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 re vised 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 sought by President

Chairman Harrison, Democrat, Mississippi, in giving this opinion, committee, moreover, seems to be of the opnion that an excise tax should be placed on ·ugar to enforce the Jones-Costigan sugar act, and that it would bring in an estimated \$66,000,000.

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

The Senate Finance Committee neared the end of its revision of the tax program it received from the 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 on the committee and refused to testify further. Some members said he should be tried for concourts.

this matter up to the House."

FLETCHER CHARGES NATION ENDANGERED

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

finer task can you have than this of 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?"

BoardReady ToBeginPay **ForPensions**

Awaits Court Decision on Injunction Sought by Some National Railroads

Washington, May 23.—(AP)— The pital sweepstakes today. Railroad Retirement Board today said it would be ready to start paying pen-

and other railroads. The court hearing in which the railroads are seeking an injunction a-

gainst the pension payments and an of 432 drawn. excise tax enacted at the same time, was in recess over the week-end.

pressed hope that it would be com-pleted and a decision reached before come from horses which finish the complete agreement that Hoey rather

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TOWNSENDISM AND \$526,000,000 Appropriation TAXES TOP EVENTS For U. S. Navy Is Agreed On By Senate-House Conferees



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;

Bailey Is Certain Of Victory

Raleigh, May 23-Senator Josiah W. Bailey is "sitting pretty" with little tempt before the House; others said to worry about, largely as the result the case should be turned over to the of the tremendous interest in the campaign nomination for governor which Townsend predicted the committee nas shoved the campaign for the nom would not "have the courage to put ination for senator almost completely out of the political spotlight, according to most observers here. The preponderance of interest in

he campaign for governor has made it difficult for the three candidates opposing Senator Bailey to arouse opposition to him, since they cannot get enough people to come out to hear them to make their campaign effective, it is pointed out. As a re-New York, May 23 (AP)—Henry P. sult, they have not been able as yet Fletcher, chairman of the Republican to arouse any bitter antagonism or National Committee, told the Young prejudice against him, such as is ne-Republicans today that "a band of cessary to win in an election, For termites is working at the foundations | most observers agree that most peoof our institutions while you sleep." | ple vote for the candidate which can In a speech broadcast from the Na- build up the most prejudice against tional Republican Club, Fletcher as- his opponent or opponents, rather serted his party was better organized, than for the candidate himself. But more militant and enthusiastic than the campaign for governor has been at any other convention period in its so heated that neither R. T. Fountain, David L. Strainer nor William H. "The Republican party only asks Griffin, the three opponents of Senthe youth of the country to remain ator Bailey, have been able to build true to their ideals," he said. "What up much prejudice against hib, most observers here agree. They believe preserving our institutions and our that Senator Bailey's policy of staying in Washington and writing soothing complimentary letters to the voters "back home" has more than offset the attacks made on him and his record by Candidates Fountain, Strain and

Another factor regarded as being decidedly in Senator Bailey's favor is the most observers feel that Fountain and Strain, at least, have been spending more of their time speaking and talking for Dr. Ralph W. Mc-Donald for governor than against Bailey for the Senate. Fountain's speeches have sounded much more

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313 AMERICANS GET SWEEPSTAKE MONEY

Each Has \$2,215 Purse and 26 Have Chance at Real Money Prizes To Be Drawn

Dublin, Irish Free State, May 23 .-(AP)—A total of 313 Americans held winning tickets out of 710 names drawn on 60 horses in the Irish hos-

Six Americans—four from New York, one from Pittsburgh and one sions July 1 if the District of Colum- from Massachusetts-drew tickets on bia Supreme Court refuses an injunc- Pay Up, the fifth and last favorite. tion now being sought by Class one The names of 21 horses remained in timism in the McDonald headquartthe small drum

A total of 189 Americans drew tick-

Each of these was assured \$2,215, while 26 Americans, by drawing the But attorneys for both sides ex- favorites, have a good chance of gain- are expecting is for him to lead in the English derby next Wednesday "in the money.'

M. P. Debates On **Union Proceeds**

High Point, May 23 (AP)-Methodist Protestants continued debate today on the question of church union with the Northern Methodist Church and the Methodist Episco-pal Church, South, with three delegates speaking against and five for the union during the morning.

HOEY MANAGEMENT

Supporters Confident He Will Be in Second Primary With McDonald

Daily Dispatch Burean, In The Sir Walter Hotel, By J. C. BASKERVILL

Raleigh, May 23.—The managers and supporters of Clyde R. Hoey in but they are not very heavy odds. his campaign for the Democratic nomination for governor are more elated today than at any time so far durerate combination against him. That ing the campaign. They maintain that there is no longer any doubt that Mr. Hoey will be in second place when the votes are counted June 6, while the more optimistic are convinced that Mr. Hoey now has an excellent chance to be in first place.

"I have never seen sentiment dous change throughout the entire opposition appears to be pure jealousy State away from Dr. Ralph W. Mc-but there it is. Donald and to me. Numerous counties

ers, including his managers, continue many of his supporters will to predict that he will be nominated in the first primary. But the more and Sandy Graham third, with John are against him A. McRae a poor fourth, although the THOSE WHO CAN'T WIN Graham forces maintain that those who are counting him out of the race are going to be badly fooled. His backers are still confident that he will be able to nose ahead of Hoey strated that Col. Frank Knox lacks between now and June 6 and get into

While the Statewide newspaper poll conducted by 25 cooperating newspapers shows that McDonald is still far out in front of his three other opponents, with 47.8 per cent of the total straw votes cast so far, Hoey with 34.4 per cent and Graham with 16 per cent, there is not as much opers the last few days as heretofore and far less talk about McDonald ets in the morning out of the total getting the nomination with a clear majority in the first primary. Most of the McDonald workers here now privately admit that the most they

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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 appropirate \$526,000,000 for the navy for the fiscal year begin-ning July 1 was reached today at a meeting of the Senate and House con ference 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 even 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.

Road for Conservatives or Liberals

By CHARLES P. STEWART Central Press Staff Writer

Washington, May 23-While Gov. Alf M. Landon of Kansas certainly idential 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 by. convention he will have more votes 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,

If he fails to win by the third bal lot, it will mean that there is a delibin turn, will mean a deadlock. And, a deadlock will mean that a com promise 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 Hoovchange as rapidly as it has during the er is dead against the Kansan. He past week or ten days," Mr. Hoey said can't himself be nominated but he while here today. "There is a tremen- will have considerable influence. His

The big Republican bosses (Hilles which two weeks ago we conceded to of New York, Roraback of New Eng-Dr. McDonald will now give me a land and Reed of Pennsylvania) evigood majority, according to the redently are anti-Landon. He's too libports we are getting from every hand. eral for them. But he's too conser-There is no doubt that I will be nomi- vative for the Borah-ites. Borah personally (it's obvious now that he can't The more optimistic Hoey support- be nominated) may not fight him but

The G. O. P. Old Guard and the Republican progressives will not exactly conservative observers here continue combine but that is what the effect to maintain that every sign points to will be on Landon's prospects if both McDonald running first, Hoey second groups, though for opposite reasons,

Borah's out. The jolts he has re ceived in the primaries prove that. The primaries also have demon

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OUR WEATHER MAN



FOR NORTH CAROLINA. Fair tonight and Sunday; slightly warmer in north and west portions tonight and in north porHe Found a Comet



Leslie Peltier (above), garage employe 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)

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. Poulnot, one of three Too Much Middle-of-the- victims who were flogged, tarred and feathered by a mob in Tampa No-

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 Poulnot was abducted for is away ahead as a Republican pres- the purpose of being secretly impri-

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

Two others, former Police Chief R han any other single candidate but G. Titsworth and Special Officer Robert Chappell, were acquitted by directed verdicts several days ago. Poulnot, 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, tar- in Britain's budget leakage scandalred and feathered.

back to town, but Shoemaker had to inet-raised a probability today of a wait for help to be sent back to him. major shake-upin the ministry. Nine days later, he died in a hos-

in the State Prison. Judge Dewell deferred sentence to- fire.

day 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

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

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.

Shake-Up Ministry Of Britain Seen

Colonial Laborite Secretary Thomas Quits in Face of **Budget Scandal**

London, May 23 (AP)-The resignation of Colonel Secretary J. H. Thomas the third desertion from Prime Min-Poulnot and Rogers made their way ister Stanley Baldwin's original cab-

Conviction of the five carries with into office Sir Samuel Hoare, former a maximum penalty of ten years foreign secretary, who was the first of this ministry to withdraw under

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" Presi-

dent Roosevelt from "the consequences of the New Deal." It is ranging (Continued on Page Three.)

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 New Names Added to Lists; Comfortable Lead for Mc-Donald 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 Mc-Donald 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, 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 in-dustrial 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 produc-

tion 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

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.

ProbeRobed Legion Held Political sources predicted a cabinet turn-over which would carry back into office Sir Samuel Hoare, former

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 robed and hooded black legion, which officials charge executed the death penalty without trial upon a non-member accused of wife beat

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

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-monthsold baby, denied that her husband had Prosecutor Duncan C. McCrea said

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