

## REORGANIZATION BILL FURTHER MUTILATED

### Senate Committee Finishes "Business Recovery" Tax Bill

#### POWER PLANTS SEIZED BY UNION WORKERS



Workers keeping night watch, and a plant of the company at Jackson

Employees of the Consumers Power Co. seized strategic plants of the company in southern Michigan following a breakdown in contract negotiations. The action came after representatives of the C. I. O. union walked out of a conference with company officials at Jackson, Mich., when they were told the management could not renew its contract with the union. Union officers said "the consuming public" would suffer no inconvenience. Photos show workers on night watch at Milwaukee hydro-electric plant near Saginaw, and plant at Jackson, which company said was unaffected.

#### CORPORATION LEVY CUT DOWN SHARPLY IN NEW PROPOSALS

Comparison of Rates Given  
Under Present Law, House  
Measure and Sen-  
ate Schedule

SUMMARY USED IS  
ON \$10,000 INCOMES

Tax Would Be \$2,982 Under  
Present Statute, \$1,325  
Under House Measure and  
\$1,530 Under Senate Pro-  
posal, Now Completed by  
Committee

Washington, April 4.—(AP)—The Senate Finance Committee wrote into final form today its tax revision measure, described by Chairman Harrison, Democrat, Mississippi, as a "business recovery bill."

Excluding special factors which enter into tax computations, the following summary compares the rates a corporation having \$10,000 net income would pay under the existing law, the House bill and the measure approved by the Senate committee: Present law: If the corporation distributed none of its profits, it would pay on a graduated corporation income scale and a graduated scale of undistributed profits levies. Its tax would be \$2,982. If all net income was distributed to shareholders, the corporation would pay only \$1,040.

House Bill: A modified form of the undistributed profits tax would apply only to corporations having net incomes above \$25,000. The corporation with \$10,000 net income would pay under a graduated scale of income taxes, which would make its total tax \$1,325.

Senate committee: The corporation would fall in a special category of corporations having net incomes under \$25,000 a year. It would pay a flat 18 percent rate on income, but would be entitled to apply a formula of tax credits. Its tax would be \$1,530.

#### Child Victims of Spanish War



These mutilated bodies of children offer mute evidence of the horrors of modern war in Spain. This picture, taken in Barcelona following air raids by insurgent bombers, shows youthful victims who were among hundreds of civilians of all ages who met violent death.

#### HOUSE REBELLION THREATENS DEATH FOR WAGES, HOURS

Leaders Fear Effort To Pass  
Labor Standards Measure  
With House in  
Present Mood

DEPARTMENTS FOES  
ARE NOT SATISFIED

They Demand Still Further  
Concessions Beyond Pre-  
vention of Federal Control  
of Education and Permit-  
ting Vote on Transfers by  
the President

Washington, April 4.—(AP)—House opponents of the government reorganization bill won a new co-session from administration leaders today when they agreed to an amendment exempting the Veterans Administration from any merger.

Representative Warren, Democrat, North Carolina, author of the general reorganization provisions, said he saw no objections to such an amendment and that it probably would be approved.

Chairman Cochran, Democrat, Missouri, of the reorganization committee, said he would not oppose it.

Fears of Veterans.  
A member of the House veterans committee, Representative Griswold, Democrat, Indiana, said demand for exemption of the Veterans Administration were based on fears that it might be placed in a proposed new department of welfare, and "put in a test tube on a shelf."

Some congressmen said approval of an amendment excluding the Veterans Administration from the measure would open the way for proposals to exempt other agencies. They asserted this raised the possibility of logrolling among various groups that do not

(Continued on Page Four.)

## Franco's Offensive Enters In Decisive Phase In Spain

Massed Armies of Insurgents  
Strike Down Main  
Highway to Barce-  
lona and Sea

VITAL STRONGHOLD  
IS NOW THREATENED

Franco's Objective Is Severing  
of Government Spain and  
Capture of Barcelona,  
the Capital; Madrid Counts  
Cost of Worst Bombard-  
ment of War

Hendaye, France, April 4.—(AP)—Insurgent General Franco's offensive entered its decisive phase today, with massed armies striking down the main highway to Barcelona and the Ebro valley to the sea, after having taken two immediate objectives, Lerida and Girona.

In the fourth week of the offensive and the twenty-first month of the Spanish war, the insurgent legions drove into the city stronghold of the government militia. They were campaigning to cut Spain in two and capture the sea of the government, Barcelona.

General Garcia Valino's Navarrese corps and the Italian black arrow di-

(Continued on Page Eight.)

## Warning To Soviets By Japs' Envoy

Moscow, April 4.—(AP)—Japan today protested to Soviet Russia against military assistance which she alleged the Soviet government was lending to China.

(Continued on Page Five.)

## NEGRO BOY RAPIST IS LIKELY TO PAY

Aggravating Circumstances  
May Cause Governor to  
Play Hands Off

Daily Dispatch Bureau,  
In The Star-Walter Hotel.

Raleigh, April 4.—Governor Clyde Hoey, like Judy Canova's brother Zeke, "ain't a-sayin'", but there are strong indications that the chief executive will not interfere with the execution of Mann (Hiawatha) Smith, Negro rapist and youngest person ever to be sentenced to die in North Carolina.

Unless executive clemency, in the form of a commutation, is exercised Smith will die in the lethal gas chamber.

(Continued on Page Five.)

## STEEL HEAD VIEWS FUTURE AS ASSURED

Myron Taylor, on Retiring, Has No  
Doubt About Nation and His  
Own Corporation

Hoboken, N. J., April 4.—(AP)—In a valedictory review of his ten years in high office with the world's largest steel maker, Myron C. Taylor, retiring chairman of the United States Steel Corporation, told stockholders today: "I have no doubt whatever of the ultimate future of both the nation and the corporation."

In a printed extension of his remarks, given shareholders at the meeting, Taylor said of his career, which has spanned the best and worst years of modern steel production:

"Out of these experiences and difficulties there arises within me a great feeling of gratitude for the loyalty and the earnest cooperation that have been displayed through the corporation. I am sure that there is in America today no body of men and women more loyal to the country and its interests, or more loyal and self-sacrificing in the doing of their daily tasks than those men and women who labor in all the ranks of the United States Steel Corporation."

## TVA Inquiry Without Bias Is Expected

Stand of Garner and  
Bankhead in Nam-  
ing Committee  
Blasts Some Hopes

Washington, April 4.—(AP)—Congressional leaders said today Vice-President Garner and Speaker Bankhead were determined to appoint unbiased persons to investigate the Tennessee Valley Authority.

Garner's decision blocked the aspirations of Senator Bridges, Republican, New Hampshire the Senate's most outspoken critic of TVA, to serve on the congressional committee.

Bridges was one of the first to demand an inquiry into dissension among the three TVA directors.

It was understood Garner and Bankhead would not appoint any members from the TVA area. This would exclude, among others, Majority Leader Barkley, of Kentucky. Also out of the picture were Senator Norris, Independent, Nebraska, co-author of the TVA act, and Senator King, Democrat, Utah, an ally of Bridges in criticizing the agency.

## WEAKNESS EVIDENT IN COTTON TRADING

Futures Nine to Eleven Points Lower  
at Midday; Selling Is  
Factor in Decline

New York, April 4.—(AP)—Cotton futures opened eight to nine points lower on disappointing Liverpool cables and under liquidation and foreign selling. July eased from 8.66 to 8.60, and after the first half hour was selling at 8.61, with prices generally 12 points net lower. July advanced from 8.56 to 8.63, leaving quotations nine to eleven points net lower around midday.

## CASH FOR JOBLESS IS INEXHAUSTIBLE

State Unemployment Com-  
pensation Fund Grow-  
ing Despite Payments

Raleigh, April 4.—"Impossible, or practically so," said Auditor W. Harvey Pitman, of the N. C. Unemployment Compensation, when asked about the danger of exhausting the State's Unemployment Fund, in the face of the many claims that are being presented to the Commission for payment.

"If there is any way in which the fund can be used up, I have not been able to discover the process," said Mr. Pitman. "For example, there will be few occasions during the years when the fund will be tested as much as it

(Continued on Page Four.)

## Japan Says Vital Center Is Captured

Tiaerhchwang Cap-  
tured In Southern  
Shantung Area but  
at Terrible Cost

Shanghai, April 4.—(AP)—Japanese, advancing under cover of artillery and aviation through smoking ruins and against raking machine gun fire, reported today they had occupied Tiaerhchwang, in southern Shantung province, on the central China front.

Chinese were retreating southward to the ancient Grant Canal, crossing into Kiangsu province, the Japanese said. Chinese defense lines on the north bank of the canal and about Tiaerhchwang were said to have been wiped out.

(Continued on Page Four.)

## Premier Blum's Cabinet Menaced By Deputies On Drastic Finance Plans

Powers Sought Amount to Virtual Totalitarian Dis-  
cipline Over Nation's Money and Industry; Cham-  
ber May Refuse Authority; Dissatisfaction Rises

Paris, April 4.—(AP)—Premier Leon Blum went before the finance committee of the Chamber of Deputies today to plead for powers to impose what financial quarters likened to totalitarian discipline over French finance and industry.

He asked with the cabinet's formal approval for powers to effect by decree sweeping changes, including what

financial experts said was tantamount to foreign exchange control and devaluation of the franc.

But while the socialist premier argued that the danger of war had risen to a point demanding rigorous sacrifices, indications arose that he might not be able to get his program ap-

(Continued on Page Four.)

## ROOSEVELT TIRADE JAB AT OBJECTORS

Slur About "Buying of Sen-  
ate" Implies Voters Who  
Also Protested

By CHARLES P. STEWART  
Central Press Columnist

Washington, April 4.—President Roosevelt probably can afford to slur his opponents in Congress. They are his opponents anyway.

It is more doubtful that he could so well afford to slur the whole rank and file of voters who found fault with his government reorganization bill, and besought their various states, and districts' senators and representatives to cast their ballots against it on Capitol Hill.

The President comes pretty close to having a congressional majority against him. In fact, he does have such a majority against him on some issues. However, the home folk have stayed with him middling well. He appears to have lost a bit of popular support since last election day, but

(Continued on Page Four.)

## WEATHER FOR NORTH CAROLINA Partly cloudy tonight and Tues- day; somewhat warmer in south portion tonight; cooler in north portion Tuesday.

## HUNT BRUSH LANDS FOR DUAL SLAYERS

Prominent California Wo-  
man and Daughter Tor-  
tured and Murdered

Vorn Horn, Texas, April 4.—(AP)—Peace officers scoured the sun-baked west Texas country today for the killers who tortured a socially prominent California woman and her daughter, clubbed them to death and left their partially stripped bodies side by side on the desert.

Dr. W. W. Waite, who performed an autopsy on the body of Mrs. Weston Frome, 46, and her 23-year-old daughter, Nancy, reported each knuckle of the girl's right hand had been burned by a cigar or cigarette, and that there were four other burns on the back of her hand.

Marks upon her back, he said, indicated some one had jumped up and

(Continued on Page Eight.)

## TWO PAROLES ARE GRANTED BY HOEY

Raleigh, April 4.—(AP)—Governor Hoey today paroled Jesse Lee, given 18 months in Johnston county in December for larceny of tobacco, and Bill Cullifer, convicted of transport in whiskey in Pitt county in January, and given three months.

## Turmoil In Commons In Fisticuffs

London, April 4.—(AP)—Emanuel Shinwell, a laborite member of Parliament, strode across the floor of the House of Commons today and slapped the face of Commander Robert Tatton Bower, a Conservative member, just before the opening of foreign affairs debate.

The House was thrown into uproar by the almost unprecedented scene. Cabinet ministers indignantly shouted at Shinwell, "Get out!" The laborite resumed his seat after administering the resounding slap.

A remark by Bower, to which Shinwell apparently took exception, sounded like "Go to Poland," although what was meant was not clear.

The disorder indicated the nervous condition in the House arising from laborite demands that the Chamberlain government resign to permit an election test between the labor policy of collective security as against Prime Minister Chamberlain's policy of bickering with dictators.

Shinwell said he had acted "in a fit of temper," apologized to the speaker and left the house. Bower also apologized to the house.

## Naval Bill Faces Fight By Senate

Hull Advises Navy  
Be Left Free To  
Operate In All  
Parts of the World

Washington, April 4.—(AP)—Conflict over the billion dollar naval program shifted today to the committee which received from Secretary Hull advice that the navy be left free to operate in all parts of the world. The naval committee met in closed session to question high navy officers, but first Chairman Walsh, Democrat, Massachusetts, made public the secretary of state's recommendations.

Hull declared that to restrict fleet operations within a "naval frontier"

(Continued on Page Four.)