

TWENTY-THIRD YEAR

## TOWNSENDISM AND TAXES TOP EVENTS IN CAPITAL'S NEWS

Week Ended Was Crammed With Exciting Doings as Washington Looks Back in Review

### COMMITTEE NEARS END OF TAX FIGHT

New Dealers Wage Last-Ditch Struggle for Heavy Levy on Corporation Surpluses; House Probers Deadlocked Over Punitive Measures Toward Dr. Townsend

Washington, May 23 (AP)—A revised estimate of the yield of the Senate Finance Committee's compromise tax plan today placed the total at \$500,000,000 or \$600,000,000 short of the additional permanent revenue sought by President Roosevelt.

Chairman Harrison, Democrat, Mississippi, in giving this opinion, said the committee, moreover, seems to be of the opinion that an excise tax should be placed on sugar to enforce the Jones-Costigan sugar act, and that it would bring in an estimated \$65,000,000.

Washington, May 23 (AP)—Taxes and Townsendism shared headline prominence today as the capital closed a week crammed with exciting doings.

The Senate Finance Committee neared the end of its revision of the tax program it received from the House. New Dealers were conducting the last-ditch struggle to equip the government with a big stick to force certain corporations to distribute large sums of dividends.

The administration men had wanted a stiff graduated tax on undistributed corporation profits, but the Senate Finance Committee would agree to levy only a comparatively lean seven percent, plus an 18 percent levy on all net corporation income and other tax alterations.

Some New Dealers sought today to strengthen existing penalty taxes on corporations which "improperly" accumulate surpluses.

The House investigating committee was deadlocked today over punitive action to be taken against Dr. F. E. Townsend, old age pension leader, who walked out of the committee and refused to testify further. Some members said he should be tried for contempt before the House; others said the case should be turned over to the courts.

Townsend predicted the committee would not "have the courage to put this matter up to the House."

### FLETCHER CHARGES NATION ENDANGERED

Tells Young Republicans in New York "Band of Termites" Working at Institutions

New York, May 23 (AP)—Henry P. Fletcher, chairman of the Republican National Committee, told the Young Republicans today that "a band of termites is working at the foundations of our institutions while you sleep."

In a speech broadcast from the National Republican Club, Fletcher asserted his party was better organized, more militant and enthusiastic than at any other convention period in its history.

"The Republican party only asks the youth of the country to remain true to their ideals," he said. "What finer task can you have than this of preserving our institutions and our present form of government against the insidious attacks of men who have lost their faith in America, and their political henchmen who are corrupting the voters with public money?"

### Board Ready To Begin Pay For Pensions

Awaits Court Decision on Injunction Sought by Some National Railroads

Washington, May 23 (AP)—The Railroad Retirement Board today said it would be ready to start paying pensions July 1 if the District of Columbia Supreme Court refuses an injunction now being sought by Class one and other railroads.

The court hearing in which the railroads are seeking an injunction against the pension payments and an excise tax enacted at the same time, was in recess over the week-end.

But attorneys for both sides expressed hope that it would be completed and a decision reached before

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## \$526,000,000 Appropriation For U. S. Navy Is Agreed On By Senate-House Conferees



17 Puppies Count 'em - 17!

Patsy, Irish setter owned by Mrs. William H. Erb, of Egypt, Mass., gave birth to a litter of seventeen puppies. All the pups are well-formed and getting along nicely. Mrs. Erb claims a record for Patsy. (Central Press)

## 102 WARSHIPS OF VARIOUS TYPES TO SHARE NEW FUNDS

Appropriation Is Largest in Peace-Time History of Nation Yet Given by Congress

### PRESIDENT GIVEN POWER IN BUILDING

Can Order Construction Of Not More Than Two New Warships if Other Navy Treaty Signatories Begin Building Capital Ships for Their Navies

Washington, May 23 (AP)—An agreement to appropriate \$526,000,000 for the navy for the fiscal year beginning July 1 was reached today at a meeting of the Senate and House conference committee.

The appropriation, largest in peace-time history, would provide for the construction of 12 destroyers, six submarines and the continuance of work on 84 warships of varying types.

Authorization for the President to order the construction of not more than two new battleships in the event that other signatories of the 1930 London naval treaty begin building capital ships also was included in the big money bill.

Another section provides cash for building 333 new airplanes.

## DOGFIGHT LIKELY IF LANDON FAILS

Too Much Middle-of-the-Road for Conservatives or Liberals

By CHARLES P. STEWART Central Press Staff Writer

Washington, May 23—While Gov. Alf M. Landon of Kansas certainly is aware ahead of a Republican presidential possibility (maybe even as a probability), he hasn't the airtight cinch on the nomination that some folk seem to think.

On the first ballot at the Cleveland convention he will have more votes than any other single candidate but he will not have a majority-over-all.

He will have to scoop in the necessary majority from the supporters of other candidates, on the second or third ballot, in order to win. The odds are that he will succeed in doing it, but they are not very heavy odds.

If he fails to win by the third ballot, it will mean that there is a deliberate combination against him. That, in turn, will mean a deadlock. And, a deadlock will mean that a compromise selection will have to be made. In that event the lightning is quite likely to strike some one whose name has not been mentioned at all.

**POSSIBLE COMBINATION**  
In the first place ex-President Hoover is dead against the Kansan. He can't himself be nominated but he will have considerable influence. His opposition appears to be pure jealousy but there it is.

The big Republican bosses (Hilles of New York, Roraback of New England and Reed of Pennsylvania) evidently are anti-Landon. He's too liberal for them. But he's too conservative for the Borahites. Borah personally (it's obvious now that he can't be nominated) may not fight him but many of his supporters will.

The G. O. P. Old Guard and the Republican progressives will not exactly combine but that is what the effect will be on Landon's prospects if both groups, though for opposite reasons, are against him.

**THOSE WHO CAN'T WIN**  
Then what? Borah's out. The jolts he has received in the primaries prove that. The primaries also have demonstrated that Col. Frank Knox lacks

### OUR WEATHER MAN



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

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### He Found a Comet



Leslie Peltier (above), garage employee of Delphos, O., and one of the world's leading amateur astronomers, recently discovered a comet which has been named after him. The comet is estimated to be 20,000,000 miles from the earth. (Central Press)

## CONVICT 5 FORMER TAMPA POLICE FOR KIDNAP - FLOGGING

Six-Man Jury Deliberates Only Three Hours To Reach Verdict At Bartow, Florida

TWO OTHERS WERE PREVIOUSLY FREED

Directed Verdict Several Days Ago Set Them Free; Trio of Victims Accused of Communistic Activities Following Political Meeting in November

Bartow, Fla., May 23.—(AP)—Five former Tampa policemen were convicted today on a charge of kidnaping Eugene F. Poulton, one of three victims who were flogged, tarred and feathered by a mob in Tampa November 30.

The six-man jury in criminal court returned its verdict after slightly more than three hours of deliberation of Judge Robert Dewell's charge that the defendants should be acquitted unless the jurors believed without doubt that Poulton was abducted for the purpose of being secretly imprisoned.

The five convicted men are John P. Bridges, C. W. Carlisle, F. W. Switzer, C. A. Brown, Jr., and Sam Crosby.

Two others, former Police Chief R. G. Tisworth and Special Officer Robert Chappell, were acquitted by directed verdicts several days ago.

Poulton, Sam Rogers and Joseph Shoemaker—admitted socialists and labor organizers—were arrested by Tampa officers while they were attending a political meeting in a private home the night of November 30. The officers had no warrants.

After being questioned about alleged communistic activities, the trio were released.

Just outside the police station the three men were hauled into automobiles and driven outside the city to a wooded section, where they were stripped of their clothing, beaten, tarred and feathered.

Poulton and Rogers made their way back to town, but Shoemaker had to wait for help to be sent back to him. Nine days later, he died in a hospital.

Conviction of the five carries with it a maximum penalty of ten years in the State Prison.

Judge Dewell deferred sentence today and continued in effect the \$7,500 bond under which each of the men had been at liberty.

## GOOD PROGRESS ON ROADS IS REPORTED

Baise Says Every Section of State Sharing in Improvements

Raleigh, May 23.—Rapid progress is being made on the county road betterment program in every section of the State, Chief Highway Engineer W. Baise said today. Reports received from Division Engineer J. C. Gardner, in Tarboro, show that many projects are under way or nearing completion throughout his district.

In four counties in the second division, eleven projects are either under way or have been completed. These include two projects in Tyrrell county, three in Washington county, three in Martin and three in Hyde.

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## PRIMARY STRUGGLE FOR GOVERNOR NOW BECOMING INTENSE

In "Budget Leak"?



J. H. Thomas

Linked by witnesses to an alleged "budget leak", British Colonial Secretary J. H. Thomas is pictured leaving his home in London to attend another session of the judicial inquiry. The inquiry concerns rumors that a leak on government tax proposals had permitted certain persons to clean up \$500,000 by insuring against a rise in taxes. Although Thomas reiterated his innocence of knowledge of the leak, his resignation from the cabinet was considered imminent. (Central Press)

## Shake-Up In Ministry Of Britain Seen

Laborite Colonial Secretary Thomas Quits in Face of Budget Scandal

London, May 23 (AP)—The resignation of Colonial Secretary J. H. Thomas in Britain's budget leakage scandal—the third desertion from Prime Minister Stanley Baldwin's original cabinet—raised a probability today of a major shake-up in the ministry.

Political sources predicted a cabinet turn-over which would carry back into office Sir Samuel Hoare, former foreign secretary, who was the first of this ministry to withdraw under fire.

In addition to filling Thomas' place at the colonial office, Baldwin faced a possibility of having to find a successor for the first lord of the admir-

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## COURT'S DECISION WORRY FOR G. O. P.

Business Alarmed Not At Roosevelt but At Rising Resentment

By LESLIE EICHEL Central Press Staff Writer  
Republicans are busy thinking up a means of counteracting the United States Supreme Court's decision nullifying the Guffey coal act. The decision was more damaging to the Republicans than to the New Deal. In fact, word now is going around—in Republican circles—that it is the Supreme Court which is "saving" President Roosevelt from "the consequences of the New Deal." It is con-

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Four Candidates Set 49 Speeches Next Week in State's Bitterest Fight in Years

RECORD VOTE SEEN AS MOST PROBABLE

Registration Ends Throughout State With Many Names Added to Lists; Comfortable Lead for McDonald Admitted by Hoey and Graham Men

Raleigh, May 23.—(AP)—North Carolina's most bitterly contested gubernatorial campaign in years increases in intensity each week and the four candidates today listed 49 speeches for next week.

The primary two weeks from today is expected to result in a record vote of upwards of 400,000, Raymond C. Maxwell, secretary of the State Board of Elections, estimated.

Each of the four candidates for governor speak from one to four times daily, and in addition, for the first time on so wide a scale on the first primary, scores of individuals in every part of the State are addressing political gatherings in the interest of the various candidates.

Today was the last day for registration for prospective voters unless they became of age between now and primary or election day, and thousands of last-minute qualifiers were putting their names on the books.

With the time for balloting coming closer, veteran political observers, including many backing Hoey and Sandy Graham, conceded the indications were that McDonald would have a substantial lead in the first primary. The question, most said was bothering them, was how big the McDonald lead would be, and who would be in second place.

John A. McRae, of Charlotte, was not being regarded as a serious contender, though some observers expressed belief he was gaining strength

PACE OF INDUSTRY SLACKENS SLIGHTLY

Off Only One-Tenth of One Percent, However, in Associated Press Weekly Index

New York, May 23.—(AP)—The pace of industry slackened somewhat last week following the peak reached the week before.

The Associated Press index of industrial activity dipped to 89.2 from 89.3 in the previous week and 70.2 in the comparable period a year ago.

Automobile output fell back more than the normal seasonal amount, the large number of finished cars apparently having some effect on production schedules.

Cotton manufacturing was a bit lower, with the heavy inventory position still hanging over the market. Electric power increased less than would normally be expected at this time.

Steel mill activity pushed ahead a bit as talk of higher prices sustained the existing rates. Total car loadings advanced on a sharp rise in the shipments of Great Lakes ore.

## Probe Robed Legion Held For Slaying

16 in Custody in Detroit for Death Penalty Upon Alleged Wife Beater

Detroit, Mich., May 23.—(AP)—Police sought today to expose the secret of the robbed and hooded black legion, which officials charge executed the death penalty without trial upon a non-member accused of wife beating.

Most of the 16 members in custody adhered to the society's password of "secrecy always." At least one, however, talked vaguely of floggings and other sinister activities, and said that "to belong to the legion you have to have been a member of the Ku Klux Klan."

That information came from Urban Lipps, 32 automobile factory worker. He is one of four men said by Police Inspector John I. Navarre to have confessed that they took Charles A. Poole, 32-year-old WPA worker, to a country roadside and shot him because a relative by marriage accused him of beating his wife.

Mrs. Poole, mother of a 14-month-old baby, denied that her husband had mistreated her.

Prosecutor Duncan C. McCrea said

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