

FRANCE MAY QUIT THE LEAGUE OF NATIONS

Cushion Reserve On Corporation Tax Seems Likely

INSURANCE FIRMS AND BANKS LIKELY TO GET EXEMPTION

But Still Higher Rates In Higher Brackets May Be Imposed if Needed For Levies

MORE TAX TABLES BY THE TREASURY

Higher Tax Proposed in Newest Batch Lower Than 75 Percent Contained in Former List; Excessive Charges Would Defeat Very Purpose Sought

Washington, March 11.—(AP)—A House Ways and Means sub-committee today clamped a "gag" on any further disclosures of Treasury data submitted as a basis for working out President Roosevelt's \$792,000,000 tax program.

Coincidentally, there were intimations that the sub-committee was approaching an understanding that tax rates on undistributed corporation earnings will be adjusted so as to meet any loss of revenue occasioned by providing a "cushion" reserve for corporations, and by exempting banks, insurance companies and fiduciary organizations from the projected corporate levy.

Some committeemen intimated that higher rates in higher brackets than those originally advanced by the Treasury may be resorted to if needed to assure the yield of \$620,000,000 of additional income which the administration is seeking from the corporate tax.

It was learned privately that new tax tables were based over today by Treasury experts, in which the highest rate submitted was below the 75 percent maximum suggested by the Treasury yesterday in the event the sub-committee should insist on providing corporations with a reserve exempt from taxes or taxes at a low rate, on which to lean during "rainy" days.

Hampshire Vote Opens 1936 Drive

Roosevelt and Knox Winners There; Other States to Follow in Fast Order

Washington, March 11.—(AP)—Primary activity and pre-convention political sessions quickened pace today as returns from the New Hampshire presidential primary indicated that President Roosevelt and Colonel Frank Knox would have the support of the state's delegates to the Democratic and Republican national conventions.

Roosevelt leaders said the Democratic delegation of eight votes would be solidly for the President. Similarly, Colonel Knox appeared certain of the state's eleven Republican votes on the opening ballots at the convention. Two candidates favoring Governor Alf M. London were well down on the list.

Administration leaders were pleased with the result of the vote, although it had been expected. Some weeks ago there was a movement to send an unpledged delegation to the Philadelphia convention. Chairman James A. Farley, of the national committee, promptly went into New England to combat the movement, both in New Hampshire and Massachusetts.

Eyes of World Focused on These Leaders as Rhine Is Remilitarized



Premier Benito Mussolini

Pending developments on the League of Nations' recommendations for peace talks, Premier Benito Mussolini halted his Ethiopian war. Word to London is that Il Duce, in event of conflict in Locarno crisis, is with France.



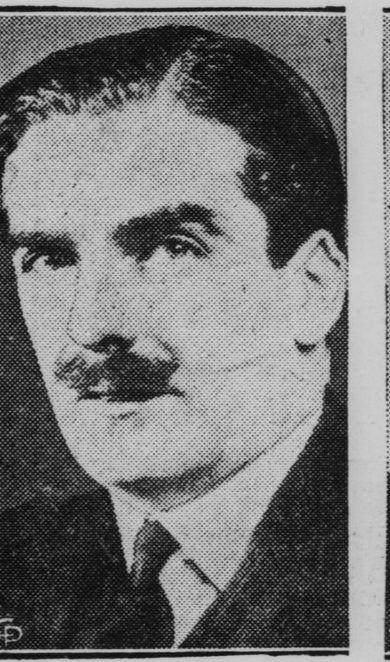
Reichsfuehrer Adolf Hitler

Key figure in European situation is Reichsfuehrer Adolf Hitler, of Germany, who scrapped the Locarno and Versailles pacts to remilitarize the Rhineland. Hitler dissolved the reichstag and called for new elections, to support him.



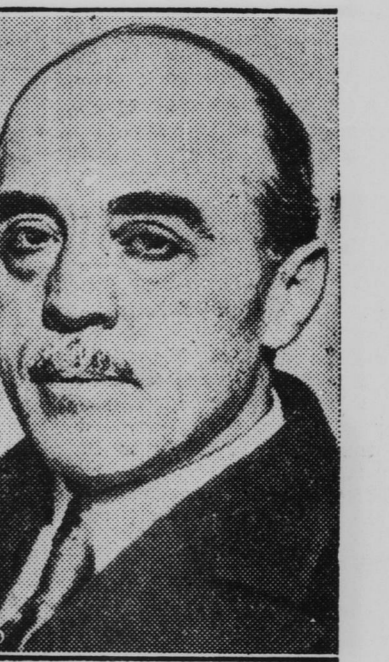
General von Blomberg

In a dramatic address at annual Memorial Day exercises in Berlin, Gen. Werner von Blomberg, minister of war, pledged the army's fealty to the Nazi cause and thanked Hitler for sending troops to remilitarize the Rhineland.



Foreign Minister Anthony Eden

Foreign Minister Anthony Eden of Great Britain was believed to be considering appealing to Hitler to withdraw his troops from the Rhineland, and to pledge good faith of various nations while considering Hitler's peace proposals.



Premier Albert Sarraut

In a bitter and outspoken radio address to the nation, Premier Albert Sarraut of France announced flatly that France has "refused to examine" Hitler's offer to negotiate a 25-year peace pact. New Franco-Italian pact seemed sure.

WARNING IS GIVEN OF FRENCH COURSE IF TROOPS REMAIN

Britain Will Be Told Paris Is Not Alone in Stand Against German Occupation

FRANCE FEELS WAR SURE IN TWO YEARS

"Might as Well Have It Now While We Are Prepared," Authoritative Spokesman Says; Will Not Be Satisfied This Time With Mere Gestures, Is Claim

Paris, March 11.—(AP)—A high source declared today that France will quit the League of Nations unless Great Britain backs her demand that Reichsfuehrer Hitler withdraw his troops.

This source stated that Pierre Etienne-Flandin, French foreign minister, will take a warning of such possible action with him when he goes to London tomorrow for a conference of Locarno treaty signatories.

Officials said Flandin was prepared to tell Anthony Eden, British foreign secretary, that France was not alone in her stand against further occupation of the Rhineland by German troops.

An authoritative spokesman declared: "We know war is coming in two years anyhow. We might as well have it now while we are prepared."

The only way in which Hitler's troops will leave the Rhineland is for the Locarno treaty signers to drive them out, but a stitch in time saves nine.

The official added: "There comes a time when a nation refuses to be humiliated in front of the world. French honor is at stake and we are ready to draw the sword if necessary, to keep it unsullied."

The French attitude was described after Flandin had conversed this morning with Ambassador Potemkin of Soviet Russia.

French officials said that it was necessary Great Britain back France at this moment in order to prevent "the death of the League of Nations."

One official said: "This time France will be satisfied with no gesture. Germany must remove at least 70 percent of her troops from the Rhineland. The world must know that Germany has ceded."

Other sources suggested that France might not be the only power which would quit the League of Nations if Hitler did not remove his troops. Others, they indicated, might follow France's lead.

Emergency Cabinet To Deliberate

Extraordinary London Session Ordered as Result of Crisis in Rhineland

London, March 11.—(AP)—Foreign Secretary Eden and Viscount Halifax went before the British cabinet tonight to give their views of the crisis facing Europe.

London, March 11.—(AP)—Britain's Prime Minister Stanley Baldwin summoned the empire's cabinet in emergency session for 6 p. m. today to hear a full report on the Paris-Locarno concessions from Foreign Secretary Anthony Eden and Viscount Halifax, lord privy seal.

The decision to call the extraordinary cabinet session in the premier's House of Commons offices was reached at this morning's weekly session of the ministers.

It will precede by only a few hours efforts by Locarno signatories transferred suddenly from Paris to London to find a solution of the vexing problem of Nazi remilitarization of the Rhineland.

Beginning with tomorrow's meeting of the Locarno powers, Great Britain hoped to utilize a calmer atmosphere to push reconciliation of the explosive France-German rupture, and to progress toward new safeguards for Europe.

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New Taxes Sure But Will Hold Congress Until June

Business Better but Unemployment Still Is High as President's World Seems Slipping Away From Him; Danger of Killing Goose With Golden Egg

By LESLIE EICHEL, Central Press Staff Writer

New York, March 11.—No other discussion in the United States at the present time equals discussion of taxes.

Obviously when Congress passes a soldiers' bonus, when the Supreme Court invalidates an AAA and new kinds of taxes must be assessed for farmers' bounties, and when relief demands millions, new taxes are essential.

And new taxes will be assessed. There may be vociferous opposition from "big business" to the Roosevelt plan, chiefly the plan of taxing "un-

distributed earnings" in the future (not present surpluses), but the plan undoubtedly will go through. The administration has the majority and there will be no worth-while opposition in the end, for the mass of voters favor taxing "big business" instead of themselves.

WHAT IS OCCURRING

Is it not possible that President Roosevelt's world is slipping away from him, even as President Hoover's world slipped away from him?

Is it not possible that President Roosevelt honestly and sincerely has

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TELEGRAM SEIZURE IS ARGUED AT BAR

Seizure Lobby Committee's Action Challenged As Unconstitutional

Washington, March 11.—(AP)—The constitutionality of a blanket Senate Lobby Committee subpoena for telegrams of the Chicago law firm of Winston, Strawn & Shaw was challenged today in the District of Columbia Supreme Court.

In the first legal clash between the lobby investigators and one of their chief critics, Frank J. Hogan—veteran of many jousts with Senate committees—opened arguments before Chief Justice Alfred W. Wheat for a permanent injunction to prohibit the Western Union Telegraph Company from

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HAUPTMANN LAWYER WILL AWAIT CONDON

Fisher Anxious To Question "Jafsie" On Return From Canal Zone One Week Hence

Trenton, N. J., March 11.—(AP)—Bruno Richard Hauptmann's chief counsel looked forward today to the return of Dr. John F. Condon from Panama with the hope that prospective questioning of the Lindbergh kidnap ransom intermediary would result in a new stay of execution.

C. Lloyd Fisher, the attorney, said "frank" answers by Dr. Condon to the questions submitted to the New Jersey State police by Governor Hoffman would "bring about amazing results."

William S. Conklin, press aide to Governor Harold G. Hoffman, said an arrangement probably would be made with police to question Condon shortly after he ends his voyage. He is due to arrive in New York in about a week.

Conklin said the governor still intended to seek answers to questions he submitted to the State police last January 26 concerning what he termed "unsolved phases of the crime."

GRAHAM EXPECTED TO MAKE DEMANDS ON EXTRA SESSION

Will Urge It to Enact Tobacco Legislation, Social Security and New Liquor Law

WOULD DIVIDE UP LIQUOR REVENUES

State and Cities Would Share Receipts With Counties, and Local Option Plan Is Believed Probably Favored; He May Favor Immediate Action.

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

Raleigh, March 11.—The forthcoming radio speech by Lieutenant Governor A. H. Graham, to be delivered Thursday night over a Statewide network, is holding most of the political attention here for the time being, especially as the report is getting around that "Sandy" is going to spring some surprises in it that will make the people of the State sit up and take notice.

Will Demand Extra Session.

Speculation is centering here today upon what he will say about a special session of the General Assembly and the liquor situation. It is generally agreed that Graham will reiterate his belief that a special session of the assembly should be called at once, first, for the enactment of tobacco crop control legislation, and second, for liquor legislation, social security and other incidental matters. Intimations are that he is going to bear down hard on the need for a special session for the purpose of en-

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New Textile Measure Is Introduced

Revamped Ellenbogen Bill Shorn Of Many Features Mill Owners Opposed

Washington, March 11 (AP)—A new and much modified bill for Federal regulation of the textile industry was completed today and will be introduced late in the day by Representative Ellenbogen, Democrat, Pennsylvania.

The new measure omitted many provisions to which employers objected

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British King Edward VIII Might Be Married Shortly

In Asking Revision of Civil Lists for Support of Royal Family, King Requests Provisions for His Queen; Nothing Definite as to Nuptials Is Revealed

London, March 11.—(AP)—The possibility that Edward VIII, bachelor King of England, may marry was officially announced in the House of Commons today in a message signed by the king.

The unmarried status of Edward, now 41 years old, long has been an outstanding topic of conversation in the British empire and the world at large.

Neville Chamberlain, cancellor of the exchequer, read a royal message to the assembled legislators in which Edward pointed out the necessity of revising the civil list—the amounts

paid to the members of the royal family.

The message stated:

"His Majesty desires that the contingency of his marriage should be taken into account so that in that event there should be a provision for Her Majesty's Queen and the members of His Majesty's family corresponding to the provisions which the Commons has been willing to make in like circumstances in the past."

A Labor party member immediately arose with the question:

"Does His Majesty give any assurance that he is going to get married?"

Asks if U. S. May Defend Canadians

London, March 11.—(AP)—Prime Minister Baldwin today answered in the negative when he was questioned in the House of Commons whether Great Britain would ask the United States if it were bound to defend Canada and the British possessions of America from foreign attack.

William Leach, Labor party member of Parliament, asked the prime minister whether he would ask the United States for "assurance" that by their interpretation of the Monroe Doctrine, they will hold themselves bound to intervene to defend Canada, British Guiana and the Falkland Islands from armed attack by any power or group of powers."

Baldwin answered: "No, sir."

START ON MONDAY CHECKING LICENSES

State Highway Patrol to Start Intensive Drive for Enforcement

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

Raleigh, March 11.—The State Highway Patrol will start its intensive drive to enforce the new drivers' license law on Monday, March 16, Captain Charles D. Farmer, of the patrol, said today. Orders have already been issued to the patrolmen in all sections of the State to start strict enforcement of the drivers' license law next Monday, likewise the inspection of cars and equipment. Accordingly, patrolmen will begin stopping drivers at any time and any place and ask them to show their driving permits. Those who do not have their driving permits will be subject to arrest. Patrolmen will also check the brakes and other equipment at the same time, to

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OUR WEATHER MAN
FOR NORTH CAROLINA.
Partly cloudy, possibly light rain in mountains early tonight; Thursday fair, colder tonight and Thursday.