

AGREEMENT IS REACHED ON NEW TAX PLANS

END ONLY MATTER OF HOURS NOW FOR GENERAL PERSHING

Doctor Says Famous World War Hero Gradually Becoming Weaker as Crisis Nears

NO NOURISHMENT OR DRINK BEING TAKEN

Kidneys Cease To Function and Patient Is Unconscious Virtually All While; Heart Stimulants React Rather Favorably However

Tucson, Ariz., Feb. 26.—(AP)—Sinking gradually, General John J. Pershing held tenaciously to life this afternoon despite the weakening of a rugged heart which carried him through a lifetime of battle.

The 77-year-old World War commander lay in a coma except for a few intervals of consciousness. Dr. Roland Davison, in his afternoon bulletin, said no change had been observed in the general's condition in recent hours.

"He is unable to take nourishment or drink," the bulletin said. "His kidneys have ceased to function."

General Pershing had been unconscious for several days.

Little Loss In Cold Snap In The South

(By The Associated Press) While the nation generally continued to feel the bite of low temperatures, southern farmers reported today little crop damage from last night's cold snap.

Outside of scattering reports of slight frost nipping in north Florida, there seemed to be no loss. South Florida's vast citrus groves and tender spring vegetables apparently were untouched.

In most sections of the Atlantic seaboard forecasts of warmer weather were in prospect for tonight. Tomorrow, weather forecasts said, might bring colder weather in mountainous stretches, with occasional snow flurries.

Snow In Raleigh Raleigh, Feb. 26 (AP)—Snow began falling here this afternoon at 1:20. The Weather Bureau, however, said the forecast was for light rain and warmer weather tonight.

Charlotte Has Flurries Charlotte, Feb. 26 (AP)—Snow fell for a short time around 9 o'clock this morning, but failed to stick. The skies remained overcast.

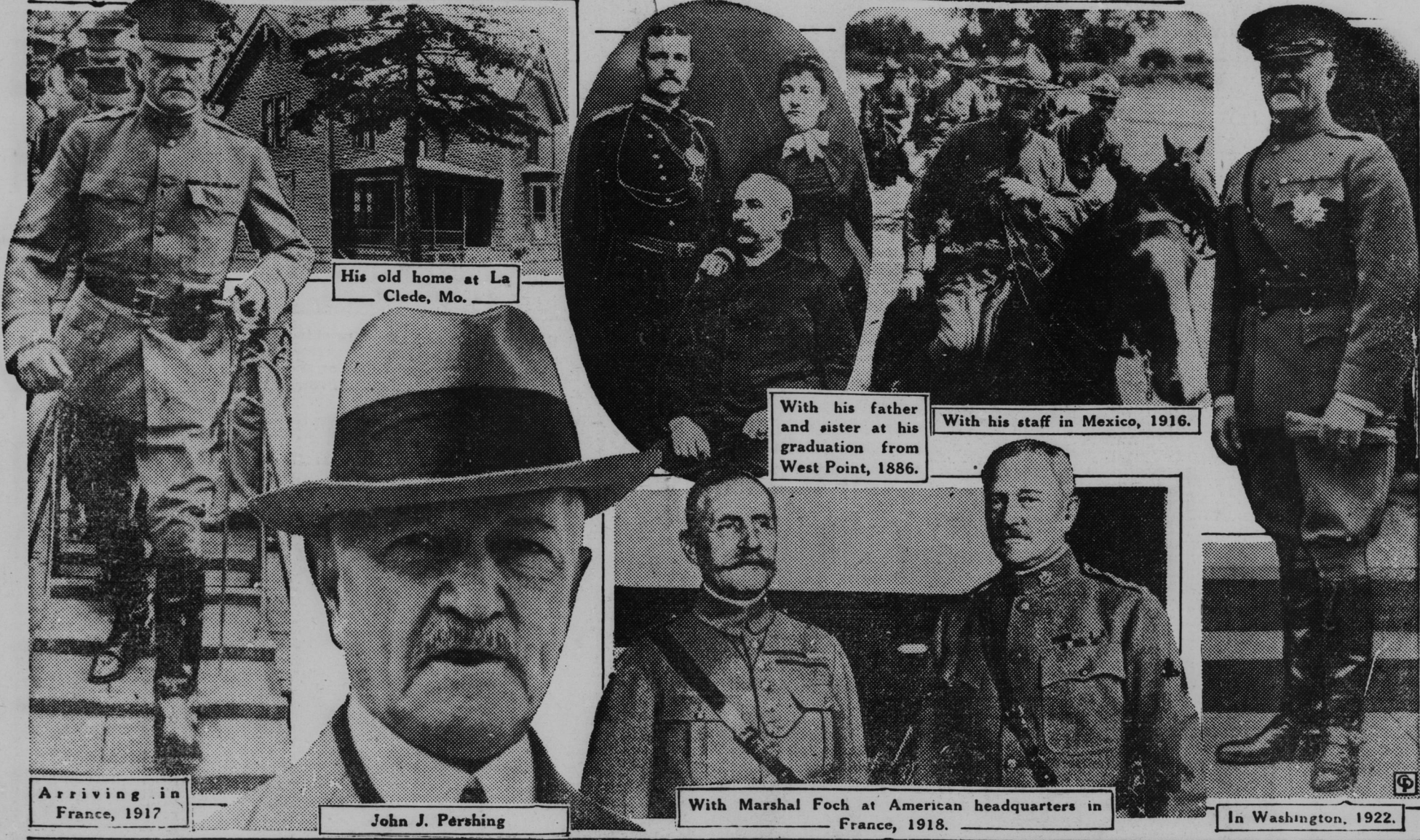
Three Held In Spy Plot In New York

Accused of Furnishing U. S. Navy Secrets to Foreign Powers Not Named

Washington, Feb. 26.—(AP)—Edgar Hoover, director of the Federal Bureau of Investigation, said today three persons had been arrested in New York in an alleged plot to sell United States Navy secrets.

The persons in custody are Johanna Hoffman, of Dresden, Germany, a hair dresser on the trans-Atlantic liner

Interesting Picture of Incidents In Life of General Pershing



France Warns Nazi Germany To Keep Hands Off Friends

Crop Referenda Drive Is To Start All Over State Next Week; Vote March 12

College Station, Raleigh, Feb. 26.—In one of the greatest short-time educational campaigns ever staged in North Carolina, agricultural workers will begin driving home information on the new farm act Wednesday at the first in a series of farmer mass meetings.

Before the campaign closes eight days later, March 10, every farmer in the 81 counties affected by the cotton and tobacco referenda will have had a chance to attend one or more of these explanatory sessions.

The primary purpose of these gatherings is a careful explanation of the referenda, the results of which will limit the marketing of cotton and flue cured tobacco if growers express their approval at the March 12 balloting.

Dean I. O. Schaub, director of the State College Extension Service, has instructed his corps of county agents to give only facts concerning the provisions of the new act.

"We want the farmer to hear from those conducting the mass meetings just what the new program contains," Dean Schaub said, "and then we want him to vote as he sees fit."

Floyd stressed the importance of every tobacco and cotton grower taking part in the balloting, so that a representative vote may be obtained. Any farmer who grew either of the two crops in 1937 will be eligible to cast his ballot for that crop which he produced.

Ballot boxes will be set up in each township in affected counties. Three farmers selected by a county committee will hold the polls.

Under existing treaties, France is bound to send military aid to Czechoslovakia if latter is attacked; France also considered faithful to Austria

Paris, Feb. 26 (AP)—Foreign Minister Yvon Delbos issued an implied warning to Germany today to keep Nazi hands off France's central European allies.

In his first public pronouncement of French intentions since the rise of Nazi influence in Austria, and the turn of Britain toward deals with dictators, Delbos told the Chamber of Deputies France would follow England's lead, but would not desert her small friends.

At the same time that he declared Austria must be kept independent and warned against setting up "any political hegemony" in central Europe, Delbos made a friendly bid to Italy, Germany's ally in the Rome-Berlin axis.

REVENUE OFFICES PREPARE FOR RUSH

But Division's System Permits of Speed and Efficiency in Pinch

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Feb. 26.—The income tax division of the Department of Revenue is getting ready for a rush of business between now and March 25 but it's the division of accounts where young Bob Ward holds sway, that is really going to be called upon to "put out" next month.

It is estimated that into the accounting office will rush a flood of 75,000 reports, 60,000 intangible tax listings and 10,000 tax returns of other sorts.

Practically all of these 175,000 returns will pile in over a period of ten days—March 15 to 25—though a few will sift in beforehand and a few belated ones will show up afterward.

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STATE DEMOCRATS FIX MEETING TIME

Precinct Meetings May 7, County Conventions 14, State Meet 19th

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Feb. 2.—(AP)—The State's Democrats will hold their convention here Thursday, May 19.

The North Carolina Democratic Executive Committee, in a 27-minute meeting here last night, also set May 7 for the precinct meetings and May 14 for county conventions.

The president of the young Democratic clubs of North Carolina, under a resolution passed by the committee, will be an ex-officio member of the committee.

Both Governor Hoey and Lieutenant Governor Horton spoke briefly.

R. Gregg Cherry, of Gastonia, committee chairman, and Miss Beatrice Cobb, of Morganton, national Democratic committeewoman and candidate for the State Senate, also were in the program.

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Chamberlain Now Free Of Interference

Eden Pledges Himself To Withhold All Support From Cabinet's Opposition

London, Feb. 26.—(AP)—Prime Minister Chamberlain's task of knitting Europe into a peaceful community of nations shook itself free from immediate domestic opposition today.

The departing Foreign Secretary Anthony Eden's graceful self-effacement to "await the verdict of history" removed the threat of conservative party strife over the cabinet crisis which jolted Britain into sudden decision to play ball with Europe's dictators.

Eden, predicting failure in dealing with Germany and Italy, nevertheless wished the conservative government well in its task, and made clear he would give no aid to liberal and labor party hopes of overthrowing the national cabinet.

Eden quit rather than yield to what he considered pressure from Italy in the Italian request that friendship bargaining begin at once and in Rome Chamberlain agreed to the bargaining rather than risk animosity which might one day bring war, and named Viscount Halifax as foreign secretary to speed the bargaining task.

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ONE BIG HIGHWAY WOULD PASS HERE

Henderson Would Be on One North-South Super-Route of Congress

By CHARLES P. STEWART Central Press Columnist

Washington, Feb. 26.—Three proposals are before Congress for the construction of a highway system which will lay a network of north and south and east and west highways over the United States.

One bill, by Senator Robert J. Bulkley, of Ohio, proposes three east and west and not to exceed seven north and south.

There is nothing in Senator Bulkley's bill to indicate, except by inference, where these future roads will be situated.

MAJOR BATTLE OF CHINESE WAR NOW REPORTED BEGUN

100,000 Chinese Troops Struggling To Halt Sweeping Japanese Offensive In West

U. S. PROTESTS ON WAREHOUSE CLOSE

Japanese Seal Big Storage In Heart of International Settlement; Considered Serious Incident; Contains Supplies for the United States Navy

Shanghai, Feb. 2.—(AP)—A major battle developed today at Lingshith, in Shansi province, where 100,000 Chinese troops were struggling to halt a sweeping Japanese offensive along the extreme western flank of the central China war front.

The Japanese, stalled in their central China campaign by stubborn Chinese resistance along the Yellow river, shifted their attack wide to the west in a flanking maneuver designed to effect a crossing somewhere near the great bend of the Yellow river.

Chinese military dispatches said defeat of the Chinese in the Lingshith battle probably would mean loss of southern Shansi province.

Meanwhile, United States Consul General Clarence Gauss protested against Japanese sealing of an American-owned warehouse in the heart of the international settlement. The protest, filed with Japanese Consul General

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G. O. P. ATTEMPT AT ENTIRE REPEAL OF SURPLUS TAX FAILS

Bill Will Be Introduced Probably Tuesday for Debate To Begin Next Thursday

DOUGHTON THINKS OBSTACLES LIFTED

Says No Cause Left For Hesitation on Part of Business To Go Forward; Edison Pleads for Navv Adequate for Defense Against Any Outsider

Washington, Feb. 26.—(AP)—The House Ways and Means Committee reached a complete agreement today on a proposed tax revision program, after defeating a final Republican attempt to obtain complete repeal of the undistributed profits tax.

Chairman Doughton Democrat, North Carolina, said only the formality remained of introducing the bill, perhaps next Tuesday, and formally recommending it to the House.

The bill will probably be brought up on the floor Thursday, Doughton added.

The committee made no last-minute changes in the proposed legislation, which contemplates broad modification of the widely criticized undistributed profits and capital gains tax, along with imposition of a new surtax on large income corporations controlled by a family of a few individuals.

Doughton told reporters he felt deeply that "any cause for hesitation on the part of business to go forward, so far as taxes are concerned, should now disappear."

Other develops: Charles Edison, assistant secretary of the navy, told Congress the future peace of the United States depended directly on the maintenance of a defensive force "sufficiently strong and expertly trained that other nations will not risk a war with us."

Testifying before the House Naval Committee on behalf of the \$1,156,000,000 naval expansion program, Edison said he was "thoroughly and sincerely" in favor of it.

Senator Reynolds, Democrat, North Carolina, said the goodwill trip of six

Martinelli Has Attack In Singing

New York, Feb. 26 (AP)—Giovanni Martinelli, Metropolitan opera tenor, collapsed on the stage of the opera house today while singing an aria in "Aida."

The singer slumped to the floor with out warning as he neared the close of the selection, the first of the arias of the part he was playing. The curtain was rung down immediately and the performance was delayed until a substitute could be obtained for him.

The opera was being broadcast over a national hook-up. The collapse was announced over the radio to explain the sudden break in the singing.

At the opera box office, attaches said Martinelli would be "unable to continue," but that he seemed to be "all right." They said they had no information on the cause of the collapse pending the report of a physician who was called backstage.

Tar Heels Pay Gas Tax Twice Income Tax Levy But Sweat Over Latter

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Feb. 26.—North Carolina citizens who are already beginning to sweat over their income tax returns and to swear at the authorities which demand that they turn over a percentage of their earnings to the State, might well stop a moment and reflect that, after all, they pay twice as much each year in gasoline taxes as in income levies.

Figures for the last year, 1936, on which both these levies have been figured as well as paid, show that gasoline taxes paid to the State of North Carolina reached the staggering total of \$22,131,229.45, while the total by which the State's treasury benefitted from income taxes was \$11,074,826.42, or almost exactly half as much.

It has also been figured out on a national scale that gasoline levies and motor vehicle registration fee account for 37 per cent of all State revenue, an amount equal to the total collected by the states from sales taxes, real estate taxes, alcoholic beverage taxes and individual and corporation taxes combined.

The national survey shows, too, that more than half the motorists who pay the tremendous toll of taxes have incomes of less than \$30 a week; but of course those with these small incomes do not pay more than half the total collected.

Estimates are that used car owners pay approximately one-seventh of all the revenue of states, an amount equal to approximately twice the total personal income taxes received by the states.