

## SENATE GROUP CUTS SALES TAX TO 2 PERCENT

### Big Work-Relief Bill Still Deadlocked In Congress

#### SENATE AND HOUSE MANAGERS UNABLE TO COME TOGETHER

Conference Lasting Over An Hour Breaks Up Abruptly With Glass Announcement

#### NRA IS BOMBARDED BY MORE ENEMIES

Recovery Unit Is Step Toward Fascist State; Business Leader Denounces Abolition of Holding Companies; Wallace Yields Ground on the AAA

Washington, April 4.—(AP)—Senate and House managers of the tight-budget \$4,250,000,000 work-relief program again today failed to agree on a bill for final passage.

A conference lasting just over an hour broke up abruptly with Senator Carter Glass announcing: "There is no agreement yet."

The Virginian, despite optimistic predictions in other quarters that a compromise would be effected, said he did not know when the conferees of the two houses would meet again. Today's session was held just 74 days after the money measure was first introduced.

The Senate amendment under disagreement would require spending on direct work one-third of the \$900,000,000 allocated to states. This was opposed by the administration and House conferees were insisting on no language.

NRA was bombarded with criticism before the Senate Finance Committee by Lowell Mason, former counsel of last summer's Darrow review board. He termed the recovery unit

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#### Hill's Bill Back Again Upon Floor

Daily Dispatch Bureau, In the St. Walter Hotel.

Raleigh, April 4.—By the narrow margin of one vote the much-discussed Hill liquor control bill will reach the floor of the Senate tomorrow for debate. The Senate Finance Committee after only a few minutes of argument voted 87 to 6 to recommend the bill to the Senate.

Amendments were tacked to the bill and its III reach the Senate just as it was written, Senator Harris Newman, chairman of the finance committee, has a series of amendments to offer, but will present them on the Senate floor. His amendments

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#### Newman Claims His Plan Will Get Needed Revenue

Will Be Sufficient To Give Teachers 25 Percent Increase Both Years, Senate Finance Chairman Says; Dividends and Highway Money To Get It

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

Raleigh, April 4.—The revenue bill will provide enough revenue to grant a 25 per cent increase in salaries for 100,000 teachers, principals and all other employees for both years of the biennium, instead of the 20 per cent increase the first year and the 25 per cent increase the second, if the Senate and House will adopt the bill as revised by the Senate Finance Committee. Senator Harris Newman, chairman of the committee, said today. He also said he hopes to have

#### On Way to Death at Beginning of Life



At the age when other youths are beginning their lives as citizens, these four boys are traveling the last mile to death. Enrico Angelino (left to right), 20; Ray Orley, 21; Newman Raymond, 21; and Thomas Gilbride, 20, tried the easy road when they came to New York from small towns. In their 22nd holiday, one of them shot a policeman; now all are to die in Sing Sing, where they are seen being taken. Their combined fines at the end of their criminal careers totaled \$3.21.

(Central Press)

#### Government Tactics Are Responsible For Cotton Paralysis, Gardner Says

Delay in Announcing 1935 Loan Value for Staple Denounced by Former Governor

#### SAYS BUYERS FEAR PRESENT CONDITION

Not Going Into Market In Face of Possible Later Sharp Declines; Says Statement From Government Would Stabilize Confidence of Public

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#### U. S. Won't Start World Navy Race

Washington, April 4.—(AP)—"If a naval building race is started," says the 73-year-old boss of Uncle Sam's floating defenses, "it will be started by other nations, not by us."

This emphatic emphasis of American intentions not to start the thing which many have said might result if a new naval treaty is not reached to replace the one Japan has denounced, effective December 31, 1936, comes from Secretary of the Navy Claude A. Swanson.

#### Will Raise Income Tax Schedules

Inheritances Also Included in Proposal To Remove Most Exemptions

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

Raleigh, April 4.—Two State senators will propose drastic changes in the inheritance and income tax sections of the North Carolina revenue act when the current revenue bill reaches the floor of the Senate for debate.

They will propose: (1) That all income, beyond the existing exemptions which include \$1,000 for single persons, \$2,000 for married men, \$200 for each child and so on, be taxed at a flat rate of six per cent; (2) That the present exemption of 15 per cent of net income which is donated to charity

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#### EDWIN R. OVERTON, 77, IS DEAD AT SALISBURY

Salisbury, April 4.—(AP)—Edwin R. Overton, 77, brother of the late U. S. Senator Lee S. Overton, and retired merchant died at his home here this morning. He had been in ill health for several years. Funeral services will be held at the home Friday afternoon at 3:30 o'clock, with burial in Chestnut Hill cemetery here.

#### MCDONALD LETTER SPLITS UP SCHOOL FORCES IN STATE

"Who Doubled - Crossed Who" Is Basis for Argument After Bryant Made Exposure

#### WARREN, ERWIN AND DANIEL GIVE ALIBI

They All Deny Furnishing Appropriations Chairman With Evidence That Some Think Defeated \$22,000,000 Fund for Schools for Two Years

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

Raleigh, April 4.—The school forces are split wide open, with State Superintendent Clyde A. Erwin, Secretary Jule Warren and other big-wigs of the North Carolina Education Association on one side of the fence and with Dr. Ralph McDonald, representative from Forsyth county, most of the more progressive county and city superintendents on the other.

The cause of the split is how the letter written by Dr. McDonald to the various superintendents of the State, in which he urged them to support the move for a school appropriation of \$25,000,000 a year for schools instead of only \$22,000,000 a year as advocated by Superintendent Erwin and the North Carolina Education Association, got into the hands of Victor S. Bryant, of Durham, chair-

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#### Two Men Stabbed In Textile Strike At Oklahoma Mill

Sand Springs, Okla., April 4.—(AP)—Two men were stabbed and several others injured today as strikers and workers fought at the Commander Textile Mills here.

The battle was brief and ended before officers arrived, but the opposing lines of men and women armed with clubs and other weapons still were standing in the road in front of the mills.

Charges that the mill had violated a contract recently signed with the union were made by union members, who would not elaborate.

#### WEATHER

FOR NORTH CAROLINA. Cloudy, preceded by rain in east and north central portions early tonight; Friday partly cloudy; slightly colder on the north coast and in extreme west portions tonight; slightly warmer in west and central portions Friday.

#### Europe Is Divided Over Proposal For Maintaining Peace

France Is To Seek Agreement To Frighten Germany by Presenting United Front

#### GERMANY UNLIKELY TO BE TRAPPED NOW

Not Expected To Join Pan-European Accord; Britain Against Forging "Iron Ring" Around Reich; Russia and Poland Favor Eastern Locarno.

(By the Associated Press.)

Conflicting views on the best method of guaranteeing European peace were apparent in the capitals of Europe today as statesmen made ready for the forthcoming conference of the powers at Stresa April 11.

High French sources disclosed Foreign Minister Pierre Laval will seek a double-barrelled agreement designed to frighten Germany by creation of a formidable united front among France, Great Britain and Italy, at the same time laying the basis for a general security pact to which the Reich should adhere.

German participation in a pan-European scheme, however, was described as unlikely by a Reich foreign office spokesman. This source asserted Reichfuhrer Hitler's preference is for crisp bi-lateral agreements, clearly defining the obligation of the signatories.

The attitude of Great Britain, which repeatedly has indicated its lack of sympathy for any system designed to forge "an iron ring" about Germany remained uncertain in the light of latest developments. French officials, however, expressed the view the British course would be clarified in the course of the Stresa conversations.

Premier Mussolini, host to the conference, has let it be known through his newspaper that Italy's attitude is that Stresa marks the renunciation of the "dangerous Utopias of disarmament."

Soviet and Polish interest centers

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#### Relief Load In The State Is Declining

Washington, April 4.—(AP)—A 4.5 per cent decline in the number of families on relief in North Carolina in February was shown today in a report by the Federal Emergency Relief Administration. Obligations incurred for relief were reduced 11.9 per cent, or from \$1,751,295 in January to \$1,547,200 in February.

The number of families on relief in February was placed at 65,640, as compared with 68,698 in January.

#### Sheriff And Miner Killed During Riots

Gallup, N. M., April 4.—(AP)—Sheriff M. R. Carmichael and an unemployed coal miner were shot to death today in a riot in Gallup. Five persons, including one woman, were wounded today a street riot precipitated by a shouting crowd of more than 300.

Disorder flamed when a crowd rushed sheriff's deputies, removing prisoners from a hearing in a justice of the peace court growing out of an eviction case.

#### Tells of Tax "Losses"



Andrew W. Mellon

Leaving a hearing of the federal tax appeals board in Pittsburgh, where he testified he sold certain stocks in 1931 to establish \$6,600,000 losses for income tax deductions, Andrew W. Mellon, one of the wealthiest men in the world, is pictured above. The hearing is on a charge of income tax evasion in 1931 when Mellon paid \$647,000. The government sets \$3,089,000 as the sum due.

#### Reilly Says More Facts Are In Hand

Defense Chief In Hauptmann Case Fired Just As New Trial Is Sought

New York, April 4.—(AP)—Edward J. Reilly today received notice of his dismissal as chief of defense counsel for Bruno Richard Hauptmann, and said the action came "just when we were going to make application for a new trial, based on new evidence."

Reilly, who headed the unsuccessful defense in the trial of the man charged with the kidnaping and murder of the Lindbergh baby, said the new evidence would be the testimony of several persons willing to say that they had seen a strange automobile tottering in the vicinity of the Lind-

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#### ABOUT \$3,800,000 IS REMOVED FROM REVENUE MEASURE

Dividend Tax Also Removed, But Committee Retains Chain Filling Station Levy

#### ATTORNEY GENERAL CUMMINGS SPEAKER

Tells of Efficiency of Crime Detection Agency In Washington; Lauds Biggs and McLean; Frink Denounces Page's "Damnable Bills" From Bladen

Raleigh, April 4.—(AP)—The Senate Finance Committee this morning by a vote of 9 to 7, reduced the proposed retail sales tax rate in the biennial revenue bill from three to two percent.

The committee also struck out a new taxing provision to levy normal income taxes on dividends from stock of corporations, but refused to eliminate the new tax proposed for chain filling stations.

A motion was made to report the bill out to the Senate in its amended form, and this was discussed for 45 minutes, after which the committee recessed to meet again this afternoon.

It took the committee just about two minutes to reduce the sales tax rate and eliminate the dividend tax, knocking something like \$3,800,000 in estimated revenue from the measure. The action was in marked contrast to the attitude the committee took yesterday, when it wrote \$924,000 in additional taxes into the measure by eliminating exemptions of contributions from taxable incomes and applied a three per cent sales tax to gasoline sales to increase highway fund diversion from \$1,000,000 to \$1,630,000 yearly.

The legislators met in joint session to hear Attorney General Homer S. Cummings, Cummings, who devoted himself to an extemporaneous discussion of the work of his depart-

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#### Old Electric Chair To Go; Kill By Gas

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

Raleigh, April 4.—North Carolina's 25-year-old electric chair is on its way to the junk pile. In its stead will be erected a lethal gas chamber, where violators of the State's capital crime laws will be put to death at a cost of 90 cents each. A preliminary survey of senatorial sentiment reveals practically no opposition to the bill which has already passed the lower house. Rejected finally after being accepted once was the amendment by Bladen county's Representative Page which would have caused the gas chamber to be built on wheels and propelled from county to county so that those paying the death penalty

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#### Perquimans Camp Scene Of Uprising By State Convicts

Elizabeth City, April 4.—(AP)—Fifteen Negro convicts at Woodville prison camp near here, in Perquimans county, were still in revolt this morning after two of their number had been wounded and a third had been overcome by tear gas thrown into the cell blocks they occupy in an effort to quell the uprising.

Beginning last night, the revolt broke out this morning and continued as the prisoners refused to leave their

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