

LEGISLATURE FACES TAX BILL

Indications Are That It Will Be After Easter Before Solons Return Home

STATE SOLONS IN A JAM

By M. L. SHIPMAN

RALEIGH, March 24.—With the introduction into the House this week of the committee substitute revenue bill, the Legislature finally goes to the mat upon taxation, the most pressing and most controversial problem which it faces. The most optimistic reports indicate it will take at least two weeks to get the revenue bill through. If the Legislature finishes by Easter it will be doing well. It is agreed on all sides that as soon as the revenue bill is out of the way, the Legislature will go home.

Report by the committee into the House constitutes the first reading, the House then goes into a committee of the whole to consider it section by section and with its final adoption it is then put upon its second reading. The Constitution requires that it shall be passed on three separate readings on three separate days. While it is possible to pass the revenue bill through the House on its third reading and send it to the Senate for its first reading, there are some constitutional experts who hold that passage on two readings on the same day violates the constitutional requirement and it is usually customary to let it go over until the following day for its first reading. Thus the mere routine or passing a revenue bill requires a solid week.

Seldom in the history of Legislatures has there ever been such a jam as this one finds itself on the eve of going to the mat over raising revenue. Not only is the House divided into divergent camps over the advisability of a sales tax, but the Senate threatens to dedlock the revenue bill, if the sales tax feature is included. This unparalleled jam has resulted in taking the taxation problem to the folks back home. Not only did most of the legislators go home for the week end, but there was a general rush for the Raleigh radio station by speakers. Commissioner of Revenue Allen J. Maxwell took the air Saturday night in opposition to any sales tax, Senator John Hinsdale,

of Wake, was on the air in an appeal for his bill to tax luxuries, and Josephus Daniels, editor of the News and Observer, takes the air nightly in reviewing legislation. Governor Gardner took the air in support of the Seawell banking bill. For the first time in history the people of the State are hearing directly from one Legislature.

After struggling for months with the taxation problem, the House finance committee finally swung around to a general sales tax of one per cent, and a tax of five per cent on sales of electricity to consumers. The Senate leaders, headed by Chairman Folger, of the Senate finance committee, remained adamant against any sales tax, proposing a substitute revenue bill providing for a ten million dollar equalization fund for schools in lieu of the eighteen millions that would be required to support a school term of six months under the MacLean act. This would eliminate the nine million dollars that it is estimated by House leaders would be produced by the general sales tax. The Senate proposal proposes increases in income taxes for corporations, increases in franchise taxes and increases in license taxes, and would add three and one-half millions to the State equalization fund and would retain the ad valorem tax levy.

Around the tax Armageddon the Legislature will battle, and nobody at the beginning of the fight could predict what would be the final result. A statewide ad valorem school tax was one of the possibilities. Repeal of the MacLean act and increase of the school equalization fund was another. It appeared doubtful that a general sales tax could be put through, particularly with the organized opposition to it, and there is also doubt that there will be a tax imposed on electric power companies, other than the revenue and franchise taxes. A proposal for taxation of foreign stocks was defeated in House committee as was a proposal of the Budget Commission to raise \$600,000 in the form of 15 per cent of all net earnings in excess of ten per cent of assessed valuation of corporations.

In its dilemma over the tax problem, the House turned its ugly teeth upon Governor Gardner and summarily killed his short ballot bills. Resentment over his failure to come out for the Maclean act was responsible for some of the opposition. This action of the Legislature was taken in the face of strong recommendations by Governor

Gardner also of former Governor Smith, of New York, and Byrd, of Virginia, both of whom addressed the Legislature in favor of the bills. The House buried a resolution to invite the Governor to address the General Assembly on the Maclean act.

The House also quickly slaughtered the Neal bill to abolish the Statewide primary. This repealer has been introduced biennially at almost every term of the last Legislature for the last ten years by Representative Neal, of McDowell, and as regularly killed without serious discussion. The House likewise killed the Cowe-Day proposal to amend the Constitution so as to allow the classification of intangible property for taxation, which was turned down by the voters in the last election, this fact being the main argument used against it.

The Legislature finally got out of its way the Governor's bill providing for submission to the voters of a proposal for a Commission to draft amendments to the Constitution to be passed on finally by the voters. This was a substitute bill for the one calling a Constitutional Convention, which ran on rocks after much opposition developed to making a new Constitution under present conditions.

The House finally passed the Seawell bill to provide for a State banking commissioner after Governor Gardner had taken the air in its support. It got tied up in Senate red tape, but is expected to pass, as there has been strong demand for a change in the present system of supervision, which is under the State Corporation Commission.

The house also passed a bill to change the licensing of automobiles from a horse power basis to weight. This would not change materially the amount of fees except for a few makes, which now claim to be discriminated against under the present system. A few thousand dollars would be required for changing the system of bookkeeping. The bill went to the Senate.

The Davis bill permitting drug stores to sell liquor on doctor's prescriptions did not arouse much furor in the Capital. There was a large attendance of prominent people at the House hearing, but no strong sentiment developed for its passage. The bill appeared to be doomed from the beginning, but after the Legislature came within a hair's breadth of passing a bill to allow horse racing in Buncombe, opponents took no chances and

fought it to a finish.

Despite the tension over the taxation bill, the Legislature has enjoyed its stay in Raleigh. The weather has been ideal, and some of the members have actually gained flesh. When it was suggested that some might have to go home for lack of funds, there was a movement started to open Raleigh homes to them. There was also a movement in some of the counties to raise funds with which to keep their representatives here. Thus the movement to rush the Legislature to adjournment died before it hardly got started. It is unusual though for Raleigh to have a Legislature on its hands when the flowers begin to bloom.

Raleigh hotels continue to do a rushing business, such a rushing business in fact that the State convention of teachers had to be postponed a month because of lack of hotel facilities. Not only are there a couple hundred legislators and clerks here for the Legislature, but there are a thousand or more representatives of various interests who have eyes on the legislators. The merchants, the power companies, the railroads, the tobacco manufacturers, the bus operators, the cotton and furniture factories, and even the farmers have representatives on the job. The Labor organizations have been represented throughout the session. The "Third House" has by far the largest representation.

The Legislature has overshadowed the spring municipal election, but hardly a day passes that a candidate doesn't announce for one of the three jobs of city commissioner. The field is full of candidates and the campaign is beginning to warm up.

Former Congressman Charles A. Janas, of Lincolnton, the chief Republican bellweather of the State, was among the visitors recently to

the Legislature. He let loose a loud blast against any sales tax.

Most of the North Carolina Congressmen have dropped in from time to time on the Legislature. They are interested in the redistricting bill and also in mending their political fences. The redistricting job has been simplified by the fact that most of the increase in population has been in the Fifth district, so that the new district to which the State is entitled can be taken care of by splitting up that district.

Reynolds Has Not Awarded \$50,000

WINSTON-SALEM, March 21.—The appearance of a number of fake telegrams falsely notifying individuals in various sections of the country that they have been awarded one of the prizes offered by the

R. J. Reynolds Tobacco Company in the Camel cigarette contest, led officers of the company to issue this statement today.

"We have learned through numerous letters, telegrams and newspaper articles that practical jokers in some sections of the country are sending telegrams purporting to come from us notifying individuals that they have won a prize in our \$50,000 Camel cigarette contest," the statement said.

"We regret the appearance of these hoaxes and wish to assure contestants and the public generally that no prize selections have yet been made. In fact it will be several weeks before the Judges and their staff can possibly make selections.

"Approximately a million answers were received in the contest. Obviously a fair reading of so many letters requires a considerable period of time. Every letter is being given

a careful reading. Those with special merit must be studied.

"We want to thank all who entered the contest and to ask them to be patient. Several more weeks must elapse before the judges can render a decision. The names of winners will be included in our formal announcements just as our selections determined."

Cooperative hog and poultry sales in Beaufort County last week netted the growers \$2,336.81, reports county farm agent E. P. Welch.

The cotton acreage will be increased and the tobacco acreage increased in Richmond county this season, finds county agent J. J. Dove.

PROTECTION

The day-by-day work of a life time, given to building a business, may be swept away in hours time by a fire. Good will is the only thing that can't burn, but your good will not profit you very much if you are not in a position to carry on. That's when insurance comes in.

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"When I was just a girl at home," writes Mrs. B. F. Riggan, of Baird, Texas, "I took Cardui for cramping and pains in my side and back, and it helped me at that time. "After I was married, I found myself in a weak run-down condition. I suffered a great deal with my back, which was so weak it hurt me to get up or when I would stand on my feet. I fell off in weight. "A friend of mine, seeing how bad I felt, advised me to take Cardui, which I did. By the time I had taken two bottles, I felt stronger and better than I had in a long time."

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Market Special	
Fat Backs	3 Lbs. 25c
SMOKED PICNIC	14c
VEAL CHOPS	20c
ROUND STEAK	25c
CHUCK ROAST BEEF	15c
PORK SAUSAGE, 2lbs	35c
SIRLOIN STEAK	30c

Groceries	
LARD—finest compound	10c
10 lb. bag	47c
25 lb. bag	\$1.18
100 lb. bag	\$4.70
CHEESE—best American, lb.	19c
TOMATOES, 4 No. 2 cans	29c
MILK—evaporated, 4 tall cans	29c

Soap Sale

2 P & G, 1 pk. Small Chipso, 25c
2 Guest Ivory, 1 pk. Oxydol 25c

with the purchase of 3 cakes CAMAY for 19c
1 Pk. Snow Flakes, FREE

Produce Values

Large Golden Bananas	5 lbs. 25c
CELERY, Large Jumbo	3 stalks 25c
Lettuce, Large Iceberg	3 head 25c
CABBAGE, Fancy Green	lb. 3c