TWENTY-FIRST YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS.

HENDERSON N. C. WEDNESDAY AFTERNOON, AUGUST 29, 1934.

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

NO IMMEDIATE INFLATION PLANNED, ROOSEVELT SAYS

Seven Vicious Criminals Escape State Hospital

TWO IN THE GROUP SERVING TERMS IN MURDER CHARGES

Two Guards Overpowered While Eating Midnight Supper at Raleigh Institution

ED DEAVER LEADER OF GANG OF SEVEN

Was Originally Sentenced to Electrocution for Killing Neighbor in Argument Over Watermelon; No Trace of Gang Found Hours After Their Escape

Raleigh, Aug. 29 (AP)-Led by Ed Deaver, who killed a neighbor after quarrel over a watermelon, seven criminally insane men confined in the State Hospital here escaped early today after forcing two guards to give them the keys to the outside doors of the ward.

Two of the seven were convicted murderers.

The guards, W. B. Bailey and a man named Murphy, were at supper just. after midnight when Deaver led three companions into the room in which they were eating and forced

(Continued on Page Three)

Social Sinclair Wins California; S. C. 'Wets' Lead

(By The Associated Press) The results of primary elections in three states yesterday follow: California-Democrats have apparently named for governor Upton Sinclair; Republicans picked Acting Governor Frank E. Merriam; for U. S. senator, Hiram W. Johnson was named by both

Democrats and Republicans. South Carolina-Liquor referendum, wets have 10,000 lead; for Democratic gubernatorial nomination, Olin Johnson leads Cole L. Blease, with run-off primary necessary.

Mississippi — For Democratic senatorial nomination, Senator Hubert D. Stephens leads former Governor Bilbo, with run-off pri-

LIBERTY LEAGUE IS TO ENTER POLITICS Big Breaks and Ris-

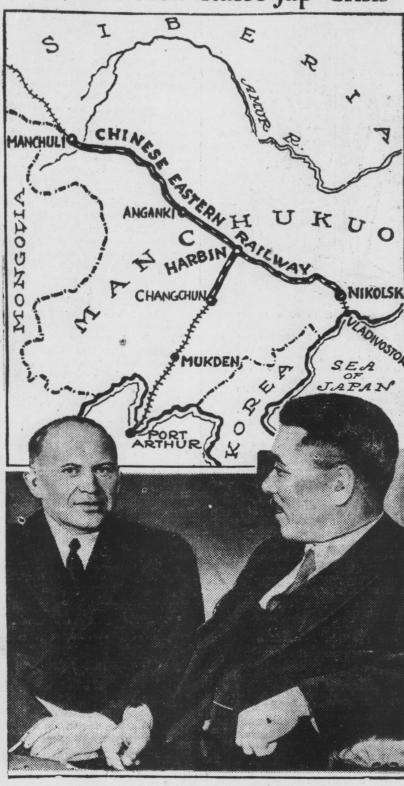
Shouse's Own Words Indicate It: It's Members Ultra-Conservative

By CHARLES P. STEWART

(Central Press Staff Writer) nonpartisan", perhaps it is significant day. that he qualified his denial of its intention to go into politics with the BIG BREAKS, HIGH PRICES phrase, "for the time being". In other words, the league evident-

(Continued on Page Three)

Cause of New Russo-Jap Crisis



War between Russia and Japan again is threatened in crisis arising from arrest of 88 Soviet citizens employed by the Chinese Eastern Railway by authorities of Manchukuo, Japanese puppet-state, on charges of sabotage. Arrests followed failure of Constantin Yurenef (left), Soviet ambassador to Tokyo, and Koki Hirota (right), Japanese foreign minister, to agree upon terms of the proposed sale of Russian interest in the ailway to Manchukuoan government. Map shows location of the road.

Tobacco In East Still Very High

ing Prices Shown by Markets Making Day's Reports

Wilson, Aug. 29. (A)-Offerings on Washington, Aug. 29. - Although the Wilson tobacco market today were President Jouett Shouse of the newly 750,000 pounds, and prices contnued formed American Librety League says strong. The frst 100 ples sold brought the organization is to be "absolutely an average of \$29.75 per hundred to-

PEVAIL AT ROCKY MOUNT Rocky Mount, Aug. 29. (A)-Heavier ly does intend to go into politics pres- offerings at higher price featured the

(Continued on Page Six)

Farm Prices Very Near Administration's Goal

Richberg reported to President Roose- income

tive council made plain that his employment of 4,120,000 persons. He also stressed that the drought ed in terms of purchasing power, slashed some major crops, and there- often has been cited as a goal of the fore the high prices do not mean a Roosevelt agricultural program.

Washingotn, Aug. 29. (AP)-Donald fully corresponding increase in farm

velt today that farm prices have recovery "it is essential that there regular gubernatorial duties, chief risen to within five per cent of the be more of a revival in industrial profamous pre-war parity which the ad- duction, and more extensive re-em- an industrial commission chairman ministration has been straining to ployment. In his first report last Sunday, Richberg claimed marked indus- way commission, more newly known The head of the President's execu- trial claims and in particular the refigures include benefit payments re- Pre-war parity, meaning the real ceived by farmers through the AAA. price level of 1910 to 1914, as measur-

Mary Won't Deny Fairbanks Return

Hollywood, Cal., Aug. 29. (AP)-Answering a question about a reported reconciliation with Douglass Fairbanks, Mary Pickford, screen "I won't deny it."

The question was asked the actress after reports became persistent that the couple would announce a reconciliation after several days. They have been seen together frequently since Fairbanks returned here ten days ago from Europe, where he went some 14 months ago after separating from the actress. Later she sued for divorce, but the case has not been brought to trial.

BE MADE SHORTLY Soldiers

Ehringhaus May Act After Completing His Vacation Rest Period

Daily Dispatch Bureau,

In the Sir Walter Hotel, Raleigh, Aug. 29-Governor J. C. B. Ehringhaus will complete his interrupted vacation with some work in Washington City, then some more work in Elizabeth City, then will re-He warned that for complete farm turn next week to Raleigh to meet among the major appointments being and a chief engineer of the state highas the state highway and public

works commission. The governor will make none of these now. It was hinted in Raleigh this week that Private Secretary

(Continued on Page Six)

PREPARING DRAFT FOR STRIKE CALL FOR TEXTILE MEN

Gorman Sees No Indication Employers Are Yet Ready to Meet Demands of Workers

SEES NO WAY NOW TO AVERT STRIKE

Union Leaders Still Willing To Confer With National Labor Board and Representatives of Mlil Mansentatives of Mill Man-Met Squarely, He Says

Washington, Aug. 29 (AP)-Chairman Garrison, of the Nation al Labor Relations Board, said today he had no intention of withdrawing from the menacing textile strike situation, but that "unless something develops" he would make no formal request that the walkout be delayed.

His statement wa smade at a press conference, while an order expected to tie up the entire cotton textile industry on September 4 was being prepared at strike headquarters of the United Textile Workers.

Washington, Aug. 29. (AP) - The strike committee of the United Texfile Workers announced today that the official draft of the order for a general strike in the cotton textile industry was being prepared.

Francis J Gorman, charman of the strike committee, said the union leaders still were willing to confer with the National Labor Relations WOULD HAVE ALL Board and representatives of mill management, but added:

"I do not see how these conversations can at this late day operate to Proposes to Offer Plan First prevent the strike. The issues must be met fairly and squarely, and there is no indication that the employers are yet ready to meet them in that way.'

Remove Jeffress To Richmond For More Treatment

Greensboro, Aug. 29 (AP)-Following a further diagnosis o fthe case this morning, it was decided by Physicians to remove Edwin B. Jeffress, State Highway Commission chairman from the local hospital to the Memorial hospital at Richmond, Va., for further study, and, should the case justify an operation.

Dr. C. C. Coleman ,of Richmond, tending physicians to Mr. Jeffress, last night. This morning an incision was made in the patient's head for tion, it was decided to remove Mr. Jeffress to Richmond.

and a half to make the flight Richmond. Accompanying Mr. Jeffress will be Mrs. Jeffress, a nurse and

To Guard S. C. Mill

Columbia, S. C., Aug. 29. (P)-Governor Ibra C. Blackwood ordered a Greenville Naional Guard company to denounced the American Liberty the strike area at the Lonsdale mill League today as a "smear gang." at Seneca Yoday, after dsorders last night had been reported and seven constables said they

The governor said he was told a crowd of approximately 300 "armed men" went into the mill village last

(Continued on Page Six)

FOR NORTH CAROLINA Fair tonight and Thursday;

slightly cooler tonight.

New Governor



Election of James V. Allred, 35, attorney general, in the Texas Democratic gubernatorial primary, means end of reign of Jim and Ma Ferguson in Lone Star State.
(Central Press)

TO REPLACE SALES IS NOW PROPOSED

Prominent Eastern Legislator Would Abolish the Present System for His New Plan

Day or Two of 1935 Session and Get It Over With One Way or the Other, Provided It Is Constitutionally Right

> Daily Dispatch Bureau, In the Sir Walter Hotel,

Raleigh, Aug. 29.-North Carolina's off the sales tax issue until April, May or June, but will meet it the first week of the session, cacording to a prominent senator-nominate in the great tobacco blet. He agrees that it is seasonable to

his name. His plan is to introduce the repealer the very first of the sitting. He will offer a substitute form Va., was called into consultation with of revenue. He is studying now the Doctors Ralph and Rigdon Dees, at- constitution and its limitations upon lities at Morehead City, N. C. ohtre forms of taxation. He likes an income tax without the immense exemptions which are granted, often for diagnostic purposes, and to relieve the very purpose of defeating tax come of the Atlantic and North Caropressure, Folowling that examina- payment. Instead of starting at \$1,- lina railroad, a State-controlled line 000 he might start tt zero. A wage earner drawing say \$15 a week might He will be taken by airplane and have to pay income tax if he drew the receivership of the Norfolk So was expected to leave the airport this the wage. This senator-to-be thinks thern railroad, lessee of the Atlantic afternoon. It will require an hour a steady, undeviating income might and North Carolina. with greater justice be taxed than the scores of coarse food articles on which the buyer mus tpay 3 per cent. North Carolina, conferred with Bar A three per cent on these regular in- low Henderson, executive assistant t

(Continued on Page Six)

Gold Profits To Be Used Only In Far Away Future

Charges Censorship



Senator Thomas D. Schall

Charges brought by Senator Thomas D. Schall of Minnesota, above, that the national administration was planning to hamstring private news associations in favor of governmental press agencies. brought a final statemen, from President Roosevelt, declaring the incident "closed". Schall had replied in a "vituperative" letter to requests by the chief executive for evidence of the "censorship."

EARNERS TO PAY JUILL UI LLU

Will Hurry Administration Purchase of Port Facilities Bonds

TECHNICALITIES ARISE

1935 General Assembly will not put Receivership of Norfolk Southern Railroad Adds New Angle to Procedure for Development of Port

Washington, Aug. 29 (AP)-Secretary Ickes today told a North Carowrite the story now, but not to give lina delegation he would do everything possible to clear up technicalties delaying the administration's proposal to buy \$320,000 worth of bonds for development of port faci-

The transaction has been held up several weeks by a clause in the PWA contract which would pledge the in Technicalities arose as a result of

to secure the bonds,

The delegation, headed by overno Ehringhaus and Senator Bailey, o

(Continued on Page Six)

New League Smear Gang, Hoover Leader Declares

J. Hurley, Hoover secretary of war, In a statement issued from his law office here, the Oklahoman became the first outstanding Republican to comment formally on the young or- the President are distasteful a ma- York City has imposed a 50-million ganization.

crats as designed to "obstruct" and ties trying to rule." "embarrass" the New Deal. Its announced purposes include to ly, in view of Representative Wads- The sum will rise this winter.

It has been hailed by some Demo-

hamper. the "smear Hoover" campaign, say- with Alfred E. Smith and John W ing the leaguers were headed by the Davis.

Washington, Aug. 29 (AP)-Patrick | "same men" who led that. The reference was to President Jouett Shouse former executive chairman of the They will be inevitable. Perhaps a Democratic National Committee. "This is a government by majori- lief.

ties," said the Hurley statement.

help President Roosevelt, not to worth, Republican, New York, a potential contender for the presidential funds works injusticse. The very Hurley recalled what Republicans nomination two years hence, being businesses that must provide work are taxed heavily. The persons who

President Calls Attention to Word "Ultimately" in the Administration Program

STATEMENT FROM MORGENTHAU USED

Treasury Head Had Said Gold Profits Would Apply on Public Debt; President Laughs Away Inquiries About Immediate Use of the New Funds

Hyde Park, N. Y., Aug. 29. (P)-President Roosevelt emphasized today at his regular press conference here that it is only the ultimate intention of the government to use the gold profits from devaluation of the dollar, and he laughed away inquiries of inflation by immediate use of this

The President spoke in response to questions about the speech last night by Secretary Morgenthau stating the the purpose to employ the \$2,800,000,-000 gold profits eventually for retirement of the public debt.

Sitting in his small study room of the family home, Mr. Roosevelt smiled broadly at the suggestion that this opened the way to inflation by way of an additional currency bait.

He called attention to tie word "ultimately", and said that he meant a time pretty far in the future. The gold profits fund, he added, is a nest egg, and would be so regarded.

Hold Four In Postal Robberies

Norfolk, Va., Aug. 29. (AP)-United States Commissioner Percy C. Stephenson today ordered four men accused of the robbery of the post office at Harbinger, N. C., on August 18, held under bail of \$7,500 each for trial in the United States district court of Eastern North Carolina.

John Crank, alias John Creekmore; Thomas William Winslow, Norman Hampton Cook, and Earl Hamlet Winslow are the defendants. Crank was arrested yesterday in connection with the robbery and shooting at the Dendron, Va., post office. The latter three were taken into custody yesterday aftre Crank had made a statement admitting that he participated in the Harbinger robbery and naming the other three as accomplices.

An order will be issued shortly transferring the prisoners to the east-ern district of North Carolina for

At the hearing today, Crank testified that he and the other three went by automobile from Norfolk to Harbinger, where the robbery was committed. He said that elaborate plans for the robbery had been made before the crime was committed.

SOME BIG CHANGES

Fifth of U. S. Population May Be on Relief; Wealthy To Be Taxed

By LESLIE EICHEL

(Central Press Staff Writer) New York, Aug. 29.-This winter predestines great social changes. fifth of the population will be on re-

The "redistribution of wealth" has "When the policies of Congress and begun—in a haphazard manner. New jority can change both policies and annual tax on business within the personnel. I am opposed to minori- city to bear part of the relief cost. Nearly 18 million dollars a month s Further repercussion appeared like- required in New York City for relief.

The haphazard manner of raising

(Continued on Page Three)