

TREASURY TO START HUGE BOND SALES SOON

House Passes \$2 Per Gallon Liquor Tax, Rejecting Higher Levy

U. S. Will Hold China To Blame In War Regions

Government Informed America Looking To It For Safety of Nation. als There

AMERICANS WARNED TO LEAVE THE ZONE

Japan Has Already Given Similar Ultimatum to Peiping Government; Situation Serious Following Revolt and Setting Up of New Government

Peiping, China, Jan. 5.—(AP)—The United States Legation informed the Chinese government today that the United States looks to the Chinese government for the full protection of the lives and property of Americans in Fukien province.

The American declaration was in reply to the National Chinese government request that Americans in Fukien province be withdrawn to Nantai and Kulungsu for safety.

The legation informed the Chinese that the United States consuls in Amoy and Foochow, the latter the capital of Fukien, had been instructed to advise American withdrawal at the consuls' discretion.

The American declaration to the National government was preceded several days ago by a similar communication from the Japanese, who said, in addition, that they would hold

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Filene Believes Nation Is Behind Roosevelt Drive

Philadelphia, Jan. 5.—(AP)—Edward A. Filene, chairman of the Massachusetts State Recovery Board said in a speech for delivery before the American Academy of Political and Social Science today that if the profit system is destroyed it will be destroyed by those very business men who believe most profoundly in the profit system and are shouting the loudest about individual initiative.

"At present, however, I see no danger of this," Filene said. "Practically all America seems to be behind the President in his great effort to discover the underlying cause governing production and distribution thus to effect an orderly arrangement of the processes."

Ehringhaus Asks Scales Extradition

Raleigh, Jan. 5.—(AP)—Governor Ehringhaus today declined to be the "tribunal to pass on his guilt or innocence," and ordered requisition papers be sent to the governor of New York, asking that Wallace B. Scales be allowed to be returned to Winston-Salem to face charges of robbery with firearms.

During the course of the hearing, it was developed that the State Highway Commission had never been officially asked to hold Scales when he completed a liquor sentence last year.

When Scales finished the liquor sentence on the State roads, he was under indictment in Winston-Salem in the Galloway jewel robbery, but was released as the highway prison department had no record he was wanted. He was reported to have fled to Switzerland and last week was arrested in New York.

His Office In Lobby



Making good his promise to occupy a desk in the lobby of city hall "so that the people can reach their mayor when they want to see him", Mayor William M. McKee of Pittsburgh is shown as he assumed his official duties. He is Pittsburgh's first Democratic mayor in more than two decades.

EHRINGHAUS SILENT ON COMMISSIONERS

No Selections Yet Made for Associates in Utilities Body

SEVERAL ARE TALKED

John Sprunt Hill, of Durham, Chief Among Those Being Considered; Turner, of High Point, Also Talked

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE, Raleigh, Jan. 5.—Governor J. C. B.

Ehringhaus continues to give no indication as to whom he expects to appoint as associate utilities commissioners or as to when he expects to appoint them, despite the fact that these two part-time commissioners were supposed to be appointed by the time the new Utilities Commission law

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U. S. Lady Is Killed In Plane

Nevers, France, Jan. 5 (AP)—Evelyn Frost, the American aviatrix, was burned to death today in the crash of an airplane.

Miss Frost, who was piloting the plane, en route to Egypt, collided with high tension wires in a fog. The plane burst into flames immediately, and the flier was trapped in the flaming mass of wreckage.

The British flier Rutledge, who accompanied her, was slightly injured. The accident occurred several miles north of Nevers along the Paris to Nevers road. Miss Frost and her companion had left for Orly at 6:30 a. m. They smashed into the wires at 1 p. m.

The plane had been purchased only recently and was tourist model.

\$300,000,000 SUM EXPECTED IN YEAR. ON WHISKY SALES

Proposal for Four Dollar Per Gallon Tax Refused by House In Its First Vote

ANOTHER PROPOSAL IS FOR \$1.50 LEVY

Offered by Illinois Republican in Whose District Are Seven Large Distilleries; Oklahoma Member Would Have "Good Liquor" Sold On Cost Basis

Washington, Jan. 5.—(AP)—The House today approved a tax of \$2 a gallon on distilled spirits estimated to produce \$300,000,000 in revenue during the first full post-reepeal year.

A proposal to levy a \$4 a gallon tax on distilled spirits was rejected. In the first vote of the session by the House, it turned down an amendment proposed by Representative O'Connor, Democrat, New York, to the half billion dollar liquor tax bill, which provides a \$2 rate.

Representative Dirksen, Republican, Illinois, offered an amendment calling for \$1.50. He has seven large distilleries in his district.

Representative McKeown, Democrat, Oklahoma, said he favored the sale of "good liquor" at cost.

Two Men Jump to Safety as Train Hits Automobile

Rocky Mount, Jan. 5.—(AP)—An automobile was demolished but nobody was hurt when a fast Atlantic Coast Line southbound passenger train crashed into a stalled automobile at a crossing near Enfield early today, railroad officials here reported.

Bill Jones, driver, and L. E. Gibson, both of Roanoke Rapids, jumped to safety before the train hit the car.

Calls Are Issued For Condition of Banks Over State

Washington, Jan. 30 (AP)—The comptroller of the currency issued a call today for the condition of all national banks at the close of business Saturday, December 30.

Confesses Ambushing Dry Agent

C. R. Millis Admits Shooting J. A. Clifton, Who May Die in Wilmington

Wilmington, Jan. 5 (AP)—J. A. Clifton, chief of the Carolinas division of alcoholic beverages bureau of the department of Justice, today said C. R. Millis, 28, had confessed the ambush shooting of Herman Barbrey, dry agent.

Barbrey was shot Wednesday shortly after he had arrested Jesse Millis, 18, brother of C. R. Millis, a tax whiskey still which officers raided. Not believed seriously injured at first, his condition has grown worse, and hospital attaches said his recovery was doubtful.

Clifton said C. R. Millis signed a

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Political Rivalry Forgotten



Mayor LaGuardia and Joseph McKee. Election battles seem to have been relegated to the dim and distant past in this friendly scene between Mayor Fiorello H. LaGuardia and Joseph V. McKee, one of his opponents in New York's Mayoralty race. They were pictured when McKee made a congratulatory call at City Hall.

Congress Studies Plans For Raising More Money

Government Guarantee of Both Principal and Interest on Farm Mortgages Seems Likely; Economy Legislation Asked by Roosevelt To Be Put Through

Washington, Jan. 5.—(AP)—Leaving until later decision on ways of spending the money, Congress went ahead today with plans of how to raise it, with final House debate on the half billion liquor tax bill, and a House Ways and Means Committee decision to resume hearings Tuesday on the proposed \$270,000,000 bill to tighten income tax laws.

The Senate being in recess over the week-end left the main senatorial business in committees, with Chairman Smith, of the agriculture group, disclosing administration reports of legislation to guarantee principal as well as interest on farm mortgage bonds.

Speaker Rainey predicted the House next week will vote extension of the life of the Reconstruction Corpora-

DEVELOPMENTS IN REVENUE SHAKE-UP

Department In Raleigh Expected To Feel Changes Contemplated

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE, Raleigh, Jan. 5.—Something definite with regard to the long-expected reorganization of the State Department of Revenue is expected soon now, despite the fact that neither Governor Ehringhaus, Commissioner A. J. Maxwell or Executive Assistant Commissioner M. C. S. Noble, Jr., will give any indication of when any announcement will be made. It is known however, that Accountant George S. Scott of Charlotte, who made the recent audit for the Department of Revenue and assisted Dr. Noble in making his survey and reorganization suggestions, has been back here for several days. It is also known that he has been holding long and frequent conferences with Dr. Noble and Commissioner Maxwell.

Indications are that a good many

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PLAN DRIVE UPON DRUNKEN DRIVERS

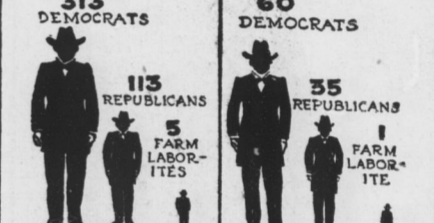
That May Be Next In Line After Recent License Tag Clean-Up

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE, Raleigh, Jan. 5.—Plans are already being formulated for the intensive drive to be made against reckless, careless and drunken automobile drivers which is to be begun as soon as drive on old automobile licenses has been completed. Director L. S. Harris, of motor vehicle division of Department of Revenue and Captain Charles D. Farmer of the State Highway Patrol, said today. They believe the license situation will have cleared up to such a degree within the next week or ten days that the patrolmen will be able to devote most of their time to patrolling the highways in search of reckless and drunken drivers in a campaign that is going to continue from now on.

"Lots of people thought Governor

MARKET'S REACTION TO ROOSEVELT PLAN CALLED 'VERY GOOD'

'Roosevelt Congress' HOUSE 313 DEMOCRATS SENATE 60 DEMOCRATS



This diagram explains why the present Congress is alluded to as a "Roosevelt Congress." Never in the history of the United States has a Democratic President had such a party majority in both Upper and Lower Houses.

(Central Press)

Intensive Effort To Collect Back Taxes Also To Be Launched By Morgenthau

NO DATE YET SET FOR BOND SELLING

Neither Has There Been Agreement on Size or Type of Securities To Be Offered on Money Market; Minimum Disturbance in Outstanding Issues

Washington, Jan. 5.—(AP)—Terming market reaction to President Roosevelt's budget message "very good," Secretary Morgenthau said today the Treasury will begin "right soon" on its \$10,000,000,000 financing program.

This tremendous task as shown by President Roosevelt in his budget message to Congress yesterday, involved borrowing by sales of bonds.

Such procedure is in line with expectations. There has been no reason to expect the administration to use printing press money, indications on standby pointing against resort to such practices.

In his message, Mr. Roosevelt spoke of the government having to borrow approximately six billions of dollars of new money, meaning money in addition to some already borrowed. The remaining four billions of the ten to be borrowed in the next six months is for refunding previous obligations.

The President's chief financial aide, whose confirmation in his new post

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U. S. GUARANTEE OF FARM MORTGAGE IS SEEN AS POSSIBLE

Both Principal and Interest of Bonds Would Be Assured Under Bill in Committee

ADMINISTRATION IS BELIEVED BEHIND IT

Both Houses to Get Measure Next Week, Senator Smith Declares; Bill Designed To Speed Up Mortgage Relief By Facilitating Marketing of Bonds

Washington, Jan. 5 (AP)—A bill for government guarantee of both principal and interest of Farm Credit Administration bonds issued in exchange for farm mortgages appeared certain today to have administration support.

While President Roosevelt conferred again at the White House with Governor Myers, of the Farm Credit Administration, Chairman Smith, of the Senate Agriculture Committee, announced that such legislation would be put before both branches of Congress next week.

The bill is designed to speed up mortgage relief by facilitating the marketing of bonds, which are now guaranteed only as to interest.

Lack of such legislation has been attacked by friends of the Farm Credit Administration as hampering its work, and the problem has engaged presidential attention this week.

129 Perish With Mine Explosion

Duchcov, Czechoslovakia, Jan. 5.—(AP)—Another explosion deep underground shook the Nelson III mine this morning, where 129 men still were entombed following an explosion two days ago.

Rescue work was abandoned by orders of the engineers in charge. They decided to seal both shafts with masonry.

The underground blast was followed with a dense cloud of smoke and steam, and it was feared that the rescue crews, who have worked day and night, might be trapped in a new catastrophe if they were permitted to continue in their labors.

Authorities said they hoped that the bodies of the entombed men, for whom all hope has been abandoned, might be recovered at some future time.

Only four of the 144 miners who were working underground Wednesday reached the surface alive. Eleven bodies were recovered.

Says Note Found On Dead Girl Was Written by Lover

Winston-Salem, Jan. 5.—(AP)—A handwriting expert here today said a note which was found in the apron pocket of Leota Childress, when she was found shot to death at her home near Elkin Saturday, was not written by her, but appeared to have been written by her former sweetheart, Andrew Smoot, who now is under arrest.

Solicitor John R. Jones came here with specimens of the girl's handwriting, and with examples of penmanship by Smoot. These were compared by R. E. Carter, handwriting expert, who said he believed the note found in the girl's pocket was written by Smoot.

Carter said the note "could not have been written" by Miss Childress, and "most certainly is in the handwriting of Smoot."

Gin License Bill To Get Its Hearing

Would Allocate Quotas for Cotton to Be Ginned During Harvesting Season

Washington, Jan. 5.—(AP)—The Senate Agriculture Committee today arranged to begin hearings a week from Monday on the bill by Senator Bankhead, Democrat, Alabama, for licensing of cotton gins and allocation of quotas for ginnings throughout the growing area.

Chairman Smith also announced he would confer next week with officials of the cotton exchanges regarding modification of the Southern delivery system.

Smith said he believed buyers should have the privilege of saying where the cotton is to be delivered and not be forced to stand carrying and shipping charges for deliveries made to points inconvenient for the buyers.

WEATHER

FOR NORTH CAROLINA.
Mostly cloudy tonight and Saturday probably occasional rain in west portion Saturday; colder on the north coast tonight.

FOR HENDERSON.
For 24-hour period ending at noon today: Highest temperature, 47; lowest, 40; rainfall, .10 of an inch; cloudy; southwest wind.