

CONGRESS TO FACE NEW TAX PROBLEMS DURING NEXT WEEK

Some Democrats Think President Will Not Get All the Money He Is Asking For

REPUBLICANS GET KICK OUT OF JOLT This Country Is Going To Be Tax-Conscious All Right, and Sooner It Is, Sooner This Spending Will Stop, Republican Leader Snell Says in Statement

Washington, Feb. 29 (AP)—A Congress divided on President Roosevelt's demand for a \$780,000,000 tax bill to plug budget gaps, rested today before taking up the unwelcome revenue-raising task next week.

With the \$500,000,000 farm subsidy bill on the President's desk, taxes and relief are the two major problems that stand between Congress and adjournment.

May Not Get All The President is expected to submit his estimates of relief needs for the next fiscal year some weeks hence.

Some Democrats predicted he would not get as much taxes as he asked. Others thought he would get what he asked.

The President, citing the holes knocked in his budget by the invalidation of AAA's processing taxes and the passing of the bonus, made public a program calling for \$780,000,000 a year for the next three years and somewhat smaller sums thereafter.

Will Be Tax-Conscious The Republicans smiled in somewhat obvious pleasure at the jolt thus administered to the hopes of legislators who had looked for a maximum recommendation of \$500,000,000 a year. Representative Snell, Republican, New York, said:

"Oh, this country is going to be tax-conscious all right, and the sooner it is the sooner this spending will stop."

Barbara Hutton Is Near Death After Serious Operation

London, Feb. 29 (AP)—Countess Barbara Hutton Haughwit-Reventlow gravely ill after an operation, following the birth of her first child, took a sudden turn for the worse tonight.

CONDITION ALARMING London, Feb. 29 (AP)—Lord Horder, physician in ordinary to King Edward, paid an unexpectedly early visit today to Countess Houghton-Reventlow, the former Barbara Hutton, hovering between life and death after the birth of her first child and an operation.

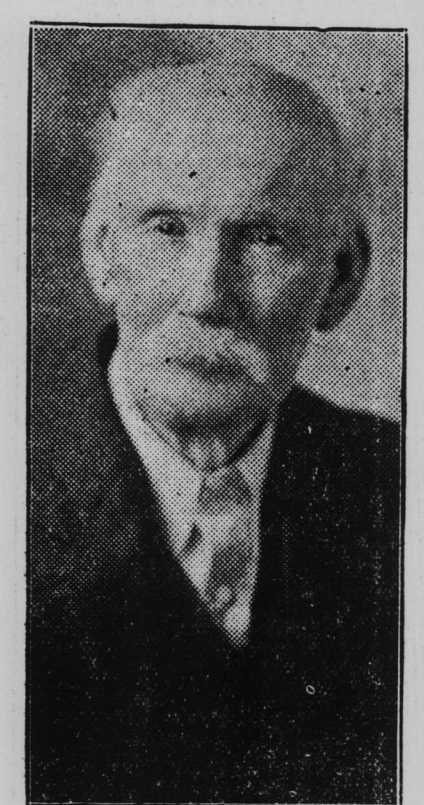
A bulletin was issued announcing: "The countess had a fairly restful night."

The condition of the countess, heirless to the Woolworth millions, however was understood to be grave, and causing considerable anxiety, having grown worse after earlier assurances that she was "going on as well as can be expected."

DISMISS CHARGES OF 'INDECENT' ART John Stewart Bryan, Jr., Freed in Connection With Displays

Richmond, Va., Feb. 29 (AP)—Charges that John Stewart Bryan, Jr., a vice president of the Richmond Academy of Arts, violated Virginia law in the displaying of "indecent" printings here, were dismissed in police court today.

CAROLINIAN READS BIBLE 40 YEARS



During the past 40 years, D. E. (Uncle Dock) Matthews, 77-year-old farmer of East Bend, Yadkin county, North Carolina, has read the New Testament 97 times and the Old Testament 37 times.

EHRINGHAUS SEES TEN-CENT TOBACCO IF CROP ISN'T CUT

Has Little Hope of United Action on Part of Four Southern Flue-Cured States

GEORGIA BLOCKING ENTIRE PROCEDURE Virginia and South Carolina Ready If Others Will Cooperate; "We Are Truly in Serious Predicament", Is Expressed View of North Carolina Governor.

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, Feb. 29—The outlook is now for a tobacco crop of at least 900,000,000 pounds this year and with prices averaging 10 cents a pound or even less as a result of the inability of the Federal government to enact any effective tobacco control legislation and the refusal of the States of Georgia to cooperate with the other tobacco producing States by the enactment of State laws limiting tobacco production, Governor J. C. B. Ehringhaus admitted today.

One Thing Left "About the only thing left, as I see it, is a voluntary crop reduction plan"

Posse After Pitt Negro In Slaying

Also Said To Have Assailed Young Man's Girl Companion At Scene

Greenville, N. C., Feb. 29 (AP)—Posses searching throughout this area today for a Negro accused of killing Alexander Warren, 22, and assaulting his companion, Helen Phelps, on a country road near here last night.

Japanese Rebels Entrenched in This Building



General Kenkichi Ueda and the metropolitan police building in Tokio

While it was reliably reported that General Kenkichi Ueda, leader of the Japanese expedition in the Shanghai "war" of 1932, now commander of the army in Korea, had assumed the role of "go-between" to adjust viewpoints of the army and the civilian leaders as to the treatment of the rebels,

the latter, some 3,000 strong, were said to have been entrenched in the metropolitan police headquarters in Tokio, shown above. Meanwhile, it was officially confirmed that five statesmen were killed by the assassins and 80 others reported slain in the army coup.

Decisive Stage Is Reached In Great Battle In Ethiopia

Rome, Feb. 29.—(AP)— Marshal Pietro Badoglio, Italian commander on the northern front, telegraphed his government today that the "second battle of the Tembien has arrived at its decisive phase."

Reports circulated that Emperor Haile Selassie himself was hurrying from Dessye, his field headquarters,

sector between the third army corps of the Italian forces and the Ethiopian defenders.

Advancing Fascists encountered this resistance just as their sentries mounted guard over Amba Alaji, the point occupied yesterday and which for several months to come may be the high water mark of the Italian invasion.

Reported to be in the hands of the Ethiopian forces, the capture of Amba Alaji by the first army corps in a swift maneuver, dislodging the Ethiopians, who had retreated to that point coincided with unofficial reports of a major Italian victory in the Tembien mountain sector.

Three thousand Ethiopians were reported killed and Ras Seyoum's army routed.

TOWNSEND INQUIRY BI-PARTISAN MOVE

Republicans As Well As Democrats Will Try to Show Up "Racket"

Washington, Feb. 29.—The House of Representatives recently launched investigation of the Townsend old age pension plan, as it generally is described, is not, in reality, intended to be an investigation of the plan's merits.

Indeed, Chairman C. Jasper Bell of the committee, who started the inquiry, says it will not be exclusively a Townsend probe, but that it will delve into the activities of all groups of old age pension promoters.

Offices To Be Opened By Graham

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, Feb. 29.—Lieutenant Governor A. H. Graham is expected to open his campaign headquarters here within the next week or so, according to reliable reports heard here today.

Arrangements have already been made for a suite of rooms on the tenth floor of the Sir Walter hotel and it is expected that Graham's campaign manager, A. D. (Lon) Folger, Surry county, will arrive here during the coming week to take active charge of the direction of the Graham campaign.

Folger will be assisted by Ronald B. Wilson, who was assistant manager and publicity man for A. J. Maxwell in his campaign for the Democratic nomination for governor four years ago, and who was a member of the Ehringhaus headquarters staff during the second primary campaign between Ehringhaus and Fountain. Wilson will handle the campaign publicity and likewise assist Folger in getting his organization perfected.

Set-Up Is Complete. White it is generally agreed that the selection of Folger as Graham's campaign manager has been an excellent political move in the Piedmont and western counties, and will greatly

JAPANESE UPRISING COLLAPSES; PREMIER RETURNS UNINJURED



Thanks President Because President Roosevelt promised to send her to Warm Springs, Ga., Dorothy Porter, 16-year-old Cambridge, Mass., victim of infantile paralysis, has written the chief executive a letter of thanks.

Rebellion Fails as Troops Surrender Under Threat of Government Machine Guns

OKADA NOT KILLED AS FIRST THOUGHT

Government Has Known Since Thursday He Was Safe, but Withheld Information; Premier's Secretary Mistaken for Him and Slain by Assassins

(By the Associated Press) Japanese army rebellion collapsed today under threats of machine gun fire as Premier Keisuke Okada, previously reported assassinated, re-appeared on the scene unhurt.

Surrender of the troops, which on Wednesday attempted a massacre of government leaders and apparently succeeded in three instances, was swift and bloodless after the martial law administration issued their ultimatum.

Okada, hard-drinking liberal, whose regime has been sharply at odds with the militarists refusing to bow to civil authority, survived assassin bullets only because his intended assassin mistook his secretary for him.

Secretary Was Killed. The government itself had announced Okada's death.

The secretary, felled in the snow outside the premier's residence early Wednesday morning, was Colonel Denzo Matsuo, the premier's brother-in-law.

Okada had an audience with Emperor Hirohito last night.

Yesterday morning he submitted his resignation, but he was ordered to remain in office until a successor was chosen. Acting Premier Fumi Gotto

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NO THREATS MADE TO STATE TROOPS, HOFFMAN ASSERTS

Governor Reveals Sharply Worded Letter Sent To Colonel Norman Schwartzkopf

POLICE HEAD SAID MEN WERE QUERIED Governor Admits Questioning, But Denies Any Threats or Promises Were Made to Any of the Officers; Schwartzkopf Informed Governor

Trenton, N. J., Feb. 29.—(AP)—Governor Harold G. Hoffman, in a sharply phrased letter to Colonel H. Norman Schwartzkopf, head of the State police, denied today he had any knowledge of "threats or promises" made by his representatives to State troopers who worked on the original Lindbergh kidnap investigation.

The governor wrote Schwartzkopf after reading the superintendent's fourth weekly report on the reopened investigation of the crime for which Bruno Richard Hauptmann is under sentence to die the week of March 30.

In his report, Schwartzkopf said some of his men had been secretly questioned by men who said they were representatives of the government.

"The third paragraph of your letter," the governor wrote, "reveals that"

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RESTRICTIONS FOR MUNICIPAL POWER

Can Sell Surplus but May Not Have Right to Build Lines Outside

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, Feb. 29.—While most of the larger cities and towns in the State operating municipal electric plants have authority to sell current outside their city limits and even to build rural distribution lines, there is still some doubt as to whether these cities and towns can sell bonds or incur debt for the purpose of building rural electrification lines, Chairman Dudley Bagley, of the North Carolina Rural Electrification Authority, said today.

Yet there is absolutely nothing to prevent these towns from selling electric current to rural lines if such lines are built by independent cooperative corporations, Bagley believes.

To Push Plans. Accordingly, Bagley is going ahead with plans for the formation of local membership corporations in commun-

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Decision On B. & L. Case Questioned

Ten States, Including North Carolina, Ask New Hearing in Supreme Court

Washington, Feb. 29.—(AP)—Ten states in joint petitions to the Supreme Court today contended a recent unanimous decision by the nine justices was "erroneous" and will force many solvent building and loan associations out of business.

They protested a decision February 3 which held that a 1932 Louisiana statute limiting withdrawals from building and loan associations was unconstitutional.

Unanimous opinion delivered by Justice Roberts asserted the law, passed when the late Huey P. Long dominated Louisiana affairs, was invalid because it impaired contracts of withdrawing members, made at the time they bought their shares.

AIR MAIL FIRMS MAY BE ABSOLVED

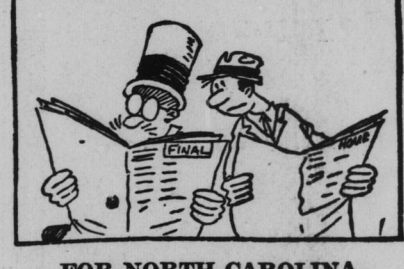
Report to President Relieves Them of Liability In Hoover Days

New York, Feb. 29.—(AP)—The New York Sun, in a special dispatch from its Washington bureau, said today the Department of Justice prepared a report for President Roosevelt officially clearing the air mail companies of all civil and criminal liabilities in connection with contracts negotiated during the Hoover administration, and cancelled to Postmaster General Farley in 1934.

The Sun said it understood the report confines itself to legal questions, and while it takes note of certain "irregularities" in the negotiation of the air mail contracts, it reaches the conclusion that there was no transgression of the law by any of the parties concerned.

Whether this would constitute grounds upon which the companies might sue the government for damages resulting from the cancellation of these contracts could not be learned, the paper said.

OUR WEATHER MAN



FOR NORTH CAROLINA. Partly cloudy tonight and Sunday; slightly warmer in west and south portions tonight; colder in extreme west and north central portions Sunday.

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