

SENATE VOTES FUND TO LAUNCH WORK ON TVA KENTUCKY DAM

Refuses To Strike \$2,753,000 Appropriation from Independent Offices Measure

PROPOSAL IS BOTH DEFENDED, ATTACKED

House Military Committee Approves Bill To Give President Anti-Profitting Powers in Wartime, Also Universal Draft of Manpower and Industry

Washington, Feb. 25.—(AP)—The Senate refused today to strike from the \$1,400,000,000 independent offices bill a \$2,753,000 item to start construction of the Gilbertsville, Ky., dam, part of the TVA.

Senator Vandenberg, Republican, Michigan, asked that the item be eliminated. It was inserted by the Senate Appropriations Committee after the bill passed the House.

Senator Norris, Independent, Nebraska, sponsor of most TVA legislation, opposed the removal in a lengthy speech. In the preceding debate Senator McKellar, Democrat, Tennessee, told the Senate the projected \$112,000,000 TVA dam at Gilbertsville, Ky., would reduce power rates one-third in a large surrounding area.

McKellar said the government would be repaid for "every dollar spent on this dam," which he said could produce power for Nashville and Memphis, Tenn., Cincinnati, Ohio, Louisville, Lexington, Paducah and Henderson, Ky., and rural areas.

"There will be no trouble about the sale of this power," McKellar said, defending a \$2,753,000 appropriation in the independent offices bill to start construction of the project on the Tennessee river.

The House, meanwhile, heard an assortment of speeches more or less related to the \$124,998,730 Interior Department supply bill, which it is considering. The measure, reported to the House at noon by its appropriations committee, proposes \$7,447,557 less for the fiscal year beginning July 1 than was provided for the current 12 months.

The House Military Committee approved, meanwhile, a bill to give the President broad authority to prevent profiteering in wartime.

The committee's action broke a long committee deadlock over the legislation, which President Roosevelt recommended in his national defense message to Congress. The measure contains a provision for a universal draft of man-power and industry in wartime.

Farmers To Get Subsidy Upon Crops

Washington, Feb. 25.—(AP)—Farmers who comply with the new crop control act this year will receive a government subsidy of 2.4 cents a pound on their cotton and 12 cents a bushel on their wheat. Agriculture Department officials decided tentatively today.

Payments for tobacco may range from half a cent to 1-2 cents a pound, and for rice 0.125 cents a pound. The subsidies would be paid from the \$500,000,000 fund which Congress is authorized to appropriate for benefits to farmers diverting land from soil-depleting to soil-building crops.

The tentative rate for potatoes has

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Gen. Pershing Again Rouses To Strength War-Time Head of U. S. Armies Critically Ill, However, At Tucson, Arizona

Tucson, Ariz., Feb. 25.—(AP)—The stout heart that carried General John J. Pershing through many military campaigns showed unexpected strength today and physicians said he had gained ground in the last four hours.

After lapsing into a coma at 9 p. m. (11 p. m., eastern standard time) last night, the old soldier had "partially regained consciousness" following the administration of heart stimulants.

Dr. R. Davidson, who issued an official bulletin at 6:15 a. m. (8:15 a. m. eastern standard time) today, said

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Goes to Work



Anthony J. Drexel Biddle, United States Minister to Poland, is pictured aboard the United States liner Manhattan as he sailed from New York to Europe. Biddle is hurrying back to his post as a result of the present crisis in Central Europe.

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Warehouse Body Backs Weed Cuts

Raleigh, Feb. 25.—(AP)—Tobacco warehousemen of the two Carolinas and Virginia unanimously endorsed "compulsory control" for flue-cured tobacco for 1938, and formed the Bright Flue-Cured Tobacco Warehouse Association here today.

An executive committee consisting of the presidents of the various tobacco belt associations will direct the new body.

Charles D. Bryan, of Danville, Va., was elected president, and C. P. Paulette, also of Danville, was named secretary-treasurer.

The resolution backing compulsory control urged all tobacco growers to vote for control in the March 12 referendum. Fear was expressed that if control is not voted on the 1938 crop will be "a recession of price below the cost of production."

B. E. Sugg, of Greenville, discussed

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CHANGE IN COTTON SLIGHT AT MIDDAY

Liquidation and Foreign Selling and Lower Markets Abroad Depress Trading

New York, Feb. 25.—(AP)—Cotton futures opened off five to six points on lower markets abroad, eight March notices and under liquidation and foreign selling. May recovered from 9.18 to 9.24, and shortly after the first half hour was 9.22, when the list was two to three points above previous closing levels around midday in quiet trading. May was 9.23.

Says Unions Sabotaging U. S. Building Industry

Babson Declares New Housing Act Cannot Alone Start Construction Boom; Labor Costs Out of All Proportion Over Country, Statistician Claims

BY ROGER W. BABSON, Copyright 1938, Publishers Financial Bureau, Inc.

Babson Park, Fla., Feb. 25.—Does the new housing act mean that America will finally get the building boom of which she is so desperately in need? The unnecessarily heavy costs of erecting a small home have been stifling building. The new act cuts initial financing charges and makes it easier to take on a home. But it does not slash through the high costs and other obstacles which are blocking a real construction boom. Despite these drawbacks, however, home building should register a good improvement this spring.

Steadily rising tax rates and the desire for automobiles rather than homes are two of the hurdles in the building pathway. Gasoline for the car instead of milk for the baby is

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Cabinet And Parliament Of Japan Fight Bitterly Over War Control Plans

Lower House Angrily Dis-sents to Copy of Fascist Laws of Germany and Italy

ANNIVERSARY NEAR OF ARMY UPRISING

Nation Approaches Event Tomorrow With Grave Apprehension; Hankow Reports United States Has Bluntly Refused Jap Request for Evacuation

Tokyo, Feb. 25.—(AP)—The Japanese cabinet and parliament were in a bitter deadlock today over a dictatorial war control bill.

A situation amounting to a cabinet crisis crystallized between the Diet (Parliament) and the cabinet over the measure lower house members objected was copied after Fascist laws of Germany and Italy.

The government was determined to obtain approval for the general mobilization bill which would impose wartime regulations on Japanese business, finance, property and private lives.

Because of the crisis, Japan approached the anniversary of the army uprising of February 26, 1936, with grave apprehensions. Adding to the concern was the Chinese bombardment Wednesday of Formosa and fears that one of the main islands of Japan's thickly settled empire might be subjected again to air raids.

Hankow, China, sources said, meanwhile, the government of the United States has told Japan in a blunt note that it has no intention of ordering evacuation of Americans in the central China war area, as the Japanese army formally had requested. It was understood in diplomatic circles there that the note declared Americans have a perfect right to live and carry on their duties in any part of China, regardless of the presence of a Japanese army.

Shanghai reports indicated 25 new Chinese divisions, according to Chinese, are being organized and equipped for a counter-offensive against the Japanese army trying to swallow the vast central China Lung-hai area.

UPWARD CLIMB FOR STOCKS IS RESUMED

Losses of a Point or More Are Converted into Gains of as Much During Forenoon

New York, Feb. 25.—(AP)—The stock market shook off "bad news" today with little effort, and resumed its climb toward recovery territory. Yesterday's Chrysler dividend omission brought some selling at the opening, but this was absorbed easily and losses running to a point or more generally were converted into gains of as much. Bonds and commodities, hesitant on the get-away, quickly attracted support, along with stocks.

Table with 2 columns: Stock Name, Price Change. Includes American Radiator, American Telephone, American Tobacco, Anaconda, Atlantic Coast Line, etc.

Furthermore, his savings were loaned on real estate or helped to finance new productive projects. Now all that is changed. The worker of today puts his savings into an automobile on an easy-payment plan. When he is through paying for the car he has purchased in "time" he finds that his "savings" have depreciated to almost nothing. He has put his nest-egg in a "wasting asset".

Prefabrication Is Inevitable. The high material and labor costs

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Poison Gas in War?



Klementi E. Voroshiloff ... threatens poison gas

Use of poison gas in warfare is threatened by Klementi E. Voroshiloff, Russia's commissar of war, in a speech in Moscow on the Red army's twentieth anniversary. Voroshiloff said that "we cannot restrict our chemical detachments to anti-gas defense."

—Central Press

FARM DEBATE MAY SHAPE COURSE OF FRANCE'S FUTURE

Two-Day Argument Finds Chamber Split on Issue of Britain's "Realistic" Lead

Paris, Feb. 25.—(AP)—The Chamber of Deputies opened a two-day debate today on farm policy which may determine whether France is to follow British lead in "realistic" European appeasement.

Last night's address by Chancellor Schuschnigg of Austria drew the praise of Ernest Pezzet, popular democrat.

Pezzet lauded the Austrian's "courage and dignity in protecting his country's independence." The deputy interpreted the German influence in Austrian affairs as directed toward "anschluss," or union for war, which France—with her central European allies—must counter with "anschluss for peace."

"We must not appear to tremble before the German menace," he said. "To this there were replies: 'We are not trembling at all!'"

Pezzet continued: "We are ready to assure peace with all sacrifices. But there is one which we cannot make that is, our national honor and territorial security."

Eighteen deputies listed for debate today represented all party groups.

Democrats To Fix Date Convention

Raleigh, Feb. 25.—(AP)—Members of the Democratic State Executive Committee, headed by Chairman Gregg Cherry, of Gastonia, began arriving this morning for tonight's meeting to fix the date for the State convention.

Sentiment of the early arrivals was in line with the expressed opinion of Governor Hoey that the convention should be held before the June 4 primary. Yesterday the governor said he thought a "Thursday about the middle of May would be a good time." Some earlier arrivals favored May 26.

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WEATHER FOR NORTH CAROLINA

Partly cloudy and continued cold tonight; Saturday generally fair.

Italian Support Of Austria May Give Britain Aid Needed To Block Hitler Domination

CHINESE STRIKE BACK BY AIR



Street scene in Taihoku, map of Formosa

Striking from the air for the first time on Japanese soil since their unofficial war began, eight Chinese airplanes bombed Taihoku, capital of the Japanese island of Formosa, killing at least 10 persons and wounding others. More casualties were reported at other nearby cities, also bombed by the Chinese. Formosa, as shown on the map above, is located off the Chinese coast and has been used as an airplane and troop base for Japanese operations in south China.

REYNOLDS FINDS NEW CONFIDENCE

Senator Thinks Bottom of Recession Already Passed in This State

Washington, Feb. 25.—Senator Robert R. Reynolds today issued the following statement upon his return from North Carolina where he made several addresses on public affairs under the auspices of civic organizations, and on National Defense under the auspices of the Reserve Officers Association:

"There is much evidence that North Carolina has passed the low point of the current recession and that the general outlook for business, industry and agriculture is favorable for the months immediately ahead. The new confidence apparent in the state is particularly healthy sign. It is evident that the state is continuing to enjoy a fine balance as between the various elements of trade and agriculture upon which the people depend for their livelihood.

"Conferences with business people lead me to believe that repeal or modification of the undistributed profits tax will do much to stimulate business and provide employment. While

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NEW TROUBLE SPOT IN ARKANSAS FLOOD

St. Francis River Near Top of Levees As Laborers Are Rushed To Sandbag Dykes

Little Rock, Ark., Feb. 25.—(AP)—A new trouble spot bobbed up on Arkansas flood map today when the St. Francis river reached within a few inches of the top of its levees in the extreme northeast of Arkansas near the Missouri line.

Laborers were rushed to the stream west of Kennett, Mo., to reinforce the dykes with sandbags. Lashed by a stiff wind, the stream lapped over the levees in spots. The river had risen 3.1 feet at Holly island in 32 hours, and the crest was not expected until Saturday night.

Residents of Fulton, in the southwest section of the state, apparently had beaten back the five-mile-wide flood of the Red river from their thresholds.

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U. S. ARMY BOMBERS START FROM LIMA

Lima, Peru, Feb. 25.—(AP)—The six United States army bombers took off today non-stop for Panama, en route home from their goodwill flight to South America. The first ship was away at 6:05 a. m., eastern standard time, and the last at 6:17. They expected to reach Panama in about nine hours and go on to Miami.

SCHUSCHNIGG TALK LAUDING MUSSOLINI MAY WIN DICTATOR

Il Duce Believed To Have Given Austria New Pledges Despite Denials from Rome

MAY GAIN SECURITY IN MEDITERRANEAN

Chancellor's Significant Reference to Italian Sympathy Gives Decided Impetus to New British Policy of "Realistic" Dealings To Keep Peace

London, Feb. 26.—(AP)—Italian support of Austrian independence may give Britain the needed aid to block further German dominance of central Europe, diplomatic sources said today.

Chancellor Schuschnigg, in his speech to the Austrian Diet and nation yesterday warmly praised Italy's Premier Mussolini as one who understood Austria's problem and "always tried to avoid any impressions of interference in our internal affairs."

This friendly reference must mean, diplomatic quarters here said, that Mussolini previously had re-assured Schuschnigg of his continued interest in Austrian independence—despite denials from Rome of any new pledges.

The other possibility was that Schuschnigg was praising Il Duce in an adroit move to bind Mussolini to him in his determination to fight for Austrian sovereignty and against the rise of Nazism.

In any event, the significant reference to Italian sympathy, coupled with the assurance "Austria must remain Austria," gave decided momentum to Britain's new policy of realistic dealings to keep European peace.

It is felt here that new Italian support for Austrian independence, in addition to the Rome protocol pledge,

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BERLIN ANGRY ON SCHUSCHNIGG TALK

Rest of Europe Applauds Austrian Chancellor's Bid for Freedom

(By The Associated Press) Echoes of Chancellor Schuschnigg's paean of Austrian freedom lingered in Europe today, but its motif of harmony with Germany became a jangling discord in Berlin.

Leading Nazis in Reichsfuehrer Hitler's capital called it a "swan song"—"for us he is finished; history will take its course without him. Austria is ours."

But Rome, which had looked askance at the Hitler-Schuschnigg "bar-gain," was "highly pleased by Schuschnigg's interpretation of the agreement as meaning Austrian independence and Austrian peace. Austrian patriots paraded joyously after Schuschnigg's address to the nation. Austrian

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Four Perish In Smash-Up Of 2 Planes

Britishers Dead In California; Middle-Aged Pilot Killed at Reno, Nev.

San Luis Obispo, Cal., Feb. 25.—(AP)—Doctors strove today to save the life of James Lawrence, son of an English nobleman, and only survivor of an airplane crash on the William Randolph Hearst ranch that killed Lord Terence Plunket, 38, of London his wife, and his pilot.

Lawrence, his body covered with burns, and his ankle fractured, lay in a sanitarium here where he was removed late yesterday from the accident scene 40 miles north of here. Dr.

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