

NAVY'S BILLION DOLLAR BILL IS ENACTED

U. S. Arms Embargo To Spain Will Remain

NYE'S RESOLUTION VIRTUALLY KILLED BY SENATE GROUP

Secretary Hull's Opposition Results in 17 to One Vote Against Lifting Embargo

STATE DEPARTMENT CHIEF IS FEARFUL

Circumstances Now Prevailing Do Not Warrant Permitting Shipments to Spanish Government Forces, Hull Asserts; Nye To Be Heard Next Week

Washington, May 13.—(AP)—The Senate Foreign Relations Committee voted 17 to one today to table the Nye resolution which would lift the embargo on United States shipments of arms to the Spanish government.

Pittman said he had arranged to permit Senator Nye, Republican, North Dakota, who now is out of the city, to appear before the committee next week to make any statement he wishes on behalf of the resolution.

BEELGIAN CABINET QUILTS ITS OFFICE

Differences Over Budget Balancing Cause Crisis In Government

Brussels, Belgium, May 13.—(AP)—The Belgian cabinet headed by Premier Paul Janson resigned today after five and a half months in office.

(Continued on Page Six.)

Idle Capital Must Have Some Incentive To Work

Babson Backs Roosevelt Proposal To Tax Government Bonds, But Says Capital Gains Levy Must Be Sharply Curtailed; Says Nation Needs New Industries

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

Babson Park, Mass., May 13.—Cutting out tax exemption on new public bonds and softening the capital gains tax would be the biggest immediate help which Congress could give the country now.

Where Brazil President Held Off Rebels



The presidential palace in Rio De Janeiro and inset, President Getulio Vargas

Attacked by Fascist rebel revolters who attempted to seize the government, President Getulio Vargas of Brazil, revolver in hand, defended himself and his family in the presidential palace at Rio De Ja-

neiro until government forces came to his assistance. The revolt was staged by Green Shirt Fascists of the outlawed Integralista party. Photos above show president and palace.

Scores Killed, 150 Wounded In Air Raids Upon Barcelona

Four Talked By Baptists As President

Dr. Turner, Of Greensboro, One; Richmond Convention Opposes Union

Richmond, Va., May 13.—(AP)—Four men were prominently mentioned for the presidency of the Southern Baptist Convention today as delegates met for election of officers and selection of the 1939 convention city.

(Continued on Page Four.)

Hoey Pitching



Gov. Clyde R. Hoey ... throws across first strike

Ecclesiastical dignitaries and state officials in North Carolina participate in a ball game, and Gov. Clyde R. Hoey takes the mound to pitch the first ball. Score, church 27, state 17.

REYNOLDS-HANCOCK CAMPAIGN IS COLD

Interest In It Next To Dead, With No Excitement Stirred So Far

Daily Dispatch Bureau, In The Star Walter Hotel, Raleigh, May 13.—Senator Robert R. Reynolds may inject an issue into the U. S. Senate race when he makes his first campaign speech next week.

Reynolds is going down in history as a unique, in being the first in which neither candidate assigned a reason for preference except that he is "the better man."

Capital of Government Spain Attacked Twice in 19 Hours by Insurgent Planes

PLANES SWEEP IN FROM EASTERN SEA

Many Bombs Fall Into Mediterranean, but Cause Casualties There as Well; Franco's Two Wings Linked in East As Loyalists Retreat Slowly

Barcelona, Spain, May 13.—(AP)—Bombed twice in 19 hours, this capital of government Spain today counted 60 dead and about 150 wounded as the cost of a new wave of insurgent aerial attacks.

REVENUE PROPERTY TO HOLD EXEMPTION

Churches, Lodges and Others To Resist Levies on Their Holdings

Daily Dispatch Bureau, In The Star Walter Hotel, Raleigh, May 13.—A definite and determined effort will be made in the next General Assembly to make mandatory the taxing of revenue-producing property owned by religious, charitable and fraternal organizations;

Reasons for the skepticism lies in the organized and always-effective opposition sure to develop from the organizations which would be affected.

Japanese To Cut China's Lifeline Railroad Route

Vanguard of Army Only Few Miles from Vital Chinese Supply Artery

Shanghai Saturday, May 14 (AP)—A Japanese army spokesman predicted early today the east-west Lanchow railroad, China's "lifeline" on the central front, would be cut before dawn.

Japanese dispatches from the front said a vanguard was striking swiftly through the darkness within a few miles of the Lanchow in an effort to speed the advance of a dozen Japanese columns boring steadily toward the vital Lanchow railway from the north and south.

Hardest hit by the bombardments was a point 45 miles south of Suchow, on the Tientsin-Pukow railway, where the Japanese made three smashing raids.

Farther to the west, Japanese war (Continued on Page Six.)

U. S. Aide at Amoy



Leland C. Altaffer ... aides Americans

Leland C. Altaffer of West Unity, O., is the U. S. consul at Amoy, China, southern port which was bombed for hours by Japanese naval and aerial forces.

(Continued on Page Six.)

Churchmen Approve Plan For World Church Union

Most Far-Reaching Proposal Since Luther's Reformation Emerges from Utrecht Conference; Jesus Christ As God and Savior Is Heart of Plan

Utrecht, The Netherlands, May 13.—(AP)—An historic church document aimed at the most far-reaching union of Christian churches since the Reformation emerged today from a world conference of churchmen representing 130 Protestant denominations.

The document is the draft of a constitution approved unanimously by 5 delegates from 20 nations, including the United States, for the first world council of churches in history.

It will be submitted at once to all participating churches by the Archbishop of York, who presided at the five-day conference adjourning today.

An accompanying letter will ask the churches to unite in the organization for "the fellowship of churches which accept our Lord Jesus Christ as God and Savior," and send delegates to the proposed council meeting.

Delegates here represented directly about 32 denominations, but they spoke also as the elected representatives of 130 Protestant bodies.

A council meeting every five years and an annual meeting of a central committee would be open to all Christian churches.

The Roman Catholic Church, however, has taken no steps to participate in the movement. The council assembly would consist of 450 members. There would be 90 delegates to the central committee, including 18 from the United States and Canada, of whom five would be lay delegates.

Because of his long work toward formation of the council, the Archbishop of York was considered almost certain to be elected its first president.

WASHINGTON PLANS LAVISH BUILDINGS

Government Demands for Room Appear To Be Well-Nigh Insatiable

By CHARLES P. STEWART, Central Press Columnist, Washington, May 13.—Washington shortly is to start on another spree of government building.

Funds for this program hardly can be provided at the current session of Congress but already it is agreed that more federal construction is urgently needed and the cash undoubtedly will be forthcoming at the next session.

The idea is that more office room for Uncle Sam not only is required but that the program will furnish a deal of employment. To be sure, the actual building will be concentrated in the capital but it is pointed out that the raw materials for it will have to come from here, there and nearly everywhere throughout the country, creating jobs in all directions.

Growing! This reasoning may be perfectly sound.

Nevertheless it does call attention to the fact that Uncle Sam's demands for his government's accommodation appear to be well-nigh insatiable.

CATAWBA MAN JOINS N. C. PRISON FORCES

J. Loy Sox, 43, To Become Penal Division Education Director as of June First

Raleigh, May 13 (AP)—J. Loy Sox, 43 of Catawba county, will become the penal division education director June 1. Mr. Sox, a former public school superintendent, also of Catawba county, who resigned, Sox was endorsed, Johnson said, by Clyde Erwin, superintendent of public instruction.

46 NEW WARSHIPS, 950 PLANES, WILL BE PROVIDED FOR

Senate Passes Conference Compromise Measure Which Has Already Passed In House

KING WILL DEMAND WPA INVESTIGATION

Utah Senator Wants Inquiry Into Activities of Harry Hopkins As World's No. 1 Spender of Public's Money; Slattery Given Under Secretaryship

Washington, May 13 (AP)—The Senate passed and sent to the White House today the administration's billion-dollar naval expansion bill.

The measure, pending in Congress since February, authorizes construction of 46 new fighting ships, 26 auxiliaries and 950 airplanes. Funds to carry out the program will be appropriated later.

Separate bills originally were passed by both chambers. A joint committee worked out a compromise, carrying authorization estimate at \$1,090,000,000 and this was approved in the House by a 67 to 31 vote Wednesday.

Three new battleships and two 20,000-ton aircraft carriers are provided by the compromise bill.

President Roosevelt expressed the hope, meanwhile, that Congress, in its coming anti-monopoly study, would cover methods of preventing future depressions through avoidance of unabsorbed inventories and unwarranted high prices in some commodities.

He made this remark in denying that his administration's original lending and spending program was a failure.

Asked at a press conference whether he had any definite program to combat surplus inventories and high prices, the President said he had not, but this was part of the anti-trust study he recommended to Congress.

Other developments: Senator King, Democrat, Utah, told the Senate he would ask shortly a congressional investigation of the administration of relief under Harry Hopkins, WPA administrator. King made this statement after Senator McCarran, Democrat, Nevada, said (Continued on Page Six.)

Hungary Cabinet Resigns In Face Of Nazi Demands

Budapest, Hungary, May 13.—(AP)—The cabinet of Premier K. Daranyi, confronted by an expanding Nazi movement, resigned tonight. Admiral Horthy, regent of Hungary, immediately summoned Bela Imredi, minister of economics. After the audience, Imredi announced he had been asked to form a government. The cabinet met immediately for a final session, after which Daranyi visited the regent and submitted the resignation, which Horthy accepted.

Previously, it was understood Daranyi would recommend Imredi as head of a stronger government capable of combating the rise of Nazism in Hungary.

Brazil May Accuse Her Foreigners

Suspicion Points To Germans as Backers of Abortive Rebellion Tuesday

Rio de Janeiro, Brazil, May 13.—(AP)—A high police official said today investigation was being continued to determine whether there was any link between foreign political factions and the Greenshirt integralists whose rebellion was put down quickly on Wednesday.

"Nothing yet has developed in the inquiry that might indicate a foreign connection," the official said. He disclosed, however, that Harry Schaffer and F. Voight, two of five employees of a German bank who are under arrest were German citizens, not Brazilians, as first thought.

"I'll now proof indicating their participation in the revolt only show in- (Continued on Page Six.)