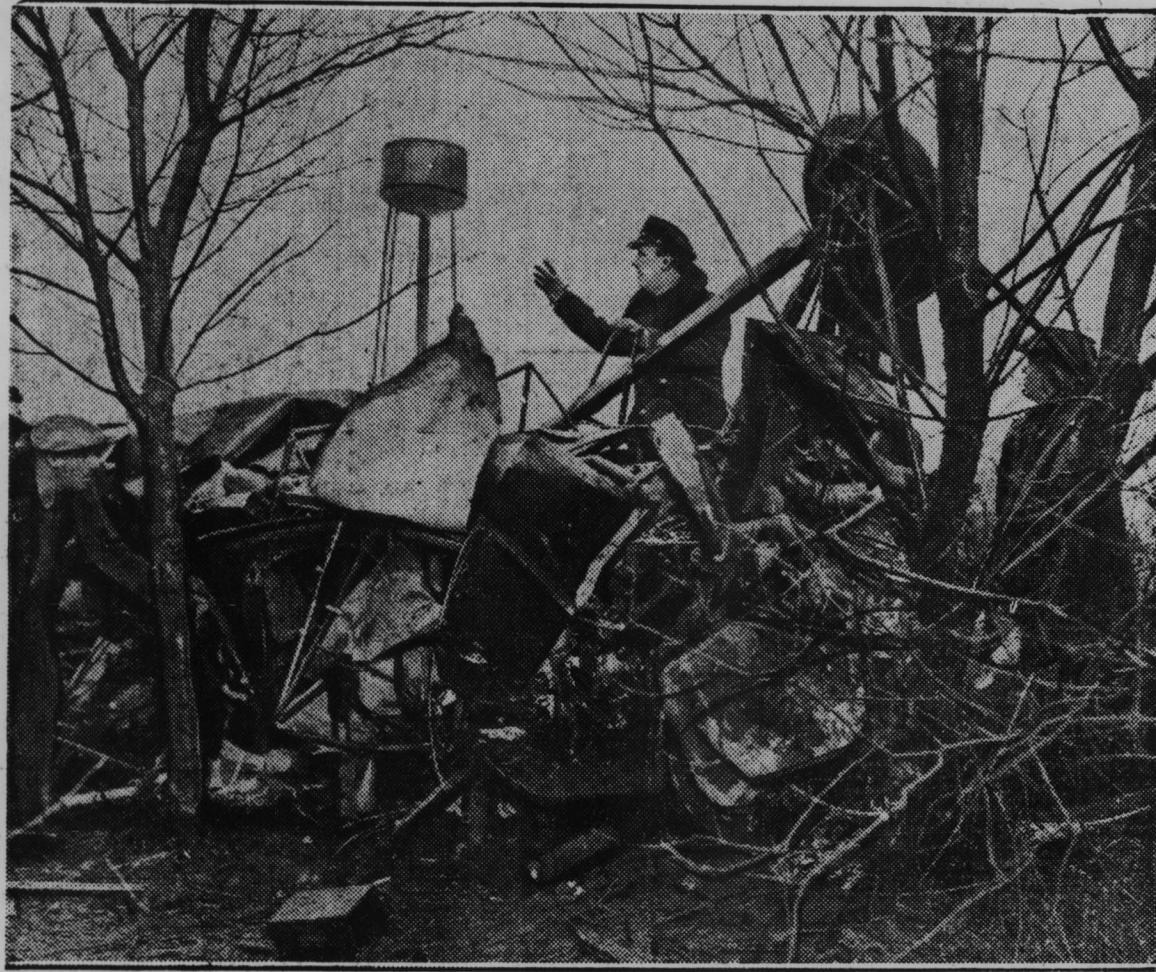


RECORD TAX BILL PASSES SECOND READING

Two Killed as Plane Hits Water Tower



Two men, pilot and passenger, were killed when a small monoplane crashed into a water tower (seen in background) on outskirts of East Northport, N. Y., bounced off and hit a telephone pole and finally smashed to pieces in a grove of trees as shown. The plane was so badly wrecked that rescuers had to chop through the fuselage to extricate the bodies. The aviator was identified as Al Beech, Roosevelt Field, N. Y., pilot. (Central Press)

Efforts Made For Changes In Tax Items

Measure Designed to Raise \$150,000,000 Next Biennium for State Purposes; Newspaper Defined in Bill; Highway Anti-Diversion Effort Fails

Raleigh, March 8.—(AP)—The House passed a record 1939-41 tax bill on second reading today by a 37 to 14 vote. The representatives voted to except Bibles from the general sales tax but refused to make any further changes in the measure adopted last night by the House as a committee of the whole. There was a new effort to except taxes and to prohibit license of slot machines that might be for gambling "per se" as well as new efforts to add to the sales tax to prevent highway fund tax diversion, but all lost on oral vote. The measure, designed to raise \$150,000,000 for the next biennium will come up for final passage in the House tomorrow. Senators in the meantime, passed and sent to the House a much-amended bill which had defined and had announced as required that legal advertisement which must be given openly to newspapers which have been regularly published in the 25 of 26 weeks previous to the ad. The Senate also passed and ordered ratified into a law an administrative bill to create a new State advisory commission to replace the present one. A hearing was held on the Quinn bill to prohibit the shipment of legal

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British Minister Outlines Empire Mobilization Plans In Event Of War To Commons



When General Francisco Franco, head of Nationalist Spain, reviewed his navy in the Mediterranean recently he doffed his familiar army uniform and wore the blue and gold braid of an admiral. He is shown (right) with aides aboard the cruiser Canarias during the review. (Central Press)

Coast, Air Defense To Be Increased

Reorganize Methods of Drafting and Equipping Army; Reserves to Participate in Great Yorkshire Maneuvers in September

London, March 8.—(AP)—A comprehensive plan to expand and equip the British army was forecast immediately on outbreak of a war and to build adequate reserves of military powers throughout the British Empire was outlined today by War Minister Hore-Belisha. Before the House of Commons, he described the program for the creation of a reserve of man power in the east and in India, and establishment of an anti-aircraft command for the defense of Great Britain and reorganizing of methods of drafting and equipping units, thus speeding wartime mobilization. The war minister said 1,000 officers and 16,000 men of the regular army reserve would be called for training in September, when the greatest maneuvers in British peacetime history are to be conducted in Yorkshire. Anti-aircraft and coast defense batteries are to be increased 50 to 100 per cent, he continued. The minister announced that local troops for defense of ports, except those in India, would be increased from 3,766 in 1937 to 9,500 in 1939. These measures, the minister said, would not jeopardize the British field force of 19 divisions, but "train and equip in the event of war in European fields."

Revolt In Madrid Is Put Down By General Maiji

Tanks and Hand Grenades Used to Blast Communists Into Submission; Fight Made Against Nationalist Government

Madrid, March 8.—(AP)—General Maija's national defense government announced by radio today the surrender of the republican army involved in a communist uprising and cessation of fighting, indicating complete suppression of the revolt. The announcement came shortly revolting communists surrendered strategists points in the face of tank and hand grenade attacks by Maija forces, trying to put down the local war in Spain's civil war. The communists had risen against the national defense government because, they said, it intended to perpetuate the nationalist government of General Franco, which holds three fourths of Spain. Maija has sent an ultimatum to the rebels, demanding a surrender by noon today, otherwise, the ultimatum said, they would be bombed until they surrender. Fresh disturbances developed in Madrid about 8:30 last night with sniping in the north and eastern section of the city. Carabineros, forming a uniform court which acted as custom police before the civil war started, and which has remained loyal to the republic throughout the conflict, were used by the Maija regime to attack the rebels with hand bombs.

W. T. Clark Is Ill Hot Springs, Ark.

Wilson, March 8.—(AP)—Members of the family of W. T. Clark, Wilson tobaccoist and former president of Tobacco Association of the United States, were called today to his bedside at a Hot Springs, Ark., hospital, where he is critically ill with pneumonia following the flu.

Sales Tax Foes Licked In Massacre

House Refuses To Trim Levy to Two Cents Without Any Exemptions Whatever

Raleigh, March 8.—Anti-sales taxers in the North Carolina House—thirty of them, a roll call showed—were wiped out yesterday in a voting massacre in a class with Sitting

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Pickets Circle 13 Washington Hotels Today

Washington, March 8.—(AP)—Pickets circled in front of Washington hotels today, protesting the refusal of managements to agree to a closed shop for kitchen, dining room and bar employees. Union officials who ordered lines thrown around 13 major hotels after a five a. m. vote to strike, said 2,200 workers were involved. Hotel management said patrons were not inconvenienced. "I hope the strike will be over by sundown," said Representative Bankhead, Alabama, who lives at the Mayflower. That was in a reply to a question whether he would cross picket lines to return to his apartment tonight. Senator Glass, of Virginia, another Mayflower resident, said he had noticed no interruption in service. Osgood Roberts, public relations director at the Mayflower, said the 13 hotels, which have negotiated with the union officials, had refused to agree to a closed shop, but had offered to continue a union referential hiring agreement.



Scrugham

and to sidetrack non-essential items, (Continued on Page Four)

Positive Acts Cooperation Are Promised

Secretary Hopkins Declares Statements of Government Heads to Be Backed With Action

Washington, March 8.—(AP)—Secretary of Commerce Hopkins, promised business today positive action to make up promises of cooperation in statements of administration leaders. "Life is just too short," Hopkins said, "to make speeches unless you are going to do something about it." He ascribed to political rivals, he said "criticism" many doubts which might have been raised about the administrations' sincerity. He referred to his own cooperation speech in Des Moines, Iowa, the "no new tax promise of Secretary Morgenthau and the new business legislation statement of the President." He said he was conferring daily with officials in various agencies in the government on means of helping business but did not want to talk about the details until something was actually done.

HEAD OF RAILROAD DIES IN CHICAGO

Chicago, March 8.—(AP)—Samuel T. Bledsoe, president of the Atchison, Topeka and Kansas City Railway, since 1933, died at his home early today. He was 70.

Ward Argues \$20,000 Out Of Money Bill

Raleigh, March 8.—"Speaker" Ward, theoretically doesn't have any more influence in a meeting of the committee of the whole House than "Representative" Ward of Craven county. But the prestige of the speaker enabled Representative Ward to take on in debate and to thoroughly vanquish Representatives Gregg Cherry and Victor Bryant at Monday night's session. The item under consideration was the tax on dealers in installment paper. The finance sub-committee, on which both Cherry and Bryant sat, had included State banks in the bill, which boosted last year's tax from one-quarter of one per cent to one-half of one per cent. Mr. Ward offered an amendment exempting banks. The fact that this cuts about \$20,000 out of prospective revenue, and further upsets the very pre-car

(Continued on Page Four)

State Court Hands Down 20 Opinions

Raleigh, March 8.—(AP)—The Supreme Court decided 20 cases today, 18 of them civil actions. The Wilson Board of Education lost its appeal from an adverse superior court jury in its suit to get for school purposes \$1,701.30 turned over to the town of Wilson as its share of intangibles tax collected by the State. The court held that the legislative act did not designate school boards, as "only county and municipalities remain recipients of the State prorata. It also said that it was admitted that no school debt of the town of Wilson to which the school board could apply the money. W. L. Tanner, convicted in Nash, with E. B. High, of assault with a deadly weapon and sentenced to two years, lost his appeal but Steve Nor-

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Large Loan Made China By British

10,000,000 Pounds Loaned to Stabilize Chinese Dollar; Banks Make Half of Loan

London, March 8.—(AP)—Sir John Simon, Chancellor of the Exchequer, announced at the House of Commons today that the Chinese government had borrowed 10,000,000 pounds, (\$50,000,000) currency stabilization fund to which British banks had contributed 5,000,000 pounds. "The stability of the Chinese dollar," he said "is a matter of great importance to this country in view of our financial and economic relations with China." He estimated the British chancery would guarantee 5,000,000 pounds subscribed by the British banks, and seeks Parliament approval of the loan.

WEATHER

FOR NORTH CAROLINA. Cloudy and changed to rain in east late tonight and Thursday; slightly warmer on coast tonight.

Leaders Rally Labor Peace Forces To Push Bill

Republican Barrage of Amendments to Reorganization Bill Brings Hasty Call for Support

Washington, March 8.—(AP)—House Democratic leaders rallied their forces today in an attempt to drive the government reorganization bill through a barrage of Republican amendments. Outnumbered by Republicans on the floor just before the bill was taken up for amendments, they demanded a quorum call to bring absent members into the chamber. The Democratic whip organization issued immediate orders for all Democrats to be on hand while the bill was in the amendment stage, but some where late in arriving from committee hearings. Representative Dirksen Republican of Illinois, stood by to amend the controversial amendment and to substitute for the house bill, a measure sponsored by Senator Byrd, Democrat of Virginia. Dirksen amendment, and then quickly passing their own by virtu-

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Labor Peace Committee Meets Friday

Sessions in Washington Recessed, After Preliminary Canvass of Problems; Lewis Proposes One Big Union for All

Washington, March 8.—(AP)—The A. F. of L. and CIO peace committees recessed their first joint conference on a settlement on the labor war today with agreement to meet again in New York City March 10. Harry Bates, a member of the A. F. of L. negotiating committee, disclosed the action of the conferees in a prepared statement to the press. The statement said: "The conference made a preliminary canvass of its problems and met briefly with the Secretary of Labor. "The conference recessed and agreed to meet in New York City Friday, March 10 at 3 p. m., at which time it would consider proposals made yesterday by the CIO or any other suggestion that might be made before it."

JOHN LEWIS PROPOSES ONE BIG UNION FOR ALL Washington, March 8. (AP)—John

(Continued on Page Six)

Punchboards, Slot Machines Cause House To Abandon Jewels Of Consistency

Raleigh, March 8.—The House is quite obviously no believer in the old proverb that consistency is a jewel, or else it is no lover of pretty gew gaws and trinkets. Its diametrically opposed actions on slot machines and on punchboards prove this thesis. Monday night the representatives disregarded the solemn warnings of Gregg Cherry, Lacy McBryde and others that levying taxes on slot machines is the equivalent of legalizing them and thus abrogating the Flanagan law. Less than twenty-four hours later, the same House turned completely around and knocked out of the revenue bill section 167 which level a

tax on punchboards. This time it gave an approving ear to the advice of the Messrs. Cherry, McBryde and others. Thus in theory the House completely reversed itself, its Tuesday decision being unqualifiedly opposite to its Monday night action. There were, however, very practical differences in the situation which completely explain the seeming about-face. First and foremost is the fact that on the punch board question an "Aye and No" vote was demanded and accorded, thus making advocates of taxing illegal devices go on record. The vote, incidentally was close, 56 to 52. On the other hand, the Monday night 54 to 24 count by which taxa-

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Slovak Hope Of Independence Easily Fades

Prague, March 8.—(AP)—Any immediate hope of any Slovak political faction for an independent Slovakia had vanished in the face of any German disinclination to take on a new economic burden, informed sources believed. However, autonomous Slovakia, with its recurrent demands for full independence, will remain a major problem for the diminished republic of Czechoslovakia, according to these sources, unless Germany demanded her program in eastern Europe. The swift development, which followed dismemberment of Czechoslovakia after the September war scare, gave Slovakia and Sapratha-Ukraine, autonomous government but did not quiet the clamor in Slovak circles for complete independence.

Test Seen Of Japan's Power In North China

Shanghai, March 8.—(AP)—Japan's power in North China appeared to be headed for a test in a vital fiscal battle between Chinese government dollars and the Japanese forces federal reserve bank notes today. The climax was expected on Friday when the circulation of the Chinese dollar will be prohibited in North China. The outcome of this contest, removed from the far flung military battlefield, foreign observers believed, hangs the decision whether Japan will be able to complete economic domination of North China. They believed it would decide, also, whether Japan can manipulate currency and price to an extent not only to Japanese domination of markets in the vicinity, but to force North China to pay a part of Japan's costly martial ambition.