

CONFERENCE REPORT UPON REVENUE BILL IS GIVEN APPROVAL

State Senate Passes on Second Reading Biennial Money-Raising Bill Before It

HOUSE PERSISTS IN NINE MONTH SCHOOL

Refuses To Rescind Action Permitting It; Separate Measure Being Prepared to Require Merchants to Pass on General Sales Tax to Consumer

Raleigh, May 10.—(AP)—The Senate today passed the conference report on the biennial revenue bill on second reading, as the House refused to rescind its action allowing local school units to vote on operating public schools for nine months, and then passed the biennial school machinery act on second reading.

Though adjournment of the legislature this week is now impossible, both divisions put in another busy day of work, with morning and afternoon sessions.

Two proposed amendments to the revenue measure compromise were defeated before the report was approved, 27 to 16, and Senate leaders predicted final adoption of the report tomorrow without amendments.

Proponents of a plan to make it mandatory that merchants pass on to consumers the three percent modified general sales tax in the act were working on a possible supplementary measure to contain that feature.

The House reopened the fight by re-considering and defeating an amendment put into the school bill passed by the Senate under which any local school unit could have supplemented State funds if the voters agreed. The Senate bill limited the privilege to county and city administrative units.

Immediately Representative Tomp-

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13 OPINIONS GIVEN IN SUPREME COURT

Raleigh, May 10.—(AP)—The Supreme Court of North Carolina today rendered 13 opinions, one granting a new trial to Clara A. Smith, convicted in Forsyth of breaking and entering and receiving stolen goods. The court held the evidence on which Smith was convicted was not competent. He was sentenced to from three to five years in State's Prison. Error was found in the lower court, solution of the martial tangle of M. C. and Carrie Mae Carnes, of Richmond county. Husband and wife sued each other for divorce and got one, but the Supreme Court could not reconcile the alimony granted Mrs. Carnes in the case.

Japs Establish Control Now of Lwan River Area

Tokyo, May 10.—(AP)—Japanese dispatches from North China front said today that the Japanese army had succeeded in establishing control of the Lwan river, the western border of the area blow the Great Wall where hostilities have been raging the last few days.

The important city of Yungping was occupied after ten hours of fighting, according to a dispatch of the Rengo (Japanese) News Agency. Yungping is on the left bank of the Lwan, about 25 miles south of the Great Wall, and only 105 miles northeast of Tientsin which is the center of an international area.

Beer Revenue Estimates Found Entirely Too High

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE.

Raleigh, May 10.—The estimates that were made by some of the proponents of beer legislation a few weeks ago as to the amount of revenue legalized beer would yield in North Carolina, was apparently too high, according to those who have studied the report of beer tax collections for the first week of legalized beer sales in North Carolina.

While some of the beer advocated estimated that North Carolina would get from \$1,000,000 to \$2,000,000 a year revenue from legalized beer, Department of Revenue reports show that the State received only about \$500,000 during the first week. Receipts from the one percent per bottle tax on beer amounted only to \$5,000, indicating that 700,000 bottles of beer were shipped into the State.

New Harvard Prexy



Dr. James B. Conant

Dr. James Bryant Conant, 40, who has just been elected president of Harvard university, is the third youngest in the long line of Harvard presidents. Dr. Conant, who has been professor of organic chemistry at Harvard, was chosen to succeed President A. Lawrence Lowell by the Harvard corporation. The appointment is expected to be confirmed by the board of overseers on June 22.

HOUSE FACES JAM OVER SCHOOL BILL IN NEW PROVISION

School Forces Succeed In Inserting Certain Amendments and Thus Prolong Battle

GOING AFTER SCALP OF LEROY MARTIN

Education Association And Department Also Trying To Recapture Control of New Commission; Supplemental Taxes Likely To Be Authorized

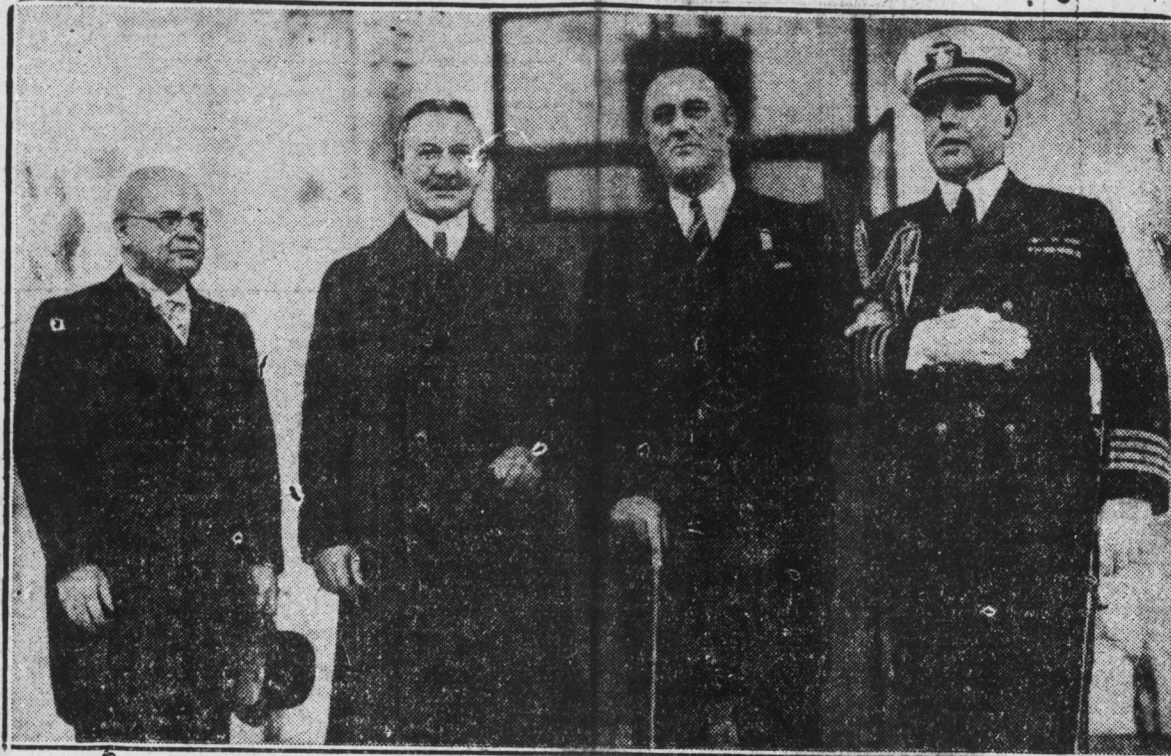
Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE.

Raleigh, May 10.—Snowed under with amendments to almost every section, the House is making slow progress with its consideration of the Griffin school machinery bill, already passed by the Senate. It may be late this afternoon before it gets to a vote on it on second reading, while if any material amendments are adopted, the bill will have to go back to the Senate for three more readings or else go to conference.

Disregarding their agreement with Governor J. C. B. Ehringhaus that

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As Reich Economic Envoy Met President



In Washington to confer with President Roosevelt on international economic affairs, Dr. Hjalmar Schacht, president of the German Reichsbank and his country's delegate to the Washington parleys, is shown as he was greeted by the President on his arrival at the White House. Left to right in the group are: Dr. Hans Luther, German Ambassador, Dr. Schacht, President Roosevelt and Captain Walter Vernou.

35 Are Dead, Many Hurt In Tennessee-Kentucky Storm

Livingston, Tenn., May 10.—(AP)—At least 35 persons were killed and an undetermined number injured in a series of tornadoes that swept sections of Kentucky and Tennessee late last night.

The heaviest toll of life was taken at the settlement of Beaty Swamp, near Livingston, where 26 persons were known dead. Near Lebanon, about 50 miles distant, two Negroes lost their lives. Six were known to have perished at Tompkinsville, KY., and one at Columbia, Ky.

The storm was reported to have swept the village of Bethesda, on the Overton-Pickett county line in Tennessee, but all communication lines were down, and the extent of the damage could not be determined.

At 10:30 a. m., 12 bodies had been brought to the undertaking establishment of J. W. Blount here, and ambulances were dispatched for other dead in Beaty Swamp.

A situation of utter desolation in the vicinity of Beaty Swamp was reported by C. C. Gore, a Livingston attorney, who described the country

as swept so clean of houses and trees that "it looks like the Argonne forest."

One residence was entirely blown away, except for part of the chimney, he said, and a wheat binder was carried half a mile. Mud blocked the country roads and trees strewn along the highways made traffic almost impossible, he said.

There was no way to estimate the number of injured, Gore said. Some were hurt so seriously that they could not be removed from their wrecked homes.

MERCHANTS STILL FIGHT SALES TAX

If Revenue Bill Goes Back to Conference, They See Glimpse of Hope

ALLOW AMENDMENTS

May Be Able To Stall New Levy Under Such Circumstances and Willard Dowell Is Now Much More Hopeful

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE.

Raleigh, May 10.—Despite the fact that both branches of the General Assembly have given their approval to a three percent sales tax there appeared today that there is still a possibility that the two houses may have some difficulty in getting together on some of the administration features of the sales tax, and Willard Dowell, generalissimo of the merchants' forces here, was observed today wearing his first smile in several days. He is confident that if the two houses disagree to the extent that the re-

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WARRENTON LADY TO BE PRESENTED

Mrs. Katherine Arrington Will Meet King and Queen of England

London, May 10 (AP)—Two North Carolina women are among the 15 Americans who are to be presented to King George and Queen Mary at the third and fourth royal courts May 17 and 18.

Mrs. Peter Arrington, of Warrenton, N. C., will be presented for the third court, the list announced today shows while Miss Elizabeth Morgan, of Blumore, N. C., will be presented at the fourth court.

MRS. ARRINGTON IS WIDELY KNOWN THROUGHOUT STATE

Warrenton, May 10 (AP)—Mrs. Peter Arrington, who will be presented at the British court this month, is better known to North Carolinians as Mrs. Katherine Pendleton Arrington.

Mrs. Arrington for years has been an outstanding patroness of arts in the State. She also has been a leader in society, both in North Carolina and New York. She maintains residence here and in New York City. She is a former president of the North Carolina State Art Society.

Shorter Textile Week Is Planned

New York, May 10 (AP) George A. Sloan, president of the Cotton Textile Institute, sent a telegram to President Roosevelt today announcing that the Institute directors had recommended to the industry a work week of 40 hours during which Sloan referred to as the "Emergency period."

The directors also recommended to the members of the Institute that productive machinery in cotton mills be operated not more than 40 hours shifts per week. The cotton textile industry is at present the largest manufacturing industry in the United States, from the standpoint of the number of people employed.

MEMORIAL DAY IS HAD IN CAROLINAS

Graves of Confederate Soldiers Decorated and Speeches Are Heard

Charlotte, May 10.—(AP)—North and South Carolina observed Memorial Day today with appropriate programs in schools and communities in memory of veterans of the War Between the States.

Several cities, including Charlotte, moved the observance up to last Sunday, but in general, customary ceremonies were held today.

Graves of soldiers were decorated by Daughters of the Confederacy and speeches were heard in various sections. A heavy sky that threatened rain, however, curtailed activities to some extent.

Observance of the day differs in the several states, but Tennessee also observes May 10 as Confederate Memorial Day.

ROYAL ARCH MASONS END THEIR SESSION

Charlotte, May 10.—(AP)—John H. Enwright, of Asheville, was elected grand high priest of the North Carolina grand chapter of Royal Arch Masons today at the grand chapter's final session of its meeting here.

WEATHER

FOR NORTH CAROLINA.

Mostly cloudy tonight and Thursday; showers in west and north portion Thursday and probably in extreme west portion tonight and Thursday; somewhat cooler in east portion tonight and in northeast portion Thursday.

INFLATION MEASURE IS FINALLY PASSED WITH SENATE VOTE

Eugene Black New Reserve Governor

Washington, May 10.—(AP)—President Roosevelt today named Eugene Black, of Atlanta, as governor of the Federal Reserve Board succeeding Eugene Meyer.

Now governor of the Atlanta Federal Reserve Bank, Black has indicated to the administration he will be able to hold his new post for only a few months.

Meyer was cleaning up his desk today preparing to end his tenure of office with the close of business this afternoon. He was appointed by President Hoover on September 16, 1930, and designated as governor.

Conference Report Accepted Without Farm Production Cost Guarantee Provision

BILL IS FORWARDED PRESIDENT TO SIGN

Wide Powers To Expand Currency Thus Are Conferred Upon Roosevelt; Appropriations, Muscle Shoals and Securities Control Bills in Committees

Washington, May 10.—(AP)—By 48 to 33, the Senate abandoned its "cost of production guarantee" plan in the farm inflation bill today, making the legislation ready for President Roosevelt's signature.

The bill includes a section which gives President Roosevelt wide powers to expand the currency.

The Norris-Simpson cost of production provision opposed by Secretary Wallace came out as the Senate yielded to House insistence that it be removed. This, together with an earlier vote of 52 to 28, approving the report of Senate and House conferees, who previously had agreed on every section except the production cost plan, automatically sent the bill to President Roosevelt.

The House tackled the independent offices appropriation bill, cut in half this year from its customary billion dollar total by virtue of President Roosevelt's veterans' savings. Day long debate was in order, with no vote before tomorrow.

Meanwhile, in conference were the Muscle Shoals and securities control bills, both due final approval this week.

At the opening of its session, the Senate was prevented by a Republican objection from considering immediately the tax bill passed by the House, which is to continue the Federal one-cent gasoline tax, reduce local postage to two cents, and shift the electricity tax from the household to the power company.

Vigorous opposition of railroad labor to the administration measure for rail reorganization under a Federal coordinator was put before the Senate Interstate Commerce Committee by Donald Richberg, spokesman of the rail labor executives, while the House Commerce Committee heard a supporting explanation of the bill by Joseph B. Eastman, commerce commissioner.

A question mark hung over the Glass permanent banking reform bill, with the Virginia senator's friends eager to push it now and with the administration still undecided whether to support it in the special session which it hopes to end quickly.

WAR IS DECLARED BY PARAGUAY ON BOLIVIAN NATION

Formal Outbreak of Hostilities Comes in South America Over Gran Chaco Area

PRESIDENT AYALA SIGNS DECLARATION

First Time In 50 Years Actual War Has Begun Over Disputed Region; Intermittent Fighting Has For Years Kept Both Countries Armed, However

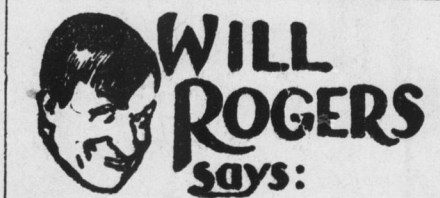
Asuncion, Paraguay, May 10.—(AP)—Paraguay today formally declared war against Bolivia.

President Eusebio Ayala, using the authority recently voted him by Congress, signed the declaration at 11 a. m.

News of this action provoked great demonstrations as soon as it reached the streets. The celebrations were the most widespread that have occurred since the hostilities began last June. Crowds forged through the thoroughfares singing and cheering.

For the first time in 50 years the Chaco dispute has reached the formal status of warfare, although for years intermittent fighting has kept both nations armed.

Paraguay hopes that formal declarations of neutrality by Argentine and Chile, and perhaps by Peru and Brazil, will hamper Bolivian importations of supplies.



WILL ROGERS SAYS:

Washington, May 10.—The Senate not in session today, so the country got a break.

Everybody down here feeling mighty fine since the President's speech. Talked to a lot of what used to be old-line Republicans. Why they are the most rabid Democrats we got now.

You know, I don't believe there is a thing that this man Roosevelt couldn't put over if he was a mind to. He is so strong with the people, and so convincing over the radio, that if he ever got in a fight with Congress, all he would have to do is take it to the people, via the air, and he would lick any of 'em.

Yours,
WILL

CHERRY MAY SEEK THE GOVERNORSHIP

Gaston Representative Has Made Outstanding Record In House

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE.

Raleigh, May 10.—Tall, broad shouldered, though slightly stooped, usually amiable and smiling but a veritable wildcat when aroused, Representative R. Gregg Cherry has emerged as one of the outstanding leaders in the house, in not the outstanding leader, according to the opinion of most observers here. In fact, on the basis of the record made by Cherry in this session of the legislature, he is being more and more mentioned as a possible candidate for governor in 1936. Many agree that if Cherry does become a candidate for governor he will travel a long way and give those who oppose him a fight they will never forget. For

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Blacklisted Books Will Make Bonfire In Germany

Berlin, May 10.—Blacklisted books from private as well as public libraries were piled high today on "kulturs altars" throughout Germany for public burning tonight.

Schoolboys enthusiastically rushed final preparations for the huge bonfires. Nazi student committees of action have been working at top speed more than a week arranging for the great purging of the libraries of "un-german" influences.

Government recognition is to be