

MILLS IS BITTER AGAINST BONUS PAYMENT

Roosevelt Loses Massachusetts, But May Carry Pennsylvania

SMITH GETS EVERY DELEGATE IN VOTE IN MASSACHUSETTS

Roosevelt Had Counted On At Least Five or Six Votes, Especially In Boston

NEW YORKER LEADS WITH PENNSYLVANIA

His Presidential Sweep Pulls Up Against Its First Real Disappointment As Result of Primaries Tuesday—Pennsylvania Vote Not Binding

Washington, April 27 (AP)—Franklin D. Roosevelt's presidential campaign today was up against its first real disappointment—a smashing defeat in Massachusetts and prospects of a narrow victory at best in Pennsylvania.

In delegate choosing primaries in both states, Alfred E. Smith, the "happy warrior" of 1928, stemmed the course of the leading Democratic aspirant with a showing superior to the expectation of any but his own partisans, a showing which revived not only the movement to prevent Roosevelt's nomination in the Democratic national convention, despite his enormous lead in delegate strength.

The Massachusetts victory blanketed the state and swept into Boston, where the Rooseveltians had looked to for strength. Nearly complete unofficial returns indicated the New York governor's slate of delegates at large had slowed down to a defeat of nearly three to one and not one of the 36 Massachusetts votes would go to him. His supporters had claimed five or six at least.

The Pennsylvania result, far from a complete tally, showed a close race in the preferential vote, which is not binding on the delegates, with Roosevelt inching away from Smith as ballots from outside the latter's Philadelphia stronghold swelled the total. How the delegates themselves will line up may take considerable time to determine, though Roosevelt leads predicted 66 of the 76 votes for him on the first ballot at Chicago.

PENSIONS BILL IS VETOED BY HOOVER

Action Inspired By Numerous Undeserving Awards In The Measure

Washington, April 27 (AP)—President Hoover today vetoed the bill granting an increase in pensions to soldiers and sailors, and in some cases granting new pensions.

Mr. Hoover said the measure contained 367 items, establishing "special pensions" and increased allowances to persons who have not been able to comply with the general laws.

He added that it also contained some meritorious cases, but that he vetoed the bill because of the number of undeserving ones.

Most of these, he added, had been previously rejected by the Pension Bureau.

SOUTHERN REVENUE DECLINES FURTHER

New York, April 27 (AP)—The Southern Railway today reported net railway operating income for March, 1932 at \$559,815, compared to \$802,849 during the same month last year.

Stone Suggests Plan In Agriculture's Emergency

Washington, April 27 (AP)—To deal effectively with the present emergency in agriculture, Chairman Stone of the Farm Board today recommended before the Senate Agriculture Committee a three-point program.

Continuation of the recently initiated Federal Reserve Board open market operations to expand credit, and increase consumer buying power was his first recommendation, coupled with provision by Congress for sufficient funds to finance the sale of surplus wheat and cotton in foreign

Less Expense Sure Way To Recovery, Hoover Tells Governors

SENATE MAY SUBPOENA THIS TRIO



Raskob



Durant

Issuance of subpoenas for three prominent figures in the financial world are expected to be demanded by the senate banking and currency committee as a result of recent revelations during the committee's investigation at Washington into short selling on the stock

market. John J. Raskob, left, of the Democratic national committee; W. C. Durant, upper right, well known in Wall Street, and William F. Kenny, lower right, close friend of former Gov. Alfred E. Smith, will probably be called to testify.

Lindbergh's Gang Agents Withdraw

New York, April 27 (AP)—Salvatore Spitalo and Irving Blitz, who were designated by Colonel Charles A. Lindbergh to act as intermediaries in the negotiations for the return of his kidnapped son, today withdrew from the worldwide baby hunt. Abraham Kesselman, lawyer for the men, said the recent payment by Lindbergh of \$50,000 to a person believed to have been a representative of the kidnapers was the reason for their withdrawal.

Kesselman said that neither Spitalo nor Blitz had any idea as to the identity of the kidnapers.

STIMSON IS COMING HOME IMMEDIATELY

Geneva, April 27 (AP)—Henry L. Stimson, of the American secretary of state is sailing for the United States next Tuesday. It was announced today.

GARDNER LOOMING AS CANDIDATE FOR VICE PRESIDENCY

His Two-Hour Conference With Roosevelt In Richmond Monday Seen As Significant

HIS SPEECH MADE DEEP IMPRESSION

Told of What North Carolina Has Done In State Maintenance of Schools and Roads; Might Be Running Mate if Roosevelt Should Be Nominated

Raleigh, April 27.—The nationwide attention that is being focused upon Governor O. Max Gardner because of what has been accomplished in North Carolina along the lines of tax reduction during his administration, during which property taxes have been reduced more than \$12,000,000 a year, is causing him to be considered more and more seriously as a probable candidate for the Democratic nomination for vice president, according to reports here.

Navy Secretary Opposes Closing Naval Stations

Washington, April 27 (AP)—Secretary Adams told the House naval committee today that only naval establishments on the Atlantic and Gulf coasts can be closed without "detriment to the need of the fleet."

The Secretary of the Navy was appearing on a resolution by Chairman Vinson of the Naval Affairs Committee, to authorize the President to close, sell or lease any shore stations held unessential by the navy head.

BALANCED BUDGETS ESSENTIAL TO ALL PUBLIC ACTIVITIES

President Also Declares Taxation Must Be Better Distributed by Co-operative Effort

SUPPORT OF PEOPLE NEEDED TO SUCCEED

Suggests Governors Sponsor In Their Own States Such Conferences As They Have Been Holding In Richmond; Shows How Costs Have Gone Upward

Richmond, Va., April 27.—(AP)—As the "sure highway to national recovery," President Hoover cited to the governor's conference today the "absolute necessity of reduced expenditures, better distributed taxation and balanced budgets on the part of governments."

Town councils, county commissions and State legislatures are agreed on this fundamental, he said, but to accomplish them "we must have the intelligent support of the people themselves that selfish vested interests and vested habits do not by their organized sectional and group opposition and individual action defeat these higher purposes."

Expressing a wish for greater cooperation toward settling government problems, he suggested that the governors sponsor in their states such conferences as they have been holding here. Having the local executives examining their difficulties together, he said, would help toward a realization that local expenditures and taxes are a part of a great national problem in stability, as well as one of local concern.

Stressing the need for adjustment, the President told of Federal States and local government expenditures rising from \$2,300,000,000 in 1913 to \$13,200,000,000 in 1930, and the total outstanding debt growing from \$4,800,000,000 to \$30,600,000,000 in the same time. Before the war, the total governmental cost represented but eight percent of the national income, and Mr. Hoover estimated the present proportion at above 20 percent.

"We cannot restore economic stability in the nation by continuing to siphon so large a part of private effort into the coffers of the government," he said. "Its abstraction from the people stifles the productivity, the consumption and the recovery of employment."

Crusade Reporter Shot from Ambush And Badly Injured

Canton, Ohio, April 27.—(AP)—Harry Bouklais, a reporter for the Ohio Examiner, a weekly newspaper published by Grover Fleming, was shot and seriously wounded in front of his home here early today. Two assassins, who lay in wait for Bouklais, opened fire on him with a shotgun. The Examiner has been waging a campaign against organized crime in Canton and other Ohio cities, and while Bouklais was listed as a speculation manager, it is generally believed that he was the Canton reporter for the paper. The Examiner has carried many attacks against the Canton police and underworld characters.

SEEK LOVE POWDER DOCTOR IN SLAYING

Charlotte, April 27 (AP)—Sam Daniels, the Professor Brandorine who was the central figure in the sensational "love powder trial" here several years ago, was questioned by police today in their investigation of the slaying of Albert Rudisill, 24-year-old shipping clerk.

WEATHER

FOR NORTH CAROLINA. Fair, cooler in east portion tonight, with light frost in central and light to heavy in west portion Thursday partly cloudy, slowly rising temperature in the week.

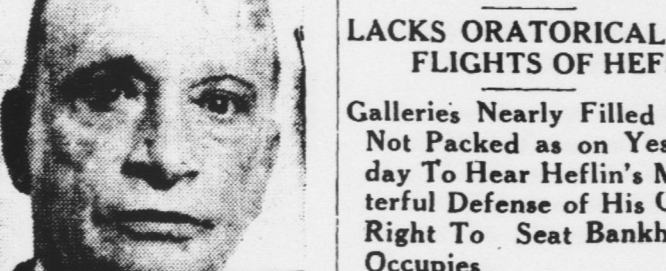
Presidential Rivals—But Pals



Like one big happy family is how the Candid camera found the gathering of State Executives assembled for the 24th annual Governors' Conference at Richmond, Va. Above are three Governors who have the added distinction of each being a possible Democratic nominee for the Presidency this year. Top photo shows Governor Albert C. Ritchie of Maryland chatting affably with Governor Franklin D. Roosevelt of New York. Lower photo shows Governor George White of Ohio and his daughter and official hostess, Mary. Pictures were made at a reception given by Governor Pollard of Virginia.

Unseating Of Bankhead Is Demanded By Norris

Georgia Senator? Bankhead Delivers His Own Defense on Floor of Senate; Says Fraud Charges False



Major John S. Cohen, well known publisher of Atlanta, Ga., is expected to fill the unexpired term of the late Senator William J. Harris of Georgia. Announcement is expected momentarily by Gov. Richard Russell, Jr.

REPORT FOUNTAIN IS LOSING GROUND

Voters Seem To Be Showing More Interest In Ehringhaus, Maxwell

Raleigh, April 27.—With all three of the Democratic candidates for governor out in the field campaigning, there is something of a lull in political talk here, since few reports concerning the effects of the verbal barrage being loosed by the candidates have been received as yet, except that it is generally agreed that the voters seem to be showing more and more interest in J. C. B. Ehringhaus and A. J. Maxwell and less and less interest in R. T. Fountain.

Senate Committee Puts Income Taxes Up Higher

Washington, April 27.—(AP)—The corporation tax was boosted today by the Senate Finance Committee from 12 to 14 percent, an increase of one half percent over the increased rate provided by the House. After rejecting a proposal to boost surtaxes to the wartime maximum of 65 percent, the Senate Finance Committee today voted an increase in all income tax rates above the rates written into the new revenue bill by the House. The committee almost unanimously adopted a schedule presented by Senator Harrison, Mississippi, the ranking Democrat, calling for a maximum surtax of 45 percent, instead of the 40 percent figure carried in the House bill. Normal income rates were boosted to three percent on the first \$4,000 income, six percent on the next \$4,000 and nine percent on the income above \$8,000. The present normal rates are 1-2-3 and 5 per cent. The House voted to increase these rates to 2, 4 and 7 percent, respectively.

STRONG OFFENSIVE OF ADMINISTRATION MADE AT HEARINGS

Treasury Head Says Aim Is To Pay Obligations Not Due In Money That's Not Honest

WOULD END HOPE OF BALANCING BUDGET

Would Also Deal Smashing Blow To National Confidence; Says Opponents Fully Recognize Cost Of Bonus Cannot Be Borne By Legitimate Means

Washington, April 27 (AP)—Secretary Mills today loosed a powerful administration offensive against cash payment of the soldiers' bonus.

He spoke before the House Ways and Means Committee, appearing as a witness in its extended hearing on this issue.

In language no less forceful than that Charles G. Dawes employed before the same committee a week ago, the new Treasury chief drove home his opposition to the \$2,400,000,000, whether paid in borrowed money or through inflation of the currency.

"The measure now before you is designed to pay an obligation not due, in money that is not honest," Mills said. "The adjusted service certificates do not mature until 1945. To pay them not mature until 1945. To pay them at their face value today, less the amount that has been borrowed on them, would, in effect, almost double the payment provided for by the adjusted service compensation act, and would involve an immediate cost to the government of about \$2,400,000,000."

"In other words, the government is to pay almost twice the amount it undertook to pay." "To select this moment," he went on, "to destroy our hope of a balanced budget and to deal a smashing blow to national confidence is to me simply incomprehensible. The proponents of this measure fully recognize that the cost cannot be borne by legitimate means. x x x They would discharge what they state to be a solemn obligation to the government x x x by setting the printing presses to work printing dishonest dollars."

SMEDLEY BUTLER BEATEN BY DAVIS

Senate Aspirations of Fiery Marine Commander Dashed In Primary

Philadelphia, April 27.—(AP)—Senator James S. Davis, Republican, who formerly sat in the cabinet at Washington, was today smashing the senatorial hope of Major General Smedley D. Butler, fiery Marine Corps veteran, and outspoken leader, Governor Clifford Pinchot, who is leader of the independent Republican faction, stumped for Butler. The vote in 4,395 districts out of 8,181 gave: Davis, 524,550; Butler, 275,085. Davis was backed by the Vaux-Martin State organization and carried Philadelphia, stronghold of Vaux, by more than four to one.