

ETHIOPIAN TROOPS MOVING UP TO FRONT

NEW TAX SCHEDULE DIGS DEEPLY INTO INCOME OF \$50,000

Would Confiscate Three-Quarters of Incomes Over \$5,000,000, Under Changes Made

FULL COMMITTEE RECEIVES REPORT

Doughton Makes Schedules Public as Ways and Means Committee Assembles To Get Plan for Roosevelt's "Wealth Distribution" In The United States

Washington, July 29.—(AP)—Proposed new taxes tapping incomes as low as \$50,000 and taking away three-quarters of that portion of an income over \$5,000,000 were made public today by the House Ways and Means Committee.

The new schedule has been tentatively approved by committee Democrats, who previously had agreed not to levy additional taxes on incomes under \$150,000 and to apply the maximum 75 percent rate only to incomes over \$10,000,000.

At present the tax on a \$56,000 income is \$9,550. The proposed new schedule would make it \$9,590.

The present levy on \$1,000,000, however, is \$333,000, whereas the new tax would amount to \$641,000.

The proposed new individual income tax schedule was made public as

(Continued on Page Four)

AAA Wins First Constitutionality Test In Decision

Memphis, Tenn., July 29 (AP)—The agriculture adjustment act, with its processing levies, won a decision of constitutionality in Federal district court here on a finding that the taxing power is not delegated to the secretary of agriculture, but an appeal was in prospect today.

Federal Judge John D. Martin, of the eastern district of Tennessee, only recently appointed, held the act constitutional this week-end, expressing his views in an opinion dismissing the suit of a Memphis packer to recover \$6,863 paid in processing taxes.

He also declined an injunction to restrain the government from collecting a penalty of \$1,267 for failure to file a tax return within the legal time limit.

110 Million Passed For Air Fields

Washington, July 29.—(AP)—The Senate today passed and sent to the White House the Wilcox bill authorizing the establishing of six new army air bases in the United States and Alaska.

The bill carries no appropriation, but the cost, to be provided for later, has been estimated at \$110,000,000.

The air base would be used as permanent stations for peacetime training.

(Continued on Page Three)

Four-Year Control Of Tobacco Planned

Washington, July 29.—(AP)—Four more years of production control will be offered growers of flue-cured tobacco, the leaf that goes into the manufacture of cigarettes.

Contracts extending the program through 1939, it was announced by J. E. Hutson, AAA tobacco chief, will be available at county offices in each of the flue-cured belts around market time. The new contracts will be designed to adjust bases already established to bring about equalities between all types of growers, especially small producers, Hutson said.

Growers who helped in developing the program requested that considera-

England Wins All Davis Cup Match

Wimbledon, England, July 29.—(AP)—England won the coveted Davis cup—emblematic of the world's tennis supremacy—for the third straight time today when the new doubles combination of George Patrick Hughes and C. R. D. Puckey defeated the American pair of Wilmer Allison and Jahny Van Ryn, 6-2, 1-6, 6-8, 6-3, 6-3, in the challenge round doubles match. The victory gave England the necessary third win in the five match series. The Britons' victory was the final crushing blow to America's hope of recapturing the cup, lost to France in 1927.

20 Millions For Schools Is Possible

State Should Get That Much Federal Money If Requests Are Granted

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

Raleigh, July 29.—North Carolina should get approximately \$20,000,000 worth of new public school buildings if the various projects which have been developed for submission to the Public Works Administration and to the Works Progress Administration are approved, State Superintendent of Public Instruction Clyde A. Erwin said here today. If these projects are approved, more than 50 per cent of the cost will be paid from Federal funds so that the actual cost to the various school districts and counties involved will be less than \$10,000,000.

Superintendent Erwin pointed out. Already more than \$15,000,000 worth of projects have been developed for sub-

(Continued on Page Three)

A. & N. C. RAILROAD FUTURE DISCUSSED

How to Operate Goldsboro-Morehead Line Talked By Governor

Raleigh, July 29.—(AP)—The future of the Atlantic and North Carolina railroad, State-controlled line between Goldsboro and Morehead City, was discussed here today by Governor E. R. Rixford, President Luther Hamilton, and members of the board of directors.

The road is now operated by the Norfolk Southern railroad, but the lease between the State and the operating company was broken more

(Continued on Page Three)

Georgia Belt Season Opens On Thursday

Warehousemen Obtain Federal Injunction Against Higher Fees on Growers

Atlanta, Ga., July 29 (AP)—Tobacco warehouse operators went ahead today with preparations for the opening of the Georgia bright leaf auction season Thursday with the same schedule of handling charges as last year, pending a final decision on their temporary injunction against the State's new law reducing the rates.

Judge Bascom S. Deaver, of the Federal district court, who granted the temporary order in Macon Saturday, announced he would, invite Judge N. T. Bryan, of Jacksonville, Fla., and Judge William H. Barrett, of Augusta, to sit with him two weeks from today for a hearing on whether the injunction shall be made permanent.

Meanwhile, comment from a number of growers at the large auction points indicated they intended to go

(Continued on Page Two)

New York Police Guard German Liners After Anti-Nazi Attack



Heavy police guards are protecting German liners at New York from threatened invasion following riots that sent twenty-five to hospital when hundreds of anti-Nazi demonstrators mobbed liner Bremen at pier. Top shows police trying to hold back rioters and bystanders caught in jam. Lower are demonstrators with their signs and at right is Robert Rice, son of Elmer Rice, famous playwright, one of ten arrested. (Central Press)

Given Higher Post



Charles O. West, former Ohio congressman, named undersecretary of the interior, in recognition of his work as "contact man" for the administration, is seen leaving the White House.

Georgia Belt Paralysis Caution Is Yet Urgent

Raleigh, July 29.—(AP)—Nine new cases of infantile paralysis were reported in North Carolina over the week-end, the State Board of Health records showed today.

The new cases made 473 for the year, as the board listed two late Saturday, which were immediately reported to newspapers.

Today's cases included two from Brunswick county, first teher this year, as well as two from Johnston, and one each from Bertie, Duplin, Guilford, Halifax and Rockingham.

Public Meetings Postponed In Some Virginia Cities

Richmond, Va., July 29.—(AP)—Fifteen new cases of infantile paralysis in eight counties and two cities

(Continued on Page Three)

WEATHER FOR NORTH CAROLINA

Generally fair tonight and Tuesday; little change in temperature.

(Continued on Page Two)

JAS. H. POU, NOTED N. C. LAWYER, DIES AT RALEIGH HOME

Funeral Services Will Be Held at Home at 10 a. m. Tuesday by Presbyterian Pastor

BORN IN ALABAMA IN THE YEAR 1861

Lived In Smithfield and Raleigh Most of His Life, However, and Had Served in State Legislature Many Terms; Was Prominent In Democratic Circles

Raleigh, July 29.—(AP)—James H. Pou, one of the outstanding lawyers of North Carolina, died at his home here this morning at 9:40 o'clock after being in poor health for several months.

Funeral services will be held from the home tomorrow morning at 10 o'clock. Rev. P. B. Miller, pastor of the First Presbyterian church will officiate, and burial will be in Oakwood cemetery here.

Mr. Pou, 72 years old, celebrated his birthday on July 21. He was born in Tuskegee, Ala., in 1861, but in his early childhood his father moved to Smithfield.

In 1885 Mr. Pou was admitted to the bar and started practice of law at

(Continued on Page Four)

Mussolini Put On Spot By Ethiopian Stand In Maneuvering In League

African Empire Makes Major Concession In Dispute With Italy by Refraining from Insistence on Probe of Controversy; Il Duce Has 52nd Birthday

Geneva, July 29.—(AP)—League of Nation's circles said today Ethiopia made a major concession in its dispute with Italy by refraining from insistence that the Council dig to the bottom of the controversy.

Emperor Haile Selassie, in his latest communication to the League, contented himself with getting back to the arbitration attempts. He asked that his session three days hence the League Council define the powers of the deadlocked conciliation commission.

In answer to the Italian contention that the commission should restrict discussion of frontier incidents, however, Ethiopia demanded that no such limitations be imposed.

The "king of kings" has the right to call for a council investigation of the East African crisis under Article XV of the League covenant.

If the Council approves such recommendations unanimously, any nation defying them would be pronounced an aggressor.

League sources interpreted Ethiopia's move in pointing the Council meeting toward a decision on the arbitrated powers as a maneuver to put Premier Benito Mussolini in an awkward diplomatic position.

MUSSOLINI'S BIRTHDAY IS SPENT ON LEAGUE PROPOSAL

Rome, July 29.—(AP)—Premier Benito Mussolini put aside all celebrations of his 52nd birthday anniversary today to draft Italy's stand before the League of Nations Council in the Ethiopian dispute.

While Il Duce worked at his country retreat, authorities said Italian delegates were certain to attend the Council session Wednesday.

TENSION EASED BY TURN IN GERMANY

Berlin, July 29.—(AP)—The tension among Jews, Roman Catholics and the World War veterans of the "steel helmets" was considerably eased today by the news of a "social" visit to General Weyner von Blomberg to Reichsfuehrer Hitler.

Von Blomberg, minister of war, called on Der Fuehrer in the latter's Bavarian mountain home for a long talk.

The general feeling prevailed in po-

(Continued on Page Four)

WAR MINISTER CAUTIONS HITLER ON DRASTIC ATTITUDE TAKEN RECENTLY

(Continued on Page Two)

PIEDMONT AND WEST STILL COUNTED DRY

As Result, Hoey Is Strongest Gubernatorial Candidate There

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

Raleigh, July 29.—Sentiment over the entire State has not gone "wet" and most of the Piedmont and western counties are still politically "dry," regardless of how the individual voters may drink, or how much, according to a good many political obser-

(Continued on Page Two)

NATIVES REPORTED IN REBELLION NOW IN ITALIAN REGION

War Office Refuses To State Destination of Troops Marching Out of the Capital

SOLDIERS CHEERED BY THE POPULACE

Native Army From One Of Provinces Reaches Capital Armed for Modern Warfare; Report of Clash on Border Is Denied; Troops Create Strong Impression

Addis Ababa, July 29.—(AP)—It was reported without confirmation today that a number of native Somalis had rebelled in Italian Somaliland and had started for Ethiopia in the region of Usual.

(It was at Ualual last December that both Italians and Ethiopians were slain in a frontier incident.)

Rumors were current that Ethiopian troops were headed for the frontier of Eritrea, the Italian colony of the east, but the war office did not confirm this statement.

The movement of troops created a profound impression on the population of the capital. The people cheered the troops vehemently.

Troops under the command of Ded-jonatch Happpemikael, former cabinet minister, came in from the Lake Rudolph area.

Martial preparations reached a high pitch as an Ethiopian army estimated at 10,000 arrived from Gamu province. They were outfitted with new rifles, modern khaki uniforms, machine guns and artillery, and departed in high spirits for an unannounced destination.

Government officials in general denied any knowledge of a clash at Wal-kut, as reported in the London press.

Two Jailed At Strike In Durham

Durham, July 29.—(AP)—Two white men were jailed here this morning on open charges as the strike of seamless hosiery workers entered its second week at the Durham Hosiery Mills with renewed intensity.

All was quiet during the two-day week-end holiday, but this morning a crowd of strikers, pickets and spectators, estimated at 1,000, gathered at the main gate of the No. 1 mill in an effort to prevent the hosiery plants from resuming operations.

There was considerable turmoil, but non-strikers gained admittance with police assistance, and there was no trouble.

All was quiet during the two-day week-end holiday, but this morning a crowd of strikers, pickets and spectators, estimated at 1,000, gathered at the main gate of the No. 1 mill in an effort to prevent the hosiery plants from resuming operations.

There was considerable turmoil, but non-strikers gained admittance with police assistance, and there was no trouble.

All was quiet during the two-day week-end holiday, but this morning a crowd of strikers, pickets and spectators, estimated at 1,000, gathered at the main gate of the No. 1 mill in an effort to prevent the hosiery plants from resuming operations.

TENNESSEE BEATS RIDER FOR LIQUOR

Nashville, Tenn., July 29 (AP)—By a vote of 48 to 41 the Tennessee House of Representatives today tabled a liquor legalization rider to an old-age pension bill.

Depression Is Good To Gas Prexy

Washington, July 29.—(AP)—Evidence that H. C. Hopson, dominant figure in the Associated Gas and Electric system took profits of \$2,805,000 during the depression, while many of the dividends were unpaid was received today by the Senate lobby committee. It also heard from a number of officials of the associated system and affiliated companies that they did not know where to locate Hopson.

Even the officials of his personal companies said they had not seen the utilities magnate for ten days or two weeks. Committee members quickly pointed out that that was about the time the lobby inquiry started.

"Is he in the custom of disappearing like this?" asked Senator Schwellenbach, Democrat, Washington.

"It is not unusual," replied one of the witnesses, H. A. Stix, accountant for the companies.

(Continued on Page Three)

GOVERNMENT SUIT IS AN ISSUE NOW

Companies Paying Processing Tax Demand Right To Seek Recovery

By CHARLES P. STEWART, Central Press Staff Writer

Washington, July 29.—There is one thing that Congress and the President can do regardless of the Supreme Court.

The government cannot be sued except with its own permission.

That is an established principle, which the Supreme Court itself has recognized.

Ordinarily the government does permit itself to be sued—in the Federal Court of Claims. If the court renders a judgment in the claimant's favor

(Continued on Page Three)