

## MADRID GOVERNMENT READY FOR FLIGHT

### GUNS FROM REBEL WARSHIPS SILENCE GOVERNMENT FORT

Defense of Irun-San Sebastian Area Apparently Weakening from Insurgent Blows

### U. S. AMBASSADOR IS IN FRENCH QUARTER

Bowers Denies He Left Cutter Cayuga After Dispute With Navy Officers; Rebel Junta's Offices Reiterates Government Forces Are Using Gas

(By The Associated Press)  
Six-inch shells from the rebel cruiser Almirante Cervera silenced the guns of the government fortress of Guadalupe, defending the Irun-San Sebastian sector of Spain's Bay of Biscay today.

The fierce duel of big guns, ending in an apparent insurgent advantage, coincided with uncensored dispatches from Madrid which stated government leaders, fearing the fall of the capital, were reported to be holding three air liners in readiness for flight.

At Hendaye Beach, France, American Ambassador Claude G. Bowers set up a temporary embassy in a hotel after completing an evacuation of Spanish cities on the Bay of Biscay.

He added his personal denial to that of the Washington State Department concerning reports he had been ordered ashore from the cutter Cayuga, following a dispute with navy officers.

From their supreme headquarters at Burgos, meanwhile, members of the rebel junta announced they would inform foreign governments and the International Red Cross that Spanish government forces were using poison gas.

### Urges That County Keep Liquor Fund

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, Aug. 18.—(AP)—

Regardless of what changes the coming General Assembly may make with regard to the sale of liquor in North Carolina, the revenue from liquor should be left in the counties, according to Representative Thomas E. Cooper, of Wilmington, New Hanover county, who was here conferring with State officials Monday. Cooper, who was a member of the 1935 General Assembly and who helped materially in getting the New Hanover and Pasquotank county liquor laws enacted, under which 17 counties and two town ships now have legal liquor stores, indicated he would fight to the last ditch to keep the liquor in the counties when he returns to the House in the 1937 General Assembly.

"I am not much concerned with what the coming General Assembly does with regard to the liquor question, so long as it leaves the revenue from sale of liquor in county liquor stores in the counties," Cooper

(Continued on Page Three.)

### Aged Killer Of Son Dies Before Trial

Winston-Salem, Aug. 18.—(AP)—John Henry Houser, aged killer of his son-in-law some years ago, died here today.

The oldest man to be convicted of murder and sentenced to die in the State of North Carolina, Houser rested comfortably in a hospital in Winston-Salem awaiting death from natural causes rather than being electrocuted by the State.

Convicted and sentenced to death, the Supreme Court of the State sent his case back to the superior court for another trial, but before it could be heard he had to be taken to a local hospital for treatment. That was four years ago—and he remained in the institution with the charge of murder hanging over him, and the courts awaiting an opportunity to re-try his case.

To the last, it is said, he did not regret his act.

### Spanish Revolt Is Over for Them



Hands raised in token of surrender, a party of loyalist prisoners are shown being marched to the rebel prison camp at Pueblo De Utera. The governments of Europe are watching the progress of the Spanish revolution with anxious eyes as daily occurrences threaten to embroil their countries in war. (Central Press)

### Ten Percent Rise In Food Prices Forecast For Immediate Future

Washington, Aug. 18.—(AP)—Experts "guessed" today that it won't be long before the housewife lays out from \$11 to \$12 for the same basket of food she now buys for a \$10 bill.

Government and private experts, admitting that exact estimates are impossible, nevertheless forecast upward revision of the family grocery budget. They explained that when the scorching sun shriveled crops in recent months the dollar's food purchasing power went into a dive. It already has affected milk, butter and eggs in some places, and eventually will reach meats, they said.

The experts said their "best guesses" were based upon what happened after the drought two years

ago. Consumer purchasing power, which was on the upgrade after the 1934 drought, and has been reported increasing since, also plays an important part in food prices, they said. An intricate check upon average food costs is kept by the Bureau of Labor Statistics, with the prices from 1923 to 1925 placed at 100. The bureau reported the food cost rose from an index of about 73 at the start of the 1934 drought to a peak of 82 in 1935, or about 12 percent.

The last retail food index in July was 84. Thus, increases in food costs because of the present drought may go much higher than the peak which came after the arid period of 1934, it was said.

### LARGER VOCATIONAL FUND IS AVAILABLE

State Can Get Nearly Half  
Million Dollars More by  
Matching It

### LEGISLATURE HAS SAY

People Are Demanding More Teaching of Subjects That Will Equip Children for Making Practical Living

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, Aug. 18.—(AP)—

With people in every section of the State clamoring for more vocational education in the high schools and with the Federal government making available more and more funds to help vocational education, there is every reason to believe that greater emphasis is going to be placed on teaching children how to do things than merely about things in North Carolina, if the forthcoming General Assembly will only make the appropriations needed to match these Federal funds, according to Director T. E. Browne, of the division of vocational education of the State Department of Public Instruction. Director Browne has just returned from a conference on vocational education in Washington, where the operation of the new George-Dean law was explained to State superintendents and vocational education directors.

### Funds Are Available.

The new George-Dean law, enacted by the last Congress, sets up a fund of \$14,200,000 a year for an indefinite period, to be distributed among the various states to help them increase their vocational education facilities. Of this fund, North Carolina is entitled to \$496,851 a year, in addition to its present grant of \$192,903 a year under the Smith-Hughes act and in which it is now participating, Browne explained. This new amount of \$496,851 a year will not become available until July 1, 1937, but will continue indefinitely after that time. Another advantage of this new law is that from 1937 until 1943 the states will have to match this fund only 50 cents on the dollar instead of dollar for dollar, so that it will only be necessary for the General Assembly to appropriate \$248,425 for the State to get the entire \$496,851 and have a total of \$746,276 available for the teaching of more vocational subjects in the State, such as agriculture, domestic science, woodworking, handicrafts, automobile mechanics and so forth, that will enable boys and girls who do not want to go to college or who cannot go to college to earn good livings.

"With the Federal aid now available for vocational education in North Carolina, we can have a total of \$1,132,082 to use in expanding our work

(Continued on Page Five.)

### NEGRO SOUGHT IN KILLING GIVES UP

Chicago, Aug. 18.—(AP)—James Gray, 26, Negro gambler, sought for questioning in connection with the hotel room slaying of Mrs. Mary Louise Trammell last Sunday, surrendered today to the police. Gray walked into police headquarters and said he had read in the newspapers that he was being sought. He told police he knew nothing of the slaying, but identified a bundle of laundry held at the station as his property.

### Police Sergeant Peter Bernachi

said Gray told him he was robbed of a notebook, a laundry check and a small amount of cash while sleeping in Grant park, not far from the slaying scene about a week ago.

Chicago, Aug. 18.—(AP)—Detectives investigating the slaying of Mrs. Mary Louise Trammell today swung into a widespread search for James Gray, 31-year-old Negro gambler. Assistant Prosecutor Morris Meyers said Gray had a police record as a "peeping Tom," and ordered police squads to comb the South Side Negro

(Continued on Page Five.)

### OUR WEATHER MAN

Generally fair tonight, except unsettled on coast; Wednesday partly cloudy, possibly showers in mountains.

### State Has Cash Balance Of \$23,441,521 July 31 Treasury Report Shows

Three Huge Tax Checks Aggregating \$4,000,000 In July Boost General Fund Total

### STATEMENT ISSUED BY THE GOVERNOR

Shows General Fund With \$5,509,503 and Highway Fund \$10,808,964, With Special Funds Amounting to \$2,343,028 at End of Month Just Closed

Raleigh, Aug. 18.—(AP)—Three tax checks totalling more than \$4,000,000 received by the State during the last month helped swell the cash balance of North Carolina's general fund from \$600,789-17 on July 1 to \$5,509,503.17 on July 31.

The combined monthly treasurer's and auditor's statement released today by Governor Ehringhaus shows the total cash in the treasury as of July 31 was \$23,441,521.41.

A total of \$6,341,309.79 in general fund receipts for the month was reported against expenditures of \$1,432,593.79. The highway fund, which had a balance of \$9,795,403.03 on July 1, showed receipts of \$2,613,556.83 during the month and expenditures of \$1,600,000 for a balance of \$10,808,964.86 on July 31.

Various special funds which had a total balance of \$7,025,673.36 at the first of last month showed receipts of \$400,435.63 and disbursements of \$5,083,080.23 for a balance of \$2,343,028.76 on July 31.

The three large checks received during July were more than \$2,000,000 from the estate of Z. Smith Reynolds, of Winston-Salem, more than \$1,000,000 from the estate of Bowman Gray, of Winston-Salem, and a franchise payment of approximately \$1,000,000 from a power company.

### REPAIRS TO ROADS COMPLETE BY FALL

Approximately 900 Miles Will Be Repaired from Winter's Damage

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, Aug. 18.—(AP)—

The repairing and resurfacing of approximately 900 miles of highways, including most of those which were badly damaged by last winter's cold weather and freezes will be completed this fall, Chairman Capus M. Waynick, of the State Highway and Public Works Commission, said today. Already some 500 miles have been completed and work is now progressing as rapidly as possible on the projects which have not yet been finished. When the entire 900 miles have been completed, the cost will be about \$3,500,000, Waynick said.

"Because so much of this work is being done in short stretches of from a few hundred feet to a few hundred yards, it is difficult for the public to realize that by fall the total repair and resurfacing work will amount to

(Continued on Page Three.)

### FIRING OF MASK IS YET DEEP MYSTERY

One Reason Believed That He Did Too Much Thinking for Himself

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, Aug. 18.—(AP)—

An air of deep, dark mystery still surrounds the sudden firing of Homer H. B. Mask, until a few days ago regional director of resettlement in this district, composed of North Carolina, Virginia, West Virginia and Tennessee, and the appointment of George S. Mitchell, a former Virginia college professor who has been an assistant to Rexford G. Tugwell, director of resettlement in Washington, as Mask's successor. The mouths of all those connected with the Resettlement Administration here are tightly sealed and none can be found who will discuss the sudden shake-up in the regional organization

(Continued on Page Three.)

### Gets Air Post



Mrs. Blanche Noyes

Blanche Noyes, Cleveland aviator who holds the distinction of being the one who took John D. Rockefeller, Sr., for his first and only airplane flight, has been appointed an air marker for the U. S. bureau of air commerce. Mrs. Noyes has been flying since 1929. Her new duties will consist of arranging for the marking of roof-tops and other landmarks for the guidance of airmen.

(Central Press)

### THREE AIR LINERS HELD IN READINESS IF CAPITAL FALLS

Rebels Firmly Entrenched in Mountains Await Only Reinforcements For Attack

### REBEL WARSHIPS IN NORTH POUND COAST

Shells Finding Marks In Irun and San Sebastian Sectors; Government Expects No Early Victory In Spanish Civil War; Gas Bombs Being Used

(By The Associated Press)  
Heads of the beleaguered Madrid government were reported in uncensored advices reaching Gibraltar today to have three air liners in readiness for flight—in the event the capital falls.

The advices said rebels firmly entrenched in the Guadarama mountains north of Madrid had only to await reinforcements from other sides of the capital before launching an attack which was deemed likely of success.

In any event it became apparent the government expected no quick victory. Today the Madrid authorities urged women of the nation to make ammunition and winter clothing and called for volunteers to form a new "battalion of red lions."

Up in the north of Spain, two big rebel warships resumed a fierce gun duel with government land batteries defending the Irun-San Sebastian sector. It appeared the naval shells were finding their marks.

The first charge that either side was using gas came from rebel headquarters at Burgos, which contended the government air force had been dropping gas bombs. A Madrid official was quoted in a Paris dispatch as acknowledging tear gas bombs had been utilized in "defensive" fighting.

### EUROPEAN WAR IS BELIEVED LIKELY

Uncle Sam's Neutrality Act Doesn't Cover Civil Wars Abroad

By CHARLES P. STEWART  
Central Press Staff Writer

Washington, Aug. 18.—Was it Mark Twain, or some other philosopher, who once referred to the "innate cussedness of inanimate things"?

Anyway, there is no doubt as to their "cussedness" or to the "cussedness" of events beyond human control. What's been occurring in Spain, in the face of Uncle Sam's determination to keep out of future foreign wars, aptly demonstrates this latter class of "cussedness," from this country's standpoint.

Throughout most of the last session of Congress a Senate committee wrestled with the problem of maintaining American neutrality in overseas conflicts forevermore. The committee considered, as it believed, every possibility (and there were plenty of them) of another struggle in lands and waters beyond our shores.

BUT—CIVIL WAR? It was agreed that the United States should remain aloof from any such clash in parts of the world other than our own.

A law was passed, declaring us on the sidelines in all rumpests henceforward between alien powers. Between alien powers! Get that? Two alien powers, or more than two, must be at war before the law requires the United States to keep out of the fracas.

It didn't occur to any one that war might break out involving fewer powers than two.

NO POWER? Well, before the ink was fairly dry on the new law, civil war had broken out in Spain. The law does not fit one power alone.

Regardless of the statistics, American arms and munitions purveyors

(Continued on Page Five.)

### ARMY PILOT WITH MECHANIC PERISH

Allegan, Mich., Aug. 18.—(AP)—An army pilot and his mechanic were killed today when a new pursuit plane from Selfridge Field, Michigan, crashed near Otsego while taking part in the western Michigan war games.

Reports received at Selfridge field said the plane was being piloted by Second Lieutenant William W. Harding, 25, air corps reserve, and that his mechanic was Private Francis Meier, of Dowagiac, Mich.

### Tobacco In Georgia Is Still High

Atlanta, Ga., Aug. 18.—(AP)—Second week's sale of tobacco on the 15 south Georgia markets amounted to \$1,335,556 pounds for a total of \$7,264,013.68 for an average of \$23.17 per hundred pounds, the State Department of Agriculture reported today.

Sales for the first week were 25,318,196 pounds for a total of \$6,357,896.43 for an average of \$23.11 per hundred.

Tifton, leading volume market last week, led again on poundage sold last week, with a total of 2,752,832 pounds. The report showed Waycross had the top price average last week—26.34 cents a pound.

### War Scare Keeps FDR At Offices

President Fears To Venture Far From Washington In European Crisis

Hyde Park, N. Y., Aug. 18.—(AP)—Critical conditions in war-torn Spain and Europe were disclosed authoritatively today to have prompted President Roosevelt to put a check on any plans that would call for his being far from Washington for any extended period.

This fact became known only five days after Mr. Roosevelt, in an address at Chautauqua, N. Y., asserted he was more gravely concerned over international tendencies than domestic problems.

During a press conference today, however, the President said he had no new reports on the Spanish civil war, other than duplication of information in the press.