NINETEENTH YEAR

FULL LEASED WIRD SERVICE OF THE ASSOCIATED PRESS.

Reed Is Better

Although his condition is still con-

sidered as serious, James A. Reed,

former senator from Missouri, has

been improving at the Mayo clinic,

Rochester, Minn. The former sen-

ator is recovering from an opera-

tion for a gall ailment

IN SEARCHING FOR

LINDBERGH INFAN

ing Officials In Hunt Is

Held at the Col-

onel's Estate

Intimates Kidnapers May

Have Escaped Country By

Airplane; Automobiles Are

Barred From Lindbergh

Estate While Seecret

Hopewell, N. J., March 18 .- (AP)-

Fresh from a secret conference at

Colonel Charles A. Lindbergh's home,

olice pressed on today in their search

The conference held last evening,

Meanwhile, from Mexico City came

a dispatch indicating belief that the kidnapers of Charles A. Lindbergh,

Workers.Returned

New York, March 18 .- (AP)-

The United Action Campaign to restore a million jobless persons to employment had passed the quarter million mark today. Eighty-one communities in 33

states reported yesterday that 11, 419 people had been placed in

wage earning posts. That brought the grand total today to 256.914.

More Than 500 Special Invitation

Were Sent By Governor Gard-ner For Gathering

Raleigh, March 18.-(AP)-Several

hundred men and women, white and

Negroes, met here today for the annual Statewide conference of the

North Carolina Commission on Inter-

racial Cooperation.

Interest in the session was increased

by the sending out of more than 500

personal invitations by Governor O.

Max Gardner. The governor was ex-pected to peak to the meeting this

MEETS AT RALEIGH

To Jobs In Drive

Quarter Million

Conference Is Held

for his 20-months-old scion.

MEXICAN CAPITAL

RUMOR COMES FROM

HENDERSON, N. C., FRIDAY AFTERNOON, MARCH 18, 1932

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

U. S. May Change

Moscow, March 18.—(AP)—All Moscow morning newspapers gave prominent space today to a dispatch to the Tass News Agency from London saying well informed circles there were following with interest a report that the United

States might change its policy to-ward recognizing the Soviet union in connection with events in the

Washington, March 18 (AP)-A flat denial came from State De-

partment officials today that this

government is contemplating any

modification of the policy of non-

Canton, China, Friday, March

18 (AP)-A popular movement for

Chinese-Russian union to insure

success to China in its peace nego-

tiations with Japan, or in a renew-

al of fighting was launched by poli-

Senator Much Stronger In

Eastern and Piedmont

Counties Now

MADE OUT GOOD CASE

Many Leaders in Wake County Favor

Senator With Jones and Bailey Factions Both Reported Backing Candidacy

Daily Dispatch Barens, in the Sir Walter Hotel. BY J. C. RASKEDVILL.

Raleigh, March 18.-Senator Cam-

eron Morrison is much' stronger in North Carolina today ,especially in

eastern and Piedment counties, than

he was a week ago, as a result of the

three speeches this week in Charlotte Raleigh and Winston-Salem, accord-

ing to opinion in political circles here This feeling is based on the reaction

to his speeches and reports on the

reaction in various sections, that have

been coming in here for several days Before. Morrison spoke here Tues

day night a good many were confi-

dent that Raleigh and Wake county

would probably go for Robert R. Rey-

Morrison could do. But since Mor-

rison's speech here-and the effective

personal contacts made during almost

two days stay-opinion has changed

decidedly and a majority of those in

Morrison will undoubtedly carry Ra-

leigh and Wake county. Former At-

torney General James S. Manning, who was chief advisor to Josiah W.

Bailey during his most successful

campaign for the nomination for sen-

ator, is actively supporting Morrison, and introduced him when he spoke

here Tuesday night. James H. Pou, Jr., chairman of the Wake County

brother-in-law of Senator Bailey, is

also actively supporting Morrison. At

one time Pou was expected to become

Morrison's manager in Wake county,

but it is not thought now that he will

resign his post as county chairman W. B. (Buck) Jones, head of the well-

known "Jones faction" in Raleigh and Wake county, is also actively support

ing Morrison, as are many other lead

ing Democrats. It is generally under

stood that Senator Bailey and most

of his friends and supporters are back-ing Morrison, thus for the first time

in many years bringing the "Bailey

gether back of the same candidate.

For years these two factions here

have unusually been bitterly anta-

gonistic and on opposite sides. Mayor

George Isely and Commissioner of Public Safety Carl Williamson, fre-

quently at swords points concerning local matters, are both understood to

be actively supporting Morrison.

Some thought that Morrison, in his

speeches, devoted too much time to

a review of the national political sit-uation in Congress and that part

which the Democrats have played in

the enactment of recent relief legis-

lation and that he would have done better to make an old-fashioned Mor

risonian political speech, But reports

since his speech here indicate that his

detailed handling of the national an-

(Continued on Page Siz.)

nocratic Executive Committee, and

Far East.

recognition of Russia

Federal Pay Cuts

Loom As Certain

FIVE CENTS COPY

Missing Servants DenyKnowledgeOf Baby's Kidnaping

Man and Wife Who Left Lightfoot Home Day Aft. er Baby Was Stolen **Explains Departure**

COULD NOT GET ON WITH SON IN HOME

Admit Tale Told on Departure Was Wrong, and Say They "Just Wanted To Change Jobs"-Taken to New Jersey for Questioning by Police

Hopewell, N. J., March 18 (AP)-Police at the Lindbergh home announced today that the two Franklin Park servants who disappeared the day after the kidnaping of the Lindbergh baby have been located and were to be questioned.

The pair were cook and butler for Mr and Mrs. C. Leandro Lightfoot, and the circumstances of their sudden departure caused the Lightfoots to make a report to police investigating the kidnaping.

They said the servants, known to them as Mr. and Mrs. Paul Thornberg, left at a moment's notice with the statement that Mrs. Thornberg's mother was dying in Germany.

FOUND IN PROMINENT HOME BRYN MAWR, PENNSYLVANIA

Bryn Mawr, Pa. March 18 (AP)-Katle Thornberg and Paul Engenstosberg, alias Paul Thornberg, servants sought for questioning in connection with the kidnaping of Charles A. Lindbergh, Jr., were found today in fam'y, where they were employed.

The man and woman left the employ of Mr. and Mrs. C. L. Leandro
Lightfoot, Franklin, Pack.

Lightfoot, Franklin Park, N. J., on March 2, the day after the 20-months-od son of the Lindberghs was stolen from its crib.

Both the man and woman emphati cally denied any knowledge of the kidnaping. They said they "just wanted to change jobs" and left the Lightfoots' employ. They admitted telling Mrs. Lightfoot that Mrs. Thornberg's mother was ill in Germany as the reason for leaving, but they said they "couldn't get along with the Lightfoots' son." They were taken back to the Lindbergh home at Hopewell for further questioning by

TRADE WITH CAPONE TALKED BY CABINET

Whether Seriously or Not, It Got Consideration In Lindbergh Case

LAW SEEMS IMPOTENT

Resort to Police Has Yielded Nothing And Gangsters Turned to; Gang Activities Blamed Upon Prohibition

By CHARLES P. STEWART Central Press Staff Writer Washington, March 18.—"In

horror of the atrocity itself," says Congressman Charles A. Karch of East St. Louis (III). "let us not lose country by airplane. sight of a still more horrifying state of affairs revealed to us by the Lindbergh baby kidnaping.
"It is bad enough that such a crime

"It is many times worse that everyone is so prompt to recognize the aw's powerlessness to combat these

"Consider the Lindbergh case-

The first alarm was to the police from force of habit. Sober second thought brought realization that the only real hope lay in an appeal to an entirely different

authority-to the overlords of embattled gangland, which is holding its own quite successfully against organized government." "To be sure," conceded the congress-

man, "organized government has its RACIAL CONVENTION prisoners of war.

"It has a notable one in Al Capone who was willing to ransom himsel with a pledge of his best efforts to find the Lindbergh baby among his

'And (lo and behold!) we are told tha tthis offer actually was discussed at a meeting of the president of the United States with his cabinet.

"Perhaps it was not seriously considered. I don't know. I was dis-

cussed, anyway—and discussed with sufficient seriousness for the attorney general of the United States to deem
it fitting to issue a statement to the

(Continued on Page Four)

PEACE BRIGHTENS IN CHINA AS JAPS **EVACUATE TROOPS**

Three Transports, Crowded to Rails, Steam Down Whangpoo River With Soldiers

JAPAN GIVES IN ON SOME CONDITIONS

Tokyo Has Decided to Fore. go "Certain Conditions" Which Until Now Have Held Up Peace Parleys And Is Anxious To See Conference go Forward

Shanghai, March 18 (AP)-A more definite prospect for a Sino-Japanese peace parley across on the horizon today at the same time that three Japanese transports, crowded to the rails, steamed down the Whangpoo river, carrying the first contingent of troops back to Japan.

Japanese peace negotiations received instructions from Tokyo saying the government decided to forego "cerain conditions" which thus far have held up the peace parleys, and was anxious to see the conference proceed Two more transports are slated to eave Saturday and the homeward novement of troops will continue for

IN FEDERAL TAXES

\$33,080,064 Less March 16 Than Corresponding Day One Year Ago

Washington, March 18 (AP)—A deeipts on March 16, as compared with the similar day's collections of a year ago was shown today in the datly Treasury statement.

Collections for the day amounted to \$55,611,451, while on the comparative date a year ago, the collections were Secret Conference of Lead-\$88,691,515. The chlections brough the total for the month to \$100,312,-836.37, as compared with \$106,254,312.-(N) a year ago.

For the fiscal year, income tax has amounted to \$758,434,178, as compared to \$1,277,685,346 for the same period the previous fiscal year.

BOMB MISSES HOME OF U. S DRY AGENT

Explodes Permaturely at Residence In Birmingham And No One In House Injured

Birmingham, Ala., March 18 (AP)bomb was hurled at the home of Col. W. Miller deputy prohibition administrator here today, but it exploided prematurely and did no damage. Miller, his wife, two daughters and two guests were in the house. The explosion rattled windows and alarmed the neighborhood, but there were no other consequences.

at the close of a day that brought only disappointment, was attended by most of the police officials at the head of the hunt. While it was on, Police expressed the belief the fuse was too short and set off the blast before the bomb struck. all automobiles except those occupied by poiled, were turned back at the road to the Lindbergh home.

Kodak King's Niece



The only close relative of the late George Eastman, Mrs. George B. Dryden of Evanston, Illes niese of the Rochester philanthropist, expected to inherit a large share of the Eastman estate. Although Eastman at one time was one of the world's richest men, he gave away nearly \$100,000,000, believed to be five times the amount he could call his own at the time of his death. -

DIES ON GALLOWS TONIGHT



TARRY T. POWERS "KILLE I: OF QUIET DELL"

Moundsville, W. Va., March 18 .-- | been frantically seekin gto halt the omen by mail and then killed them, will die tonight on the scaffold. While his attorney, J. Ed Law,

sought a last-minute stay of execu-tion, the pudgy "blue beard" said he Court refused to intervene and Judge tidn't think the move would "do much

AP)-Harry F. Powers, who wooed hanging through various devices. Yesterday he telephoned Governor Conley to ask a stay to allow appeal to the United States Supreme Court. The plea was denied.

William Baker, in the United States Cood."

District Court at Clarksburg, denied a petition for a writ of harbeas corpus.

Higher Tax On Big Incomes Put Into New Revenue Bill

Washington, March 18.—(AP)—Opponents of the sales tax succeded to lay in putting into the new revenue saleing bill a proposal to dig more leeply into the lineames of the wealthy than the House Ways and Means Committee had proposed.

The House also approved increases of one and one-half percent to two presents of the proposed.

The House accepted amendments by

percent on incomes of \$4,000 and ar Representative LaGuardia, Republincrease from three to four percent lcan, New York, leading independent on the second \$4,000, as recommended by the committee.

BY MRS. WILLIAMS

Accused of Killing Huz. band Last Summer

Smithfield, March 18 .- (AP)-Mrs lvy Hinton Williams, charged with the second degree murder of her husband, who she contends committed suicide, entered a plea of not guilty today as testimony in her trial was started in Johnston County Superior Court.

The court room was crowded as Dr. Battle A. Hocutt, Clayton physician and first witness, told the story of what happened at midnight on one night last summer at the Jesse Wil-liams home in Clayton as it was re-Sheriff R. H. Richardson, of John ston county, was the only other witness heard before the luncheon recess.

AMERICAN TOBACCO REPORT VERY GOOD

Publication of Statement Bears Out Expectations In Comment On Business for 1931

New York, March 18 .- (AP)-The annual report of the American To-bacco Company, for 1931, issued today. showed a substantial increase in its earnings over 1930, and in other respects made as favorable a showing as was expected o nthe basis of re- sition to the so-called "short by

Net income for the year amounted to \$46,189.741 after Federal taxes, depreciation and interest, and the balance after preferred dividends is equal to \$9.07 a share on the combined com-

WEATHER

FOR NORT HCAROLINA. Fair, slightly colder in east por-tion tonight: Saturday increasing cloudiness, with blowly rising tem-perature in west and north cen-

32; no rain; southwest wind; clear,

IN ON OPPONENTS

Clayton Woman on Trial Puts Emphasis on Fountain's Three Principal Planks of Argument

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

Raleigh, March 18 .- The manner in which J. C. B. Ehringhaus has removed the kid gloves he has been wearing so far in his campaign for the Democratic nomination for governor and torn into his opponents for the nomination, especially Lieutenant Governor R. T. Fountain, is causing political interest to rise perceptibly here, especially since his speech last night in Goldsboro, former home of A. J. Maxwell, and in a section of the State where Fountain is also

said to have a strong following.

Reports reaching here today from Kinston, New Bern, Smithfield, Golds boro and other places in the eastern part of the State where Ehringhaus has spoken within the least few days, considered as being in the heart of the section put down as overwhelmingly for Fountain, indicate that Ehringhaus made a favorable and deep impression and that his driv-ing attack upon Fountain's threeplanked platform left it in a rather rickety condition in the minds of faction" and the "Jones faction" to many of his hearers.

In all of his recent speeches Ehringhaus has directed his attack upon Fountain's three principal planks-his opposition to what he calls the "concentration of power in Raleigh" in boards and commissions, his appounder which the governor would be empowered to appoint all the other State officers, and his opposition to the Brookings report.

"If there is any greater concentration of power in Raleigh now than mon and common B stocks outstanding. This compares with \$43,294,769 in 1930, equal to \$8.56 a share. elected by the people, and not by any governor or any other individual,' Ehringhaus said.

detailed handling of the national angle and of the part which he and other Democratic senators and congressman played in changing these measures so that they would be of more benefit to the South and to the farmers, did a great deal of good in the eastern counties. His frank and SCHOOL PUPILS ON STRIKE RETURNING

Thomasville, March 18.-(AP) Work was resumed today by about half of 30 Thomasville high school students who walked out yesterday in protest against the school board request that D. Vann Stringfield re-sign as teacher and coach. In Economy Plan Harassing Job of Balancing Budget Wins Over Op-Soviet Attitude ponents of Slashes In Salaries

> TWO PLANS UNDER **CONSIDERATION NOW**

One Calls for Flat Ten Percent Cut, and Other Would Impose 20 Percent Cut on Higher Salaries and Less on Those Who Receive Less

Washington March 18 (AP)— Reductions in government salaries ranging from five to 15 percent until June 30, 1933, were proposed in a bill introduced today by Senator Connally, Democrat,

Washington, March 18.—(AP) A thoroughgoing slash of the Federal payroll from cabinet members down is now in prospect as the result of the special House economy committee deision to favor saving more than \$50,-000,000 this way.

The pay cut, sponsored by individual legislators since early in the session, has appeared to be defeated by general sentiment against such economy means, but the harassing job of bringing the \$1,000,000,000 Federal budget down to a size commensurate with the present national income forced it to the front again.

Two plans are under consideration by the committee. One calls for a ten per cent cut from top to bottom. The other would provide a graduated scale beginning with 20 per cent on the cabinet members, members of Congress and all others receiving \$10,000 or more, and a smaller reduction on the bottom of the salary roll. Whatever system is adopted a bill is prom-

INCOME TAXES NOW TOTAL \$6,097,369

Over Million and Half Dollars Ahead of Same Date Last Year

Dolty Dispatch Bareau.
In the Sir Welter Hetel.
RY J. C. SARKERVALL.
Raleigh, March 18.—Income tax colnolds, of Asheville, in the primary instead of Morrison, in spite of all ection up to this morning amounted to \$6,097,369.84, as compared with col-lections of only \$4,568,250.65 a year ago today, showing a gain of \$1,529,-119.19, according to figures announced by Commissioner of Revenue A. J. Maxwell, who pointed out that the local politiscal circles now agree that total income tax collections last year amounted to only \$6,100,000 and that this amount has already been passed. Collections yesterday amounted to \$520.511.86.

Both Commissioner Maxwell and Assistant Director Henry Burke, of the Budget Bureau, now feel confident that the revised estimate of \$7,200,000 from the income tax will be surpassed and that the total from the income tax will probably amount to \$7,400,000, though still short of the nearly \$,000,000 which the 1931 General Assembly thought it would yield when it increased the rates in the income tax from 15 to 20 per cent.

MINORITY CLAIMS BANKHEAD ELECTED

ocratic Members of Senate Sub-Committee Disagree With Be publication Majority

Washington, March 18 .- (AP)-The election of John H. Bankhead as Democratic senator from Alabama in 1930 was held today in a minority report to the Senate Elections Committee to have been a "full, free and fair expression" of the will of the

The report, submitted by the two Democratic members of the sub-committee which considered the contest against Bankhead's seat, sharply challenged the finding of the committee majority that Bankhead was not

GARDNER TO SPEAK ON RADIO MONDAY

Raleigh, March 18. -(AP) -- Governor O. Max Gardner will speak over an "all-North Carolina radio hookup" Monday night on the "problem of land in North Carolina" on the first ogcasion on which eight radio stations of the State have joined for a broadcast.

The stations at Raleigh, Asheville. Charlotte, Winston-Salem, Greenstoro open discussion of the attack which his opponents have been making on him occause of his wife's wealth and gram, the governor said; today. The speech will be-made-from 6:80 until 7 o'clock.