

## Sales Tax and Liquor To Be Two Main Issues

**Bulk of Opinion is to Effect That While There Is Not a Chance For Sales Tax to be Repealed Unless People Want to Close Schools**

(By J. C. Baskerville)

Raleigh, Feb. 20.—The sales tax and liquor are going to be the two biggest questions with which the 1935 general assembly is going to have to wrestle, according to more and more observers here. The bulk of opinion is to the effect that while there is not a chance for the sales tax to be repealed, unless the people of the state want to close the schools, that many efforts will be made to change the sales tax law and that it probably will be changed in several respects.

With regard to the Turlington Law, the state's prohibition enforcement act, the bulk of opinion now is among both the public and former members of the general assembly, that while a strong effort will be made to repeal or revise it in the 1935 general assembly, that it is not likely to do anything about it. An effort may be made to submit the question of repeal of this act to a vote of the people before the 1937 general assembly meets, probably at the general election of 1936. But the experience in the recent election with regard to repeal of the Eighteenth amendment may even prevent the submission of this question in a general election. There is a possibility, of course, that eleven months from now the people of the state may undergo a change of heart with regard to state prohibition and decide that some changes need to be made in the Turlington law. But at the present time the prevailing opinion in political circles here is that few, if any, changes will be made.

But there is going to be a real fight over the sales tax, everyone agrees, although it is becoming increasingly popular—so much so that some candidates for the 1935 general assembly who have already announced are including in their platforms advocacy of the sales tax as the only means of keeping the schools running without putting all of the school taxes back on the property owners at the rate of about 75 cents per \$100 of valuation.

There has also been a noticeable increase in the popularity of the sales tax during the last few days as a result of the figures made public by Commissioner of Revenue A. J. Maxwell, showing that the basis of collections for the first six months of the fiscal year, the total collections from the sales tax for the first year would be \$6,835,536, while the property taxes removed by the 1933 general assembly and for which the sales tax was substituted, amounted to \$14,461,595, showing a net saving or reduction in property taxes amounting to \$4,826,009. The statement further showed that on the basis of the collections for the six months period, there will be only two counties in the state—Caldwell and Pitt—in which the sales tax collections will exceed the property tax reduction. Thus it can be expected that a majority of the property owners in 98 of the 100 counties in the state are going to be in favor of retaining the sales tax. Those opposing the sales tax, of course, maintain that the property taxes should be increased on the big corporations and the big property owners. But those who know the facts, know that under the old 1868 state Constitution, which Attorney General Brummitt is opposing so bitterly, although he is also opposed to the sales tax, that the small property owners must pay the same property tax as well as the big property owners.

So if the sales tax is removed it will have to go right back on property—homes and farms as well as on corporations—or else the schools will be compelled to close or be cut to about a four months term, as they would have had to do this year if the program favored by Representative Tam Bowie and regarded as also having the sympathy and backing of Attorney General Brummitt had gone through. This was a program providing for \$10,000,000 for the public schools and about a 44 per cent reduction salaries. At the present time, however, both Attorney General Brummitt and former Lieutenant Governor R. T. Fountain are among those who are fighting the loudest for more money for schools and higher salaries for school teachers.

The Fair Tax Association, headed by John Paul Leonard, has been carrying on a state wide campaign against the sales tax for several months, but recent indications are that it is not making very much headway. The North Carolina Merchants' Association, of which William L. Dewell of Raleigh is executive secretary, is still on the surface opposed to the sales tax and is ex-

pected to carry on a half-hearted campaign against it between now and the general assembly. But it is significant that association has refused to join forces with Leonard's Fair Tax Association, although some merchants are members of both.

The fact is that many merchants are not only collecting all the tax they are supposed to pay the state, but a little more as well—and many admit it privately. A member of the 1933 senate, who has served three or four sessions of the general assembly and who is a merchant himself, told this correspondent today that this is the case, although he refused to be quoted directly.

"The merchants have found that the sales tax is not costing them anything, but that they are making some profit on it instead," this State Senator and Merchant said. The only thing they want done now is to change it so that the sales tax can be quoted in the sales price and so that the merchant will not have to say "The price is one dollar and 3 cents sales tax," as he does at present. But my opinion is that the sales tax will not be and cannot be repealed until some other way of financing the schools is found—and I am convinced that no other way will be found any time soon."

Fred Handy of Wake county who has already announced as a candidate for the house, is running on a platform for the retention of the sales tax, and said in his announcement:

"As to the sales tax, I was opposed to it two years ago, but I have since changed my views with regard to it. The state could not have gotten along without it during the past six months. After seeing it in operation, I have concluded it is a fair and equitable tax. Under it every one contributes something toward the support of the state government. It is the only tax of which this is true."

### "CAROLINA" AT STATE GREENVILLE THREE DAYS

With a star-studded cast, headed by such stellar performers as Janet Gaynor, Lionel Barrymore, Henrietta Crosman and Robert Young, Fox Film will present its latest release, "Carolina," at the State Theatre, Greenville, on Monday. The film will remain for an engagement of three days. The production is reported as being so magnificent in scope and so dramatic in theme, that it necessitated the use of a cast of seven great stars to do it justice. The array of personalities present in the cast, and the advance reports on the film, give "Carolina" the promise of being one of the outstanding productions of the new year.

The setting of the film is a rundown tobacco plantation in North Carolina, with its picturesque background of magnolia trees and colonial architecture. Into this setting comes the struggle of youth to find a place for itself among the glories that now exist only in the minds of the elders.

## First Payments Cotton Campaign Starts in March

### Contracts Must Be Correct Before Secretary Will Accept Them

College Station, Raleigh, Feb. 20.—The first payments in the cotton reduction program may start early in March if the growers cooperate sufficiently with the government, says Charles A. Sheffield, assistant director of the State College extension service.

The contracts must be correct before the secretary of agriculture will accept them, and the payments cannot begin until the contracts are accepted.

In cases where growers have over-estimated their base acreage in an attempt to increase their 1934 allotments and their benefit payments, some delay will be caused in the work of bringing the acreage figures down to the proper figure.

With some 50,000 contracts signed and 10,000 more signatures expected, Sheffield estimated that the sign-up will include practically every grower of any size.

Emphasis is being laid now on a quick acceptance of the contracts in order that the first rental payments will reach the growers in time to help finance their spring planting.

Claude A. Shove of Bonville, Yadkin County, has purchased a pure bred Jack to further the production of home-grown mule colts in the county.

## Doing Business With A Bank Will Cost More

### Banks To Up Service Charges Under New Scale Effective March First

Raleigh, Feb. 22.—Reduction of the number of free checks allowed each month from five to three, and an increase from three to four cents on each check issued above the prescribed limit are the main differences in the new service charge schedule adopted by the North Carolina Clearing House Association as compared with the schedule it formulated last October.

The new schedule will become effective in all North Carolina banks, March 1.

Large and active accounts will not be subject to a fixed service charge, but will be analyzed and charged according to the expense the account entails upon the bank.

On accounts averaging less than \$100 and against which more than three checks are drawn, there will be a service charge of \$1.00 monthly which will entitle the customer to ten free transactions.

Accounts averaging \$100 or more will be entitled to one free check for each \$10 of average balance maintained, and will be charged four cents for each check in excess of that.

The new schedule does not define a deposit as a transaction as did the code rejected by the NRA.

The schedule is not a part of the bankers' code and applies only to North Carolina. General Johnson has ruled that service charges can be fixed by states instead of for the nation as a whole, but that all schedules must be submitted to him for approval.

Under the new regulations, three per cent will be the maximum rate of interest on time deposits. Banks may remain open for business a maximum of 30 hours a week.

## Chevrolet Makes New Record For January

Detroit Mich., Feb. 22.—Production of the new 1934 commercial cars and trucks by the Chevrolet Motor Company in January exceeded 23,000 units, with prospects that the same or a higher rate of output would be maintained in February, March and April, according to William E. Holler, general sales manager.

Sale of trucks at retail reported by dealers in the month just ended set a new high January mark in the history of the Company, Mr. Holler added.

As an indication of the growing importance of the truck share of Chevrolet's total volume, Mr. Holler pointed out that in 1933 the company built 130,200 commercial cars and trucks, more than twice the number built in 1932 and the highest annual truck production since 1930.

Original projections for 1934 were considerably above the 1933 output, but the rate at which retail orders are being booked by dealers indicates that even the larger 1934 quota will have to be revised upward, Mr. Holler stated. He pointed out that of some thirty companies building trucks, the output of Chevrolet from the first of this year to date exceeded the total 1933 production of every other manufacturer, with but one exception.

"While a number of fleet deals recorded in the January sales mark," said Mr. Holler, "the month's total included less than fifty trucks delivered to the federal government. Contracts awarded Chevrolet last month, calling for the delivery of several hundred trucks for various federal projects, will not be included in monthly reports until actual delivery is made.

"Our January sales seem particularly significant to us because they furnish an index of the trend of general business. A truck represents a capital investment on which the investor expects a definite monetary return. The fact that he is willing to pay out money for new equipment now indicates his belief in sufficiently improved business to warrant the investment.

"The current rate of truck sales also means the retirement of much obsolete equipment retained in use during the past few years through economic necessity. Much of this equipment had reached an age where it was no longer safe on the highways, and where the cost of maintaining it in operation exceeded the interest charges and maintenance and operating costs of new equipment.

## Growers Demand Tobacco Action Would Force Compliance With Federal Tobacco Crop Control Plans

Raleigh, Feb. 22.—Agitation for laws to compel non-signing flue-cured tobacco growers to comply with provisions of the reduction contract has received additional impetus from Edgecombe county growers, it was revealed yesterday.

In a resolution said to represent practically every grower in the county, the Edgecombe County Tobacco Control Association asked North Carolina's senators and congressmen to do all within their power to enact control legislation.

The legislation desired, however, would not apply to growers who wished to sign contracts but were ineligible to do so.

Specifically, the resolution calls for measures forcing non-signers to reduce by levying tax of 15 cents a pound on all tobacco they sell above the amount they would have been permitted to market under a contract.

In addition, the non-signers would be required to reduce without receiving any of the rental, benefit, and equalization payments given growers who signed. They would also be barred from obtaining loans from the Farm Credit Administration.

The need for a permanent system of crop control was foreseen in the request for the secretary of agriculture to devise a method for controlling acreage after the present contracts expire.

Request was also made for the government to place tobacco graders on all markets to grade free of charge all tobacco sold.

The resolution followed similar action taken recently by the North Carolina Tobacco Growers' Advisory board and is, in turn, expected to be followed by petitions from the other tobacco growing counties.

## Farmville Furniture Company To Hold Majestic Range Show

The Farmville Furniture Company, the home of good furniture, and a firm ever awake to the household needs of this community, will hold a demonstration of the nationally known Majestic range, throughout the week of February 26, with a factory expert in charge.

T. E. Joyner, the manager, is very enthusiastic over this particular demonstration of the Majestic range, which is, as he says, the very best range on the American market today.

## Albert Roebuck Injured In Accident

Albert Roebuck, 6, son of Mr. and Mrs. A. Q. Roebuck, sustained severe injuries and a broken leg when he was run over by an automobile driven by Willie Mazingo, on Thursday afternoon as he was returning home from school.

The accident which is said to have been unavoidable, occurred on Main street, the boy being carried by his father, who was called to the scene, to Dr. Willis' office for first aid before being rushed to a Greenville hospital, where an X-ray showed a bad break of the left thigh near the body.

## Publisher Attacked

### Attempt At Kidnaping E. P. Adler, of Iowa, Made In Chicago

Chicago, Feb. 21.—E. P. Adler, publisher of the Davenport (Iowa) Times, and head of the Lee syndicate of newspapers, was attacked by two men in a hotel corridor today in an apparent attempt at kidnaping.

Slugged twice, Adler dodged the full effect of the blows and ran down the corridor from his room, eluding his assailants.

One of them was arrested. In the room next to Adler's the detectives found a large trunk in which air holes had been poked. They said it was apparent the two men intended to lock Adler in the trunk and have him carried out.

The suspect, whom Adler recognized as one of the attackers, turned and fled away but was caught by House Detective Michael Colligan. He was taken to the first district police station.

The suspect told the police he and his companion had driven here from New York in a coupe. The trunk bore the initials "E. M. K. Pitts-burg."

## CWA Highway Projects Halted In Pitt County

### Three Hundred and Forty Two Men to be Dropped from Payroll

Greenville, Feb. 22.—Three hundred and fifty-two men employed in various CWA projects throughout the county will be dropped from the payroll here tonight in keeping with the reduction order received from National Administrator Hopkins the first of the week.

The CWA state highway program will be the hardest hit by the reduction program as orders have been received to suspend work on all such projects. This means that 182 men employed in this phase of activity were dropped from the payroll and the remaining of the 342 will stop tonight.

K. T. Futrell, Pitt county administrator, said today that all necessary projects would be continued and full forces of workmen would be on duty all the time. These projects include public school work, health program, swimming pool and community buildings.

Whatever materials have been purchased on such projects, Mr. Futrell stated, work will be pushed forward as rapidly as possible. The cutting off of so many men means that workmen will find themselves switched from one job to another to keep forces at normal strength. For instance, those not dropped in the suspended highway program will be sent to other jobs immediately. Basis of actual need is the only thing that will be considered in keeping men on the payroll in the future, the administrator said, and then only one person from each needy family will receive consideration.

The curtailment leaves slightly over seven hundred men at work on various projects of the county at this time. They will be paid according to the prevailing scale of pay in the various communities, but not under thirty cents an hour.

## The Farmville Rotary Club Meets

The Farmville Rotary Club was called to order last Tuesday evening at 6:15 in the Farmville High School Building. A fish supper was served.

The minutes of the previous meeting were read, after which Matt Hobgood, who has been in a Washington Hospital for treatment, was welcomed back to the club. Matt told of his experiences and the courtesies extended to him by the Washington Rotary Club. The membership committee's report was then presented by the chairman of this committee.

The balance of the program was turned over to the chairman of the program committee, who after calling attention to the fact that John Holmes was to be program leader for next Tuesday evening, named Alex Rouse as program leader for the evening.

Alex put on one of the most interesting programs which the club has had. The program began with a contest. Alex made the statement that it required a man with steady nerves to be an advertising manager, and since his program was based on "Modern Advertising" he desired to select the best advertising manager from the group. The object of the contest was to see who could balance on a milk bottle and with one foot on top of the other, light a candle. Bill Smith proved himself to be the most proficient, and the honors went to him.

Alex read a paper on Modern Advertising, giving a brief historical outline of Modern Advertising and telling of some of the recent developments in this field. These developments include such things as neon signs, electric signs, sky writing, autogyro banners, and recent developments in magazine and newspaper advertising.

The program was concluded by a contest based on the various slogans used by Modern Advertisers. The object of this contest was to see who was the closest observer in this line.

The meeting then adjourned to meet again February 26, 1934.—Ivan Morgan, Sec. Pro Tem.

## CLAIMS THAT HE WAS TRICKED INTO MARRIAGE

High Point, Feb. 21.—Zemmie H. Cox, who says he was fooled when he was told he was going to become the father of a child, has brought suit in High Point municipal court to have his marriage of a month ago to Eula Smith declared null and void. He says that he was tricked into the marriage by the defendant, who represented to him that he was to have a son, when he declares such was not the case.

## New Revenue Bill Gets Overwhelming Approval

### Damage Suit Slows Down Court Here

### Farmville Man Asks \$3,000 Damage For Gin Erected Close To His Home

Greenville, Feb. 22.—The civil term of Superior court was slowed down yesterday and again today by hearing of a damage suit over a cotton gin in the town of Farmville.

The suit was started yesterday morning and was expected to consume a greater part of today's session.

It was brought by T. B. King against W. G. Ward, trading as the Pitt Gin Company, and the Town of Farmville and seeks to recover \$3,000 damage for a gin erected near the home of the plaintiff in Farmville.

Court sustained a demurrer for non-suit on the part of the Town of Farmville shortly after hearing started and that leaves only W. G. Ward, operator of the gin, as the defendant.

The plaintiff contends that the gin is so close to his house as to endanger the health of his family as well as reducing the value of his property.

The defendant, on the other hand contends that the gin is conducted in a highly sanitary manner and is not a menace to the health of the public or a detriment to property values.

Numbers of citizens of Farmville, including members of the medical profession testified for the plaintiff yesterday that the gin did constitute a menace to public health as well as an embarrassment to the residential area in which it is located.

Testimony to the contrary was put on the stand today by the defendant. Argument was due to be completed during the mid-afternoon with indication that the case would reach the jury shortly afterward.

## NO MOTIVE FOUND FOR GURGANUS MURDER

Greenville, Feb. 20.—No developments had taken place today in the search for Matthew Harrington, wanted by Pitt county officers for questioning in connection with the slaying of his stepfather, John W. Gurganus, whose bullet-ridden body was found in the fill of the Tar river bridge dam Sunday afternoon. No motive for the slaying has as yet been advanced. Officers were reticent concerning any alleged connection which Harrington may have had with the crime but admitted they wanted him for questioning.

## United States Navy Recruiting Service

Lieutenant Commander Elmer F. Lowry, (MC) U. S. Navy, medical examiner at the Navy recruiting station, Raleigh, N. C., announces that he has just completed the enlistment of twenty-six young men the quota of first enlistments in the rating of apprentice seamen allowed this district by the Navy department for the month of February.

The following young North and South Carolinians were enlisted and transferred to the Naval training station, Norfolk, Va., to begin their training as mariners in the U. S. Navy: Bruce White Sykes, Spring Hope; Jacques Eutrell Edwards, Winterville; Charles Prett Greene, Marion; John Mitchell Clark, Jackson Springs; Edward Carlyle Daly, Goldsboro; Harry Crawford Lisenby, Greensboro; John Curtis McCollum, Roxboro; James Woodrow Little, Rockingham; Roy Ernest Herman Settle, Wulkesboro; James Norman Eldridge, Benson; Leslie Moore Garner, Zebulon; John Milton Crumple, Pikeville; Horace Edgar Peale, Princeton; Ralph Fenton Kimball, Winston-Salem; Willard Moran Stevenson, Belhaven; William Wiley Ewyford, Maysville; John Burnard Underwood, Jr., St. Paul's; Frank Theodore Trogden, Erlerang; Richard Willis Tripp, Blounts Creek; Wade Knox McDonald, Fayetteville; William Jasper Hamlet, Pittsboro; Woodrow Henry Crave, Charleston, S. C.; William James Bunch, Charleston, S. C.; John Alexander Nicol, Jr., Charleston, S. C.; Clarence Green, Bennettsville, S. C.

According to Commander Lowry these young men are in the "pink" of physical condition, are the finest type of young men and are predicted for each a brilliant career with the U. S. Navy.

Applications are being accepted daily at the Navy recruiting office, Raleigh, and Commander Lowry invites all interested young men to visit the office.

## Upper House Votes To Restore All of 15 Per Cent Pay Cut July 1st

Washington, Feb. 21.—Designed to boost collections by stopping up legal loopholes in the income tax law, the new \$268,000,000 general revenue bill was approved by the House today by the overwhelming vote of 388 to 7 and dispatched to the Senate.

Immediately after it had been reported on the other side, Senator Harrison, Democrat, Mississippi, announced hearings would begin before the finance committee next week. Secretary Morgenthau is to be called as a witness.

In their only opportunity to change the bill under the drastic procedure adopted for its consideration, House Republicans were unsuccessful in a move to reduce the three-cent first class postage rate to two cents.

A motion to send the bill back to the Ways and Means committee for insertion of an amendment for such a reduction was defeated 272 to 182.

Sixteen Democrats and four Farmer-Laborites joined the 112 Republicans in favor of the motion, while Speaker Rainey was one of the 272 Democrats voting no.

Previously notice had been served by Representative Treadway, of Massachusetts, ranking Republican, on the ways and means committee that a test would be made on the postage rate.

To whip wavering Democratic forces into line, Chairman Doughton, Democrat, North Carolina and Representative Byrns, of Tennessee, majority floor leader, warned their colleagues if the rate were cut, the treasury would be deprived of \$75,000,000 in revenue which would have to be replaced by other taxes at this session.

"I warn you that if the motion to recommit carries," Byrns said, shaking his finger at the Democrats, "you can look for additional taxes at this session."

Doughton said the Administration is surely behind this bill, and if you repeal the three-cent rate you will upset the President's financial program."

Before passage, the House adopted ten perfecting amendments offered by Representative Samuel B. Hill, Democrat, Washington, designed to strengthen further the administrative provisions of the income tax law pertaining to personal holding companies, through which the most flagrant cases of tax avoidance were revealed in studies by the committee.

In effect, these amendments would enforce collection of a 25 per cent tax on undistributed adjusted net income of personal holding companies by making the requirement that if 50 per cent of the stock is held by less than five persons, it must be held for six months beyond the last day of the taxable year.

These provisions strike at holes in the measure which had not been closed in the original draft.

The measure revises the income tax rate structure to benefit the small income earners and increases levies on incomes in the higher brackets tightens administrative provisions of corporation depletion and depreciation allowances; reduce credits in capital reorganizations, a credits in capital gains and losses, exchange and reorganizations, and for foreign tax payments.

In addition, it increases from one to two per cent the penalty tax on consolidated corporate returns, limits credit allowed partnerships for losses, makes dividends declared out of earnings prior to March, 1933 subject to surtaxes of individuals, and revises administrative provisions on the collection of existing lubricating oil and gasoline levies.

The two-cent bank check tax would be terminated January 1, 1935; the second class postage rates lowered to those in existence prior to the 1932 revenue act, and a nuisance levy on grape and other fresh fruit juices repealed.

Thirteen Democrats joined an almost solid lineup of Republicans in a Senate revolt against the Economy act today, and by a single vote, put through a proposal to restore the whole 15 per cent federal pay slash on July 1.

## ROCKY MOUNT GETS PUBLIC WORKS LOAN

Washington, Feb. 21.—Public works allotments made today included: Rocky Mount, North Carolina loan and grant, water works \$310,000. Reductions in previous allotments included: Raleigh, North Carolina, loan to Boylan Housing Corporation \$1,400.