

PRESIDENT REBUFFED AGAIN ON TAX BILL

Soviet Plane Now Headed On Toward Pole And America

Non-Stop Flight From Moscow to San Francisco Gets Under Way at Russian Capital

PLANE FUNCTIONING PERFECTLY SO FAR

Three Occupants of Ship In Good Spirits As They Reach Long Stretch of Water Before Crossing North Pole; Average Speed Exceeding 100 Miles

Moscow, Aug. 3.—(AP)—The Soviet trans-polar plane, carrying three daring aviators on a non-stop flight across the top of the world toward San Francisco headed out across the Behring Sea at 2:25 p. m. (8:25 a. m. eastern standard time).

The plane, U. S. S. R. 25, radioed at that time that it was heading over the 2,341-mile stretch of water and polar ice and into the zone of continuous polar daylight.

It is reported that Pilot Sigmund Levanski was averaging about 110 miles an hour.

It will continue to hold the necessary altitude of 500 meters (about 1,640 feet) in order to prevent ice from forming on the wings, the fliers wireless. "We have every possibility for successful completion of the flight."

The three fliers completed the first important stage of their journey from Moscow to the Behring Sea in eight hours and 22 minutes for the approximately 300 miles.

Thus the average speed was about 105 miles an hour.

If Pilot Levanski should continue this speed to the open sea, he would reach the North Pole about 4 a. m. Sunday, Moscow time (9 p. m. eastern standard time).

The only land the fliers will sight

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Transcontinental Plane Falls, With Only Two Injured

Albuquerque, N. M., Aug. 3.—(AP)—The pilot and co-pilot of an east-bound Transcontinental Airplane were injured and the ship was wrecked, but eight passengers escaped harm when the plane crashed making an emergency landing near Barton, N. M., early today.

SIX JOURNALISTS IN TEXAS IN CONTEMPT

Angleton, Texas, Aug. 3 (AP)—Six Houston newspaper men were declared to be in contempt of the 23rd district court in a decision handed down here today by Judge M. S. Munson. They published proceedings of a murder trial in violation of the judge's order.

Four Cases Of Paralysis Day's Total

Raleigh, Aug. 3.—(AP)—Only four cases of infantile paralysis were reported over North Carolina today, the State Board of Health said.

The total number of sufferers this year was raised to 504, as one case listed from Person county was stricken from the records, but less than 100 of the patients are still in the contagious stage of the disease.

MIDSHIPMEN BARRED FROM NORTH CAROLINA, VIRGINIA

Annapolis, Md., Aug. 3.—(AP)—Midshipmen at the naval academy were barred today from entering the states of North Carolina and Virginia on their annual leaves because of the prevalence of infantile paralysis in those states.

Millions Affected?



Edward F. McGrady, assistant secretary of labor, above, has created considerable comment by his assertion that 9,000,000 persons in the United States are being deprived of work because of the lengthening of hours and a decrease in wages since the NRA was held unconstitutional. McGrady, who made the assertion while settling a rayon strike in Cleveland, said that he believed this problem is at the bottom of much of the nation's unrest.

Mrs. Bauer Is To Face Zenge Soon

Chicago, Aug. 3.—(AP)—Mandeville Zenge, today was pointed out as the mysterious "E. L. Jones" who disappeared from an Ann Arbor, Mich., hotel on the same day that Dr. Walter J. Bauer was kidnaped and taken to Chicago, where Bauer later was fatally mutilated.

Zenge was viewed by Oren J. Guiett, of Flint, Mich., who had the room next door to Jones at the Jennings hotel in Ann Arbor. Detectives had placed dark glasses on Zenge, as Jones had warned them constantly at the hotel.

"That's Jones," said Guiett. The rangy 26-year-old suspect looked at Guiett and smiled.

Chicago, Aug. 3.—(AP)—Assistant State's Attorney Charles Dougherty today sought a meeting between Mrs. Louise Bauer and Mandeville Zenge, her childhood sweetheart, whom she

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Today's Greatest Need

Babson Says Character Training Only Sound Basis of Reform

By ROGER W. BABSON, Copyright 1935, Publishers Financial Bureau, Inc.

Babson Park, Mass., Aug. 2.—Our greatest need today is not more goods, higher wages, bigger profits, nor further legislative reforms. Rather, it is the strengthening and rebuilding of our national character. For the last fifty years we have concentrated on the development of our machines with the result that the development of our humans has been neglected. I feel very strongly that unless the education of humans catches up with

Held In Slaying



Police are holding Mandeville Zenge in Chicago, for questioning in the mutilation-slaying of Dr. Walter J. Bauer Cleveland osteopath, who three weeks ago married a Missouri nurse, childhood sweetheart of Zenge, 26-year-old Missouri farm boy. After lengthy questioning, Zenge has refused to discuss the slaying.

M'DONALD TIRADE OVER SURPLUS NOT WORRYING ANYBODY

Rumpus Very Simple and Is Mere Matter of How Bookkeeping Entries Are Made

ITEM PAID IN 1934 IS TURNING POINT

Whether That Is Considered Spent Then or Carried Into New Year Is Whole Issue; McDonald Seems Unable to Understand Situation Clearly

In the St. Walter Hotel, Daily Dispatch Bureau, BY J. C. BASKERVILL.

Raleigh, Aug. 3.—The rumpus which Dr. Ralph W. McDonald has been raising over the State's surplus, in which he has charged that the budget bureau is either inefficient or deliberately falsified its estimates of the surplus during the General Assembly, is not getting any one much steamed up here, where the operation of the budget bureau is better understood than out over the State. Nor

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Warehouse Floors Not Yet Cleared In Georgia Belt

Valdosta, Ga., Aug. 3.—(AP)—Warehouse floors over the Georgia bright leaf belt still bore evidence of heavy receipts today as warehousemen and buyers worked hard to handle the offerings.

Prices generally were reported unofficially as holding up satisfactorily. The State Department of Agriculture said receipt of official information on sales had been delayed by the tremendous offerings of the leaf with the opening of the auctions Thursday. Unofficially price average over the belt were estimated at 18 to 23 cents.

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Warehouses Floors Not Yet Cleared In Georgia Belt

Camden, S. C., Aug. 3.—(AP)—At least five persons were reported killed here today and an undetermined number injured when a Seaboard passenger train struck a truck load of farmers en route to Camden.

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To Renew Arbitration Over Italian-Ethiopian Dispute

Both Sides to Controversy Agree to Resolutions Drawn Up At Geneva Conference

ITALY IS HESITANT ON HAVING INQUIRY

Not Strong for Meeting of Council September 4 To Examine Situation In All Its Aspects; Selassie's Delegates Rejoice Over New Turn in Dispute

Geneva, Aug. 3.—(AP)—Ethiopian and Italian delegates agreed at a public session of the League of Nations Council tonight to resolutions resuming arbitration of the Ualul incidents of their tense dispute, but Il Duce's representatives announced they would abstain from voting on another resolution summoning a meeting to examine the situation in all its aspects.

Baron Pompeo Aloisi, Italy's chief delegate, announced the reservations after Professor Gaston Jese, representing Ethiopia, had declared in a speech: "We receive with joy the resolution declaring that the Council will meet September 4 to discuss all aspects of the Ethiopian-Italian relations. We hope the Council can establish permanent friendship and confidence between Ethiopia and Italy."

SELASSIE ORDERS ENVOYS TO ACCEPT LEAGUE OFFER

Addis Ababa, Aug. 3.—(AP)—Emperor Haile Selassie announced this afternoon, "I have instructed my dele-

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TB Hospital In West Goes To Buncombe

Rocky Mount, Aug. 3.—(AP)—The Western North Carolina tubercular sanatorium authorized by the 1935 legislature will be located on the old Buckner place, two miles from Black Mountains, in Buncombe county, it was announced today.

The selection of the site by the special committee and approval of the place by the board of directors was announced simultaneously here by Kemp P. Battle and Senator L. L. Gravelly, chairman of the respective groups.

REPORT FIVE DEAD AT GRADE CROSSING

Camden, S. C., Aug. 3.—(AP)—At least five persons were reported killed here today and an undetermined number injured when a Seaboard passenger train struck a truck load of farmers en route to Camden.

HOEY AND GRAHAM BOTH MAKING GAINS

Hoey Popular in Central Part of State and Graham in the East

Daily Dispatch Bureau, In the St. Walter Hotel, BY J. C. BASKERVILL.

Raleigh, Aug. 3.—Clyde R. Hoey, of Shelby, the long-haired, frock-coated orator from Cleveland county, who is one of the four candidates for the Democratic nomination for Governor is making excellent progress in the Piedmont and many of the western counties which are still politically dry. Present predictions are that Hoey will carry many of these counties by large majorities in the June primary next spring.

Reports from most of the eastern counties and from a good many of the far western ones, however, are that Lieutenant Governor A. H. Graham, conceded to be the favorite in most of the eastern counties, is not

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WEATHER FOR NORTH CAROLINA

Fair tonight and Sunday; not much change in temperature.

Ethiop Emperor Reviews Troops



Attired in the uniform of a field marshal, Haile Selassie, emperor of Abyssinia, accompanied by foreign military observers and one of the Abyssinian princes, reviews some of the troops which foreign officers have been training for him in concentration camps near the capital. This review took place at Harrar. (Central Press)

Some Georgia Averages Over 25 Cents For Week

Nashville Sells 1,458,897 Pounds of Tobacco in Two Days at \$25.45 Per Hundred

TIFTON PRICE \$22.60 FOR 1,435,566 POUNDS

Nearly That Much Leaf At Valdosta Brings \$21.31, and Moultrie Sells Over Million Pounds for \$21.83; Growers Appear Well Pleased With Start

Valdosta, Ga., Aug. 3.—(AP)—Sales of tobacco at average prices of more than 20 cents a pound on the first two days of auction in the Georgia bright leaf belt were shown in unofficial figures from various markets today.

Swamped with unusually heavy offerings at the opening of the season August 1, sales on the first few days were reported large at all the markets. In some of the 15 market centers, tobacco from the first two days' receipts remained unsold as the markets closed today for the usual Saturday holiday.

The Nashville, Ga., Herald said sales there the first two days totaled 1,458,897 pounds at an average of \$25.47 per hundred pounds.

The Tifton Daily Gazette said total sales there for the same period were 1,435,566 pounds at an average of \$22.60 per hundred.

The Tobacco Board of Trade in

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WAYNICK SILENT ON ROAD PROGRAM

No Certainty What New Roads or Bridges Will Be Built in East

Daily Dispatch Bureau, In the St. Walter Hotel, BY J. C. BASKERVILL.

Raleigh, August 3.—Chairman Capius M. Waynick, of the State Highway and Public Works Commission, was non-committal today as to the chances for new roads and bridges in the eastern part of the State, following the return from a four day trip through some ten or twelve eastern counties inspecting areas where millions of dollars worth of new highways and bridges have been requested. He was accompanied by several other members of the highway commission.

"There is no doubt that a good many of these roads especially are

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LITTLE JOHN CHARGE IS DENIED BY GILL

Raleigh, Aug. 3 (AP)—Criticism of the State's parole system made by Assistant Police Chief Frank N. Littlejohn, of Charlotte, today had drawn from Parole Commissioner Edwin M. Gill denial there was a "wholesale granting of pardons and paroles" in North Carolina.

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DONATIONS FREED OF TAX PERMITTED UNDER HOUSE VOTE

Also Narrows Proposed Graduated Tax on Corporation Incomes as Was Proposed

INTER-CORPORATION DIVIDENDS UNTAXED

House Leaders Hope To Pass Entire Measure by Monday, Intended To Raise \$270,000,000; Will Go To Senate for Another Round Of Debate

Washington, Aug. 3.—(AP)—New tax legislation sped through the House today in a form which varied materially from that suggested by President Roosevelt.

After agreeing to increase surtax rates on individual incomes of over \$50,000, the preponderantly Democratic chamber proceeded to vote against the President on a number of important points.

It decided to permit corporations to make tax-free donations to charity, narrowed the proposed graduated tax on corporation incomes and turned down the idea of levying a new tax on dividends paid by one corporation to another.

House leaders hoped to see the \$270,000,000 measure passed and sent to the Senate Monday.

Investigators for the Senate lobby committee were busy with new leads. Mr. Roosevelt left the capital for a week-end fishing trip with Senator Wheeler, Democrat, Montana, an administration leader in the long struggle over the utility holding company bill.

At the State Department, Secretary Hull returned from a vacation to say that he was more convinced than ever of the soundness of the President's recovery program.

TAX-FREE CHARITY GIFTS VOTED BY HOUSE MEMBERS

Washington, Aug. 3 (AP)—With not even the formality of a standing vote,

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AGRICULTURE NOW SCARING WALL ST.

Fight on Processing Taxes Turns Farmers Against Protective Tariff

By LESLIE EICHEL, Central Press Staff Writer

New York, Aug. 3.—It is not labor that will give Wall Street a fright during the coming year, but agriculture. Strikes are more in the public eye, but Wall Street usually can get the better of strikes.

Agriculture is another matter. It is agriculture that welds the chief oppositionistic power against financial America in election years.

And Wall Street believes that financial America may be in for serious trouble because of an error in judgment that it made.

It was "all right" to attack the

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Martial Law Declared At Pelzer, S. C.

Governor Declares Town in "State Of Insurrection" In Textile Strike

Columbia, S. C., Aug. 3.—(AP)—Governor Olin D. Johnson established a military zone tantamount to martial law about the strike-torn town of Pelzer today by declaring it in a "state of insurrection" after disorders last night.

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\$7,590,000 JOBS OF WPA APPROVED

Many Privies Included in Work Projects Okayed By Mr. Coan

Daily Dispatch Bureau, In the St. Walter Hotel, BY J. C. BASKERVILL.

Raleigh, Aug. 3.—Projects in North Carolina amounting to \$7,590,000 have been approved to date by Works Progress Administrator George W. Coan, Jr., and sent to Washington for final approval by the Works Progress Ad-

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