

## ROOSEVELT AND HITLER MAY DETERMINE ARMS PACT

### Sales, Income Or Gasoline Tax For New Work Talked

Higher Income Tax Levies Proposed by Budget Director Douglas To Raise Money

WOULD ALSO BOOST FEDERAL GAS LEVY

Might Be Raised to 1 3-4 Cents a Gallon; Several Suggestions Made House Ways and Means Committee, Which Starts Hearings On New Measure

Washington, May 18.—(AP)—A sales tax and increase in the gasoline tax and increases in the income tax were suggested as possible ways of raising the needed funds as the House Ways and Means Committee opened hearings today on the administration's grant public works-industrial control bill.

The suggestions came from Lewis W. Douglas, director of the budget, who, while leaving the decision to the committee, submitted four alternate plans.

One was a general manufacturers' sales tax at a 1-1/2 percent rate, with no exemptions, which he estimated would bring in \$228,000,000 annually, while a rate of 1-1/8 percent would return \$214,000,000. It is estimated \$222,000,000 annually is needed.

The one he placed first was: "To increase normal income tax from four to six percent on \$4,000, and from eight to 10 percent on all above, to bring in \$46,000,000." "To make corporate dividends subject to the normal income tax rates, \$33,000,000.

"To increase the one-cent gasoline tax."

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### Guilford Negro To Die Tomorrow In Murder Case

Raleigh, May 18.—(AP)—David McNair, will be electrocuted at State's Prison tomorrow for the murder last August of Mrs. J. W. McCown, during a hold-up near Greensboro.

Governor J. C. B. Ehringhaus said today he saw no reason to stay the execution after the solicitor at Greensboro had notified him he saw no ends to be gained by a reprieve. McNair's counsel yesterday urged the governor to grant their client a stay in the hope that two other Negroes might be arrested and tried for the crime. McNair contends that he was with the two and one of them shot Mrs. McCown.

Clay Fogleman, convicted in Rockingham county in September, 1932 of murder was granted a further reprieve of 90 days by the governor today.

### Buck Boys Indicted In Kidnaping

Held In Massachusetts for Abduction and Extortion In McMATH Affair

Barnstable, Mass., May 18 (AP)—Kenneth and Cyril Buck, Harwichport brothers, were indicted for kidnaping with intent to extort today by a special session of the Barnstable county grand jury, which has been ten-year-old Margaret McMATH. Kenneth was indicted on two counts only one of which was read immediately.

The first count Kenneth, brought from the county jail replied: "I have nothing to say."

When Superior Court Judge Edward F. Hanly learned that Buck's counsel was not present he deferred reading of the second count until he could be found.

The kidnaping of Margaret McMATH on May 2 became almost overnight a matter of national concern. She was returned to her parents three days later after they had paid a \$50,000 ransom.

### Damper on Beer



Ruling that both the Colorado and Federal laws regulating the sale of 3.2 per cent beer are "clearly invalid" because they seek to "thwart and evade the 18th Amendment," District Judge Claude C. Coffin (above), of Denver, Colo., is believed to have provided the Drys with an excuse to bring the matter before the U. S. Supreme Court. Applicants for licenses to sell beer in Greeley, Colo., were refused permission to sell the brew.

### ROOSEVELT URGED TO REDUCE COTTON

Senator Smith Wants President To Force Acreage Cuts This Year

SAYS THERE IS TIME

Would Have President Invoke Powers In New Farm Bill To Lessen Acreages To Remove Their Productivity

Washington, May 18.—(AP)—President Roosevelt was urged today by Chairman Smith, of the Senate Agriculture Committee, to employ the new farm bill to obtain a reduction of cotton acreage by 5,000,000 or 6,000,000 acres.

Smith said he believed there was still time to force a cotton reduction acreage this season. He would use the farm legislation for leasing of the surplus acreage and the substitution of corn for cotton on it.

The senator said he was confident that if 6,000,000 acres were taken out of production it would result in a fair price for the commodity.

He was asked by the President to confer with George Peek, the administrator of the farm bill, and Henry Morgenthau, Jr., governor of the new farm credit administration.

Representatives of wheat cooperative marketing agencies put before Secretary Wallace a plan for application of the farm bill to wheat and urged that a processing tax be put into effect by next August 1.

### JUDGE BINGHAM AT HIS LONDON POST

London, May 18.—(AP)—Robert W. Bingham, the new United States ambassador, arrived in London late this afternoon and dined at the Embassy at Princess Gate.

Tomorrow he will make his first official visit to 10 Downing Street, calling on Sir John Simond, the foreign secretary.

### Hearing May 26 On Henderson to Durham Bus Line

Raleigh, May 18.—(AP)—The State Corporation Commission will hold a hearing May 26 on the application of L. M. Bernard, of Hendersonville, for a franchise to operate a motor bus line between Durham and Henderson.

Five other petitioners for a franchise for the same route were heard May 9. They were East Coast Stages, Carolina Coach Company, Raleigh Charlotte Bus Line, Greensboro-Fayetteville Line, and G. C. McManus and W. E. Smith of Albemarle.

### SCHOOL GROUP IS SEEKING CONTROL NEW COMMISSION

Elimination of LeRoy Martin as Secretary Is One of Its Chief Ambitions

TRYING TO PREVENT OLD APPOINTMENTS

After Scalp of Members of Present Commission Who Are Not School Men; Would Direct Plan of Apportionment of Appropriation on Money

Daily Dispatch Bureau, In the Sir Walter Hotel, 117 J. Street, Raleigh

Raleigh, May 18.—Within the appointment of the members of the new State School Commission already announced as the first task on Governor J. C. B. Ehringhaus' slate of forthcoming appointments, the organized school forces of the State are bringing all the pressure possible to bear on the governor to appoint enough school men on the commission to gain control of it, it is becoming apparent here. They are also doing everything possible to prevent the appointment of LeRoy Martin, secretary of the old board of equalization, as executive secretary of the

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### ELIZABETH CITY MAN ACCUSED OF MURDER

Elizabeth City, May 18.—(AP)—Alfred Hewitt, 21, was bound over to superior court on a charge of first degree murder of H. D. Edwards, 27-year-old lineman, at a preliminary hearing here today. He was ordered held without bail.

Edwards died Monday night from a bullet wound in the abdomen, inflicted May 10.

### MITCHELL AND WIFE HAD FINANCE DEALS

New York, May 18 (AP)—Defense counsel produced evidence today to show that financial dealings were common over a period of years between Charles E. Mitchell former chairman of the National City Bank, who is charged with tax evasion, and his wife.

Edward F. Bartlett, who handled Mrs. Mitchell's affairs for many years, identified papers showing frequent instances of dealings between the Mitchells, which were confirmed by exchange of letters.

Such letters were written by Mitchell and his wife to record sale of stock by Mitchell and Mrs. Mitchell in 1929. The sale was given by Mitchell as proof that he had no net income for that year, and so had to pay no tax. The government charges the sale was only a pretense.

### Hitler And Daladier To Meet Soon

To Face Each Other at Geneva; France Skeptical of Hitler's Sincerity

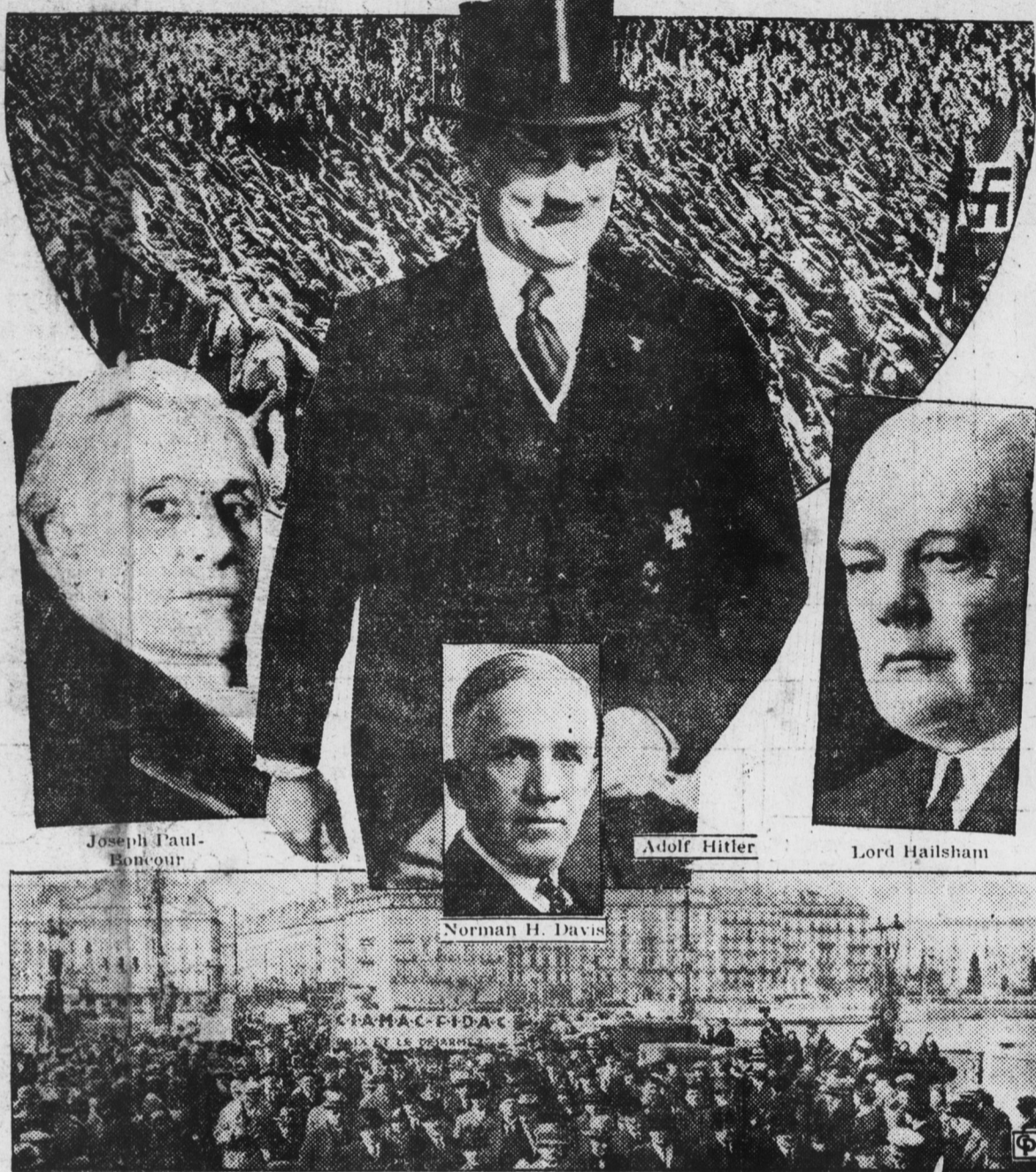
Paris, May 18 (AP)—Premier Daladier and Chancellor Hitler of Germany may meet face to face at Geneva to talk over their troubles, friends of the premier indicated today.

Officially the plan was without confirmation, but close associates of the premier said that it was being discussed, and that they were urging it as the best means of clearing the atmosphere.

M. Daladier, his friends said, is fully aware that France was put somewhat on the defensive by Chancellor Hitler's reply accepting President Roosevelt's disarmament proposals.

French skepticism of the chancellor's good faith has been reflected in all ranks of officialism, press and public. "Yesterday," one commentator said "Germany was regarded as a peril. Dare any one suppose today that it is France and her allies who are troubling peace?"

### Hitler Answers Critics on Eve of Conference



Maimed war veterans from all over the world parading, at Geneva, for world peace and disarmament. Chancellor Adolf Hitler's speech before the specially convened reichstag is looked upon as a protest against the failure of other nations to disarm. It is his belief that the World Economic conference, to be held in London, in June, can be successful only if the present disarmament conference, in Geneva, actually achieves results. Hitler's speech is interpreted as an answer to Lord Halifax, British war minister, and Joseph Paul-Boncour, French foreign minister, who have warned Germany that failure of the Geneva disarmament conference will mean continuation of the military restrictions on Germany in the Treaty of Versailles. Norman H. Davis, American ambassador-at-large to Europe, is hoping to prevent a break between France, England and Germany which would threaten the peace of the London economic conference.

### GERMANY RALLIES TO HITLER STAND

Universal Peace and Disarmament and Economic Uplift Is Goal

ARMS EQUALITY ASKED

Seldom in Reichstag History Has Any Chancellor Won So Much Overwhelming Support as Hitler Has Now

Berlin, May 18.—(AP)—The whole German nation rallied today behind the government in solemnly assuring the world that her hallowed ideals are universal peace, universal disarmament and properly working economic machinery.

Such aims were included yesterday by Chancellor Hitler in his foreign policy pronouncement before the Reichstag, in which he reiterated a demand for arms equality, accepted world peace proposals of America, and pledged cooperation in guarantees of international tranquility and security. Seldom in the history of the Reichstag did a chancellor's declaration win such unanimously overwhelming support.

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### Organization of "Sons of Legion" Will Start Soon

Salisbury, May 18 (AP)—Brice T. Beard, State American Legion commander, and chairman of the National Legion committee changed with advancing plans for establishment of an organization of Sons of the American Legion, today said formation of the group would begin throughout the nation in a few weeks.

The organization would be composed of male descendants of men and women who served honorably in the army, navy and Marine Corps of the United States between April 6, 1917, and November 11, 1918.

Beard said that North Carolina would "likely" be the first State in the nation to undertake the new work, as the Legion calendar of activities for the year "definitely commits the State department to work along this line."

### Anglo-American Alliance Against Japan Predicted

Moscow, May 18 (AP)—The possibility of a temporary Anglo-American alliance against Japanese expansion was raised today when comment on President Roosevelt's message by "Four Industrialization," organ of the commissariat for heavy industry.

"After the Washington rehearsal for the world economic conference," the publication said "the United States now appears in the role of world arbiter, but several governments have refused to accept that arbitration."

### MEASURE AIMED AT PURCHASING POWER

Secretary Perkins Explains Scope of Industrial Regulation Bill

Washington, May 18 (AP)—As described by Secretary Frances Perkins, the huge public works industrial regulation bill laid before Congress by President Roosevelt, is designed to "bring purchasing power into step with our mass production."

This would be accomplished on one side by putting money into the hands of the unemployed through the \$3,300,000,000 construction program, and on the other, by regulating industry so that a stabilized production would be kept in tune with the movement upward from the depression.

The secretary pointed out that the first weekly payrolls paid to workers out of jobs meant at least a pair of shoes and three shirts sold, and that industry would immediately feel the effect.

### WEATHER

FOR NORTH CAROLINA. Fair tonight and Friday.

### EVENTS MANEUVER THE TWO LEADERS INTO TOP PLACES

Their Influence Is Powerful Factor in Directing Course of Coming Conference

GENEVA AWAITING THEIR INITIATIVE

American Viewpoint on International Arms Control, World Pact on Non-Resort to Force and Arms Embargo Is Speculated Upon by Conferees

Geneva, May 18.—(AP)—The rapid sequence of events in the last few days has largely placed the destiny of the disarmament conference in the hands of President Roosevelt and Chancellor Hitler, in the view of many conference delegates.

The influence of these two men, it was said today, constitutes a powerful factor in directing the course of the conference, which awaits concrete initiative from their part.

The Roosevelt message to the world and the Hitler Reichstag address generally were regarded as clearing the air and producing a new and more hopeful atmosphere.

Delegates indicated eagerness to know how far America was disposed to go in what Geneva regards as completing the machinery of peace. Par-

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### ROOSEVELT CHOOSES SOUTH CAROLINIANS

Washington, May 18 (AP)—President Roosevelt today nominated Charles E. Jackson, of South Carolina, as deputy commissioner of the Bureau of Fisheries.

The President sent to the Senate the name of Colonel Edward Croft, of Greenville, S. C., for appointment as chief of infantry with the rank of major general.

### Japan Will Spare Peiping, Tientsin, Envoy Here Says

Washington, May 18.—(AP)—The Japanese ambassador, Katsujirō Do-bouchi, visited the State Department today and told reporters who inquired that Japan has no present intention of taking the Chinese cities of Peiping and Tientsin.

The envoy, who called on Secretary Hull, indicated that only routine matters had been discussed. Do-bouchi told reporters that Japan would be willing to undertake stabilization of the yen at the London exchange conference.

On Sino-Japanese hostilities he said it was his country's intention to withdraw its troops out of North China proper as soon as an assurance was given that their forces would not be harried by Chinese raids from south of the Great Wall.

### Japs Near Now Gates Of Peiping

City of Miyun, 35 Miles Distant Taken After Bitter All-Night Battle

Tokyo, May 18 (AP)—The city of Miyun, 35 miles north of Peiping, which has been the objective of a Japanese drive for the last week was occupied this afternoon by the attacking army, the Rengo (Japanese) News Agency reported.

The occupation was effected, the Rengo dispatch said, by the eighth division. The city was taken after Nanshengchung, ten miles to the northeast had fallen into the 16th infantry brigade.

A battle which lasted all last night and today preceded the triumphant entry tonight of the two Nisha brigades within the walls of Miyun.

The Japanese had routed stubbornly resisting Chinese from a battlefield reported littered with bodies of the defenders.

### S. C. SOLONS LOWER COSTS BY \$6,000,000

Columbia, S. C., May 18 (AP)—The South Carolina legislature early today closed its longest session since reconstruction days, after slashing approximately \$6,000,000 from appropriations, as compared with last year.