

COURT BARS REFUND ON PROCESSING TAX

PRESS OF BRITAIN HAS FUSS OF OWN ON MRS. WARFIELD

One Newspaper Says King George Himself Will Announce Engagement of Brother

ANOTHER ASSERTS IDEA RIDICULOUS

Sunday Paper Even Ventures Form Announcement Will Take as Given by George VI; Ecclesiastical Objections Again Brought into Argument

London, May 17 (AP)—The British press today brought out into the open the controversy over royal recognition of Mrs. Wallis Warfield by a controversy of its own over the possibility of formal announcement of her engagement to the Duke of Windsor by King George VI himself.

While the Sunday Referee reported the king was ready to extend the royal family's sanction to the match by announcing the betrothal of his brother and the woman for whom Edward gave up his throne, the Express said such a move was impossible.

"Ecclesiastical objections" to Mrs. Warfield as a twice divorced person, the Express said, prevented the king from taking any such action.

The Sunday Referee, which has not always been correct in its information concerning the abdicated monarch and his American fiancee, predicted King George would announce his brother's engagement this week.

"It will be the royal family's first public recognition of the duke's asso-

(Cont'd on Page Five)

TRADING QUIET AS COTTON EASES OFF

Further Net Declines of 8 to 11 Points Shown for Day's Business on Exchange

New York, May 17.—(AP)—Cotton futures opened steady, three to four points higher on trade and spothouse buying. Offerings were small. October sold off from 12.63 to 12.46, and at midday was quoted at 12.49, when prices were 9 to 11 points lower. After the first half hour October, which had sold up to 12.63, was quoted at 12.60, and prices generally were one to four points net higher.

Cotton futures closed steady, 8 to 11 points lower. Spot quiet, middling 13.16.

	Open	Close
July	12.80	12.96
October	12.61	12.47
December	12.59	12.46
January	12.63	12.48
March	12.67	12.55

50 Dead In Hong Kong Explosion

Hong Kong, China, May 17.—(AP)—The explosion of a boiler aboard a Japanese launch made a shambles of the Hong Kong waterfront tonight, killing perhaps 50 persons and blowing bodies over an area of from 200 yards to a quarter of a mile.

The launch was owned by a steamship company. Every member of her crew was killed. Other victims were numerous Chinese boatmen and passers-by in the vicinity.

AutoGroup Again Quit Their Jobs

Detroit, Mich., May 17 (AP)—The Briggs Manufacturing Company closed its Meldrum plant, employing 2,000 men, today following a walkout of maintenance workers. Officials conferred with representatives of the United Automobile Workers to adjust the dispute.

U. A. W. leaders said the walkout after wage demands were refused, was not authorized. An agree-

Continued on Page Five.

Death Decides a Swimmer's Bet



George F. Spread, 39, made a bet that he could swim the turbulent Merrimack River at Lowell, Mass. He was carried by the current, wedged between two rocks, and drowned. Coast Guard surferman Robert H. Westcott, of the Newburyport station, is shown, in this remarkable picture, in a breeches buoy. He had fired 500 feet of rope with a hawser gun, lowered himself to the rocks, tied a rope around Spread's body and hauled it to shore. (Central Press)

Spanish Cabinet Forming As Rebels Plan Blow On Bilbao

Dr. Juan Negrin, 48, Medical Professor, Undertakes Sixth Civil War Government

FINAL ASSAULT ON BASQUE PREPARED

Insurgent Help from Sea Rumored for Attack on Loyalists in Northern Spain; Bloody Hand-to-Hand Fighting Occurs in Battle Outside City

Valencia, Spain, May 17.—(AP)—Dr. Juan Negrin, Socialist former minister of the treasury, began today an effort to form Spain's sixth civil war government.

President Manuel Azana called from virtual retirement to find a "win the war" government after Premier Francisco Largo Caballero was forced to resign, selected Dr. Negrin as premier-designate after he had talked with both the treasury minister and the Diego Martinez Barrio, president of Congress.

Largo Caballero asked first to try a new government failed to obtain the support of all parties.

Dr. Negrin, the new man of the hour, is 48 years old, and a former professor of medicine at the University of Madrid.

INSURGENTS PREPARE FOR FINAL ATTACK ON BILBAO

Hendaye, Franco-Spanish Frontier, May 17.—(AP)—Spain's insurgent armies of the north, creeping at snail's pace toward their Bilbao goal for a month and a half, straightened their lines on a long and curving front some ten miles from the Basque capital, today to clear the way for the final assault.

There were unconfirmed reports (Continued on Page Three).

YELTON TAKES UP "OLD AGE" DUTIES

New Director of Public Assistance Former Mitchell Schol Head

Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILLE, Raleigh, May 17.—Nathan H. Yelton, of Bakersville, Mitchell county, today began his duties as director of the Division of Public Assistance, the North Carolina Board of Charities and Public Welfare. This division will be in charge of administering the various phases of the old age pensions and aid to dependent children act adopted by the 1937 session of the General Assembly.

Mr. Yelton, a graduate of Peabody College, Nashville, Tenn., was appointed.

(Continued on Page Three.)

New York Mother Admits Killing Little Daughter

Steel Waits Election On Bargaining

Pittsburgh, Pa., May 17 (AP)—The steel workers organizing committee, set to call strikes in the nation's independent steel producing firms unless it obtains collective bargaining agreements, turned today to an employee election in the Jones & Laughlin Steel Corporation plants.

The vote Thursday will determine if the committee shall be the collective bargaining agent for the firm's 32,000 workers. The corporation agreed to give a contract if the union could produce a majority in the balloting.

A 36-hour strike called in the midst of the negotiations for a collective bargaining agreement between Chairman H. E. Lewis, of the \$200,000,000 corporation, and Chairman Philip Murray, of the steel workers organizing committee, led to the election.

Both sides agreed not to electioneer on the company properties. Regional Director Ernest Dunbar, of the National Labor Relations Board, will have charge.

S. E. HOEY, BROTHER OF GOVERNOR, DIES

Official of Shelby Star Suffers Heart Attack; With Paper 40 Years; He Was 66

Shelby, May 17 (AP)—S. Ernest Hoey, 66, brother of Governor Clyde R. Hoey, died here today from a heart attack.

He was associated with his brother in the launching of the Shelby Star and remained with the paper for 40 years.

Funeral services will be held tomorrow afternoon. In addition to the governor, he is survived by his widow, six children and a sister.



OUR WEATHER MAN

FOR NORTH CAROLINA. Fair tonight and Tuesday, slightly cooler in north central portion tonight and on the north coast Wednesday.

SHE WAS IN LOVE AND NEEDED ROOM

Apartment Wasn't Big Enough for Intended Husband and Children, Too; Gives Full Details to Police After Grilling Following Varied Stories

New York, May 17.—(AP)—Police said today that Mrs. Ellen Hiernan, 28-year-old attractive waitress, confessed she killed her eight-year-old daughter, Helen, and assaulted her five-year-old son, James, in woods near Brookhaven, Long Island.

Deputy Chief Inspector Francis Kear announced the confession. "She told me that she committed the acts because she was in love with a man, but could not accommodate him and the children in the small apartment the family lived in," the inspector stated.

Kear said the woman confessed that she alone did the deed. The girl's body was found cut and burned yesterday afternoon at 2:30 p. m. Her little wounded brother was nearby.

Kear said the love motive was suspected and that questioning was pushed along that line.

"She made a complete confession, (Continued on Page Five.)

MONEY SAVED OFF TEXTBOOKS BONDS

Loan From State Surplus Saves \$75,000 Year in Interest Charges

Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILLE, Raleigh, May 17.—The reason it was decided not to issue the \$1,500,000 in bonds for free textbooks, as authorized by the 1937 General Assembly, was that the maturities of these bonds were fixed too far in the future, which would mean a high rate of interest, and because it was found that there was enough cash in the State's

(Continued on Page Three.)

NEW AAA SCHEME OFFERED CONGRESS BY FARM LEADERS

American Farm Bureau and Other Organizations Sponsor Crop Control Proposal

PARITY PRICES FOR FARMERS IS ASKED

Government Loans Would Be Made if Prices Fell Below or Approached Parity; Part of Crops Would Be Turned Over to Government for Loans

Washington, May 17.—(AP)—Farm leaders offered to Congress today a new agriculture adjustment program which they said combined features of the invalided AAA, Secretary Wallace's ever-normal granary proposal and the old Hoover farm board.

The American Farm Bureau Federation and other organizations drafted the bill, aimed at controlled production and parity prices for farmers. It was sent to the House and Senate Agriculture Committees.

Government loans would be made only if the market price approached or fell below parity.

If it went below, farmers could turn over part of their crops to the Commodity Credit Corporation and receive a loan. They also would receive a parity representing the difference between the loan and the parity price.

STOCKS APATHETIC FOR DULL SESSION

Trading Slowest in Two Years as Leaders Give Ground Moderately With Losses

New York, May 17.—(AP)—The stock market's pulse beat feebly today and efforts at a rally were unavailing in most instances. With the ticket tape largely moving, declines of fractions to a point or so predominated near the fourth hour. Business and industrial news, while not especially depressing, apparently lacked sufficient sparkle to inspire trading forces to step out on the buying side of the market. Labor questions also continued to dim the picture.

Smallness of volume and the generally restricted range of losses was encouraging to board rooms, although brokers seemed unable to impress customers with the constructive elements attached to apathetic dealings.

Bonds and commodities were uneven but grains inclined to do better.

Leading stocks gave ground moderately in the slowest five-hour market session in more than two years.

American Radiator	21
American Telephone	163
American Tobacco B	75
Anacosta	48 1-4
Atlantic Coast Line	47
Atlantic Refining	29
Bendix Aviation	19 1-2
Bethlehem Steel	77 3-8
Chrysler	107 1-8
Columbia Gas & Electric Co	7 7-8
Continental Oil Co	14 1-2
DuPont	14 3-4
Elec Pow & Light	153
General Electric	15 7-8
General Motors	50
Liggett & Myers B	54 5-8
Montgomery Ward & Co	96
Reynolds Tobacco B	49 3-4
Southern Railway	49
Standard Oil Co N J	35 8-8
U S Steel	63 7-8
	92 3-8

Barnhill And Winborne To Go On Supreme Court

Indications in State Capital Now Point to Their Elevation to High Tribunal by Governor Hoey, With Terms Starting This Coming July 1

Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILLE, Raleigh, May 17.—Judge M. V. Barnhill, of Rocky Mount, and J. Wallace Winborne, of Marion, are regarded as the best bets in the race for the two appointments to the State Supreme Court, to be made by Governor Clyde R. Hoey before July 1 and just about the only really luscious appointments he has yet to make.

Now that Hubert Olive, of Lexington, has been neatly tucked into his berth as a special judge at \$8,080 a year, virtually the only remaining obstacle in the path of the appointment to the Supreme Court has been eli-

Decision Deferred On Security Act By The Supreme Court

Here for Zep Quiz



Dr. Hugo Eckener, famous German dirigible expert and designer of the ill-fated Hindenburg, is shown as he arrived in New York on the Europa, where he rushed to the bedside of Capt. Max Preuss, the Zep's commander, to get the latter's own story of the catastrophe. (Central Press)

President's Court Plan Again Loser

Logan, Kentucky, Roosevelt Backer, Comes Out for Sharp Compromise

Washington, May 17 (AP)—A Senate Judiciary Committee member heretofore considered a supporter of the administration plan for reorganizing the Supreme Court, came out today for a compromise.

Senator Logan, Democrat, Kentucky said he would propose changing the

(Continued on Page Five)

U. S. Department Checks Air Races Across Atlantic

Lakehurst, N. J., May 17 (AP)—Colonel Monroe Johnson, assistant secretary of the Department of Commerce, said today the Department of Commerce had refused to issue licenses for the projected New York to Paris trans-Atlantic air race.

Johnson is at the United States Naval Air Station here attending the investigation of the dirigible Hindenburg disaster.

Speaking of trans-oceanic air races, Jackson said: "We consider them extra hazardous. We are trying to institute trans-Atlantic flying and don't want to jeopardize it. We are interested in commercial aviation that has no thrills."

HINDENBURG MAN SUSPECTS SPARK

Only Surviving Rigger Says Gas Cell Cause of Zep-pelin's Disaster

Lakehurst, N. J., May 17.—(AP)—One of the Hindenburg's riggers who was on duty close to the spot where the destructive flames first burst from her stern gave the Department of Commerce an investigating board today his opinion that a gas cell started the disaster.

Hans Freund, the only one of the dirigible's three riggers to survive, was the first witness yet called who was able to give any account of what took place in the stern when the first and explosion occurred.

His story emphasized the speed and

(Continued on Page Three.)

Will Come Certainly on Next Monday or on June 1, When Court Quits for Summer

CHAIN STORES TAX UPHELD IN RULING

Louisiana Levy Based on Number of Units Operated in State and Elsewhere Decided; Chief Justice Hughes Delivers Processing Tax Decision

Washington, May 17.—(AP)—The Supreme Court failed today to pass on constitutionality of the Federal social security act.

Before adjourning until next Monday, it announced opinions in nine cases. The social security decision will be delivered either next Monday or on Tuesday, June 1, when the court adjourns for the summer.

The major decision today upheld provisions of the 1936 revenue act barring refund of \$963,000,000 of processing and floor stock taxes, collected under the invalidated agriculture adjustment act, unless the taxpayer proved that he bore the cost himself. Another decision held constitutional a 1934 Louisiana statute imposing a graduated license tax on chain stores based on the number of units operated throughout the State and elsewhere.

Nineteen decisions remained for delivery during the next two opinion sessions.

Chief Justice Hughes, delivering the eight-to-one opinion on the AAA tax case, said "we conclude that the authorized procedure provides for a full and fair hearing and determination of all matters of fact and that through judicial review it provides for the protection of all the legal rights of the petitioner, including any constitutional rights which it may be entitled to invoke with respect to the refund which it seeks."

U. S. Power Unit Asked By Bureaus

Washington, May 17 (AP)—A proposal to consolidate all Federal power activities under one agency reached Congress today in a Brookings Institution report.

Chirman E. Byrd, Democrat, Virginia, said the institution, retained by his special committee on government reorganization, had expressed the opinion that substantial savings would result.

The proposal would empower the new agency to fix rates and determine production for such "yardstick" power developments as the Tennessee Valley Authority.

"This, the report explained was suggested on the assumption that an operating agency once functioning as a yardstick should not be permitted to regulate its own production or determine its own rates.

Congressional leaders said, meanwhile, they expected the President to recommend by Wednesday a national program for power development, flood control, reforestation and soil conservation.

HINDENBURG MAN SUSPECTS SPARK

Only Surviving Rigger Says Gas Cell Cause of Zep-pelin's Disaster

Lakehurst, N. J., May 17.—(AP)—One of the Hindenburg's riggers who was on duty close to the spot where the destructive flames first burst from her stern gave the Department of Commerce an investigating board today his opinion that a gas cell started the disaster.

Hans Freund, the only one of the dirigible's three riggers to survive, was the first witness yet called who was able to give any account of what took place in the stern when the first and explosion occurred.

His story emphasized the speed and

(Continued on Page Three.)