONFERENCE AT WHITE HOUSE



Secretary of State
Cordell Hull

Sir Ronald Lindsay
British Ambassador

Prime Minister
Ramsay MacDonald

President
Roosevelt

HOUSE IS PEEVED AT THE ATTITUDE SHOWN IN SENATE

Dissection of House Re-
venue Bill Highly Displeas-
ing to Some Mem-
bers of House

TOO MANY FAVORS
FOR CORPORATIONS

Meanwhile, Crop of Lobby-
ists Grows and More Of
Them on Hand Now Than
at Any Time This Session;
Power Tax on Kilowatts
Is Thrown Out

Daily Dispatch Bureau,
In the Sir Walter Hotel,
BY J. C. BASKERVILLE.
Raleigh, April 27.—Openly peeved
at the manner in which the Senate
has disregarded its wishes and eli-
minated almost everything from the
revenue bill which they put in it,
members of the House are growing
more and more determined to stand
their ground and refuse to concur in

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Huge Beer Cargo From Cuba Comes Into Wilmington

Wilmington, April 27.—(AP)—The
Norwegian freighter Tampfire ar-
rived here today from Havana with a
cargo of 3,335 cases of Cuban beer
for distribution in North Carolina
cities.

The beer was consigned to repre-
sentatives here of a Norfolk, Va.,
wholesale firm. The firm announced a
second cargo of 4,000 cases was ex-
pected here Saturday. Virtually all of
this will be sold through a chain of
grocery stores.

The duty on Cuban beer is \$1 a gal-
lon, less 20 percent, because of re-
ciprocated treaties in effect between the
United States and Cuba.



WILL
ROGERS
says:

Beverly Hills, Cal., April 27.—
This labor woman Perkins looks
like she is not only going to do
something for labor, but is going
to be a real contribution to wom-
en in politics. She has put com-
mon sense ahead of lip rouge and
the petticoat.

See where the newspaper con-
vention in New York (they are al-
ways holding a convention of
some sort some place) — Lord
knows when they ever have time
to write or read anything—Well
the rascals, regardless of politics,
all were unanimous in saying
there was a "better feeling."
Well, a better feeling is all you
want. If you feel better, you are
not going to die.
Yours, WILL.

Trouble Is Now Brewing With Japs And Russians

Dispute Over Control of Chinese Eastern Railway,
Which Japan Wants; Desperate Battle Between
Chinese and Japs, With Chinese Resisting Foe

Tientsin, China, April 27.—(AP)—
The sudden withdrawal of Japanese
troops from the coastal area of North
China was attributed by Chinese
leaders to trouble brewing between
Japan and Russia in Manchuria.

(An Associated Press dispatch from
Moscow told of a Soviet report that
the Japanese army in Manchuria had
approved a plan to seize the Chinese
eastern railway from Soviet Russia.
The report received last night in Mos-
cow from Khabarovsk, Siberia, quoted
"competent sources.")

The Chinese assert that the firm
stand taken by Russia in protesting
the severing of the railroad connection
into Siberia and the seizure of
traffics by Manchukuan guards has
forced Japan to send its army north.
The railroad built by Russia, is op-
erated by Russia and Man-
chukuo.

SANGUINARY BATTLE IN
PROGRESS AT NANTIEMAN
Peiping, China, April 27.—(AP)—
The Chinese and Japanese armies
were fighting a sanguinary battle to-
day near Nantieman, to the south of
Kupeikow, a Great Wall pass north-
east of Peiping.

Japanese artillery and air bombers
were pounding the Chinese positions
with slight effect. The Chinese dug
in and succeeded in halting the Jap-
anese infantry.

It appeared the Chinese were put-
ting up the stiffest resistance the
armies of Japan have encountered
south of the Great Wall.

Japanese and Manchukuan troops,
evacuating the Lwan river district in
the coastal area of North China, were
rushing to bolster the Japanese be-
low Kupeikow, Chinese sources as-
serted. They declared that in the area
of the Great Wall pass there were
30,000 Japanese fighters.

Today's heavy fighting followed a
lull in the hostilities yesterday.

Crew Are Rescued As Yacht Grounds

Manteo, April 27.—(AP)—The
yacht Pinda, out of Nassau for
New York, went ashore off Chico-
moco Station, 20 miles south of
here, shortly after midnight and
her crew of six was rescued by
coast guardsmen at the station.

The yacht was drawn shoreward
by a strong incoming current after
passing off Womble Shoar No. 2
buoy. A 35-mile-an-hour northeast
wind was blowing.

Captain John Green is master of
the boat.

Ft. Bragg Soldier Killed by Officer At Woman's House

Fayetteville, April 27 (AP) Private
Lacy Kirby, of Fort Bragg, was shot
to death and a woman slightly
wounded today when army and
county officers investigated a report
that Kirby was terrorizing occupants
of a house about three miles from
here.

Kirby, a member of Battery D, 15th
Field Artillery, died instantly under
the gunfire of Sergeant J. B. Garrett,
a military policeman who was called
to the house with Constable Frank
Gray.

Billie Gray, an occupant of the
house, was hit in one finger by one
of Garrett's bullets.

Kirby's home address was not im-
mediately available.

WEATHER

FOE NORTH CAROLINA.
Fair tonight and Friday; light
frost in northwest portion tonight
if sky remains clear.

AMERICAN ENVOY HALTS BREAK-UP OF ARMS PARLEY

Davis' Declaration That U.
S. Wants To Do Some-
thing To Preserve
Peace Has Effect

PLANS UNDER WAY
FOR ADJOURNMENT

But Movement Is Squelched
by Declaration That Con-
ference Should Concen-
trate on Mergers of Dis-
armament; Committee
Tackles the Question

Geneva, April 27 (AP)—The United
States is fully determined to con-
tribute something to increase interna-
tional security against war, Norman
H. Davis told the steering com-
mittee of the world disarmament
conference today.

The American ambassador-at-large
urged that the conference continue its
sessions without adjournment and
concentrate its discussions on actual
measures of disarmament.

"That is what the world is expect-
ing and waiting for," he said.
Mr. Davis told the committee his
government was studying to deter-

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Jewelry Robbers Seize \$50,000 In Lower New York

New York, April 27 (AP)—Two
manufacturing jewelers and a visit-
ing salesman were robbed today in a
fifth floor office on Canal street, lower
Manhattan, of approximately \$50,-
000 worth of gold and precious stones
by three armed men who used hand-
cuffs, copper wire and tape to make
their victims helpless.

An engraver who knocked on the
door as the bandits were about to de-
part was pulled inside and bound
with them, but was not robbed.

The hold-upmen escaped despite the
speedy arrival of police in wireless
equipped cars after another jeweler
in the building had telephoned an
alarm.

Roosevelt And Canadian Premier Hold Conference

Washington, April 27 (AP)—Pres-
ident Roosevelt and Prime Minister
Bennett, of Canada, after a confer-
ence today, stated they had found
the exchange of views "very help-
ful."

The joint statement said:
"The Prime Minister of Canada
and the President have discussed the

VOTE UPON CLAUSE TO LOWER CONTENT OF DOLLAR NEARS

Administration Leaders
Confident, However, of
Victory for Roose-
velt's Program

PAYMENT OF BONUS
FORGING TO FRONT

Indiana Republican Fight-
ing for It in Senate, and
Patman, of Texas, Pre-
pares To Press for It In
House; Another Bonus
March Strongly Rumored

Washington, April 27.—(AP)—The
greatest test of the Roosevelt infla-
tion program, a vote on the clause for
lowering the dollar's gold content
loomed immediately ahead as the Sen-
ate drove for final disposal of the
whole plan before adjournment.

The campaign by Senator Reed, Re-
publican, Pennsylvania, against the
measure was resumed with his motion
to stretch out authority for the Pres-
ident to reduce the dollar's gold value
by as much as 50 percent.

The administration leaders were con-
fident of victory on this point, how-
ever, and worked to vote down also
during the day the Robinson, Repub-
lican, Indiana, amendment to pay the
soldiers bonus out of the new cur-
rency to be issued under the new bill.
The bonus issue, meanwhile, con-
tinued to develop toward a new show-
down in the House.

Though Representative Patman,
Democrat, Texas, chief leader of the
bonus advocates, agreed to postpone
his demand for a Democratic caucus
on the issue pending Senate outcome
of the Robinson motion, Lundeen,
Farmer-Labor, Minnesota, today pre-
sented a petition to force a House
vote on the question. If 145 members
sign, the issue will have to be faced.

With this trouble back in the back-
ground, the House waded into a short
debate on the Roosevelt \$2,000,000,000
home mortgage re-financing bill. Pas-
sage today was held unlikely.

The Senate Banking Committee for-
mally gave its approval to the ad-
ministration bill for Federal control
of security issues.

As debate began on the gold sec-
tion of the inflation measure, some
opponents of the clause expressed be-
lief it would be retained, since Reed's
motion to strike out, if adopted, also
would eliminate the Wheeler-King bi-
metalism amendment, which was ap-
proved yesterday 41 to 26 as part of

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France Will Likely Pay Up Default

Roosevelt Assurances
Move Premier
To Action on Her-
riot's Return Home

Paris, April 27.—(AP)—Premier
Edouard Daladier was said by his
friends today to be actively prepar-
ing to pay the defaulted debt install-
ment due to the United States.

He is known to consider assurance
of a moratorium on the June 15 pay-
ment by President Roosevelt as sat-
isfactory, and it is expected he will
decide either to pay the defaulted in-
stallment immediately after former
Premier Herriot's return from Wash-
ington, or that he will ask the Cham-
ber of Deputies to approve the \$19,
000,000 interest when that body con-
venes May 15.

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