

GREAT BRITAIN REFUSES TO JOIN GOLD BLOC

State Merchants Are Working Out Plans To Battle General Sales Tax

MAXWELL PLEADS 'FAIR AND HONEST' TEST BE ASSURED

Resolution Pushed for Formation of Political Unit To Make War on the Measure

PAUL LEONARD WILL DIRECT THE FIGHT

Will Head Political Phase of State Association; Directors Nominated and Invitations Are Received for 1934 Convention From Eight Cities

Winston-Salem, June 27.—(AP)—With a floor fight on the best method of combatting the sales tax close at hand the North Carolina Merchants Association today heard a plea by Allen J. Maxwell, state revenue commissioner, that the controversial measure be given a "fair and honest" trial.

Even as he spoke, the resolutions committee had before it a resolution framed by James Wornick, of Winston-Salem, which, if adopted by the convention, would direct the association to organize itself as a political unit to war on the sales tax.

Members of the committee, however, said it was not probable that the resolution would be reported to the convention in its original form.

Others desiring an organized fight on the tax have advocated formation of a political organization, backed by the association, but separate from the present set-up.

In either event, delegates said, J. Paul Leonard, of Statesville and Winston-Salem, would probably be selected to direct the political phase of the

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Drive For Cotton Cut Succeeding

Schaub Says Few Contracts Signed, But Vigorous Campaign Opens

Raleigh, June 27.—(AP)—Though definite figures were not announced, Dean I. O. Schaub of N. C. State College, cotton reduction director for the state, said today "early" returns from a few of the 67 cotton growing counties indicates a successful reception of the cotton reduction campaign in this state.

Only a few contracts were actually reported, Schaub said, but a vigorous campaign to get signatures will start tomorrow.

Dean Schaub urged the 90,000 cotton farmers of the state to avail themselves of the chance to get about \$5,000,000 now by making the program a success.

"This money will come at a time when the farmer needs cash most to buy necessities," he said, "and at a time when an increased purchasing power by the grower will be a boon to local business."

1,300 Dry Agents Will Be Dropped

Washington, June 27.—(AP)—Attorney General Cummings announced today that more than 1,300 of the prohibition bureau will be furloughed or dismissed July 1 to save \$4,000,000 in the coming fiscal year.

Among the employees to be dropped the attorney general said, are administrators, attorneys, investigators, special agents, secretaries, stenographers, typists and clerks.

The attorney general's announcement said "the last session of Con-

GOVERNMENT BEGINS INDUSTRIAL CONTROL IN TEXTILE HEARING

Hoover Today



Once one of the world's most photographed men, Herbert Hoover is seldom in the camera's eye these days. Newest photo shows him with Ray Lyman Wilbur, former member of his cabinet, at Leland Stanford University commencement.

Sets Out Formally on Its New Policy To Raise Wages and Decrease Working Hours

JUSTICE TO ALL IS AIM, JOHNSON SAYS

Restoration of Buying Power and Spread of Employment Is Sought; Would Have Textiles Pay \$11 in North and \$10 in South for 40-Hour Work Week

Washington, June 27 (AP)—The Federal government set out formally today on its policy of industrial control to raise wages and decrease working hours through its first hearings on a "code of fair competition"—this one embracing the textile industry.

Applauded by a crowd that jammed the huge Department of Commerce auditorium, Hugh S. Johnson—administrator of the extraordinary law—declared:

"We want to see to it that this law attains its ends and at the same time that it does no injustice."

The end he had in mind was to restore buying power and spread employment to rebound to the benefit of the nation and business as a whole.

The immediate subject was the arrangement agreed to by more than two-thirds of cotton textile operators which if approved, will give the force of law to the plan for a minimum wage of \$11 a week in the North and \$10 in the South for a 40-hour week.

In a quiet manner, somewhat surprising to the many industrialists and labor leaders on hand, who know him as an aggressive speaker, Johnson explained the law briefly and then presented Donald Riechberg as counsel for the Industrial Recovery Administration. He defined the aims of the hearing.

The eager audience fairly seemed to represent a cross section of American life, laborers in shirt sleeves side by side with brightly dressed women of wealth, who accompanied many of the business men on hand.

Norfolk Man Is Freed of Blame In Fatal Wreck

Raleigh, June 27 (AP)—Willie E. Powell, of Norfolk, Va., today was exonerated and held blameless for Coroner L. M. Waring, of Wake county, after an investigation into the automobile accident which fatally injured Miss Irene Purdue, of Roanoke, Va., Saturday afternoon near here.

After being cleared of blame, Powell offered to defray the expenses of a formal burial of Miss Purdue whose body is at a local undertaking establishment. He was told, however, that a sister of the dead woman would be here tomorrow to arrange for burial of Miss Purdue.

SENATE LAUNCHES KUHN, LOEB PROBE

Otto Kahn, Head of Wall Street Banking Firm, Is First Witness

Washington, June 27.—(AP)—Resuming its investigation of private banking, the Senate committee today sought intimate details of the set-up of operations of Kuhn-Loeb and Company, giant New York concern.

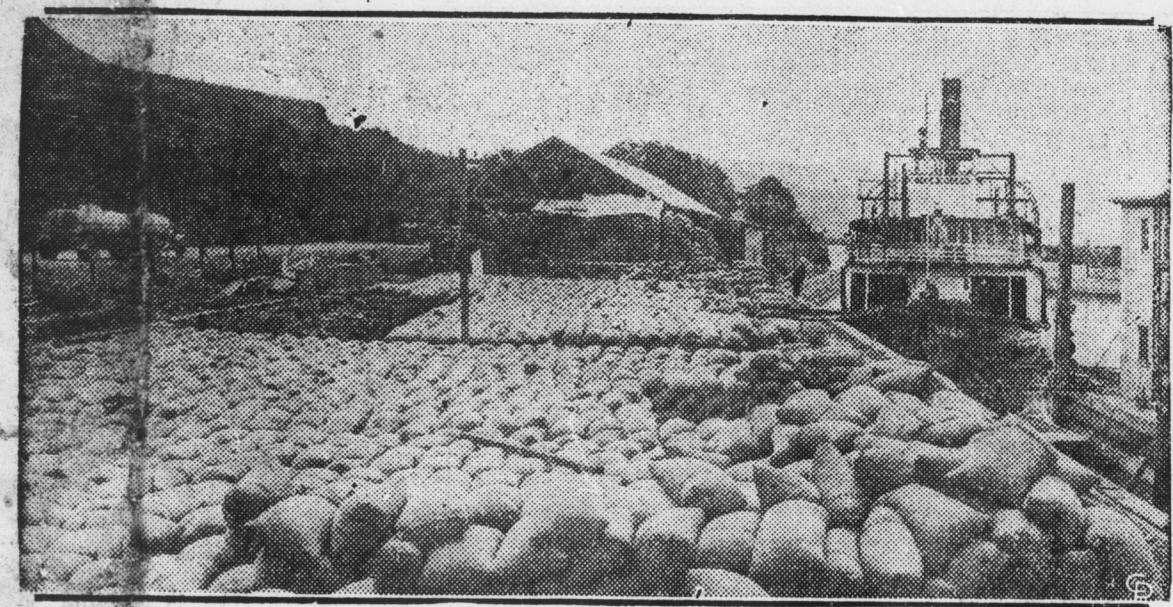
Otto H. Kahn senior partner, was the first witness as the committee picked up where it left off ten days ago with J. P. Morgan and Company.

In contrast to the huge crowd that stormed the doors of the Morgan inquiry, only a handful of spectators showed up ahead of time today.

Kahn, small and well dressed, walked into the committee room accompanied by associates.

He told newspaper men he would not have a statement, as did J. P. Morgan.

DEMAND FOR WHEAT BRINGS CHEER TO MANY FARMERS



These are brighter days for the farmers of the northwest. Due to heavy demands for wheat from war-torn China, thousands of

bushels of wheat from Oregon, Washington and Idaho now are being shipped daily. With no space left in warehouses, the

wheat is shown stored outdoors, about to be loaded for shipment down an Oregon stream to the ocean and the orient.

GRAHAM AND HILL HAVE OPEN BREAK

Agriculture Head and Durham Board Member Split, Latter Resigns

GRAHAM ASKED HIM TO

Differences Personal Hill Says; Member of That Board Emptiest Honor in State; Graham Remains Silent

Raleigh, June 27.—(AP)—A long standing enmity between Commissioner of Agriculture W. A. Graham and George W. Hill, of Durham, a member of the State Board of Agriculture, came to a head today when Graham demanded and received Hill's resignation of Hill, who is also a member of the City Council of Durham.

Hill said after leaving a meeting of the State Board that Graham had demanded his resignation and had received it, but the Durham man added that a formal resignation from the post had been on the desk of Governor J. C. B. Ehringhaus since January.

Graham and Hill have been at odds on many questions of policy since the Durham man was named to the board two years ago. Their feud came into public attention when Hill asked the legislature to reorganize the department.

"Our differences are personal," Hill said. "I sought before the legislative reorganization committee to get a clean-up in the agriculture department."

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Guard At Reynolds Quarters

Westerley, R. I., June 27 (AP)—Chief of Police George H. Chaplin said today that two private detectives are in charge at the Watch Hill estate occupied by Libby Holman Reynolds, but that no police guard has been assigned.

The chief denied reports that heavily armed police guards had been placed about "Grim Rock", palatial 25-room house overlooking the Atlantic to which Libby came recently with her infant son.

The two detectives came to him to inquire about permits to carry firearms, Chief Chaplin said but he was unable to issue them because the men were not residents of the state. He said the detectives came from Delaware.

WEATHER

FOR NORTH CAROLINA. Partly cloudy, with showers Wednesday and in east portion tonight; not much change in temperature.

Sales Tax To Be Levied On Bracket System Plan Under Maxwell Program

Rules Make It Mandatory for Every Merchant To Pass Tax Along; Three Different Classifications Set Up; Schedules May Be Revised By August 1

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

Raleigh, June 27.—The bracket system for passing on the three per cent general sales tax to consumers is specified in the rules and regulations that must be followed by the merchants of the State, and which have just been prepared and were promulgated today by Commissioner of Revenue A. J. Maxwell. The rules and regulations made public by the commissioner in an address he made before the North Carolina Merchants Association in Winston-Salem, will hold good for the month of July only and will be revised for August and succeeding months if it is found advisable to make changes in them.

The rules do not make it mandatory for every merchant to show the tax on every sale, as many had requested. But they do make it mandatory for all merchants to pass the tax along to the consumers, with three different classifications, and a different bracket for each classification. These three brackets are contained in Rule 13 as follows:

Schedule 1. For merchants who make no sales of less than 17 cents: From 1 cent to 17 cents, no tax. From 17 cents to 49 cents, one cent tax.

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From 50 cents to 83 cents, two cents tax.

From 84 cents to \$1.16 cents, three cents tax and so on up, with fractions of cents to be determined in favor of the major fraction.

Schedule 2. For merchants having sales of articles of less than 17 cents with a total of such sales not exceeding five per cent in money value of total gross sales.

From 1 cent to 16 cents, no tax. From 17 cents to 33 cents, 1 cent tax.

From 34 cents to 66 cents, 2 cents tax. From 67 cents to \$1.00, 3 cents tax.

On sales of more than \$1.00, straight three cent tax, fractions of cents to be determined in favor of the major fractions.

Schedule 3. To be applied to merchants whose sales are of articles at cents or less constitutes more than five per cent in money value of the total gross sales of taxable merchandise as follows:

From 1 cent to 13 cents, no tax. From 14 cents to 33 cents, one cent tax. From 34 cents to 66 cents, two cents tax. From 67 cents to \$1.00 three cents tax.

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Frank Hawks May Hunt for Mattern

Chicago, June 27 (AP)—Sponsors of the round-the-world flight which Jimmy Mattern attempted, announced today they planned to appeal to Frank Hawks, noted speed flier, to search for Mattern in the Arctic.

BETTER OUTLOOK SEEN BY BAILEY

Upward Swing Will Be Evident as Recovery Act Operates, He Says

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

Raleigh, June 27.—More employment, greater industrial activity with a resulting increase in business generally is going to result in North Carolina as soon as the provisions of the industrial recovery act get into operation, Senator Josiah William Bailey predicted today. He is resting at his home here for a few days before returning to Washington, where he expects to remain through most of July.

"The final test of any legislation,

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Horse Racing Is Being Voted Upon By Polk County

Tryon, June 27.—(AP)—Polk county voters went to the polls here today to decide whether to legalize pari-mutuel betting on horse-racing.

The vote, authorized by special legislative enactment, followed a heated campaign which saw numerous petitions circulated on both sides.

The fight against the proposal was led by ministers of the county, while the racing commission applauded under the act was its sponsor.

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Two More States Voting On Repeal

San Francisco, Cal., June 27 (AP)—Proposed repeal of the eighteenth amendment comes before the voters of California today with prohibition leaders generally conceding defeat.

Governor James Rolph, Jr., who has pictured the grape industry as "shackled by prohibition," is among those calling on the people to place California in line with the 14 states which already have favored repeal.

WEST VIRGINIA, LONG DRY ALSO VOTING UPON ISSUE

Charleston, W. Va., June 27 (AP)—

WILL NOT IGNORE STANDARD SET UP BY UNITED STATES

France Leads Movement To Stabilize Continental Currencies, Regardless of America

U. S.—BRITISH SPLIT PURPOSE OF FRANCE

Trying To Maneuver So Two English Nations Cannot Deal Independently On Stabilization; Gold To Be Defended; Last Ditch, Conferees Agree

Cobh, Irish Free State, June 27.—(AP)—Assistant Secretary of State Raymond Moley who had intended to land here and fly to London, where he will attend the world economic conference, changed his plans today and decided to proceed to Plymouth aboard the steamship Manhattan. The Manhattan is due to reach Plymouth about 1:30 eastern standard time, and Moley, therefore, is scheduled to reach London at 6:30 p. m., eastern standard time.

London, June 27.—(AP)—Great Britain was understood in well informed quarters this evening to have refused to commit herself to a new European gold bloc scheme under which British and continental currencies would

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Road Bids Due About July 10th

Work on Federal Projects To Begin Around August 1; Rules Received

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

Raleigh, June 27.—The State Highway and Public Works Commission, which will come into being July 1, hopes to be able to call for bids on the first projects to be built under the new grant of \$11,000,000 from the Federal government by July 10, Chief Engineer Leslie R. Ames said today, in the absence of Chairman E. B. Jeffress, who is still confined to his bed in his hotel here after an illness of more than a week.

Plans for holding the first letting as soon as possible after July 1 have been going ahead in spite of Chairman Jeffress' illness and it is believed that it will not be seriously delayed.

It will probably be August 1 at the earliest before actual construction can start on any of the projects, even if the first letting is held July 1. Ames said, since it will take about 20 days for the contractors getting the various projects to get their equipment and machinery on the various locations ready to start work after they get their contracts. Since the law re-

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Two More States Voting On Repeal

Dry for seven years before national prohibition, West Virginia votes today on repeal with little except conflicting assurances of wet and dry campaigners on which to base an estimate of State sentiment.

Repeal forces claimed 49 of 50 counties certain for ratification, and the dries are "hopeful."

The last referendum in 1912 the State gave a 92,000 majority for prohibition. Only three counties were wet. Today is a Statewide holiday.