

GERMAN TROOPS ENTER RHINELAND REGION

MUSSOLINI ACCEPTS PEACE PROGRAM, BUT WITH RESERVATIONS

Far-Reaching Grants Of Ethiopian Territory Demanded by Italy As Condition

EXTENSIVE RIGHTS ALSO CALLED FOR

"Zone of Influence" Provided in Old Peace Plan of Sir Samuel Hoare Demanded Now by Mussolini; Land Around Lake Tana, British Area, Desired

London, March 7.—(AP)—Premier Mussolini accepted "in principle" the appeal for East African peace today, conditional, one authority said, on far reaching grants of Ethiopian territory.

The Fascist premier based his acceptance on two principles, the second of which would guarantee Italy predominant rights in Italian-occupied territory in addition to sections around Lake Tana, west, south and southeast of Addis Ababa.

The Italian condition includes "the zone of influence which would have granted the Fascist nation under the old peace proposal formulated by Sir Samuel Hoare, former British foreign minister, and Pierre Laval, former French premier.

It would go further, an excellent authority said, to include land around Lake Tana, location of British power interests and headwaters of the Nile.

PRODUCERS POOL IS SELLING ITS COTTON

Washington, March 7 (AP)—Oscar Johnson, manager of the cotton producers pool, announced today 162,000 bales of cotton had been sold between February 12 and 29, the first marketing period since suspension of business prior to the Supreme Court ruling on the agricultural adjustment act.

LOBBY REGULATION WILL LIKELY PASS

But Next Problem Is to Determine and What Is Real Lobbyist

By CHARLES P. STEWART
Central Press Staff Writer

Washington, March 7.—Legislation to regulate (rather than prevent) lobbying in Washington now seems reasonably certain before Congress adjourns.

The generally accepted plan is to require each lobbying organization or individual lobbyist to register as such and make quarterly reports detailing all of its or his activities, contacts and cash transactions from date to date.

The program may be praiseworthy, but can it be made to work?

The great difficulty is to find a definition.

"Who is and what is not a lobbyist? ONLY ONE THING IS BANK

There is just one lobby in the national capital which frankly proclaims

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RESTRAINER GIVEN UTILITIES COMPANY

Blocks Knoxville Move To Bring TVA Power Into That City for Use

Washington, March 7 (AP)—The Tennessee Public Service Company was today granted a temporary restraining order by the District Supreme Court, stopping the sale of TVA power to Knoxville, Tenn.

Judge Dickinson Letts granted the temporary restraint. The project would be financed by a \$2,000,000 public works allotment. No date was set for a hearing on an injunction.

The company directed its suit against Secretary Ickes and David E. Lillenthal, director of TVA. It said the PWA funds were to be used for construction of an electric distribution system in the city and of transmission lines connecting with sources of TVA power.

The court was told the company's \$400,000 investment in Knoxville would be rendered practically worthless if the government brought cheaper power into the city.

A Notable Occasion



President Roosevelt, on the occasion of the third anniversary of his occupancy of the White House, presses a key to a siren screaming for two minutes at Norris, Tenn., signaling official completion of the \$36,000,000 Norris dam, the first constructed by the TVA.

Chamber In Criticisms Of Taxation

Says Roosevelt Program Will "Turn Upside Down" Established Methods

Washington, March 7.—(AP)—In guarded comment on the Roosevelt tax program the Chamber of Commerce of the United States said today it would "turn upside down" established methods of producing revenue and "cause important problems for tax-payers."

The Chamber, in its Washington review, urged the administration to present its full 1937 budget before voting taxes, contending that if the budget were "kept within bounds it would be unnecessary to produce anything like the new millions now proposed."

The Chamber did not pass final judgment on the plan, contending

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Governor Goes On Radio Tonight To State Stand

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

Raleigh, March 7.—Governor J. C. B. Ehringhaus will take to the radio tonight and set forth his position to the people of the State with regard to the tobacco control situation, a special session of the General Assembly.

He may possibly have something to say about social security legislation. He will speak from 6:30 to 7 o'clock over radio station WPTF, here in Raleigh.

Although many here continue to think of the possibility of a special session for the primary purpose of enacting a State pact law for the limiting of tobacco production in the State in cooperation with Virginia and

Forms New Cabinet



The delicate and difficult task of forming a post-mutiny government in Japan is faced by Koki Hirota, above, foreign minister for four years. Hirota, 58, succeeds Keisuki Okada as premier.

SHARP DISPUTE ON FARM PLAN RAGING AT MEMPHIS MEET

Division of Payments Between Landlord and Tenants Basis for Bitter Controversy

RECOMMENDATIONS TENTATIVELY MADE

Farm Operator Would Get 30 Percent, Landlord 25 Percent, Owner of Equipment And Workstock Ten Percent, and 35 Percent Prorated on Crop Shares

Memphis, Tenn., March 7.—(AP)—With a bitter dispute reported under way within the committee working on recommendations for rates and conditions of subsidy payments under the \$500,000,000 soil conservation program, another committee of farmers, at a regional meeting today, offered suggestions for division of payments between landlords and tenants.

The following recommendations, officials said, would allow tenants a slightly larger share of the payments than they received under the AAA:

To the farm operator, 30 percent of the payments.

To the landlord, 25 percent.

To the owner of the equipment and work stock, ten percent.

To be prorated in accordance with the individual's share in the crop, 35 percent.

"The obligation of correct land use,"

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House Leaders See Victory For Tax Plan Of Roosevelt

Sentiment In Congress Begins To Crystallize Behind Levies On Corporations

PROPOSAL ATTACKED AND ALSO DEFENDED

Chief Opposition Is In Ban on Setting Up Reserves To Tide Over Lean Years; Democrats Say It Will Mean Payment of Less Taxes Than Now

Washington, March 7 (AP)—Victory for President Roosevelt's tax program was forecast today by House leaders as Democratic sentiment began to crystallize back of the plan.

House chieftains were not yet ready to forecast the exact form in which the proposal for a drastic tax on undistributed corporation profits would be framed, but they expressed confidence the basic features would be approved.

Chief Point of Attack Chief point of attacks on the President's proposal for raising \$620,000,000 annually was that it would discourage corporations from setting up reserves to tide them over lean years.

In reply, Democratic leaders contended that even with an average tax of 33 1-3 percent on undistributed profits, corporations which laid aside a third of their income for a rainy day would pay less taxes under the President's proposal than they do at the present time with an average tax on all profits.

Clashing Views Clashing views on the program were expressed last night by Chairman Doughton, Democrat, North Carolina, of the House Ways and Means Committee, and Representative Snell, Republican, New York, minority leader.

Doughton said in a radio speech: "The existing system is unfair and expensive to the majority of stockholders and majority of corporations. It prevents the small stockholder from receiving a fair annual return on his investment."

Snell declared the new plan was "one more verse in the New Deal's unchanging theme—'soak the saver.'"

It is impossible, he said to balance the budget by political vengeance. The nation needs curtailment of expenditures, he declared.

FAIRBANKS IS WED WITH LADY ASHBY

Marriage Ceremony Performed in Paris Hall Amid Brilliant Decorations

Paris, March 7.—(AP)—Douglas Fairbanks and Lady Ashby were married today in the gold leaf marriage salon of the eight ward city hall under a ceiling of floating pink-fleshed cupid.

The married couple had sought ineffectually for several days to circumvent the French law requiring 30 days residence and eleven-day publication of bans.

They brought their divorce decrees and other papers to the city hall and by special dispensation of state officials who had waived usual requirements.

AIRPLANE CRASH TO CONTINUE MYSTERY

Commerce Department Announces It Can't Solve Arkansas Tragedy

Washington, March 7.—(AP)—The Commerce Department announced today it could not solve the mystery of the American Air Line crash near Goodwin, Ark., in January, but suggested as one possibility that a passenger interfered with the pilot.

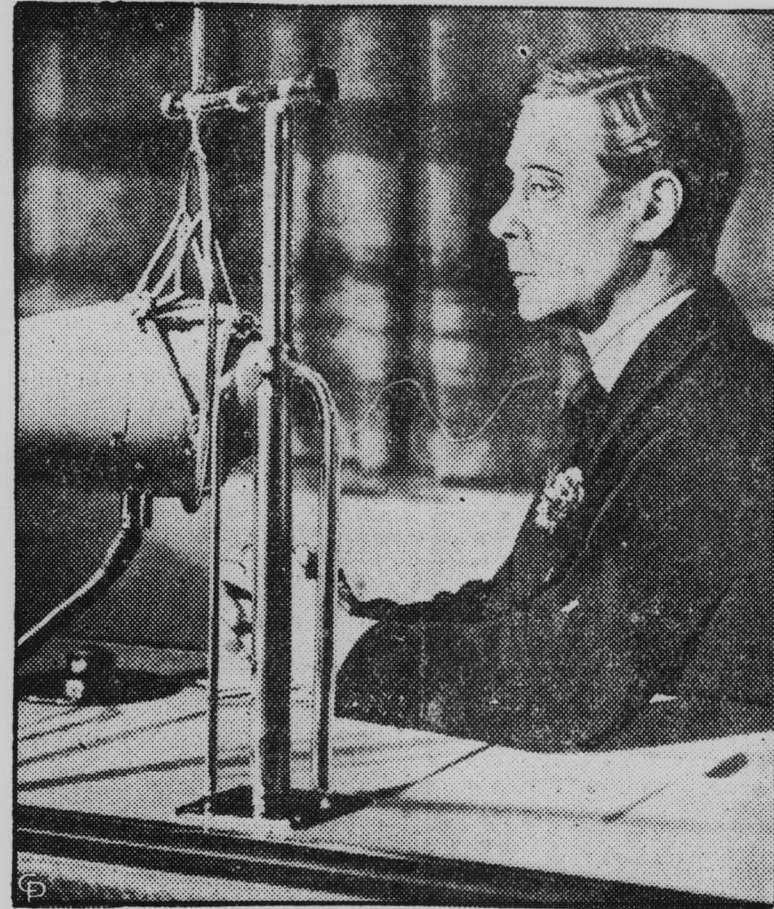
Crash of January 14. The ship fell on the evening of January 14, about two miles from Goodwin, killing all 15 passengers and the two pilots.

As its final conclusion, the department said: "Based on the knowledge or information in possession of this agency, it is the opinion of the Bureau of Air Commerce that, although flying at a low altitude may have contributed to the cause of this accident, the probable cause or causes cannot be determined."

"It is possible that a passenger entered the pilot's compartment, either by invitation or otherwise, and incapacitated the pilot, co-pilot or both, or maliciously interfered with the controls," the report said. "This, however, is not substantiated by any of the available evidence."

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HIS FIRST RADIO ADDRESS AS KING



King Edward VIII of Great Britain is shown before the microphone in London, rehearsing for the first radio address he made since he became king. The address was heard in the United States.

Wasn't McDonald's Party, But He Had Them Worried

Democrats From All Over State at Committee Meeting Talk This New "Fly in Their Ointment"; College Professor Has All of Them Guessing Now

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

Raleigh, March 7.—It wasn't McDonald's party. He wasn't invited and he did not try to "crash" the gate. It came much nearer being Clyde R. Hoey's party, although many of those present were enthusiastic for "Sandy" Graham. But it was McDonald who had the friends, and supporters of both Hoey and Graham worried, and while hardly any one could be found who was an admitted supporter of McDonald, it was freely admitted that the Winston-Salem school teacher has a big following in many sections that he is going to "get a lot of votes."

Real Business Minor

The "party," of course, was the meeting of the State Democratic Executive Committee here last night for the purpose of fixing the date for the State Democratic Convention.

But the business of fixing the date for the convention was of minor importance. The real business of the meeting, which was really a miniature State convention with politicians and candidates present from every corner of the State, was to exchange observations and try to find out which of the four candidates for governor was in the lead and if possible, which had the best chances to win the nomination.

For, regardless of personal preferences, politicians always want to get on the right band wagon and

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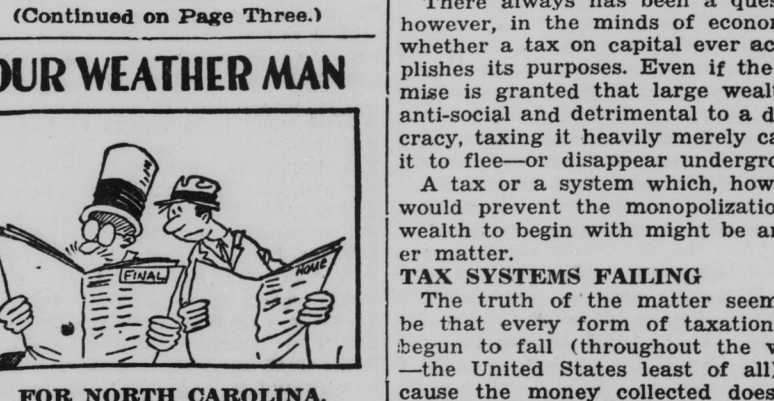
Telephone Decisions For April

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

Raleigh, March 7.—The Southern Bell Telephone rate case is slowly progressing toward final settlement and it is hoped that Judge G. Vernon Cowper, of Winston, who has been acting as both judge and jury in hearing the long drawn out case, will hear the final arguments and announce his decision either the latter part of March or April, Utilities Commissioner Stanley Winborne said today. The State's briefs have been completed and are now being printed and it is believed that the attorneys for the telephone company have also finished their briefs, so that Judge Cowper can start studying these briefs at any time now. They are so voluminous, however, that some weeks will undoubtedly be

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OUR WEATHER MAN



FOR NORTH CAROLINA. Fair tonight and Sunday; slightly warmer in extreme west and extreme north portion Sunday.

GRAVE CRISIS FOR EUROPE RAISED BY ACTION OF HITLER

Early Extraordinary Session of League Council Is Predicted in Geneva Circles

ALL ARMY LEAVES HALTED IN FRANCE

Vigorous Protest to League Will Be Made as Hitler Invades Demilitarized Zone, Professing Peaceful Purposes and Declaring Germany Free Again

Berlin, March 7 (AP)—Adolf Hitler, thundering to his brownshirt Nazi Reichstag that the Locarno pact was dead, sent German troops goose-stepping into the demilitarized Rhineland today and pronounced the fight for Germany's freedom finished.

In swift, bold, stunning thrusts the Reichfuhrer offered Europe a new western demilitarized frontier on a co-operative basis, declared he was ready to sign a new non-aggression treaty and air pact with his western neighbors and expressed willingness—if these things transpire—to return to the League of Nations.

Then he dissolved his standing, shouting Reichstag and called a plebiscite for March 29 to prove to the world that the German people are behind him.

Exhorting the Reichstag in classic Nazi style, Der Fuehrer pleaded his friendship for France, detailed what he said were his constant efforts for a rapprochement with that country and castigated the new Franco-Russian mutual assistance pact as one which might lead to "unpredictable consequences" for Europe.

"All United." Standing on the rostrum of the Kroll opera house at the very moment when some thousands of German troops crossed the Rhine and goose-stepped into Cologne, Hitler cried:

"In this historic hour, when in western provinces our Reich German troops are moving their future garrisons of peace, we are all united in two holy confessions.

"First, in a solemn oath to recede before no power and no force in re-establishing the honor of our people and to succumb honorably to the heaviest privations rather than ever capitulate before it.

"Second, in a determination now more than ever to help bring about understanding among people of Europe, especially among our western peoples and neighbors."

Hitler's Promises. Before that, Hitler had told the foreign envoys that the Rhineland re-occupation by several battalions of the Reichwehr would be as unostentatious as possible.

But with brass band music and anti aircraft guns the first detachment marched into Cologne through narrow streets aflame with waving awastika flags and before a wildly cheering populace.

ALL ARMY LEAVES ARE CUT BY GOVERNMENT OF FRANCE Paris, March 7.—(AP)—The French

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Paris Sees Hitler Move Hostile Act

Diplomats in Both Paris and London Called to Consider German Invasion

Paris, March 7 (AP)—Pierre Etienne-Flandin, French foreign minister, today told Ambassadors of three nations which signed the Locarno pact that Germany committed "a hostile act" today by sending troops into the Rhineland.

Flandin also called a conference with the Soviet ambassador and later summoned representative of France's military allies, including Poland and Czechoslovakia.

The foreign minister called the ministers of Great Britain, Belgium and Italy to his office, and delivered a strong protest against the German denunciation of the pact.

He based his statement on the

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