

## DRASTIC INCOME TAX LAW REVISION SOUGHT

### Wallace Sounds Fresh Warnings About Inflation

Not Cure-All for Farmers' Troubles, Secretary of Agriculture Says In Report

WOULD NOT STOP PRICE DISPARITY

Thinks Gold Buying Policy Eventually Will Be Reflected in Better Things for Raw Materials; Proposed Regulating Grain Exchanges

Washington, Dec. 15.—(AP)—A reiterated warning that currency inflation is "not a cure-all" for farmers' troubles was issued by Secretary Wallace today in his annual report to President Roosevelt.

Inflation would raise general price levels, he said, but would not eliminate the disparity between prices of agricultural and non-agricultural products which he termed essential to permanent farm relief.

Of the administration's gold purchase plan, he said: "It may not have any great effect for some time on livestock and dairy prices. Eventually, however, most of our raw material prices should rise to the extent to which the gold in the dollar is reduced."

Wallace recommended regulation of grain exchanges and separation of savings from commercial banks in order to strengthen country banks.

He blamed the rise in farm prices from last March to July on inordinate speculation in the commodity markets and told the President "it is imperative for the government to supervise, and, if necessary, to regulate grain speculation, because such supervision is the only means of preventing abuses."

Balancing production with demand was the keynote of Wallace's report. He predicted a permanent crop control plan in line with needs of the domestic market.

Favors \$2.60 Tax



Joseph Choate

Joseph Choate, head of the federal alcohol control administration, is snapped at Washington as he told a joint committee of congress and the President "it is imperative for the government to supervise, and, if necessary, to regulate grain speculation, because such supervision is the only means of preventing abuses."

### Former Roosevelt Chauffeur Seeks Job At Raleigh

Raleigh, Dec. 15.—(AP)—O one-time chauffeur and valet and masseur of President Franklin D. Roosevelt today was found to be enrolled in the Wake county re-employment lists seeking some work.

The man, LeRoy Jones, who now lives at Kinghtdale, Wake county, today filed his application for jobs along with others, but with the application came a personal letter of recommendation from the President of the United States. Roosevelt gave the Negro his testimonial ten years ago next week on December 20, 1923. He described the man as a faithful servant during the days he was convalescing from infantile paralysis at Warm Springs, Ga.

The letter is signed by Roosevelt and is written on his Hyde Park stationery.

### Lindbergh Day's Hop Brief One

San Pedro, Dominion Republic, Dec. 13 (AP)—Colonel and Mrs. Charles A. Lindbergh landed here at 10:40 a. m., eastern standard time, today after a flight from San Juan, Porto Rico, Pan-American Airways announced.

San Pedro is on the southern coast of the Dominion Republic, east of Santo Domingo, and 225 miles west of San Juan. They alighted here, Pan-American officials said, because of the good airport and facilities. They planned to stay here today and resume their journey toward Miami and New York tomorrow.

LEAVE PORTO RICO AFTER SPENDING GONE DAY HERE

San Juan, Porto Rico, Dec. 15.—(AP)—Colonel and Mrs. Charles A. Lindbergh took off from harbor here in their big red hydromonoplane at

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### BIGGS ASKS COURT TO FIX BASIS FOR PROHIBITION CASE

Shaping of Federal Policy Depends on Supreme Court's Ruling Now Sought

ACTION ORIGINATED IN NORTH CAROLINA

Judge Hayes Held Since Prohibition Had Been Repealed, Defendants Could Not Be Punished for Violating Statute That Had Been Eliminated

Washington, Dec. 15.—(AP)—The government today sought an early decision by the Supreme Court on a case to shape Federal policy in handling prohibition litigation.

Solicitor General J. Crawford Biggs asked the court to review on January 15 a case from North Carolina, in which two men were discharged on the ground the eighteenth amendment had been repealed.

The decision was delivered by Judge Johnson J. Hayes in the middle district of North Carolina. The defendants were charged with conspiracy to violate and with actual violation of the national prohibition law.

Judge Hayes took the position that repeal of a statute pending a prosecution for an offense which it creates stops all prosecution and deprives the courts of authority to impose sentence, even though the defendants were convicted.

Syrom Gibson and Claude Chambers, Guilford county men, were the defendants. Chambers pleaded guilty to the indictment, but when brought to trial last December 6 filed appeal in abatement in which he objected to the court entering a sentence against him on the ground the eighteenth amendment had been repealed. Gibson demurred to the indictment on the ground it did not state an offense because the eighteenth amendment had been repealed.

### CLERK AFFIRMED ON WILL OF FINLAYSON

Goldsboro, Dec. 13.—(AP)—Judge Clayton Moore today affirmed the ruling of Clerk of Court C. R. Aycock of Wayne county, denying a petition to vacate letters of administration in the will of the late H. L. Finlayson, millionaire Goldsboro oil man. An appeal was taken to the Supreme Court.

The petition was filed by the First and Merchants National Bank of Richmond, Va., and others. The letters of administration were filed by Finlayson's daughter, Mrs. Emma Finlayson Cannon.

### Extension Is Granted For Insull

Greece Gives U. S. Former Utilities Magnate Another Month To Remain

Athens, Greece, Dec. 15.—(AP)—The Greek government today granted Samuel Insull an extension to January 31 in the length of time he will be allowed to remain in this country.

Previously in refusing to renew the former American utilities operator's police residents permit, the government announced he would be forced to leave the country January 1. His present permit expires December 31.

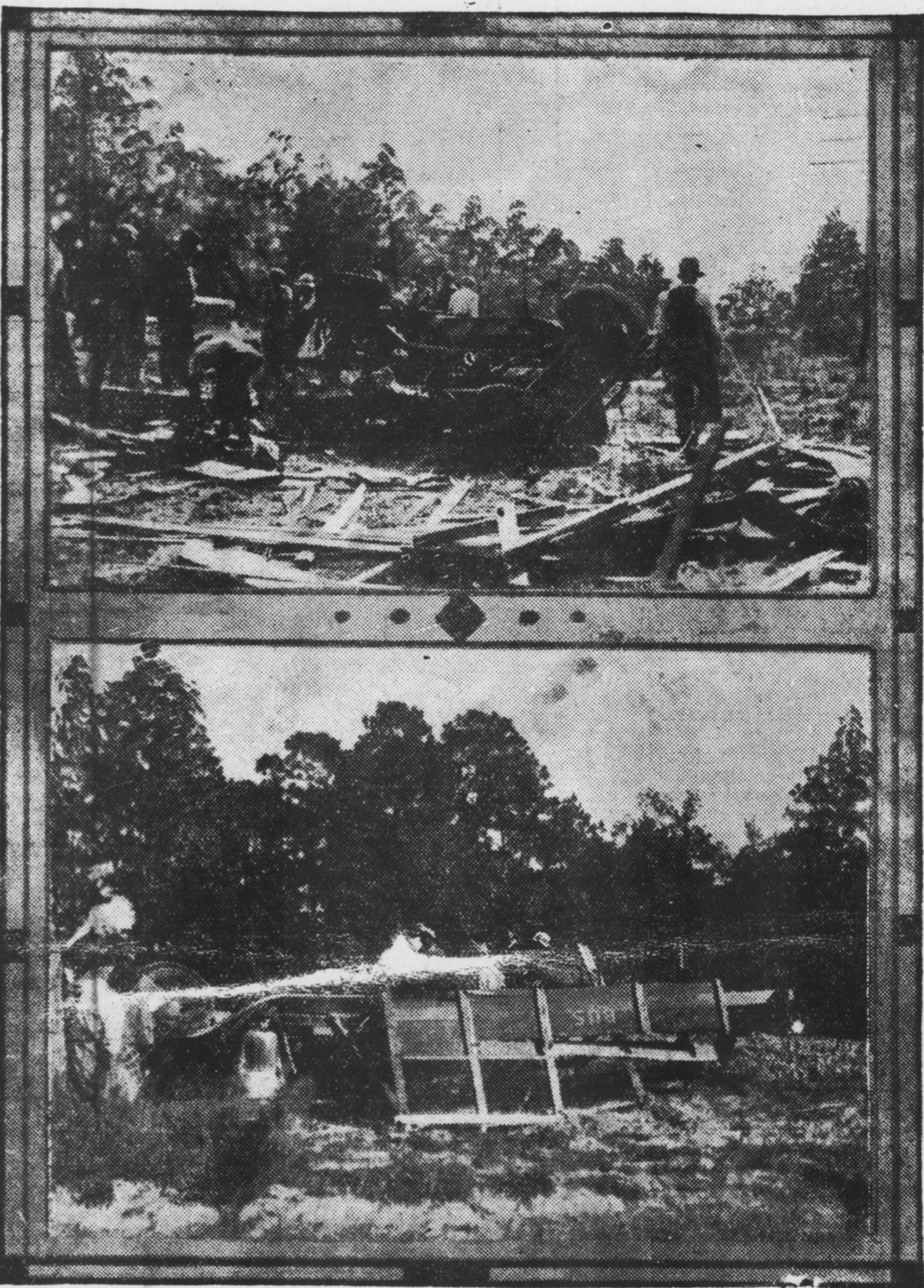
Mr. Insull requested and was granted the extension today after the minister of the interior had informed him that he would be expected to leave by the first of the year.

At the same time today he was informed that his passports will be visted to any country he chooses to visit after leaving Greece. However, as he has no passport, Mr. Insull will be required to travel on temporary papers.

### WEATHER FOR NORTH CAROLINA.

Cloudy, with occasional rains tonight and Saturday; rising temperature Saturday an din central and west portions tonight.

### Where Ten School Children Died In Crossing Crash



Ten school children lost their lives and 29 were injured, some so seriously that they may die, when an Atlantic Coast Line freight train crashed into a school bus yesterday morning at Crescent City, Fla. One widowed mother lost four children in the catastrophe.

### MORTGAGE HOLDERS WILL BE GIVEN AID

\$50,000,000 To Be Loaned on Defaulted Guaranteed Mortgages

Washington, Dec. 15.—(AP)—President Roosevelt approved a plan today for loans by the Reconstruction Corporation to relieve holders of defaulted guaranteed mortgages.

The President approved extending small loans in cases of actual distress after a conference with Jesse Jones, chairman of the R. F. C. and George Van Schaick, New York State superintendent of insurance.

"We can work out something," said Jones, "providing loans in the needy cases."

Jones estimated that perhaps \$50,000,000 would be involved in the relief effort. He estimated that loans up to about 25 percent of the value of the mortgage certificates would be allowed.

He arranged for a conference later today at the R. F. C. to work out details of the plan.

### GOVERNMENT GOLD PRICE STAYS SAME

Washington, Dec. 15.—(AP)—The government's gold price today was kept at \$4.01 an ounce.

London's price on the basis of sterling opening at \$5.12 1-2 to the pound was \$32.41 an ounce.

9 days till Christmas SHOP EARLY!

### Over 4,000,000 Men On CWA's Payroll To Date Administrator Asserts

Goal Set by President When He Set Aside \$400,000,000 To Furnish Jobs Is Reached on Schedule Time; Congress To Be Asked for More Money

Washington, Dec. 15.—(AP)—The Civil Works Administration said today that more than 4,000,000 are now on its payrolls.

This was the goal set by President Roosevelt in authorizing use of upwards of \$400,000,000 for direct employment of persons theretofore on relief rolls. It is expected that Congress will be asked to provide more funds for this purpose to carry the CWA into the spring months.

Harry L. Hopkins, civil works administrator, told reporters today his information showed that the full quota of employment planned for December 16 has been completed. He could not, however, give any definite figures, and contended himself with the statement that 4,000,000 are employed.

He paid tribute to State and local civil works administrations and volunteer workers who have devoted their time to the situation for the past month.

### PRICES OF LIQUOR TAKE A NEW JUMP

Holiday Demand Said To Have Boosted Quotations In Raleigh Area

Raleigh, Dec. 15.—The price of bootleg liquor has increased again in this section within the past two weeks, according to those in touch with the liquor trade. This the second general increase in price since the State voted against repeal of the eighteenth amendment November 7, although the State would have continued to remain technically dry as long as the Turlington Act, the State's boney prohibition enforcement law, remains in effect. The first general increase in prices for bootleg liquor took place with a few days after the repeal elec-

tion.

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### ADMINISTRATION'S PLAN IS PLUGGING OF ALL LOOPHOLES

But Will Hamper Business as Little As Possible, Secretary Morgenthau Says

RATES WILL AWAIT BUDGET COMPLETION

Principle of Committee's Plan Is Approved By Treasury Head, However, Higher Surtaxes Would Be Levied on Large Incomes In Coming Year

Washington, Dec. 15.—(AP)—Declaration of the administration's intention to plug "any loopholes," but hamper business as little as possible, Acting Secretary Morgenthau today recommended drastic revision of the income tax laws before the House Ways and Means Committee.

The Treasury head, appearing for the first time before a congressional committee in that capacity, withheld his recommendation on specific income tax rates. The budget must be completed he indicated, before the rate is named.

At the same time, however, he approved the principle of the committee's plan. The House group suggested that, instead of the present four percent on the first \$4,000 of net income and eight percent on the balance, there be a single four percent rate. Increased surtaxes would be levied on large incomes.

Reading only the high spots of his suggestions before turning over the exposition of details to Professor Roswell McGill, Treasury tax expert, Morgenthau made no estimate of how much the government might gain from re-writing the income tax law. Aides indicated, however, the Treasury felt the return would be nearer \$100,000,000 than the committee's estimate of \$270,000,000.

### FISHERIES BOAT IS SUNK IN EXPLOSION

Georgetown, S. C., Dec. 15.—(AP)—A State Board of Fisheries boat exploded and sank at the water front here today, injuring one person.

Captain J. Frank Bellune was captured into the Sampit river, but was only slightly bruised and burned. The explosion shook the entire town of Georgetown, shattering windows in nearby houses.

It was believed that accumulated gasoline fumes caused the blast.

### NAVY JOINS IN WAR UPON RUM RUNNERS

Washington, Dec. 15 (AP)—President Roosevelt was said at the Treasury to have ordered the Navy to cooperate with the coast guard in stopping rum running off the Pacific coast.

### "Ideal" Tax Plan Made By Expert

Would Let Government Collect on Commodities Taxed All Over Country

Albany, N. Y., Dec. 15.—(AP)—Tax Commissioner Mark Graves, who has helped states from Maine to California with their tax problems, outlined the "ideal tax plan" he has laid before the United States Treasury.

Mr. Graves proposes a two percent Federal sales tax. Mr. Graves is president of the New York State Tax Commission and a close friend of President Roosevelt. He helped New Jersey, California and Illinois overhaul their tax systems and most of the 48 states have sought his advice.

When Mr. Roosevelt was governor, Mr. Graves was his closest financial advisor. His "ideal plan" is presented publicly for the first time: By Mark Graves.

President New York Tax Commission. It seems logical that the business of

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