

## STORM BREAKS IN CONGRESS ON WEALTH TAX

### Roosevelt Won't Ask For New NRA At This Session Of Congress

#### GOOD SUBSTITUTE FOR OLD NRA NOT YET AGREED UPON

President Will Rely Upon Wagner Labor Labor Disputes Bill and Guffey Coal Measure

#### WAGES AND HOURS GO INTO CONTRACT

Party Leaders Advised of Roosevelt's Intentions As To Pursuing Recovery Program Without Measure Held Invalid by the Supreme Court

Washington, June 25 (AP)—Definite word from President Roosevelt reached Capitol Hill today that since a satisfactory substitute for the old NRA has not been found, Congress, in all probability, could expect to go home without enacting a new recovery law.

Authoritative sources said the President informed congressional chiefs that in place of NRA he will rely upon the Wagner labor disputes and Guffey coal stabilization bills and a measure allowing the government to fix wage and hour stipulations in its contracts.

That word was given at the White House meeting yesterday after congressional leaders had asked whether a new and time-consuming fight over the NRA would follow the President's taxes on wealth.

#### 3rd American Dead Of 15 In Air Collision

Medillin, Colombia, June 25 (AP)—A third United States citizen died today of injuries suffered in the crash of two passenger airplanes here yesterday, bringing to 15 the total number of dead and leaving four others seriously injured.

The most recent death was that of Alfonso Azaff, a Puerto Rican actor. The two other Americans to die were Henry Schwartz and Lester W. Strauss.

A war ministry commission flew here from Bogota to investigate the tragedy, the worst in South American air history.

#### EMBASSY BOMBING IS LOCAL POLITICS

Mexico, D. F., June 25.—(AP)—The bombing of the United States Embassy Sunday night was attributed unofficially today to persons wishing to embarrass the government of President Lazaro Cardenas.

Ambassador Josephus Daniels, entered no complaint and it was believed that an investigation into the bombing Sunday, which caused slight damage, would be closed.

#### Dry Ruling Not Halting Liquor Plan

Wilson and Edgecombe Counties Continue Plans for Opening Their Stores

Raleigh, June 25.—(AP)—A ruling that the State local option liquor acts were unconstitutional today cheered North Carolina dry forces, but authorities of Wilson and Edgecombe counties, which voted overwhelmingly for legalization Saturday went ahead with preparations to open up liquor stores within a few days.

#### Alaska Colonizing Conditions Under Probe



Fanfare of national notice attended transplanting of many farm families to new lands in the Matanuska Valley in Alaska from whom now come reports of dissatisfaction and fear of epidemic due to unsanitary conditions and lack of medical attention. Telegram from Patrick J. Hemmer (shown with his family, right), and Mrs. I. M. Sandvich (center), who said they represented the colonists, also decried exorbitant food prices, delayed housing, poor roads and political plums. Harry L. Hopkins (left), Relief administrator, has been ordered to investigate and report to the Senate.

(Central Press)

### Harrison Outlines Proposed Levy On Fortunes Of Rich

Washington, June 25.—(AP)—A storm of controversy burst in Congress today over President Roosevelt's demand for quick action on his wealth tax program.

House Ways and Means Committee Democrats, rebellious at the plan to let the Senate Finance Committee deft legislation to put the program into effect, threatened open revolt.

On the other side of the Capitol, Republicans on the Senate Finance Committee protested hasty action on the President's proposal.

Chairman Harrison, of the finance committee, said a three-way program

to raise \$340,000,000 through inheritance and gift levies, higher taxes on big incomes and a graduated corporation tax would be added to the pending measure to continue \$500,000,000 of "nuisance" taxes another year.

After a conference with Treasury experts, Harrison said the program would be offered, even though it would mean the nuisance and excise taxes might temporarily lapse at the end of this fiscal year.

The new inheritance tax, Harrison

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#### GASTON HAS FIRST PARALYSIS PATIENT

12 New Cases Reported, Half of Them in Granville County Alone

Raleigh, June 25.—(AP)—Gaston county today reported its first case of infantile paralysis since May 1 when the State Board of Health was advised of 12 additional cases, making 217 this year and 158 in June.

As the list of sufferers continued to mount far above all previous records, Dr. Carl V. Reynolds, State health officer, sounded a warning that steps should also be taken to prevent typhoid fever, as 60 cases have been reported in North Carolina this month.

"We are supposed to have an immunity against typhoid fever, but there have been 123 cases this year, 60 thus far in June," the health officer said. "Attention is being centered on trying to check 'polio,' but we should also strive to prevent typhoid."

Addition of Gaston to the list of counties reporting infantile paralysis since it flared up seven weeks ago.

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#### COOLEY TO SPEAK AT TOBACCO MEET

Wilson, June 25.—(AP)—W. T. Clark, president of the Tobacco Association of the United States, today announced that Representative Harold D. Cooley, Democrat, North Carolina, will be the principal speaker at the association's annual banquet July 2 at White Sulphur Springs, W. Va., July 1, 2 and 3.

#### MERCHANTS WON'T FIGHT SALES TAX IN STATE COURTS

Will Lay Plans for Battle Toward Reduction in 1937 Session of Legislature

#### MERCHANTS NOT TO RUN ANY CANDIDATE

Court Fight Would Last Almost Until Next Legislature and Probably Then Go Against Them, Upset State Finances and Hurt Cause in General

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

Raleigh, June 25.—The North Carolina Merchants Association is not going to fight the sales tax in the courts, nor is it going to put an anti-sales tax ticket for governor and lieutenant governor in the field next spring, it was apparent following the meeting here yesterday of the directors of the State association.

This does not mean that all the merchants have become reconciled to the sales tax and are no longer opposed to it. There are thousands of merchants still as bitterly opposed to the sales tax as ever and there were plenty of the directors of the State association here yesterday who were still opposed to it. But they realized that the tax is on the statute books for another two years, that no other body than the General Assembly can

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#### Would Stop Bulk Liquor Shipments Into Dry States

Washington, June 25 (AP)—A prohibition of shipment of liquor in bulk into states in violation of their respective liquor laws is being urged by Virginia delegation in Congress, under leadership of Representative A. J. Montague, of Richmond, and A. Willis Robertson, of Lexington.

They were requested by Virginia authorities to see that amendments are offered to the pending Summer Doughton bills curbing the practice.

#### WEATHER FOR NORTH CAROLINA. Slightly warmer in extreme west portions tonight and Wednesday.

### PROTECTORATE OVER ETHIOPIA DEMANDED IN ITALIAN PROGRAM

Mussolini Will Consider No "Patched-Up" Settlement Of East African Dispute

#### EDEN TALKS AGAIN WITH THE DICTATOR

Meantime, Ethiopia Sends Note to Rome Rejecting Italian Charges That Ethiopia Is Grabbing Province of Jimma, Claimed as Her Territory Already

Rome, June 25.—(AP)—Captain Anthony Eden, crossing the strong will of Premier Benito Mussolini, pressed today for an avowal of Italy's intentions toward Ethiopia.

Great Britain's special envoy and Geoffrey Thompson, British expert on African affairs, conferred with the Italian under secretary of foreign affairs before another interview with Il Duce himself.

British circles said the preliminary conference was called to determine to what extent Eden might question Mussolini on his East African policies.

Italian official circles describe Il Duce as impatient at the idea of stating Italy's already well defined viewpoint on the East African controversy but it was agreed that some main points of the Italian policy might be brought sharply to the foreground. These were:

1. Italy will not consider any "patched up" settlement of her differences with Ethiopia, such as territorial concessions.
2. Italy will be satisfied with nothing less than a protectorate over Ethiopia, backed by Italy's strong military organization, and Ethiopia's expulsion from the League of Nations on the ground that she has violated membership.

#### ETHIOPIA SENDS SHARP NOTE TO THE ITALIANS

Addis Ababa, June 25.—(AP)—The Ethiopian government, in a note to Italy today, rejected as "non-pertinent" Italian charges that Ethiopia was making the sultanate of Jimma another province of the empire.

The note was dispatched in reply to Italian representations made June 23, in which the Italian government "took cognizance" of steps the Ethiopian government was taking to make Jimma another province under its direct administration.

Italy insisted she had rights in Jimma as a consequence of treaties concluded directly with Sultan Abba Jiffar, and expressed formal reserves concerning the new situation.

The Ethiopian empire replied that Jimma has always been an integral part of the empire administered under the authority of the central government like other provinces.

#### ROOSEVELT MIGHT BACK UP MITCHELL

Neither Democrats Nor Republicans Relish Stir He Has Created

By LESLIE EICHEL, Central Press Staff Writer  
New York, June 25.—A strange thing has occurred in regard to the charges of Ewing Y. Mitchell, ousted assistant secretary of commerce. Neither Republicans nor Democrats desired to hear them. But third party possibilities are giving them great heed.

Mitchell attacked the shipping lobby. It is one of the most powerful. Its influence has been equally strong under Republican and Democratic administration.

But the queerest part of it all is that President Roosevelt himself may be, consciously or unconsciously, likely in the end to be on the side of Mitchell rather than that of the secretary of commerce, Daniel C. Roper. The President urged not long ago that ship subsidies be in the open instead of camouflaged, as at present UNDERSTANDABLE?

The President, in these rush hours

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#### Mitchell Blames Him



Thomas J. Pendergast, above, of Kansas City, Democratic political boss of Missouri, is blamed by Ewing Y. Mitchell for his dismissal as U. S. assistant secretary of commerce. The above photo of Pendergast is his most recent.

### Amoskeag Suing For \$2,500,000

Concord, N. H., June 25.—(AP)—The Amoskeag Manufacturing Company, of Manchester, largest single cotton textile unit of its kind, today brought suit in Federal court against the government for \$2,500,000, charging that the cotton processing and floor taxes were unconstitutional.

The suit, brought against Peter M. Gagne, of Somersworth, as collector of internal revenue for New Hampshire, claims that \$2,170,628 was paid to the government from August, 1933, to March, 1935.

The Amoskeag company contended in its suit, the first of its kind brought in the United States District Court in New Hampshire, that the taxes were unlawfully assessed and unlawfully collected.

Gagne was cited to appear before the court in September, when the case against the government will be introduced.

#### RECORD PEACE-TIME NAVAL BILL SIGNED

Washington, June 25.—(AP)—President Roosevelt today signed the navy appropriations bill providing a record peace-time fund for naval construction.

### Local Units Must Enforce Wine Statute

Raleigh, June 25 (AP)—A. F. Seawell, attorney general of North Carolina, today notified Garrett and Company, wine makers of New York, that it is the duty of local peace authorities to enforce the new wine law and his department has no power or authority to deal with the situation.

Garrett & Company wrote Mr. Seawell saying it had been advised it was illegal to ship wine into the State when it was manufactured outside the State but that such beverages "are being indiscriminately shipped into State and publicly sold in apparent violation of the State law."

"The State of North Carolina has no Department of Justice, no central or other agency for the enforcement

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### DEMOCRAT LEADERS START ACTION FOR PASSING NEW BILL

Senate Finance Committee Meets To Map Course in Keeping With Roosevelt Wishes

#### NUISANCE TAX MAY HAVE SHORT STAY

Sixty or Ninety Days Extension Planned To Give Time for Wealth Levies To Be Tacked Onto Re-Enactment of That Tax; House Jealous of Rights

Washington, June 25.—(AP)—House Ways and Means Democrats threatened today to kick over the traces on the wealth distribution tax program agreed to last night by President Roosevelt and congressional leaders.

With Republicans vigorously protesting against haste, Chairman Harrison called his Senate Finance Committee to meet late today to map a course of procedure in accordance with the President's decision to seek action at this session.

The House situation was such that Speaker Byrns was called in to talk with the committee Democrats in a secret session this afternoon, urging upon them the idea of extending existing nuisance taxes for 30 to 90 days, so the Senate could go ahead and draft the new wealth distribution tax schedules.

Unless the nuisance taxes are extended before June 30, the government will lose more than \$1,500,000 a day in revenue.

Several members of the House committee, however, expressed in forceful language their objections to any move to let the Senate write the new tax measure.

One leading Democrat remarked: "It puts the House in a cheap light of yielding its prerogatives on tax questions which were given to it by the Constitution. I would say that whoever advanced that suggestion doesn't think particularly highly of the House and its dignity."

#### Hugh Johnson New Works Director In State of New York

Washington, June 25.—(AP)—Hugh S. Johnson, former NRA administrator, today was appointed works progress administrator for New York City.

The appointment was announced by Harry L. Hopkins, works progress administrator of the \$4,000,000,000 works fund.

### NEW SPENDING ORGY SLOW IN STARTING

Republicans Charge Politics Some Say Administration Fears Courts

By CHARLES P. STEWART, Central Press Staff Writer  
Washington, June 25.—Plans are discussed and discussed and discussed, for a start on the expenditure of President Roosevelt's 4,880-million-dollar recovery-relief fund—but the expenditure don't start, somehow.

The Republican explanation is that the administration deliberately is stalling, with a view to keeping the bulk of the 4,880-million intact until the eve of the 1936 campaign, then releasing it in a perfect flood, which it expects, according to G. O. P. spokesmen, to sweep it into office again in November.

Another surmise is that administrationists are afraid to start spending lest Republican strategy succeed in putting an immediate stop to it, pending a long court fight over constitutionality.

RESTRAINING ORDER? Presumably the method of tying up the program would be for some taxpayer to seek a federal court restraining order against further expenditures.

Should he obtain one, it would be a dictatorial-looking proceeding for the administration to disregard it.

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