TWENTY-THIRD YEAR

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Rebellion Fails as Troops

Surrender Under Threat

chine Guns

Government Has Known

Since Thursday He Was

Safe, but Withheld Infor-

mation; Premier's Secre-

tary Mistaken for Him and

(By the Associated Press)

lapsed today under threats of

machine gun fire as Premier

Keisuke Okada, previously re-

ported assassinated, re-appear-

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 ulti-

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 assailant

Secretary Was Killed.
The government itself had announc-

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

Okada had an audience with Em

Yesterday morning he submitted his

resignation, but he was ordered to remain in office until a successor was

chosen. Acting Premier Fumi Gotto

(Continued on Page Eight.)

INDIVIOUS LIFT SOUR

Can Sell Surplus but May

Not Have Right to Build

Lines Outside

Daily Dispatch Bureau, In The Sir Walter Hotel, By J C. BASKERVILL 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

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-

(Continued on Page Five)

peror Hirohito last night.

mistook his secretary for him.

ed Okada's death.

Japanese army rebellion col-

Slain by Assassins

ed on the scene unhurt.

OKADA NOT KILLED

of Government Ma-

AS FIRST THOUGHT

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 ad-May Not Get All The President is expected to sub-

the next fiscal year some weeks Some Democrats predicted he would not get as much taxes as he asked. Others thought he would get what he

mit his estimates of relief needs for

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 some what 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

"Oh, this country is going to be taxconscious all right, and the sooner it is the sooner this spending will

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 a(AP)-Lord Horder, physician in ordinary to King Edward, paid an unexpectedly early visit today to Countess Houghitz-Reventlow, the former Barbara Hutton, hovering between life and death after the birth of her first child and an opera-

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

The condition of the countess, heiress 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 po-

lice court today.

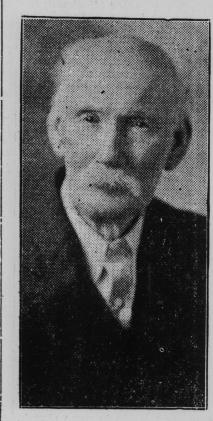
Bryan, son of a Richmond publisher, was charged by F. M. Terrell, middle-aged Sunday school teacher, of Richmond, with being responsible for an exhibition of murals done by Mordi Gassner. The complainant, however, refused to press charges, say-

"In view of the widening division of sentiment that would be necessarily created, I drop the proceedings against Mr. Bryan."

Terrell, a bachelor, came along to the court room to represent a self-designated morals committee of six Richmond citizens, who created a stir in Richmond art circles by protesting that Gassner's murals were "too

indecent" for the view of children. The mural which drew the Richmonder's fire was one labelled "The Ascent of Man." Figurative in nature, it depicted the rise of mankind from caveman days. It contained several said Warren was turning around in human figures in the nude and a smaller figure of a pregnant woman.

CAROLINAIAN 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. Still hale and hearty Matthews, a Baptist, last year cultivated without aid two acres of tobacco. (Associated Press Photo).

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 Hote. By J. C. BASKERVILL Raleigh, Feb. 29—The outlook is now for a tobacco crop of at least delve into the activities of all groups 900,000,000 pounds this year and with of old age pension promoters. Howprices averaging 10 cents a pound or ever, inasmuch as none but the Towneven less as a result of the inability of the Federal government to enact consequence, it is not inaccurate to any effective tobacco crop control legislation and the refusal of the State 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. He sees no possibility of a State pact plan that will be effective in regulating the 1936 crop unless Georgia agrees to cooperate, nor does he believe the present farm bill passed by Congress as sion crusade are making out of it. a substitute for the AAA will prove effective in limiting tobacco produc-

One Thing Left "About the only thing left, as I see it, is a voluntary crop reduction plan (Continued on Page Five.)

Posse After Pitt Negro In Slaying Bell, chairman and Congressmen Scott W. Lucas, Joseph A. Gavagan and John H. Tolan, Democrats.

Also Said To Have Assaulted Young look-in. 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. The girl, 18-year-old daughter of Mrs. Martha E. Phelps, of Greenville,

(Continued on Page Four.)

Japanese Rebels Entrenched in This Building





General Kenkichi Ueda and the metropolitan police building in Tokio

While it was reliably reported that General Ken- 1 kichi 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

Decisive Stage Is Reached In Great Battle In Ethiopia

on the northern front, telegraphed his government today that the "second this resistance just as their sentries pattle of the Tembien has arrived at mounted guard over Amba Alaji, the

caught in a vise by our troops, is be- invasion. coming hour by hour more critical. His communique was the second de-scribing a great battle in the Tembien from Dessye, his field headquarters, Seyoum's army routed.

Democrats Will Try to

Show Up "Racket"

By CHARLES P. STEWART

refer to the quiz as a 'Townsend in-

ing, either on a \$200-a-month or any

other basis. What the "probers" are

undertaking to learn is how much

money the leaders of the old age pen-

The political character of the com-

mittee's personnel testifies to the mu-

tuality of the Democrats' and Repub-

licans' desire to put the skids under

Ordinarily, with so large a Demo-

mocratic membership of such a com-

mittee should have been strongly pre-

In the present instance Speaker

Joseph W. Byrns gave a 50-50 break

to Congressman Bertrand H. Snell.

Republican generalissimo in the

House of Representatives, in the se-

Congressmen John B. Hollister, J.

The Townsendites were given a

publicans to help them to fight the

The Townsendites are cutting in,

other. They can co-operate loyally to

'Continued on Page Four.)

William Ditter, Clare B. Hoffman and

Samuel L. Collins, Republicans.

that philosophy.

RACKET, THEIR ARGUMENT

ection of committeemen.

Snell's selections were:

Byrns named:

Townsend doctrine.

scotch it, if possible.

BOTH PARTIES EAGER

Townsendism.

Central Press Staff Writer

Rome, Feb. 29.—(AP) — Marshall sector between the third army corps northwest in an effort to check the Piedro Badoglio, Italian commander of the Italian forces and the Ethio- Fascist advance, which has penetrat-

Reports circulated that Emperor

ed some 37 miles since the start of Advancing Fascists encountered the February 10 advance.

The capture of Amba Alaji by the first army corps in a swift maneuver its decisive phase."

"The situation of the armed forces of Ras Kassa and Ras Seyoum, cought in a vice by the high water mark of the Italian with unofficial reports of a major Italian victory in the Tembien mounpians were reported killed and Ra

Republicans As Well As By Graham

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILL Raleigh, Feb. 29.—Lieutenant Governor A. H. Graham is expected to open his campaign headquarters here Washington, Feb. 29.—The House of within the next week or so, according Representatives' recently launched into reliable reports heard here today. vestigation of the Townsend old age Arrangements have already been pension plan, as it generally is demade for a suite of rooms on the scribed, is not, in reality, intended to tenth floor of the Sir Walter hotel be an investigation of the plan's and it is expected that Graham's camthe committee, who started the inquiry, says it will not be exclusively Townsend probe, but that it will

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 sendites have organizations of any the Democratic nomination for governor four years ago, and who was a member of the Ehringhaus headquar- turbs the highly industrialized cities ters staff during the second primary But it is a fact that Chairman Bell campaign between Ehringhaus and and other anti-Townsend members of Fountain. Wilson will handle the camthe committee do not propose to conpaign publicity and likewise assist cern themselves with the question of Folger in getting his organization perthe practicability of old age pension-

> 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

(Continued on Page Eight)

cratic congressional majority, the De-BEING 'PERSECUTED

Senator Metcalf Says This Attitude Is Sign of Dictatorship Here

Washington, Feb. 29 (AP)-A charge that private persons who criticized the New Deal are subjected to government "mud-slinging" and per-secution" was linked today with the case of Major General Johnson Ha-Tolan and Collins avowedly are of

good. Senator Metcalf, Republican, Rhode Island, who has demanded a Senate investigation of Hagood's investiga-The point is that the Democrats tion after he criticized work relief powere not a bit afraid to trust the Relicies, made the accusation in a radio address last night.

Official interference with the business of administration critics, extendapparently, about as much on one ed he said, "even to turning up their party as upon the other. Each is wor- income tax records for many years ried by the movement as much as the past."

"If the removal of Hagood is allowcotch it, if possible.

Both know that they can't argue it military official will dare speak the down. Their only recourse is to make truth to Congress, or to the people of the United States, and we will be in the throes of a dictatorship."

Won't Back 30-Hour Week and Other Demands; Power to Alter Industry

By LESLIE EICHEL

Central Press Staff Writer New York, Feb. 29.—As Federal power plants-attached to the great dams—sweep ahead, the industrial status of the United States may change These power plants and dams dif-

fuse not merely electricity over a vast Indeed, Chairman C. Jasper Bell of Surry county, will arrive here during what may occur? Well, what Henry Ford once said would occur. There will be a decentralization of

industry from the large cities. Industry will go to the rural regions, where a man may till the soil as well as operate the machines. It is against this that New England so bitterly fights. It is this that dis-

of the North. They will not be able to compete. With lower fuel costs, with less ex-

pensive land near these great dams in the South and in the Northwest and in the Southwest, industries wil gravitate there. As Henry Ford also often has point

ed out, when production costs go down, then we shall have the prosperity we now try to obtain by falsely upholding prices. It is lower costs that will spread work.

Plus, the liberals add, increased par ticipation of the worker and the tenant farmer in earnings and incre-BREAK IMMINENT?

President Roosevelt is walking a tightwire in connection with the lib erals. Evidently he has decided to ignore (pleasantly, with a smile) their suggestions, made in the Senate. He will have his way concerning the

kind of taxation, for liberals desire a broader income tax base, and higher taxes on "excess earnings." And the President has pushed aside their neutrality bill. He is on again off again in regard to housing. He has no intention of backing the 30-

(Continued on Page Eight.)

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.

JAPANESE UPRISING **COLLAPSES**; PREMIER RETURNS UNINJURED

Thanks President



Dorothy Porter

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. Dorothy waited for hours to see the President on his recent trip to Boston to make her dramatic plea for the trip.

(Central Press)

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. Nor man 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 debt for the purpose of building rural 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 unaer 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 govern-

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

Questioned

Ten States, Includ-

ing North Carolina,

Ask New Hearing

in Supreme Court

Washington, Feb. 29.—(AP)— Ten states in joint petitions to the Supreme Court today contended a re-

cent unanimous decision by the nine

justices was "erroneous" and will

force many solvent building and loan

They protested a decision February

3 which held that a 1932 Louisiana

statute limiting withdrawals from

building and loan associations was un-

Unanimous opinion delivered by

withdrawing members, made at the

Texas, Indiana, Illinois, Iowa, Kan-

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time they bought their shares.

associations out of business.

constitutional.

ment.

(Continued on Page Five.)

AIR MAIL FIRMS Decision On MAY BE ABSOLVED B. & L. Case

Report to President Relieves Them of Liability In Hoover Days

New York, Feb. 29.—(AP)—The New York, Feb. 29.—(AF)—The New York Sun, in a special dispatch from its Washington bureau, said today the Department of Justice has 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 admin. tiated during the Hoover admin-istration, and cancelled to Postmaster Genera 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 see the government for dam-Justice Roberts asserted the law, ages resulting from the cancellation passed when the late Huey P. Long of these contracts could not be learndominated Louisiana affairs, was in- ed, the paper said.

The contracts were cancelled by valid because it impaired contracts of Farley after a Senate committee, head ed by Senator Black, Democrat, Alabama, heard charges of collusion and sas, Missouri, North Carolina, Okla- fraud in the letting of the contracts by Walter Brown, postmaster general in the Hoover administration.