

HOEY AND GRAHAM NEAR TOGETHER IN RUNNER-UP BATTLE

Belief Is Sandy Graham Is Pulling Up on McDonald and Hoey Both at This Time

McDONALD BACKERS ARE MOSTLY 'ANTIS'

They Are Against Something More Than for Him; Hoey Too Conservative for Middle Grounders, Who Are Lining Up Behind Graham As Their Best Choice

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

Raleigh, May 22.—A close race between Clyde R. Hoey and Sandy Graham for second place in the first primary, in fact a much closer race than either the Hoey supporters or the backers of Dr. Ralph W. McDonald will publicly admit, is now in progress, according to the more thoughtful political observers over the State. For in spite of the figures shown in the various straw polls being conducted, and in spite of the claims of the various candidates and their managers, the belief prevails among the more experienced observers here that Sandy Graham is not yet out of the running and that he is pulling up on both McDonald and Hoey much faster than either care to admit.

The reasoning back of this belief is as follows:

The McDonald strength is essentially composed of those who are against something, rather than for McDonald. The youthful former college professor means nothing to most of those who are planning to vote for him except that he is against something—against the sales tax, against Governor J. C. B. Ehringhaus, against former Governor O. Max Gardner, against the so-called "Democratic machine," against everything represented by the present and past Democratic administrations. This "anti" sentiment has been existing for years and has been growing. Four years ago R. T. Fountain ran on almost the same platform that McDonald is now running on and almost defeated Ehringhaus for the nomination. McDonald has now taken this

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Here's the Zep After That Stormy Trip

It took the Zeppelin *Hindenburg* fifteen hours longer to make her second Friedrichshafen-Lakehurst trip because of adverse wind and weather conditions. Time on the second trip was 76 hours 30 minutes. In one of the squalls the passengers had a bad fright. The huge ship dipped so sharply that plates were thrown off the table at which they were dining. These pictures taken of the second Lakehurst landing show (top) the ship as she approached the mooring mast and (below) the landing crew having a little difficulty with ground winds.

Doughton Denies Charge Of Republican That He Was Partial With Relief

Chairman of House Ways and Means Committee Answers Dickinson's Charge at Concord; Reynolds Also Charged With "Playing Politics" in WPA Jobs

Concord, May 22 (AP)—Representative Doughton, Democrat, North Carolina, chairman of the House Ways and Means committee, denied today a charge of Senator Dickinson, Republican, Iowa, that he injected politics into relief. "I have never thought about politics in giving relief help," Doughton said. "I have never asked neither those needing relief were Democrats or Republicans." Doughton said that in the first place he had not responsible job to give. "I have recommended some for such jobs but there is no assurance ever

STATE EMPLOYEES SHY AT McDONALD

They Are Afraid of Losing Their Jobs If He Wins As Governor

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILLE. Raleigh, May 22.—At one time it was generally conceded that Dr. Ralph W. McDonald, the anti-sales tax and anti-administration candidate for the Democratic nomination for governor, would lead all the other candidates here in Raleigh and Wake county. For usually a majority of the State employees, of whom there are some 500 or more in Raleigh, and their families are against the administration, or at least unfriendly to the retiring governor, since most of them feel they ought to get larger salaries and have less work to do. But since Dr. McDonald has been promising that he would "clean out the present gang" in Raleigh and put in an entirely new set of officials and employees, and since his workers have been serving notice on all State employees not known to be McDonald backers that they are going to lose their jobs if he is nominated and elected governor, the situation has changed rapidly, according to most observers. For many of these State employees who at first were planning to vote for Dr. McDonald have now decided that unless they want to lose their jobs they had better support either Clyde R. Hoey or Sandy Graham. The result is that it is now difficult to find any State employees, from janitors to division heads, who are for Dr. McDonald. This is also serving to solidify sentiment among the merchants here against Dr. McDonald, since they know that if several hundred State employees should be fired that it would injure business and reduce sales. Others do not like his fiscal program and

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ERWIN CONFIDENT HE WILL WIN OUT

Finds Little Interest, However, in Anything but Governorship Race

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILLE. Raleigh, May 22.—State Superintendent of Public Instruction Clyde A. Erwin is confident that he will win the nomination to succeed himself in the Democratic primary June 6, despite the fact that he is still holding to his policy of making no political speeches, although he admits he is doing some campaigning between commencement speeches. One of the biggest obstacles he is meeting with is the lack of interest on the part of the public in his candidacy as well as in those of other State officials with the exception of the candidates for governor. "Whenever I stop at a filling station or store I always make it a point to ask about the campaign and to find out how sentiment is in that locality, especially with regard to the campaign for State superintendent of public instruction," Erwin said. "Some times I find that I seem to be favored, but in far too many cases the people with whom I talk have never heard of me or any of my opponents, plainly indicate that they are not interested in who is nominated for anything except governor. Before I leave, however, I naturally try to get them interested in my candidacy." The fact that so many people are not interested in the candidacies of those seeking the lesser State offices makes it very difficult for those seeking the nominations for these offices to arrive at any estimate of the progress they are making, Erwin said. "My friends tell me everywhere I go, however, that I have nothing to worry about and that I will win the nomination over my two opponents

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BRITAIN PLANNING FOR FUTURE WARS

Plans Stepped Up When Commons Hears of Difficulties of Holding Mediterranean

MOBILIZE INDUSTRIES

Will Facilitate Munition Production, Airplanes and Protect "Life Line" of Empire; Furnish Food.

London, May 22.—(AP)—Great Britain stepped up its plans for mobilization of the nation's industries in the event of war today after a House of Commons emphasized the difficulties of holding the Mediterranean in case of conflict with Italy. A vast program for facilitating munitions production, speeding up a supply of airplanes, protecting "the life line of the empire," and providing food supplies for civil population in any future wartime began to take shape. Two major situations were apparently involved in the preparations: 1. The Italo-Ethiopian, Viscount Cranborne, Parliamentary under secretary for foreign affairs, told the House of Commons yesterday the British government is "is taking and will take most energetic steps" to clear up the whereabouts of L. J. Bonner, Red Cross worker, arrested at Dredawa in Ethiopia. 2. Palestine-Egypt affairs in which Prime Minister Stanley Baldwin told the Commons Britain would not tolerate foreign interference.

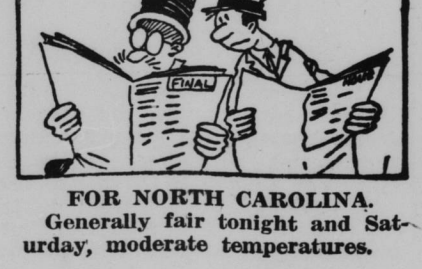
REPUBLICANS SEEK ANTI-NEW DEALERS

Hoover's Contention For Overtures to That Group Has Some Merit

By CHARLES P. STEWART, Central Press Staff Writer. Washington, May 22.—Many Republicans think there is a deal of merit in ex-President Hoover's contention that the G. O. P. should make out-and-out overtures to anti-New Deal Democrats. Their theory is that there are numerous old-fashioned Jeffersonians who will, indeed, sulk at home on election day, but will not actually vote Republicanly unless they are offered some inducement to do so. To be

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OUR WEATHER MAN



FOR NORTH CAROLINA. Generally fair tonight and Saturday, moderate temperatures.

Senate Committee To Reconsider Compromise On Taxing Corporations

Sudden Decision on Day Old Agreement Made When Found Embarrassed Tax on Tax

CORRECTION WOULD CUT ESTIMATED YIELD

Tax Bill Would Be Millions Short and Necessitates Turning to Some Other Device for Additional Revenue; Suggest Increase Rate on Undistributed Earnings

Washington, May 22.—(AP)—The Senate Finance Committee agreed today to reconsider its day old compromise plan for taxing corporations. The sudden decision to back track on the agreement voted yesterday 18 to 1 was prompted by definite word that the compromise plan embraced tax on taxes.

Some committee sources said that to correct this situation would reduce the revenue yield estimated at from \$500,000,000 to \$600,000,000 by millions, and necessitated turning to some other device for raising money.

One suggestion for regaining this loss was to place a nine instead of a seven per cent levy on undistributed corporation earnings, but a number of members objected to that.

The compromise plan called for a flat 18 per cent tax on total corporation net income and a seven per cent tax on undistributed income, together with retention of existing capital stock and excess profit taxes in application of the normal four per cent income tax on dividends.

The decision to reopen the whole matter came when committee members found that they had approved a proposition under which money used to pay taxes, since it would not be distributed, would in itself be subject to the seven per cent tax.

SAYS RADIO WOULD HELP THE PATROL

Statewide Communications System Urged by Safety Council Official

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILLE. Raleigh, May 22.—A Statewide radio communications system for the State Highway Patrol would greatly assist the patrol in its primary functions of preventing accidents and saving lives, in addition to assisting it in the arrest of law violators, Ben R. Stroup, field representative in the southeastern district of the National Safety Council, said here today. He believes that a Statewide radio control system would make the present highway patrol of 120 men doubly efficient, or equal to 240 men, especially since North Carolina is such a large State, with almost 600 miles of highways and more than 500,000 registered automobiles.

"The director of public safety or chief of police in any city that has radio police control, will tell you that this police radio has doubled or tripled the effectiveness of the police department in the prevention of accidents, in reducing traffic violations and in apprehending criminals," Stroup said. "For the radio system makes it possible to get police or patrolmen to scenes of accidents within a very few minutes after they occur."

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Retail Trade Today Best For 6 Years, Babson Says

Sees Outlook Next Six Weeks Exceptionally Bright; Higher Farm Income and Payrolls, Federal Spending and Bonus Are Grounds for Forecast

BY ROGER W. BABSON, Copyright 1936, Publishers Financial Bureau, Inc. Babson Park, Mass., May 22.—Despite the great problems still facing the nation, business today is at the highest level since the summer of 1930. According to the Babsonchart, present activity is 15 per cent greater than a year ago and 61 per cent above the depression bottom. These figures represent the average of all industry; but of course some groups have given a much better account of themselves than others. Among those which are now turning in particularly encouraging reports are the department store and mail-order lines. Why Trade Outlook Good The unit volume of department store sales is heavier this month than for any May since 1930, although the decline in retail prices makes the dollar volume no better than in May,

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THREATEN COURT TRIAL TOWNSEND FOR HIS DEFIANCE

Pension Leader Charges Committee Activities Daggers at Heart of Democratic Gov't.

TOWNSEND MOVES TO BALTIMORE HOTEL

Says "He'd Rather Go To Jail Than to Submit to Further Congressional Investigation; Personnel Leaves Washington For Headquarters in Chicago

Washington, May 22 (AP)—Contending activities of the House committee investigating his old age pension plans are "daggers held at the heart of Democratic government," Dr. F. E. Townsend, today directed other leaders of the Townsend movement not to answer the committee's questions.

Washington, May 22.—(AP)—The possibility of a court trial of Dr. F. E. Townsend for his defiance of a House investigating committee was projected today by Speaker Byrns.

While the investigating group headed by Representative Bell, Democrat, Missouri, planned action to have the House seize Townsend and punish him on a contempt charge.

Byrns told reporters: "I expect the House to take whatever action is recommended by the committee."

As Speaker Byrns spoke, Townsend, in Baltimore, said he had "rather go to jail" than to submit to further congressional investigation of his plan to pay \$200 a month to everyone past 60 years of age.

Amid an uproar, the elderly retired doctor bolted the hearing yesterday, protested against "this communistic dictatorship in Washington" and established headquarters in a Baltimore hotel.

Dr. Townsend was not the only one of his organization to leave the capital. In the small hours of the morning, every member of the personnel staff occupying rooms in an office building here departed for Chicago where a new national headquarters will be established.

Sheridan Downey, Dr. Townsend's counsel, told newsmen that the pension leader is working today on the book he is writing regarding his movement and his personal philosophy.

"The doctor is writing a good book and is very happy," said Downey. "If he goes to jail, it will give him more time to work on it."

HINT SCANDAL AS OFFICIAL RESIGNS

London, May 22.—(AP)—Official and political quarters heard rumors late today that J. H. Thomas, colonial secretary, had resigned as a result of the British budget leak scandal.

LAND SURVEY FOR STATE UNDER WAY

Resettlement Administration to Determine Best Uses of Soil

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILLE. Raleigh, May 22.—A survey of all the land in North Carolina—farm land, forest lands and all waste lands—is now under way by the land planning division of the Resettlement Administration as a part of its progress to secure a better balance between the population and the productivity of the land on which they live, it was announced here today by Regional Director Homer H. B. Mask. The purpose of the survey is first to determine the various types of land in the State and the uses to which they are best adapted and then try to put them to these uses.

A land planning specialist, R. T. Melvin, with headquarters in the Resettlement Administration here, is now engaged in mapping the entire state, classifying every acre of land and preparing studies of land occupancy, which will be made available to the public as soon as they are completed. This project, when completed, will give the citizens of the State a comprehensive picture of what their land resources consist of. It will also point the way to future adjustments between population and the productive capacity of the land.

"There are regions where most of the land should remain in forests and where no attempt should be made to support more people than can be supported in comfort from the marketing of the timber in these forests," Dr. Paul Wager, regional chief of the land use planning section of Resettlement said. "There are still other forest areas where even the use of the land for timber would not be eco-

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