

GERMANY FLATLY REJECTS FOREIGN PROTESTS

McDONALD'S FORCES MEET TWO REVERSES OVER REVENUE BILL

Two Amendments To Tax Insurance Companies \$350,000 Voted Down On House Floor

MADDOG MEASURE IS PASSED BY SENATE

Reversal to Anti-Sales Taxers Their Biggest Since House Debate Began; Chairman Cherry Fights Back Vigorously in Resisting Changes

Raleigh, March 21.—(AP)—The McDonald-Lumpkin anti-sales tax forces launched a major battle today when the House turned down two amendments proposing to boost the finance committee's recommendations on franchise taxes on insurance companies as "high power lobbyists" took a major spot in debate by the representatives.

By a vote of 66 to 44 the House rejected a McDonald-sponsored amendment to boost the taxes to raise about \$350,000 annually, and then, by 63 to 48, rejected a compromise amendment proposing to boost them by a smaller amount. Falkner, of Vance voted for both measures.

The Senate passed and returned to the House for concurrence in amendments two Statewide bills. One would require the inoculation of every dog in the State against rabies, and the other would create a lien on recoveries in civil suits growing out of injuries in favor of doctors, hospitals and dentists.

The House agreed before it recessed for lunch to limit debate on franchise taxes on domestic and foreign corporations to 45 minutes per side, setting a vote for late this afternoon.

The Senate held a long meeting, but did little.

The House action in refusing to boost the insurance franchise taxes was the first real reversal given the anti-sales tax forces in their fight to raise corporation levies so that the three percent retail levy may be eliminated or reduced.

Yesterday the anti-sales taxers led in raising taxes on power companies and telephone companies to raise an

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Farmer Runs Wild, Kills a Priest, in Catholic Mission

Yorkton, Saskatchewan, March 21.—(AP)—A farmer went wild with a revolver in the Roman Catholic Mission here today, killing one priest, seriously wounding another, and then, facing capture by police, shot and wounded himself.

The dead priest was the Rev. Father Del Forgeo, the Rev. Father Bala was wounded. The farmer, who may not live, is Steve Elash.

According to the police story, Elash entered the Ruthenian Mission at 9:45 a. m. and asked for a priest. Father Del Forgeo was instantly killed by a shot in the back of the head.

Father Bala was the next to be shot. Police were called and as they approached the mission Elash ran out and fired at Chief of Police H. L. Fenson, and a constable.

The farmer jumped behind a bush and shot himself.

UTILITIES TO GET BIG TAX INCREASE

Anti-Sales Taxers Bear Hard on Power and Phone "Big Corporations"

Daily Dispatch Bureau, In the St. Walter Hotel, By C. A. PAUL

Raleigh, March 21.—Power and telephone companies had their taxes lifted as the McDonald-Lumpkin anti-sales tax bloc continued to hold its strength in the lower house, which is sitting on the revenue bill as a committee of the whole. Verbal exchanges of a high temperature characterized the stormy session. House Finance Chairman Gregg Cherry and Representative Lumpkin and McDonald voiced their opinions about with free-

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Cadet Deal Charged



Representative John Hoepfel

Representative John H. Hoepfel of California, above, and his son, Charles J. Hoepfel, were indicted by a special District of Columbia grand jury on a charge involving the alleged sale of an appointment to West Point military academy for \$1,000. Two indictments involving the transactions were reported. One accused Representative Hoepfel and his son of conspiring to sell the appointment to James W. Ives of Baltimore; the other is based on the allegation that the appointment was actually sold.

SCHOOL CHILDREN INSURANCE LIKELY

Those Injured or Killed Will Be Compensated by the State

Daily Dispatch Bureau, In the St. Walter Hotel, Raleigh, March 21.—Children riding to or from school in State school buses will be insured against injury or death in bus accidents up to \$600 per child if the House now passes the bill by Senator W. P. Horton, of Chatham, and Senator Dunn, of Rowan, which passed the Senate Wednesday. Indications are that the bill will also pass the House without serious opposition.

The bill as passed by the Senate was in reality a committee substitute for the original bill introduced by Senators Horton and Dunn, but only slightly different from the original bill. It provides that if a child is killed in a school bus accident, the parents shall be paid \$600 by the State and that if any child is injured in a bus accident, that State will pay hospital and medical bills up to \$600. No insurance fund is set up by the bill, since this was not regarded as necessary due to the small number of children who have been injured or killed in the past. On the record of past

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McDonald-Lumpkin Faction Is Still In Saddle In House

Tax-Levying Spree Continues, With at Least \$1,000,000 Added to Finance Committee's Bill; Hope To Find \$3,000,000 More Before Bill Passes

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

Raleigh, March 21.—The McDonald-Lumpkin coalition is still in the saddle and riding high, wide and handsome as the tax levying spree in the House continues. For while it is not yet apparent that there is any possibility of removing the sales tax, it is apparent that the group bent on finding enough additional revenue to make it possible to reduce the sales tax rate from three per cent to two

Grading Of Tobacco Is Reported In

Official Approval Is Given by Committee; Reject Important Amendments

Washington, March 21.—(AP)—Compulsory inspection and grading of tobacco today had approval of a House agricultural sub-committee, which has agreed to report the Flannagan bill with clarifying amendments to the full group.

Rejected were proposals to make grading effective, in even the successful referendum among growers and to provide for the government to stand the cost of the service instead of buyers of tobacco.

Representative Fulmer, Democrat, South Carolina, chairman of the sub-committee, said the measure, offered by Representative Flannagan, Democrat, Virginia, would be reported to the full committee as soon as it is revised to include the clarifying amendments.

Chief among these is one to allay fears that the grading system would empower the secretary of agriculture to shut down markets.

The amendment to include the re-

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To Smash Wilmington Gamblers

Wilmington, March 21 (AP)—The New Hanover county grand jury moved swiftly this morning in an attempt to dry up Wilmington and smash a countywide gambling ring, as it indicted 12 persons on charges of operating gambling houses and speakeasies.

Immediately after returning the indictments, the grand jury went back into session to consider taking action to smash a "numbers" racket which it is alleged has been thriving here for a considerable time.

More than 200 witnesses, persons regarded as "runners" for operators of the lotteries, have been summoned for investigation, it was learned.

Action of the grand jury in returning indictments against the alleged speakeasy operators, comes after an intensive campaign conducted here by local, State and Federal officers, which has been in progress for several weeks.

HOUSE SOCKS TAX ON GAS COMPANIES

"Getting Even" for Thumbing Nose at Governor in 1934 Price Fight

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

Raleigh, March 21.—Last summer the big gasoline and oil companies thumbed their noses at North Carolina and its governor when he asked them to take some steps to bring

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Solicitor General



Stanley Reed

President Roosevelt has appointed Stanley Reed, general counsel of the RFC, above, as solicitor general of the United States upon the recommendation of Attorney General Homer Cummings. Reed succeeds J. Crawford Biggs of North Carolina, who resigned. Reed is from Kentucky.

7 Indicted For Fraud From PWA

Washington, March 21.—(AP)—Seven men, including two former PWA engineers, were indicted today for conspiracy to defraud the government in a \$4,853,000 Texas irrigation project.

The indictment returned by special District of Columbia grand jury, resulted from a three months inquiry by PWA investigators.

It charged that the seven conspired to force the use of redwood lumber pipe in the project and to obtain a \$400,000 profit.

CERTAIN LIMIT TO WORK HOURS TIME

Shorter Week Means Higher Commodity Prices, Offsetting Gains

By CHARLES P. STEWART, Central Press Staff Writer

Washington, March 21.—As nearly as I can ascertain by questioning a large number of folk who ought to know what they are talking about, the maximum output of the average factory is attained on approximate basis of a working week consisting of five days of eight hours each and a sixth day of only four working hours, with Sunday off, of course.

The working day's length, we are aware, has been cut down, in the last few generations, to the 44-hour weekly basis. Production in the meantime, has not been decreased, but increased.

The obvious and widely-advertised conclusion is that a worker works at so much higher a degree of efficiency during a humanly reasonable number of hours than during an excessive number as to more than offset succeeding reductions (heretofore, until, perhaps, very recently) in their number.

But there must be a limit beyond which reduction in hours can't go without diminishing production. Some few industries, I learn, from queries addressed to competent authorities, have experimented with reduction from a 44-hour weekly basis to a basis of a week consisting of five days of seven hours each, four hours on Saturday, and Sunday off, as usual.

It is said that, without exception, their respective productive capacities have slumped slightly. I don't underwrite this statement. I refrain from naming even its source, being by no means certain that it can be accurately authenticated.

Closer calculations are involved than I believe can be confidently relied on.

My point is merely that the possi-

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WEATHER FOR NORTH CAROLINA. Generally fair tonight and Friday; cooler Friday in extreme north portion.

CONGRESS IS READY TO PASS BONUS AND WORK-RELIEF BILLS

In Both Cases Final Adoption Turns Only On Length of Debate on Chamber Floors

INFLATIONARY GROUP CLAIMS BONUS GAIN

Patman Currency Bloc Maintains It Will Win; Relief Bill Proponents Expect To Defeat Efforts of Liberals To Raise Amount To Ten Billions

Washington, March 21.—(AP)—Two giant money measures—\$4,880,000,000 for relief and \$2,000,000,000 for the bonus—today occupied a Congress grown accustomed to talking in ten digit figures.

In both cases, the time of final passage turned only on the length of debate. The work-relief program, desired by President Roosevelt, already much modified, still faced efforts to boost the total figure to \$9,880,000,000 and to add silver purchase provisions.

Democratic leaders forecast the defeat of both.

The House expected to get down to some real trial ballots on the cash bonus issue. Advocates of payment through currency expansion claimed enough votes to win, but followers of the American Legion bill to leave the method of payment undefined refused to concede defeat.

Down Pennsylvania Avenue administration officials were studying a report from the London Embassy giving British reaction to the European tumult over Germany's rearmament plan.

James A. Emery, counsel for the National Association of Manufacturers, told the Senate Labor Committee the Wagner labor dispute bill was invalid.

The Treasury was represented by Secretary Morgenthau as ready to sell gold to any foreign government offering an attractive proposition.

Lewis M. Howe, secretary to President Roosevelt, grew gradually weaker, but amazed friends and physicians by his remarkable vitality in his illness at the White House.

Employment Has Sharp Increases During February

Washington, March 21.—(AP)—An increase of 200,000 workers in industrial employment from January to February, was reported today by the Labor Department.

Coincidentally, it said weekly wages went up by \$10,800,000.

Factory employment, coal and metal mining, quarrying, wholesale trade, hotels, banks, insurance and laundries were the branches of industry to show gains. The department noted that factory employment, with a 3.2 percent increase, "showed more than seasonal expansion in February."

RIGHTS OF STATES ARE DISAPPEARING

Roosevelt's Seizure of Ohio Relief Situation Epoch In America

By LESLIE EICHEL

New York, March 21.—States' rights are going out the window—by public demand.

The economic situation has gotten far beyond any individual states. Besides, few states have developed local men large enough to cope with the economic situation even in their own balliwick.

When President Roosevelt instructed Harry Hopkins, director of federal relief, to take over the Ohio relief situation in the name of the federal government, that marked a historic turning point in American history.

Seldom has a president written such an indictment against a leading member of his own party as in the letter to Hopkins denouncing Governor Martin L. Davey of Ohio.

This new governor of Ohio, who has dismissed state employees right and left because, although Democrats

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Horseman Gassaway



Representative P. L. Gassaway

Because he prefers riding horseback to an automobile with its parking problem, Representative P. L. Gassaway, picturesque Oklahoma rancher, rides to the capitol in Washington. The colorful Oklahoman has been in the spotlight recently because of his verbal attacks on Senator Long.

Washington Prepares To Take Action

Roosevelt About Through With Study of Crisis Precipitated by Berlin

Washington, March 21.—(AP)—President Roosevelt and his advisors on foreign affairs today studied a report from the American Embassy in London giving the British official version of the situation created by Germany's re-armament plans.

The first report to be made to this government on direct conversations on the subject, the dispatch came from Ray Atherton, charge d'affaires at London who was called to the British foreign office by the foreign secretary, Sir John Simon, to receive it.

There was no announcement as to its specific contents, nor any information as to official reactions to it here.

Meanwhile, the consultations with State Department officials, which have occupied a good portion of President Roosevelt's time in the last three days, continued today. From them the President hopes to decide on the wisest course for the United States to pursue in the European crisis.

FEDERAL PROBE OF OHIO RELIEF SNARL

Washington, March 21.—(AP)—Attorney General Cummings said today the Department of Justice is looking into the recent Ohio relief shake-up to see if any Federal laws have been violated.

OBJECTIONS FROM FRANCE AND ITALY FIRMLY DECLINED

Meanwhile, France Asks Extraordinary Session of League of Nations for Action

LEAGUE NOW FACING ITS GREATEST TEST

Italy Refuses To Recognize Hitler's Re-Arming Plan and England Injects Naval Issue into Simon Conference Next Week With Hitler in Berlin

Rome, March 21 (AP)—Frederick Baistroechli, under secretary of war, speaking in the presence of Premier Mussolini before a tense Chamber of Deputies, declared today that Italy would keep its present military class under arms, that there would be no reduction in the Italian conscription terms, and that Italy was ready for a war of movements.

(By the Associated Press.)

Adolf Hitler's Reich, which Saturday started Europe with an announcement of a reawakened conscript army, added fire to the turbulent situation today by firmly declining to entertain French and Italian protests against her action.

While the French and Italian ambassadors handed protests against violation of the military sections of the Versailles treaty to a frigidly formal German foreign minister at Berlin, the Paris government looked to Geneva and told the League of Nations the Reich decision to re-arm "threatened to disturb the peace."

League observers expressed the opinion the international peace body faces the gravest crisis in its history. Because France requested that an extraordinary session of the Council be held, quick telephone calls were made by the secretary-general to consult members of the Council on the setting of a date.

British and continental capitals and Washington closely watched the developments, London taking the view

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SLIGHT DECLINE IN SPINNING INDUSTRY

Active Spindles Are Fewer in February Than Figures for Year Ago

Washington, March 21.—(AP)—The cotton spinning industry was reported today by the Census Bureau to have operated during February at 100.2 per cent of capacity on a single shift basis, as compared with 102.6 percent for January this year, and 101.5 percent for February last year.

Spinning spindles in the United States 28 totaled 30,851,018, of which 24,925,168 were active at some time during the month, compared with 30,825,

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Sandhills Resort Has New Death

Southern Pines, March 21.—(AP)—Mrs. Charlotte M. Quilter, 39, of Newburgh, N. Y., was killed near here early today in what was believed a fall from an automobile said to have been driven by L. M. Mitchell McDonald, of Washington, who was placed in jail pending an inquest.

Sheriff Charles J. McDonald, of Moore county, and Chief of Police J. A. Gargis, of Southern Pines, said Mrs. Adeline Grinder, of Greenville, N. J.; Mrs. Quilter's maid, told them McDonald and Mrs. Quilter had been quarreling some time before the accident, but that the party was singing at the time.

Mrs. Grinder, who had been employed by Mrs. Quilter for seven years, said she was riding in the back seat as they returned from a road house two miles south of here about 1 a. m. She said the car drove New open and Mrs. Quilter fell out, suffering injuries which proved fatal at a hospital some time later.