

NEW SENATE TAX BILL HITS PRIVATE BANKERS

Morgan Probe Halts Until Monday As Davis Protests Questioning

LAMONT IS ASKED ABOUT STOCK SALE DECEMBER 30, 1930

Not Fair Play, Davis Charges As He Leaps to His Feet In Defense of the Witness

CHAIRMAN RULES IT PERMISSIBLE QUERY

Lamont Then Says He Does Not Remember About Sales Made Over Two Years Ago; 20 Morgan Partners Had Total \$48,000 Income Tax in 1930

Washington, June 2.—(AP)—The Senate investigation of J. P. Morgan and Company was abruptly recessed for the week-end today after John W. Davis, counsel for the firm, protested against a question directed at Thomas S. Lamont, junior partner, apparently relating to his income tax return.

The white-haired Davis, former presidential candidate, leaped to his feet to object when Ferdinand Pecora, aggressive Senate committee counsel called young Lamont to the stand and asked him about sales of stock December 30, 1930.

"This is not fair play," Davis protested, asserting that Lamont had not been advised he would be questioned about the stock.

Chairman Fletcher finally ruled the question was permissible. Lamont said then he did not recollect about the sales, and he was directed to look them up over the week-end.

Davis asked Chairman Fletcher for a meeting of the committee Monday before the resumption of the inquiry, presumably to decide whether Pecora's question was pertinent.

After the recess was taken, Pecora refused to reply to questions from newspaper men whether the question had any connection with income taxes.

Previous testimony before the committee had disclosed that the 20 Morgan partners had a total of \$48,000 income tax in 1930.

Supported Crashing Market. The Senate Banking Committee was taken behind the scene of financial drama of the chaotic days of late '29 by a Morgan and Company partner, who told in matter of fact fashion how a few bankers "with \$250,000,000 at their fingers, supported the crashing market."

It was a profitable operation, too. George Whitney, the Morgan partner, testified that, although loss had been expected, the 1,046,600 shares purchased were sold for \$1,067,355 more than the cost, exclusive of interest.

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Big Oxford Factory Is Destroyed

150,000 Feet of Lumber Is Burned; Henderson Sends Fire Truck to Scene

Most of the plant and lumber of the Jefferys Lumber Company in Oxford was destroyed in a fire which swept through the property this afternoon. Mayor Frank Taylor of Oxford, called Mayor Irvine B. Watkins here and asked that a fire truck be sent to their assistance if possible, and the truck was ordered to Oxford immediately.

In mid-afternoon a telephone message from Oxford said the fire had gotten beyond control, and indications at that time were that the entire plant would be destroyed.

It was said that more than 150,000 feet of lumber had been burned already together with one or two freight cars on a siding in the plant and one or two sheds in which lumber was stored.

The plant is located in the northwestern part of the city, and is one of the largest manufacturing establishments of its kind in Oxford.



They're Next



M. J. Van Sweringen O. P. Van Sweringen

When the Van Sweringen brothers, Cleveland railroad magnates, under subpoena to testify before the senate committee on banking and finance, tell their story, more light is expected to be shed on the Allegheny corporation, through which they have conducted their vast railroad enterprises. It was this stock, among others, which the House of Morgan offered to a privileged few at a price far below the market value.

DURHAM-BURKE ROW TEMPEST IN TEAPOT

Eternal Squabble Between Elective and Appointive Officers Seen

In the Sir Walter Hotel, Daily Dispatch Bureau, BY J. C. BASKERVILLE. Raleigh, June 2.—The rumpus that has developed between State Auditor Baxter Durham and Henry Burke, assistant director of the budget and of personal, with Attorney General Dennis G. Brummitt acting as referee and ruling a knockout for Durham, is no expected to accomplish anything other than mark the flare-up of the old feud between State Auditor Durham and Budgeteer Burke and to bring to light again the bitter feeling that has existed here for years between elective and appointive State officials. When the smoke has cleared away there is little doubt in most circles that the action of Burke will be sustained in the present instance, in spite of the ruling made by Attorney General Brummitt in favor of Durham's angle to the controversy.

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Public Debt Of Nation Rises Further In Month

Washington, June 2.—(AP)—The national public debt increased during May to \$21,835,385,981, compared with \$21,441,209,176 at the end of April, and \$19,036,916,646 on May 31, a year ago. The \$2,798,000,000 increase last year brought the total debt closest to the highest point it has been in half a decade.

August 31, 1919, the debt reached its highest point, \$28,596,701,845, and compared with a debt of \$12,822,044,946 on

MORATORIUM FOR ALL DEBTS LOOMS IN GERMAN REICH

Both Long and Short Terms Foreign Debts of Germany Will Be Affected by Order

ANNOUNCEMENT IS MADE BY SCHACHT

President of Reichbank States Decision After Five-Day Conference of Bankers on Situation; Decision Declared by Schacht To Be Irrevocable

Berlin, June 2.—(AP)—Dr. Hjalmar Schacht, president of the German Reichbank indicated today that early next week a moratorium will be declared on all German foreign debts, both long and short term.

At the conclusion of a five-day international conference with bankers, Dr. Schacht read to newspaper correspondents a joint communique issued by all delegates. Then his voice raised he added:

"This puts the decision for further action straight up to the Reichbank. Our decision which is irrevocable, is that we will not permit further shrinkage of our gold and devisa (bills of foreign exchange)."

This was taken by every one present as an announcement that Germany will declare a moratorium at least until the decision of the world economic conference is made known.

Raleigh Side Show

Shorts About the Political Situation in the State Capital

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

Raleigh, June 2.—Who will be appointed the new commissioner of pardons? This question is being heard more frequently than heretofore today, as the result of the announcement that Tyre C. Taylor, who has been acting temporarily as commissioner of pardons, has been appointed as counsel for the Reconstruction Finance Corporation in Washington and will leave within the next ten days or so to take up his new position. It has been believed here for some time that Taylor was in line for a good Federal appointment as the result of his work as national president of the Young Democratic Clubs of America during the last campaign. There is no doubt that the Young Democrats did a great deal to help roll up the big majority that Mr. Roosevelt got. It was also expected that Mr. Roosevelt would remember the service which Mr. Taylor rendered. He has.

APPOINTMENT SPEEDED

While the new Federal job for Taylor was in process of being developed, it was also expected that he would be retained by Governor J. C. B. Ehringhaus as commissioner of pardons. He was familiar with the routine of this work, having served under former Governor O. Max Gardner as executive counsel—which is the same job with another name—so that he was able to carry on the parole work as in the past. Because of the slowness with which Federal appointments have been coming out of Washington, it was thought that it might be from several weeks to several months before the job for Taylor

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Our Delegates Sail for Economic Conference



Three of the six United States delegates to the World Economic Conference in London are shown as they sailed from New York. Left to right are Senator Key Pittman, of Nevada; Secretary of State Cordell Hull, chairman, and Representative Samuel D. McReynolds, of Tennessee. Secretary Hull, who is making his first trip to Europe, is accompanied by his wife and niece, Mrs. Paul Hays.

BIG IMPROVEMENT FOR EMPLOYMENT

Relief Office in Raleigh Finds Situation Better All Over State

DISTRIBUTION IS LESS

\$651,300 Available from R. F. C. for North Carolina in June, of Which Vance Will Get \$4,350 Allotment

Raleigh, June 2.—(AP)—The Governor's Office of Relief announced today that "reports from all sections of the State indicate a considerable improvement in employment" as it released county relief fund allotments for June. There will be \$651,300 available for distribution during the month, about 13 percent less than was asked of the Reconstruction Finance Corporation.

Due to improved conditions, however, the office said, "it is anticipated that funds made available will be sufficient to meet necessary relief needs."

It was figured June requirements will be at least 20 percent below those for May, when \$86,000 was distributed.

The allotments by counties include: Vance, \$4,350; Warren, \$3,500; Granville, \$4,350; Franklin, \$4,350.

More Lobby Reports Are Sent State

W. R. Vaughan Reports Receiving and Spending \$268.75 During Legislature

Raleigh, June 2.—(AP)—The Liggett and Myers Tobacco Company paid Jones Fuller, of Durham, a few of \$1,500 for legal services in connection with his lobbying activities during the 1933 legislature, the company reported to Secretary of State Stacey W. Wade today. The company reported it paid nothing to F. L. Fuller, Jr., of Durham.

W. R. Vaughan, of Henderson, working for the Railway Employees and Tax-Payers Association, reported receiving and spending \$268.75 during the session of the legislature.

WEATHER

FOR NORTH CAROLINA. Fair tonight and Saturday; slowly rising temperature Saturday and in extreme west portion tonight.

Britain Is Now Waiting Debt Move From America

Chamberlain Tells Commons Washington Has All Facts, and He Fears To Make Any Comment Whatsoever Lest It Might Queer Delicate Situation

London, June 2.—(AP)—Chancellor of the Exchequer Neville Chamberlain, during debate in the House of Commons today on foreign affairs, again refused to disclose Great Britain's war debt policy, but intimated the government is awaiting some new move from Washington.

Chamberlain said he feared that "any word of mine, however innocuous its intention, might be subject to misunderstanding on the other side of the water."

He added he was not prepared to "take any risk of saying anything which might however inadvertently, prejudice a satisfactory solution on a very delicate question."

The chancellor asserted that the United States government was in full possession of the British view on the subjects.

Chamberlain declined yesterday to reveal the British government's viewpoint in regard to the \$75,950,000 debt installment due America June 15.

THINK FUGITIVES FOUND IN FLORIDA

Posse Forces Group From Cars In Gun Battle and Presses Hunt

Miami, Fla., June 2.—(AP)—A posse led by Sheriff Carl Curtis, of Delaware county, engaged a group of men thought to be fleeing Kansas convicts in a running gun fight in the hills 20 miles south of Jay today. Curtis reported to Sheriff Dee Walters here

Sheriff Curtis said the posses routed the fugitives from their automobiles and they fled on foot. No one was wounded, he said. He asked for reinforcements and Sheriff Walters arranged to leave immediately with all available Ottawa county officers.

It could not be learned how many were in the fleeing group. Walters said the men apparently were those who escaped from a Siloam Springs, Ark., posse late Wednesday night after a gun fight.

DISCRIMINATION TO TEACHERS CHARGED

Publication Denounces Their Omission From Compensation Law

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE. Raleigh, June 2.—One of the "bank discriminations" in the new school machinery law passed by the 1933 General Assembly is its elimination of the teachers from the provisions of the State workmen's compensation act, according to an editorial in the last issue of The North Carolina Teacher, monthly publication of the North Carolina Education Association.

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HARRISON OFFERS A SUBSTITUTE FOR PUBLIC WORK BILL

Would Raise \$227,000,000 For Interest and Sinking Fund on \$3,300,000,000 Project

CORPORATE INCOME DIVIDEND ASSESSED

One Tenth of One Percent Capital Stock Tax Would Be Re-Enacted, and Private Banker's Exemption From Capital Loss Deduction Is Removed

Washington, June 2.—(AP)—A complete substitute for the House farm and taxation measure to finance the 3,300,000 public works section of the industrial recovery bill was laid before the Senate Finance Committee today by Chairman Harrison.

Under its provisions, the existing law is strengthened against private bankers and partnerships.

Expanding it was his individual plan, Harrison told newspaper men before going into the executive session the substitute would raise \$227,000,000 and provide:

A tax on corporate dividends withheld at the source, \$70,000,000.

Re-enactment of the one tenth of one percent capital stock tax, \$80,000,000.

Removal of the private bankers' exemption from the capital loss deduction provision of last year's revenue act, and denying the individual the rights to take up on his personal return the distributive share of any partnership losses, \$15,000,000.

Increase of one-half cent a gallon in the gasoline tax, \$62,000,000.

The Harrison program eliminates the House income tax increases, reduces the House gasoline increases by one quarter of a cent and changes the corporate dividend tax so it would be collected at the source, and thereby saving administrative expense.

The committee chairman said the public works bond issue required only an annual revenue of \$220,000,000 for interest and sinking fund, and his program, therefore, "provides the necessary revenue and allows for a margin of safety of \$7,000,000."

Robot Plane Off On Non-Stop Hop Across Continent

Los Angeles, Cal., June 2.—(AP)—Lieutenant Commander Frank Hawks, flying a robot-controlled 14 cylinder airplane, took off from the municipal airport here at 5:51 a. m. today on a non-stop flight to Floyd Bennett field, Brooklyn, N. Y. He planned to test the automatic pilot, and was not necessarily seeking a speed record.

U. S. Taxes Up Sharply For State

\$8,000,000 More Collected by Grissom in May Than Same Month Last Year

Raleigh, June 2.—(AP)—North Carolina will hand over to Uncle Sam in Federal internal revenue taxes for May nearly \$8,000,000 more than it did in May, 1932.

Collections for the month, announced by Gilliam Grissom, collector of internal revenue, totaled \$25,305,182, as compared to \$17,619,923 in the corresponding period last year.

"It seems that conditions are getting better by leaps and bounds," Grissom said. "There was evidence of a general upward trend in our collections of income and tobacco taxes, especially tobacco."

The announcement followed closely one that revenues for May more than doubled those of last year.

RETAIL PRICES OF GASOLINE ADVANCE

Raleigh, June 2.—(AP)—The retail price of gasoline advanced generally over the State today by 2.3 cents per gallon, representatives of the larger oil companies operating in this section said this morning.

Most Raleigh filling stations put the price at 21.4 cents per gallon, less two cents discount for cash, when they opened for the day's business, but some stayed at the old price of 19.1 cents.