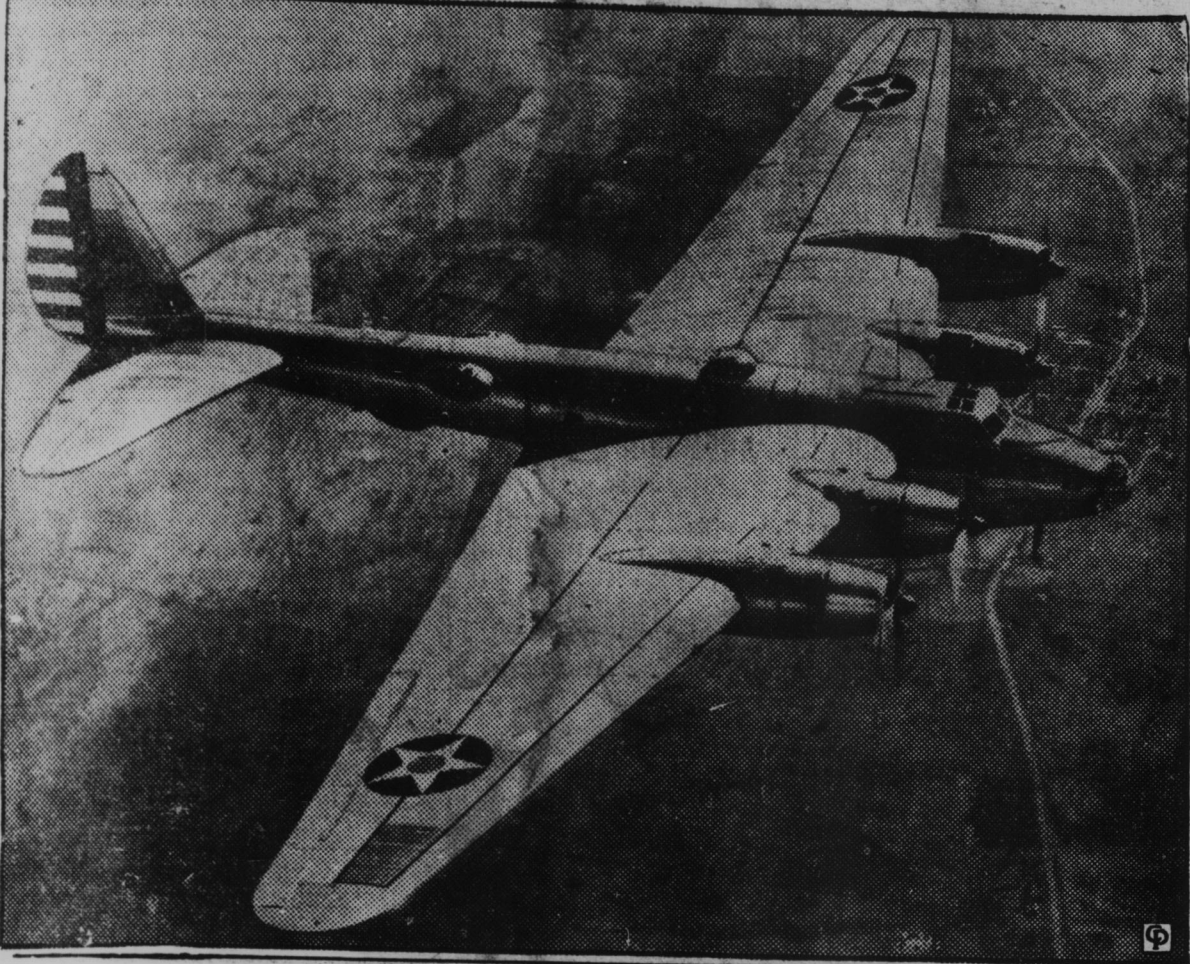


HOUSE SAVES REORGANIZATION MEASURE

Blum's Defeat In Committee Foreshadows His Downfall

MEASURE WILL BE DEFEATED ON NEXT VOTE, ENEMIES SAY

Most Powerful Fighting Aircraft in the World



View of the army's "flying fortress" over Dayton, O.

Described as the most powerful fighting aircraft in the world, the U. S. army's experimental bombing plane known officially as the XB-15, but popularly as the "flying fortress", is meeting every test.

officers say. Shown in flight, the bomber carries a crew of ten. You can see the pilot's compartment and the "blisters" that house machine gunners in this photo.

FRANCE LINING UP GROUP IN DEFENSE OF CZECHOSLOVAKIA

Russia, Balkans and Other Nations Asked To Join Alliance Against German Threat

BLUM'S VICTORY IN CHAMBER IS SCANT

Finance Plan Approved by Deputies by Narrow Margin, With Defeat in Senate Tomorrow Considered Certain; Left Wingers Plan Demonstration

Paris, April 7.—(AP)—The Senate Finance Committee, in spite of the threat of a massed demonstration by leftists, today flatly rejected Premier Leon Blum's demand for dictatorial powers over finance by a 25 to 6 vote.

Meanwhile, France is pursuing efforts to get Czechoslovakia's neighbors to pledge defense against German Nazi encroachment in the little country, despite the acute domestic situation.

The French plan is for an alliance of Soviet Russia, Poland, Roumania, Yugoslavia and France to act if there should be an attack from Nazi Germany—(to further the German dream to unite the German peoples, including the 3,500,000 German minority of

(Continued on Page Three.)

MURPHY PAIR FREE IN AUTO FATALITY

Two Kannapolis Men Acquitted of Manslaughter and Hit-and-Run Driving in West

Murphy, April 7 (AP)—Red Joynes and Homer Ballard, of Kannapolis, were acquitted in superior court today of charges of manslaughter and hit and run driving in connection with the death of a pedestrian near Andrews last fall.

The jury brought in its verdict after deliberating about an hour and a half.

Leater Hooper, of Kannapolis, who testified he was asleep in an automobile in which Joynes and Ballard also were riding at the time of the alleged mishap, was the state's only witness.

A jury was selected yesterday and trial of the case before Judge J. H. Clement, of Winston-Salem, required only a short time today.

Claim Japs In Retreat From Lines

Shanghai, April 7 (AP)—The Kwangsi military chieftain, General Fung-Jen reported today that Japanese were "in full retreat" from Taierchwang, the Shangtung province village whose mud walls have been flattened by nearly three weeks of battle north of the Grand Canal.

General Fung-Jen said his warriors went over the top at dusk last night in a third offensive, and that the Japanese, unable to withstand their fierce assault, began retreating toward Tsao-Chwang at dawn.

The victorious Chinese began mopping up stragglers along the narrow gauge railroad, which runs toward Tsao-Chwang to connect with the main Tientsin-Pukow railway.

It was along that railway which Japanese aimed their southwestward thrust at the fast-dunk last night in a third offensive, and that the Japanese, unable to withstand their fierce assault, began retreating toward Tsao-Chwang at dawn.

WEATHER FOR NORTH CAROLINA

Occasional rain tonight and Friday; colder in south and central portions Friday and in central portion tonight.

Government Defenses In Spain Crumble In Attack

Franco's March to the Sea Continues as New Towns and Cities Fall to Insurgents

AMERICAN FORCES ALMOST DECIMATED

Washington and Lincoln Battalion Has Only Few Hundred Men Left Out of Several Thousand Who Had Fought Since Beginning of Spanish Civil War

Hendaye, France, April 7.—(AP)—Government defenses crumbled before a fresh insurgent march to Spain's east coast today as insurgent red and gold banners fluttered at the village of Vallbona.

This village is 22 miles from the sea coast city of Vinaroz. General Franco's armored columns there threatened to outflank the government left wing defending Tortosa from positions in nearby mountains.

The insurgent right wing marched from Morella, while fierce counter attacks by government reinforced units staved off further frontal attacks on Tortosa.

Simultaneous action along the northern Catalan front brought the city of Balaguer under insurgent control.

AMERICANS FIGHTING WITH LOYALISTS ARE WIPE OUT

Perpignan, France, at the Spanish

(Continued on Page Three.)

Franco Marches On



Franco's drive to the sea

This map shows how Spanish insurgent forces, including thousands of Moors, Italians and Germans, are pushing on, forcing the Loyalists back to the sea. The insurgent march has cut Catalonia off from the remainder of Loyalist Spain. General Franco's men control the last highway linking the two sections of government territory.

Great Britain and France now are said to be making efforts to prevent massacres and executions.

Central Press

Japan Is Concerned Over U. S. Policies In Pacific

Admiralty Spokesman Says Tokyo Fears America May Expand Influence In The East

HULL'S SPEECH IS CAUSE FOR ALARM

Secretary's Opposition To Stay-at-Home Policy for Navy Arouses Japanese; See Former American Defense Line Being Extended to the Westward

Tokyo, April 7.—(AP)—Japan feels it "imperative" she maintain command of the western Pacific, and is concerned gravely over the possibility the United States might expand her sphere of influence there, Rear Admiral Noda, Admiralty spokesman, said today.

Discussing the speech on foreign policy by Secretary Hull on March 17 and his letter on April 3 to Chairman Walsh, of the Senate Naval Committee, opposing a stay-at-home policy for the navy, and holding it must be free to defend Americans anywhere, Admiral Noda asserted:

"The fact that Mr. Hull sent a letter at this particular time is of special interest to us. Formerly, the United States seemed to regard the mainland coast and Panama as the sole points necessary to defend.

"As late as January 31, Admiral Leahy (chief of United States naval operations) stated a strategical rival

(Continued on Page Three.)

GOLDSBORO HIGH IS SEAT OF RESEARCH

Raleigh, April 7.—(AP)—Dr. J. Henry Highsmith announced today that the Goldsboro high school has been selected for a special research project of the Southern Association of Colleges and Secondary Schools.

Dr. Highsmith, chairman of the North Carolina Commission of Secondary Schools of the association, said similar projects would be launched at two other schools selected from a list including Charlotte, Asheville, Greenville, Chapel Hill, Burlington, Roanoke Rapids and Rocky Mount.

Dr. Frank C. Jenkins, director of special studies for the association will visit the schools under consideration next week.

Fresh Snow Blanketing West Areas

Mid-Winter Returns to Region From Rocky Mountains to Eastern Seaboard

Chicago, April 7.—(AP)—Fresh snow blanketed a wide expanse of territory between the Rockies and the eastern seaboard today in the wake of a storm that turned the calendar back to mid-winter.

Rain, sleet, dust, hail and tornadoic winds lashed at sections of the nation which escaped the snowstorm.

Heavy wet snowdrifts three and four feet deep challenged highway crews in the middlewest. Snow plows opened most principal highways but many rural lanes still were choked.

The snowfall broke April records in many cities and was the deepest of the winter at some spots. Counties in southwest Michigan reported 35 to 36 inches of snow.

One death was reported in South Dakota, and fears were felt for a man missing in the vicinity of Scott Bluff, Neb., where snow ranged up to a foot in depth. Westington Springs S. D., reported 17 inches of snow.

Hundreds of telephone and telegraph poles snapped under the weight of snow and ice in Nebraska and Iowa.

About 1,400 city workers and scores of street car and bus company employees tackled Chicago's 9.1-inch snowfall.

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Colder Weather Strikes Carolina And The South

Mercury Drops From 60 to 46 in Five Hours at Raleigh, With 40 Likely Tonight

SUB-FREEZING FOR SOME AREAS SEEN

Gulf Coast and Southern States To Feel Flareback of Winter, But Cold Snap Will Be Short-Lived; Rain Accompanies Drop of Thermometer Generally

Raleigh, April 7.—(AP)—Cold weather hit Raleigh again today and the mercury in thermometers dropped 14 degrees in five hours from 60 at 7 a. m. to 46 at noon.

Lee Denson, in charge of the Weather Bureau, said he expected a temperature of around 40 degrees here during the night.

SUB-FREEZING COLD IS PREDICTED IN THE SOUTH

Little Rock, Ark., April 7.—(AP)—The South hung top coats next to umbrellas today in preparation for a predicted sub-freezing cold wave.

Winter's belated slap at spring was forecast to extend from Oklahoma across Dixie to northwest Florida, accompanied by rain in virtually all sections.

Strong northerly winds were reported along the Louisiana and Texas gulf coasts. A prediction of slowly rising temperatures in west and north central portions of east Texas Friday promised the indicated cold snap would be short-lived. Livestock warn-

(Continued on Page Eight.)

Bank Given Votes With Rail Stock

New York, April 7 (AP)—Federal Judge Albert C. Cox today denied the petition of Robert R. Young for an injunction restraining Guaranty Trust Company, third largest bank in the United States, from voting controlling stock in the Chesapeake Corporation, which it holds as a special trustee, at a special stockholders' meeting in Baltimore tomorrow.

The decision was a setback in Young's fight with a powerful Wall Street banking interests for control of the Chesapeake and Ohio railway, most profitable remnant of the form-

(Continued on Page Eight.)

New Air Tragedy Saddens Britain

London, April 7 (AP)—Three Royal Air Force fliers were killed today when their reconnaissance plane exploded and fell into the North Sea.

The air ministry officially identified the plane, which had been the object of a widespread search near Dudgeon Light, off the Humber estuary, where it was seen to burst into flames. Searchers found only oil patches and bits of wreckage.

The crash was the 34th in the Royal Air Force since January 1, and raised its death toll to 58 since then.

The plane had been on a night routine navigation flight, and last had radioed all well.

CONTROL OF CROPS STIRRING ENEMIES

May Be Minority, but It Is Loud; State Officials Want Plan Tried

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, April 7.—There are signs and portents that crop control of tobacco and cotton may yet come a cropper at some of the many hurdles which face it.

North Carolina farmers, as well as the rustic folks of all the other cotton and tobacco growing states, gave

(Continued on Page Three.)

REFORMED CHURCH WOMEN IN MEETING

200 Attend Sessions at Landis, Hear Talks and Elect Officers For Coming Year

Landis, April 7 (AP)—Upward of 200 delegates to the State convention of the Woman's Missionary Society of Evangelical Reformed Churches in North Carolina heard an address today by Dr. A. K. Faust, of the Catawba college faculty, and then turned to election of officers and other business.

Rev. B. C. Lienbach, pastor of the First Reformed church of Landis, conducted a communion service. Mrs. A. Z. Robinson, of Charlotte, and Mrs. Mildred Suther, of Concord, spoke in the afternoon at a life service program in connection with the 50th anniversary of the beginning of women's work in the Reformed church.

(Continued on Page Three.)

There Will Be No Reorganization Bill," O'Connor, Democrat, New York, Declares

ROOSEVELT PLANS NEW WORKS FUNDS

President To Ask Additional \$1,500,000,000 for Pump Priming and Ending Present Recession; Debate Begun on Senate Tax Bill To Aid Business

Washington, April 7.—(AP)—The House refused today to kill the government reorganization bill. The teller vote was 191 to 169.

The ballot, a victory for the administration, was on a motion by Representative O'Connor, Democrat, to "strike out the enacting clause" without which the bill would have been ineffective, and meaningless.

The measure was thrown open to amendments immediately afterwards. Backers of the bill said the vote was a sure indication the House would pass it eventually, but opponents still had opportunities to attempt to defeat it after amendments were disposed of.

"This is just one part of the fight," O'Connor told reporters after his proposal lost. "There will not be a reorganization bill."

O'Connor's motion was intended to force a showdown on the legislation before any amendments could be offered.

New Works Program.

A high administration official said, meaning that President Roosevelt contemplates recommending to Congress a \$1,500,000,000 public works program in a new recovery drive to end the recession, restore employment and

(Continued on Page Four.)

Passenger Trains May Be Stopped

Raleigh, April 7.—(AP)—The Norfolk Southern Railroad Company presented further testimony today showing it had lost money on passenger train operations as a series of hearings before the Utilities Commission neared an end.

The railroad requested permission, in an unprecedented move, to abandon all passenger operations except between Raleigh and Norfolk, Va., and no opposition developed to any petitions except those involving the New Bern to Marsden and Raleigh to Charlotte lines.

Utilities Commissioner Stanley Winborne said he had noted the Atlantic & North Carolina railroad, operated by a State-controlled corporation, would oppose abandonment of service between New Bern and Marsden.

The A. & N. C., Atlantic Coast Line and Norfolk Southern railroads now all use jointly the union station at New Bern.

Minborne said the commission would issue its order in the case quickly, and indicated all unopposed petitions would be granted.

HOOVER REGAINING PARTIAL INFLUENCE

Former President Again Getting Ear of Party and Some Leaders

By CHARLES P. STEWART Central Press Columnist

Washington April 7.—Who could have expected to see Herbert Hoover staging something at least faintly resembling a come-back?

No longer ago than 1936, when the G. O. P. was feasting wistfully around for a passable suitability as a presidential nominee, Republicanism's voice, with practical unanimity, was "Anybody but Hoover." Even a few months back, when certain Hamiltonian leaders were fumbling for a party reorganization plan and the Californian expressed a friendly interest in their effort, all their faces fell and the verdict was, "Fshaw, the scheme's doomed since he's in favor of it."

Yet, following the former president's broadcast, just after his recent

(Continued on Page Three.)

DETROITERS WALK AS STRIKE BEGINS

Street Railway System Stopped by Strike of Workers Despite Leaders

Detroit, April 7.—(AP)—Upwards of half a million Detroiters who normally use the city's street railway system sought other means of transportation today as an American Federation of Labor union made effective a strike started because of a dispute over seniority rights.

At the rush hour this morning, no street cars were operating, and automobile traffic was moving slowly because of the appearance of thousands of additional motor cars on the streets.

(Continued on Page Three.)

FARM EDITOR WILL VISIT EAST REGION

Raleigh, April 7.—(AP)—E. F. Arnold, executive secretary of the State Farm Bureau Federation, said today, he expected John J. Lacy, editor of "The Nation's Agriculture," to arrive here tonight for a visit to Eastern North Carolina and a speech near Asheboro at 7:30 o'clock tomorrow night.

HENRY B. MARTIN DIES AT WINSTON

Associate Editor of Journal and Sentinel Passes at 58 After Illness of Ten Days

Winston-Salem, April 7.—(AP)—Henry B. Martin, 58, associate editor of the Winston-Salem Journal and Sentinel died at his home here today after a ten-day illness.

A native of Stokes county the veteran journalist was for more than 20 years city editor of the Twin City Sentinel.

Last August he was advanced to the post of associate editor of the combined Journal and Sentinel.

Martin began his newspaper career in 1889 as carrier boy in Winston-Salem. He then worked in the mechanical departments of newspapers at Greensboro and Charlotte. Several years he edited the Burlington Daily Messenger, and in 1903 returned to Winston-Salem.

Funeral arrangements are not complete.