

ROOSEVELT ASKS \$1,120,000,000 TAX LEVY

Military Dictator May Rule Japan As Crisis Grows

Strict Censorship Invoked As Rebels Face Real Battle

Government Takes Vigorous Action Against Stubborn Insurgent Rebel Soldiers

FORCIBLE EJECTION OF TROOPS LIKELY

Imperial Princes and High Army Officers Are Predominating Influences In Discussions Over Formation of New Government To Rule Nippon

(By The Associated Press) Japan's insurgent soldiers precipitated a fresh Tokyo crisis today, defying the deadline set for them to evacuate the heart of the capital, and the government met the challenge "with appropriate measures."

The nature of these measures was not immediately disclosed, a severe censorship controlling communications from Tokyo but apparently reliable reports said the area about the rebel stronghold was being cleared for possible action.

Action Taken. Lieutenant General Koshi Kashi, assigned by the government to rule the city with martial law, proclaimed:

"The several hundred soldiers who started the disturbances early Wednesday morning are still holding the Nagatscho (central) section of Tokyo, but the commander of the martial law administration is taking appropriate measures to deal with them."

These advices broke a long period of silence during the late hours of the night and this morning while the tight censorship indicated the situation was becoming increasingly acute. A force of more than 4,000 loyal troops beleaguered the 1,000 soldier recalcitrants who broke their agreement to return to their barracks by 8 a. m.

Forcible Ejection Possible. Responsible Japanese sources in

Change In Reynolds' Fund Seen

Baltimore, Md., Feb. 28.—(AP)—Circuit Court Judge Eli Frank suggested an alternative today to the family settlement the North Carolina courts had approved for disposition of the estate of Z. Smith Reynolds.

Judge Frank made his suggestion at the conclusion of hearings designed to settle the approximately \$30,000,000 tobacco fortune left the deceased, youngest son of the late R. J. Reynolds. The jurist said he would hand down a formal ruling by the middle of March.

Rights of Unborn. The court previously had been asked

Spring Upturn May Halt Current Business Lulls

Present Status, Due To Political Events and Severe Winter, Discussed by Babson, Who Still Says 1936 Will Be Better Business Year Than 1935 Was

BY ROGER W. BABSON, Copyright 1936, Publishers Financial Bureau, Inc. Babson Park, Fla., Feb. 28.—The first part of March is always a critical period in the business world. Everybody tries to guess what business will do when Spring thaws unfetter the ice-bound wheels of industry. The following brief analysis of what leading industries have been doing lately should be one good clue to what we may expect in coming months. As a further guide to your planning, consider the pointed questions which appear below:

1. AUTOMOBILES: Revival in the

Denies He 'Meddled'



Maj. Gen. Frank C. Bolles, commanding officer of the Seventh Corps Area at Omaha, has denied charges that he was "meddling in politics" hurled at him by Senator Joseph Robinson, majority leader, in the aftermath of the Senate storm that followed removal of Major General Johnson Hagood for criticism of the New Deal.

CABINET CHANGES ARE BEING TALKED

Roper As Commerce Head Has Been Much Panned In Recent Months

CUMMINGS A SAD FLOP

Dern and Swanson Virtual Nonentities And Farley Has Mussed Up Job; Morgenthau and Ickes Have Faults, Too

By CHARLES P. STEWART Washington, Feb. 28.—A campaign year is a bad time for a president of the United States to reorganize his cabinet.

Nevertheless reports are current that President Roosevelt plans such a house-cleaning in the spring, and some of his advisers are said to be telling him that certain changes will improve his prospects, despite the fact that the juncture ordinarily would be inopportune for them to be made.

Secretary of Commerce Roper in particular has been mercilessly "panned" of late on account of a series of spectacular ocean disasters, which it is charged that his steamship inspection service, if efficient, should have prevented; also on account of several widely-advertised plane crashes, for which his aviation service is blamed.

Moreover, the commerce secretary, though a most likeable individual personally and doubtless a wily political counsellor, is no spell-binder.

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motor industry has been the biggest factor in recovery to date. 1935 automobile output was the highest for any year since 1929. Recently, however, output has shrunk drastically due to the earlier production of 1936 models and to the weather. This decline in motor activity is the main reason why business has dropped five per cent since Christmas. So one of the most important questions today is: Will 1936 business suffer from the unusually heavy volume of car sales in late 1935?

2. STEEL: Despite the let-down in

NEW FARM ACT IS WAITING ONLY FOR FDR'S SIGNATURE

Vast New Soil Conservation Agricultural Subsidy Passed by Both Houses Congress

HALF BILLION NEW TAXES ARE NEEDED

Huge Revenue Will Be Necessary To Finance Program; Regional Meetings To Be Called To Acquaint Farm Leaders With Subsidies Government Offers

Washington, Feb. 28.—(AP)—Officials awaited only a scratch of President Roosevelt's pen today before hastening to launch a vast new agricultural subsidy program applicable to every American farm, and administered by a reorganized AAA.

Hurrying to beat the spring planting deadline, AAA men eagerly saw \$500,000,000 soil conservation measure complete its journey through Congress yesterday. President Roosevelt was expected to sign it quickly, perhaps today.

New Taxes Asked. After a White House conference last night it was indicated President Roosevelt would ask next week for taxes to finance the program. These are expected to total about \$500,000,000.

Authoritative sources said officials would call farm representatives into regional meetings to discuss the subsidies the government will pay farmers for conserving soil by taking land out of commercial crop production.

The first of these it was indicated, might be held next week at Memphis, Tenn., where the first major disclosures of Secretary Wallace's exact plans are expected to be made.

But Politics Seen in Background of Schism in the Ranks There

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASTENHILL, Raleigh, Feb. 28.—Efforts of the school forces here in Wake county to smooth over the incident of last week in which Principal W. H. Gibson of the Apex high school refused to serve as a delegate to the State convention of the North Carolina Education Association to be held here March 19, 20 and 21, on the grounds that he disapproved of its lobbying methods in the 1935 General Assembly, and of which he was a member, are not proving very convincing to a good many here. The politically informed continue to believe that Gibson's action was chiefly inspired by the growing

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Congress Is Stirred Over Taxing Plan

Rumblings Heard in House Against Permanent \$620,000,000 Levy of FDR

Washington, Feb. 28.—(AP)—The administration's \$500,000,000 farm subsidy program moved near the statute books today amid tumultuous discussions over taxes for its financing.

Speaker Byrnes signed the soil conservation bill, leaving only Vice-President Garner's signature to send it to the White House.

Congressmen Angered. There were rumblings of congressional discontent when President Roosevelt projected a permanent tax plan of \$620,000,000, of which \$500,000,000 would go to farm subsidies.

In the House, representatives de-

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Their Stand on Arms Brought Tokyo Coup



Because they opposed increased government expenditures for the army and a more vigorous military campaign in the Far East, at least one of the members of the Japanese cabinet shown here is dead following the coup engineered by young and intensely patriotic army officers. Those shown are, left to right, Fumio Goto, former Home Minister and acting Premier; Minister of Agriculture Yamazaki; the assassinated Premier Okada; Communication Minister Mochizuki; Minister of the Navy Osami and War Minister Kawashima, all of whom are reported to have resigned.

Virginia Goes Ahead In Tobacco Compact Plans

Hauptmann May Get New Reprieve

Trenton, N. J., Feb. 28.—(AP)—An authoritative source said today Attorney General David T. Wilentz chief prosecutor of Bruno Richard Hauptmann will not oppose a second reprieve for the convicted slayer of the first son of Colonel Charles A. Lindbergh.

UTILITIES WORRIED OVER TVA DECISION

Many Cities and Towns in South Seeking Private Electric Supply

By LESLIE EICHEL New York, Feb. 28.—The Supreme Court's TVA decision was more objectionable to the private utility corporations than they are willing to admit.

Cities and towns throughout the South either are planning to obtain government power or to use it as a "yardstick" to bring cost of private power to the government rate.

Chattanooga, Tenn., plans to construct a distribution system to compete with private power properties.

Memphis, Tenn., is preparing to ask the private power company supplying the city to name a price on its facilities.

JUSTICE A southern correspondent desires more light on the decision of the U.

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OUR WEATHER MAN

FOR NORTH CAROLINA. Fair in interior and cloudy on coast slightly colder in east tonight; Saturday fair, slightly warmer in extreme west portion.

Angier Men Both Given Prison Time

Pollard Five, Dean Two Years for Death of Planter; Both Note Appeal

Lillington, Feb. 28.—(AP)—Judge N. A. Sinclair in Harnett Superior Court today, sentenced Oris M. Pollard to five to ten years in State's Prison and gave C. F. Dean a two-year term following conviction last night of the former Angier policeman of second degree murder of Furman G. Collins, well-to-do farmer.

Counsel for both men noted an appeal to the Supreme Court. Bond for Dean was set at \$5,000, with Pollard's at \$10,000.

Charles Ross, of defense counsel, made a plea for leniency for the men, with Solicitor Claude E. Canaday speaking briefly for the State.

Judge Sinclair made a long talk before imposing sentence and noted he gave Dean the minimum term possible.

AUTO CRASH FATAL AT ELIZABETH CITY

Elizabeth City, Feb. 28.—(AP)—Levy Miller about 30, was almost instantly killed and Leon White, of Route 4, was critically injured when the automobile in which they were riding crashed into a freight car at a siding here this morning at 10:25 o'clock.

Miller, who was driving, died before he could be taken to a hospital.

I. C. C. Orders Deep Cut In Rail Fares

Washington, Feb. 28.—(AP)—In a five-to-four decision, the interstate Commerce Commission today ordered a reduction in basic rail passenger fares from 3.6 to two cents a mile.

The commission also ordered a reduction in Pullman rates to three cents a mile. These rates now average four cents.

Under the order the new fares will be effective June 2.

The court revised the passenger fare structure throughout the country but because western and southern roads already have in-

stituted low experimental fares, its chief effect will fall on the eastern roads.

EXPECT ROADS TO BENEFIT. The commission's majority opinion, written by Claude R. Porter, on whose motion the general fare investigation was initiated dealt at length with the revenue situation confronting the eastern carriers and expressed the opinion that they would be benefited rather than injured by a downward revision of fares.

The present experimental fares in the West and South will not be disturbed by the I. C. C. ruling.

WILL LEAVE PLANS OF MONEY RAISING FOR THE CONGRESS

\$500,000,000 Required To Finance New Farm Program and \$120,000,000 for Bonus

SEEK 620 MILLIONS AS PERMANENT TAX

Going After Refunded Processing Taxes; Only Bonus Item Designated by President as New Tax; House Committee To Start Hearings Next Week

Washington, Feb. 28 (AP)—A tax program designed to produce permanent receipts of \$620,000,000 annually, with the addition of \$500,000,000 to pay for this year's farm program, and to be levied over a period of years, was outlined to newspaper men today by President Roosevelt.

The latter amount included what the President referred to as a "wind-fall tax" to recapture processing taxes which were refunded upon the order of the Supreme Court. He estimated it would produce \$120,000,000.

Provision For Bonus. In the category of permanent taxes, the President lumped \$500,000,000 a year for the new farm program, and \$120,000,000 annually for payment of the bonus.

This sum he said would be sufficient to yield the Treasury the entire cost of the bonus by 1945, the year in

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PROBE OF HAGOOD DISMISSAL SOUGHT

Washington, Feb. 28 (AP)—The Senate Military Committee today named a sub-committee to consider the Metcalf resolution proposing the investigation of the removal of Major General Johnson Hagood, commander of the eighth corps area after he had criticized Federal spending policies.

Senator Logan, Democrat, Kentucky, was given the chairmanship.

Ask Court Reconsider TVA Rule

Washington, Feb. 28.—(AP)—The Supreme Court was asked today by a group of preferred stockholders of the Alabama Power Company to reconsider its recent decision that the Tennessee Valley Authority has the right to dispose of power generated at the Wilson dam at Muscle Shoals, Ala.

The petition by Forney F. Johnston, counsel for the stockholders, contended that the "non-Federal and illegal uses of the property" should be considered and the action should not be dismissed under circumstances which so gravely burden and impair the right of the petitioners to free their investments from overt acts under a program that is palpably violative of the functions of the Federal government.