

## BRITAIN WILL HELP FRANCE IF ATTACKED

### Nearly 3,000,000 Will Pay Taxes If New Law Is Voted

Treasury Shows One Result  
of Proposal To Force Dis-  
tributions by Cor-  
porations

OVER 18 MILLION  
DOLLARS TAXABLE

House Sub-Committee Con-  
tinues Consideration Of  
President's Measure and  
May Report Out Bill by  
End of Week; General Tax  
Revision Unlikely

Washington, March 9 (AP)—  
Figures showing that 2,879,-  
000 individuals would pay new  
or additional taxes should cor-  
porations—faced with a proposed  
tax on their undivided in-  
come—distribute all earnings  
among stockholders were sub-  
mitted by Treasury authorities  
today to a House ways and  
means sub-committee.

On the assumption of complete  
distribution of all corporate earnings,  
the Treasury estimated that \$18,176,-  
000,000 of income would be taxable.

Committee Seeks Solution  
Chairman Samuel B. Hill, Democrat  
Washington, said today's discussions  
were confined to President Roose-  
velt's corporate earnings levy. The  
Treasury was asked to submit tables  
covering lower rates on a portion of  
undistributed corporate income  
that would enable corporations to  
build up reserves.

He said possibly the committee  
would place the proposed new levy on  
percentages of income held back from  
dividends rather than on actual  
amounts of corporate earnings not  
distributed among stockholders.

No General Revision  
Speaker Byrnes said he thought the  
forthcoming tax bill would include  
the levies on undistributed corporate  
earnings, process taxes, a "wind-

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### KIDNAP THREAT ON DEMPSEY'S CHILD

Guards Placed About Mother  
and Infant Daughter  
of Ex-Pugilist

Atlantic City, N. J., March 9.—  
(AP)—Guards watched near the  
hotel suite of Mrs. Jack Dempsey  
and her 19-month-old daughter,  
Joan Hannah, today while the  
former heavyweight champion ex-  
plained that anonymous postcards  
had warned a "friend" of a pur-  
ported plot to kidnap the baby.  
Dempsey said he had no direct evi-  
dence of the purported plot himself,  
but police continued their intense in-  
vestigation of the reports and the

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### Congress To Drop Issues To Go Home

Some Big Measures  
Will Be Thrown  
Over To Hasten  
Adjournment By  
May 1

Washington, March 9 (AP)—  
Talk of jettisoning some big  
measures to lighten the congres-  
sional ship and send it into ad-  
journment by May 1 was heard  
today as legislators settled  
down to another week of wait-  
ing for the tax and relief bills.

Some leaders intimated that ship  
subsidy legislation and the \$420,000,-  
000 Norris rural electrification bill  
might be discarded if they could not  
be passed without a prolonged session.  
A House sub-committee headed by  
Representative Samuel B. Hill, Demo-

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### An Exile's Return



Colonel Rafael Franco

Colonel Rafael Franco, in civilian  
clothes, returns to Asuncion, Para-  
guay, to take the provisional presi-  
dency of his country. Two weeks  
before this photo was snapped  
Franco fled Paraguay as a political  
exile. He succeeds President Euse-  
bio Ayala.

(Central Press)

### NEW DEAL ISSUES ARE TO BE ARGUED

Supreme Court Takes Up  
Securities and Guffey  
Coal Control Acts

Washington, March 9 (AP)—Pre-  
paring for arguments which will  
test the constitutionality of two New  
Deal laws, the Supreme Court today  
received a Federal defense of the  
1933 securities act and other docu-  
ments attacking and upholding the  
Guffey coal law.

The justices met briefly, handing  
down one opinion.  
In that, delivered by Justice Brand-  
ies, they unanimously upheld the  
government's right to taxes on 146,-  
157 gallons of alcohol seized several  
years ago from the oil barge "Doris"  
at Port Bayonne, N. J.

Cutten's Status At Stake  
The court agreed to decide whether  
Arthur W. Cutten, Chicago grain  
trader, should be barred from the  
national markets for two years. The  
circuit court of appeals at Chicago  
had decided in favor of Cutten, who  
is reported by his attorneys to be "ly-  
ing at death's door."

The government's brief on the se-  
curities act was presented in con-  
nection with arguments scheduled for  
tomorrow on validity of the legisla-

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### To Oppose Smith Plan For Cotton

Washington, March 9.—(AP)—Op-  
position to the Smith bill for disposal  
of government cotton holdings under  
a weekly sales quota system was ex-  
pressed today by W. L. Clayton, Hous-  
ton, Texas, cotton merchant.

Testifying before the Senate Agri-  
culture Committee's hearing on cot-  
ton futures trading, Clayton said  
"such a plan would be unwise and a  
mistake."

The Smith measure would provide  
for disposition of 6,000,000 bales of  
government holdings, 10,000 to 40,000  
a week.

Asks Greater Latitude  
The bill at present sets the quota  
at between 20,000 and 25,000 bales, but  
Chairman Smith, Democrat, South  
Carolina, said he would move for the

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### HOEY'S NAMING OF OLIVE AS MANAGER SPEEDS CAMPAIGN

Former State Legion Head  
Expected to Take Some  
Soldier Vote From  
Graham

BURRUS MAY DIRECT  
M'DONALD CAMPAIGN

Wealthy High Point Doctor  
Spoken of; Graham Takes  
to Air Thursday Night and  
Tonight Fountain Goes on  
Air in Campaign for Bail-  
ey's Seat.

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

Raleigh, March 9.—Fresh fuel was  
thrown into the political fires in the  
campaign boilers with the announce-  
ment of the appointment of Hubert  
Olive, of Lexington, past commander  
of the American Legion as campaign  
manager for Clyde R. Hoey, of Shelby  
candidate for the Democratic nomi-  
nation for governor. It is now only a  
matter of a short time until enough  
steam will be up for the campaign  
machinery to begin turning at a rapid  
pace.

Manager Olive is expected to come  
here in the very near future and to  
open campaign headquarters in the  
Sir Walter hotel, probably within a  
week or ten days, according to in-  
formations here today. He will be as-  
sisted by Robert L. Thompson, former  
ace political reporter for Josephus  
Daniel's News and Observer, as pub-  
licity director. There is no doubt that  
the Hoey forces are going to apply all  
the heat possible and pull the throttle  
of their campaign organization  
wide open.

Graham Ready To Start  
It is expected, however, that Lieut-  
enant Governor A. H. Graham, is going  
to score another beat on the Hoey  
forces and get his campaign headquar-  
ters open here ahead of the Hoey  
headquarters, just as he was the first  
to announce the appointment of his  
campaign manager, who is "Lon"  
Folger, of Surry county, with Ronald  
B. Wilson as publicity manager. Fol-  
ger and Wilson are expected to open  
Graham's headquarters on the tenth  
floor of the Sir Walter hotel here with  
in the next few days.

Burrus for McDonald?  
There is nothing definite as yet to  
indicate who Dr. Ralph W. McDonald,  
of Winston-Salem, intends to name as  
his manager, or when he expects to  
name a manager. For the past two or  
three weeks, however, Dr. McDonald  
has been spending an increasing a-

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### Money Sought For Cleaning Up Work Of Crop Controls

Washington, March 9 (AP)—  
\$1,068,000 outlay for cleaning up  
administrative costs of the repeal  
of cotton, tobacco and potato act  
was recommended to the House  
today by its appropriations com-  
mittee.

Asked by the administration,  
the money would come from the  
\$296,185,000 appropriated in the  
deficiency bill for paying past ob-  
ligations under the invalidated agri-  
cultural adjustment act. The clean-  
up of the repealed control  
laws was found not permissible  
without separate authorization.

### HORTON GAINS FOR LIEUTENANT-GOV'R

Rated in Some Quarters As  
Conservative Compared  
to Others

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

Raleigh, March 9.—State Senator  
W. P. Horton, of Pittsboro, is steadily  
gaining ground in his campaign for  
Democratic nomination for lieutenant  
governor, despite the fact that he has  
been making few speeches and has  
had very little to say recently, accord-  
ing to reports current here. Until  
quite recently, the feeling has pre-  
vailed in most political circles here  
that Senator Paul Grady of Kenly,  
Johnston county, was leading in the  
campaign for lieutenant governor,  
largely because he was regarded as  
running on almost the same platform  
that Dr. Ralph W. McDonald, of Win-  
ston-Salem, is running on for gover-

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### German Troops March Again Into Rhineland As Reichsfuehrer Hitler Makes Sensational Moves



Nazi troops marching; map of Rhine land zone, which Germany now militarizes after scrapping last binding sections of the Versailles treaty.

Europe is tense once more, following the latest de-  
nouement of Reichsfuehrer Adolf Hitler of Germany.  
Acting with smashing suddenness, the Reichsfuehrer  
sent troops into the "demilitarized" Rhineland, thus  
scrapping the last remaining clauses of the Versailles  
treaty.

In one of the boldest diplomatic coups in post-war his-  
tory, Hitler announced the sensational step in a series  
of identical notes to the major powers and in a dra-  
matic address to a specially convoked Reichstag.  
Even as he spoke his Nazi Reich soldiers were march-  
ing into the Rhineland, occupation of which the Ver-  
sailles treaty had forbidden "forever."  
Simultaneously Hitler announced the Locarno treaty  
had been "violated" by the Franco-Soviet, mutual as-  
sistance pact, nearing final ratification in Paris; an-

nounced that Germany is willing to reenter the League  
of Nations if it is divorced from the Versailles treaty,  
and if negotiations are launched for the return of the  
Reich's former colonies; and offered to enter a 25-year  
pact of non-aggression with France and Belgium, hav-  
ing England and Italy as guarantors.

Pledging his nation to a course of peace but warning  
that "the God of War now marches through the world  
more heavily armed than ever before," Chancellor Hit-  
ler proclaimed that his three years of rule have restor-  
ed "equality" and "full sovereignty" to Germany.

At the close of his address the Reichstag was dis-  
solved, and new elections were called for March 29, as  
a plebiscite to approve the Hitler regime's record to  
date and the foreign policy outlined.

## France Seeking Aid Of All Major Powers If War Comes

Paris, March 9.—(AP)—France,  
striking back swiftly at German  
occupation of the Rhineland,  
drove today to line up all other  
large European powers to punish  
the Reich for its treaty violations  
and to force the Nazi troops out  
of the once demilitarized zone.

French diplomats, demanding that  
Great Britain join in collective action  
against Germany with the same se-  
verity that was applied to Italy, pro-  
ceeded also with attempts to align  
Italy, Belgium and the entente na-  
tions squarely behind the move to  
compel Reichsfuehrer Adolf Hitler to  
observe the provisions of the Locarno

pact.  
Coalition Is Talked  
In parliamentary lobbies it was  
urged that the cabinet be reorgan-  
ized to "make a strong government"  
and that parliamentary elections,  
scheduled for the last of April, be  
postponed.

Some French officials said private-  
ly they feared France would be alone  
in the determination to make quick  
action against Hitler's violation of  
the Locarno treaty, but publicly they  
said that France could count on her  
friends.

Italian Ambassador Viterro Cer-  
retti, informed sources said, assured the  
French government that Italy would

assume its Locarno obligations if the  
League of Nations would slacken the  
sanctions being imposed as pun-  
ishment for the war in Ethiopia.

Poland To Back France  
Reports from Warsaw said it was  
understood in informed Polish quar-  
ters that Poland gave the French am-  
bassador there assurance that she  
would carry out her obligations un-  
der the Franco-Polish accord.

Refusing to examine Hitler's pro-  
posal for a substitute security system  
under the menace of German troops  
in the Rhineland, Paris called a con-  
ference of the Locarno signatories—  
Britain, Italy and Belgium—for to-  
morrow.

### New York's Strike Now Is Hopeful

Leader Changes  
Plans To Call Out  
Workers in Uptown  
Skyscraper Area

New York, March 9 (AP)—  
After a conference with Mayor  
Laguardia, James Bambrick,  
strike leader, abruptly reversed  
battle plans today, withholding  
orders for a walkout of build-  
ing workers in Manhattan's  
Grand Central zone, Brooklyn  
and Queens.

Shortly before he talked it over  
with the mayor, Bambrick announced  
that because of the conditional ac-  
ceptance by realty operators of May-  
or Laguardia's peace plan, the union  
would "fight to the bitter end and  
hurl its entire force today."

Extension Postponed  
Later he said no extension of the  
walk-out would be ordered pending

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### Senate Probe of Seizures Sought

Washington, March 9.—(AP)—  
The Senate today adopted a resolu-  
tion calling on the Communi-  
cations Commission for all infor-  
mation bearing on its inspection and  
alleged seizure of telegrams and  
its checking on telephone calls for  
the Senate Lobby Committee.

Previously, Chairman Black, De-  
mocrat, Alabama, of the lobby com-  
mittee, said he would not object to  
the resolution if it used some other  
word for "seizure." He contended  
there had been no "seizures" in the  
ordinary sense of that word, be-  
cause all telegrams obtained had  
been duly subpoenaed.

Senator Borah agreed to use the  
words "alleged seizures."

### OUR WEATHER MAN



FOR NORTH CAROLINA.

Rain tonight and Tuesday, war-  
mer in extreme north and ex-  
treme west portion Tuesday night

### Ethiopia To Wait Peace Negotiation

Will Continue Defen-  
sive War Until Par-  
leys Begin; Italians  
Halt Drive

Addis Ababa, March 9.—(AP)—  
It was officially stated today that  
Ethiopia, no matter what Italy  
does, will continue a defensive  
war until peace negotiations begin  
on a definite basis.

The statement was made follow-  
ing receipt of a report that Mar-  
shal Badoglio, commander of the  
Italian forces, had ordered a ces-  
sation of the offensive on the  
northern front.

The Ethiopian government issued  
a report supporting previous  
reports that the British Red Cross  
unit at Quarum had been bom-  
bed for the third time by Italian  
airplanes.

Three of the bombing planes,  
the communiqué stated, crashed  
to the ground during the opera-  
tions.

### PARIS FEELS WAR WITH GERMANY IS VERY IMPROBABLE

But Eden Says England Will  
Be Forced to Assistance  
of Either France  
or Belgium

BRITAIN TO HEAR  
HITLER PROPOSALS

Willingness To Consider  
German Offer For New  
Peace Covenants Disap-  
points France, Which Had  
Relied Upon Her Friends  
To Support Position

London, March 9, (AP)—  
Foreign Secretary Anthony  
Eden warned Germany today  
that any attack on France or  
Belgium in violation of the Lo-  
carno treaty would force Eng-  
land to go to their assistance.

At the same time he told the House  
of Commons that he was thankful to  
say there was no reason to suppose  
that the present German action im-  
plied a threat of hostilities.

Eden said he had protested direct-  
ly to the German ambassador against  
Germany's reoccupation of the Rhine-  
land and that he had stated the ef-  
fect upon British public opinion would  
be deplorable.

"I told the ambassador," said Eden,  
"that I deeply regretted he had given  
me no indication about the action the  
German government was taking in  
respect to the demilitarized zone and  
I stated that it amounted to unilateral  
repudiation of a treaty freely negoti-  
ated and freely signed."

The move, Eden said, "strikes a  
severe blow at the principle of sanc-  
tity of treaties, which underlies the  
whole structure of international re-  
lations."

At the same time he declared this  
morning Great Britain was willing to  
consider Reichsfuehrer Hitler's pro-  
posals for new peace covenants.

MUST BE PREPARED FOR  
WAR TO MAINTAIN PEACE

London, March 9.—(AP)—Prime  
Minister Baldwin declared today that  
if the countries of Europe want to  
stop aggressions, they will have "to be  
much more ready for war than they  
are today, otherwise the aggressor  
will have his own way."

The head of the British government  
made this declaration in the House of  
Commons shortly after his foreign  
secretary had stated that Great Brit-  
ain would go to the defense of  
France or Belgium if Germany at-  
tacked either one of those nations.

War Is Not Expected  
Eden said three was "no war reason  
to suppose that the present German  
action implies a threat of hostilities,"  
but Baldwin admitted that there ap-  
peared "less hope today than for  
many years of bringing France and  
Germany together again."

WAR IMPOSSIBLE THOUGH  
FRANCE IS DISAPPOINTED

Paris, March 9.—(AP)—French of-  
ficials declared today that a war with  
Germany to oust Hitler's troops from

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### FRONTIER CLASHES FEARED BY FRENCH

German and French Troops  
Face Each Other First  
Time Since War

Metz, France, March 9.—(AP)—  
Fear of frontier incidents swept  
along the border today as French  
and German troops faced one an-  
other on the Rhineland frontier  
for the first time since the World  
War.

The Metz, Strasbourg and Nancy  
headquarters of the French tri-color  
frontier regiments were cleared of  
troops in a quick movement to fill  
the subterranean fortresses along the line  
of the Rhine border.

Officers said the French fortifica-  
tions in some places were "within  
machine gun distance" of the newly-  
arrived Nazi forces on the left banks  
of the Rhine.

Frenchmen Dig In.  
At least 100,000 French troops were  
in the underground forts of France's  
famous steel and concrete line of de-  
fense.

Army officers, who said the Ger-  
man troops across the frontier num-  
bered about 50,000, expressed "grave  
fears" of frontier incidents. Some said  
incidents were "almost certain."

Determined to end any flights of  
German "observation" planes over  
French forts, swift pursuit planes re-  
mained in the air with orders to force  
down or to identify all aircraft in the  
frontier region.