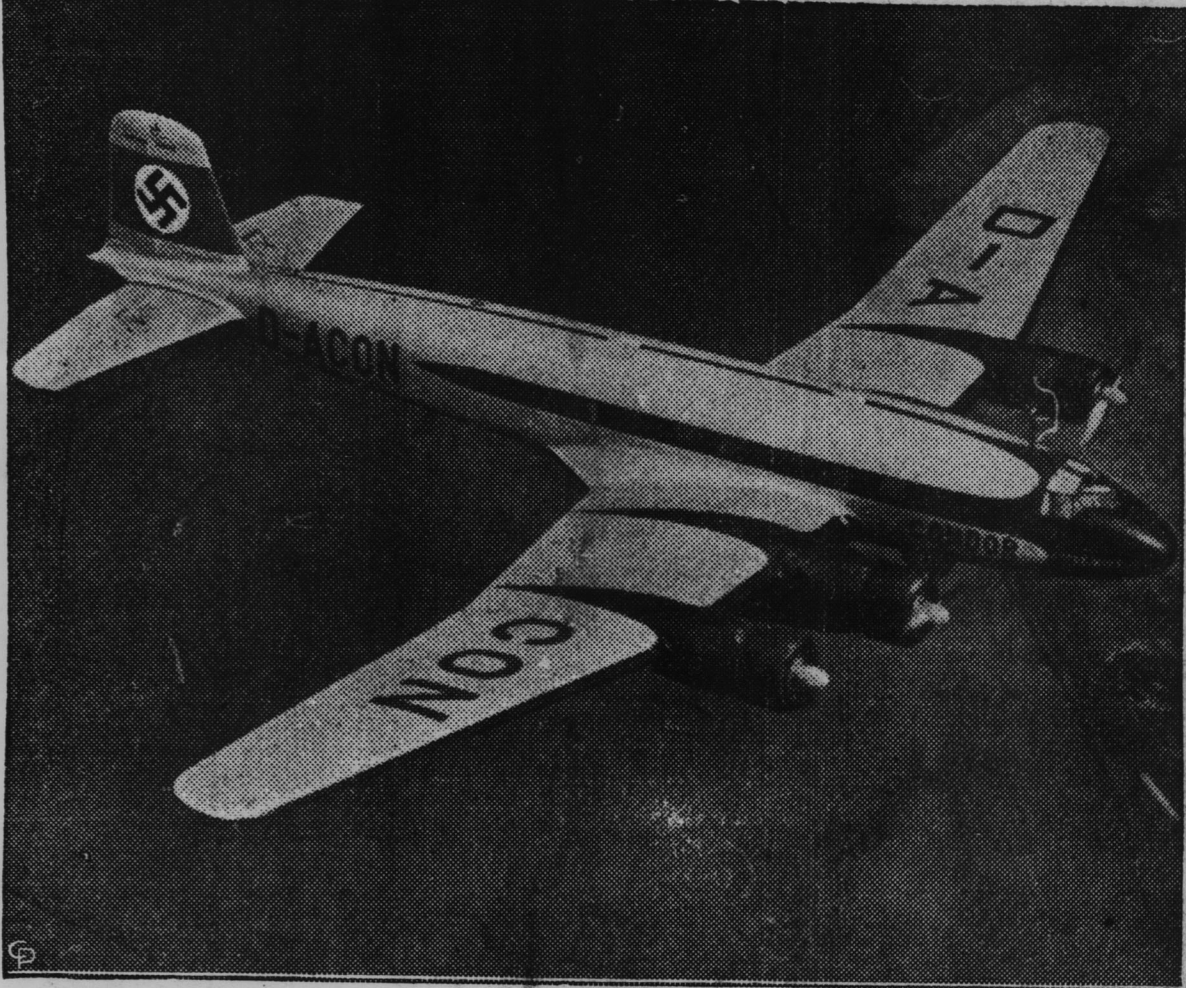


GEORGE SAYS PEOPLE'S RIGHTS IS ISSUE

German Plane Which Made Two Crossings



The German plane, Brandenburg, in flight

Germany's latest contribution to the 1938 aviation record, the Brandenburg, 24-passenger transport plane which hopped across the Atlantic from Berlin to New York in 25 hours, is pictured in flight. On Sunday the return crossing was completed in 21 hours.

PWA To Put Quotas On Loans To Get Fairer Distributions

Some States Getting Over Their Share

Washington, Aug. 15.—(AP)—The Public Works Administration soon will slap a state quota on loans and grants in an effort to equalize participation in its 1938 construction program. Officials said today this was decided by Howard Gray, acting administrator, when a recapitulation disclosed that the program was 15 days ahead of schedule, its funds two-thirds gone and a relatively large number of states still backward in qualifying for projects.

The quota system, informants said, will be aimed chiefly at slowing down allotments to states which have been exceptionally active until the more backward ones have had opportunity to file a fair share of applications. Gray and Administrator Ickes, they explained, will be sole judges of a state's fair share of PWA allotments. Their decision will be based on the individual state population, taxes paid and its nominal position in Federal programs.

While authorities declined to indicate which states may have reached or are approaching their quotas, a survey showed that numerous and large allotments have been made to New York, Ohio, California and other states of heavy population. Officials said the quota would be informal and flexible. They added, however, that if the states which the quota system is intended to benefit did not respond by mid-October, all remaining funds would be pro-rated to those with application spending.

Hines Claims Prosecution Is Political

New York, Aug. 15.—(AP)—With a vigorous assertion that "this is a political battle," James J. Hines, Tammany district leader, went to trial today on conspiracy charges growing out of the policy racket.

"This is not the first political battle I have been in," said the 61-year-old politician, as he awaited the selection of a jury from a special panel of 300 veniremen. "I am going to win this battle, too. I can't lose. I cannot be convicted on the testimony of a bunch of squealers I have assured my friends of my innocence. I've told them not to worry, because I am not worrying."

Of Thomas E. Dewey, the New York district attorney who brought him to trial, Hines said: "He is a young man with a duty to do." Hines appeared early in the court room of Justice Ferdinand Pecora, of the State supreme court.

Legion's Choice



Elaine Russell, of Jackson, Miss., twice granted the honor of leading the great parade of the American Legion national convention, is pictured above. She holds a dove, symbolic of her title, "Queen of Peace."

Paul Leonard Presses Fight On Sales Tax

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Aug. 16.—J. Paul Leonard of Statesville, is a most persistent man. Whereas most opponents of the State's sales tax have long since resigned themselves to what they consider the inevitable, Mr. Leonard still goes about the State roaring loud his protests.

In between times he writes letters to "North Carolina Fair Tax Association" members and others addressed calling on them to help him "kill the snake" and, especially, urging them that they should "be glad to help finance a court fight."

Mr. Leonard is executive secretary and treasurer of the NCFAT, and his opponents intimate that he's primarily interested in collecting funds with which to pay his salary, rather than the fight against the tax. His friends and supporters present him as a noble crusader for a great cause.

But he that as it may, and be Mr. Leonard what he may, there's no getting around the fact that he does campaign actively and vigorously against the sales tax and that he has probably done more than any other one man to keep the issue alive for.

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Hitler Sees German Might In Maneuvers

Military Tactics Involving Whole Nation Kept Secret; Nations Worried

Berlin, Aug. 15.—(AP)—Adolf Hitler looked on today as reserve forces of re-armed Germany started extensive war maneuvers that are to blanket virtually every part of the nation. Hitler's personal attendance was disclosed in an announcement which said he witnessed a military display at Juterbog, one of Germany's largest military training grounds, 40 miles south of Berlin. No details of his visit or the maneuvers were made known.

Juterbog is noted, however, especially as a training camp for reserve officers such as will direct the first two weeks of the autumn war games for the instruction of German army reserves, keeping them up to date with new tactics and weapons.

Putting the nation on a virtual wartime footing, the maneuvers apparently were a demonstration of the speed of motorized army transport. Although other countries, notably Britain and France, gave evidence of grave concern at the magnitude of the maneuvers, an effort was made here to calm what were termed as "exaggerating and disturbing reports."

Preparations for the two weeks of reserve training were noted chiefly in southern Germany, close to Czechoslovakia and southern France, but they extended also to districts around the capital.

Declares Assembly Played Charlie McCarthy For Hoey

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Aug. 15.—The extra session which ended early last Saturday morning was perhaps the most compliant and complying session of the General Assembly ever held in North Carolina. It played the Charlie McCarthy role to Governor Clyde R. Hoey's enactment of Edgar Bergen.

When the governor spoke, the legislators opened their mouths and echoed. When the Hoey lips were closed, the legislators might just as well have been made from good McCarthy maple, or pine or whatever timber went into construction of the world's famous dummy.

The members evened abandoned, at the prodding of administration lead-

Jap Advance On Yangtze Is Negligible

Little Progress Made in Three Weeks, Despite Their Desperate Attacking

Shanghai, Aug. 15.—(AP)—A survey of the Yangtze front showed today that Japanese gains have been almost negligible since the capture of Kiukiang July 26, despite bitter fighting on both sides of the river, and heavy aerial bombardments.

A Japanese column which struck southward from Kiukiang along the Nanchang railway 20 days ago has advanced only 12 miles, and is now engaged with strongly entrenched Chinese troops in the hills near Shakochen.

Another Japanese force operating south of the Yangtze has advanced 25 miles from Kiukiang, but is meeting desperate resistance. Japanese army reports said the fall of Juichang was imminent, but military observers pointed out that the capture of the town still would leave the invaders a difficult advance of 85 miles to their goal, the Canton-Hankow railway, which they hope to cut south of the provisional capital.

On the north bank of the river, the Japanese have spent the past twelve days fighting off repeated Chinese counter attacks without advancing toward Hankow. Latest Chinese dispatches from the front said Hwangmei, 20 miles north of Kiukiang, had changed hands twice, and that heavy fighting was in progress there.

CHINESE DIVE INTO RIVER IN AIR RAID

Canton, China, Aug. 15 (AP)—A deluge of airplanes and anti-aircraft shell fragments during a Japanese air raid today caused scores of waterfront refugees to leap into the river opposite the international settlement. It was believed, however, that all were rescued by small boats.

The Japanese attack was directed at a section of the city which had been virtually wrecked in previous bombings, and which was almost deserted. Two casualties were expected.

Eighteen additional planes passed over the city and bombed the Canton-Hankow railway to the north.

Government's Troops Routed By The Rebels

Hendaye, France, Aug. 15.—(AP)—Insurgents reported today that government defenders were driven at bayonet point from the Handos mountains, south of Gandesa, endangering the government foothold on the west bank of Ebro river.

Capture by the insurgents of the mountain range broke the militia-men's stronghold on the city at which they had directed a sudden offensive.

Insurgent dispatches said the government army clung to well fortified hills on the northeast, Catalan front through repeated attacks until one final charge over slopes broke the line.

The Pandos range was captured during the first night of the government drive and formed the backbone of the Gandesa sector.

WEATHER FOR NORTH CAROLINA. Generally fair tonight; Tuesday partly cloudy, somewhat unsettled.

Armistice Delayed By Border Troubles, Soviets Now Claim

Fresh Difficulties on Siberian-Soviet Frontier Cited by Moscow; Japs Forced To Withdraw as Evidence of Good Faith in Truce

Moscow, Aug. 15.—(AP)—The Soviet government indicated today the carrying out of the Changkung armistice agreement had been delayed by new border difficulties, which almost resulted in an armed clash shortly after the truce went into effect August 11.

The difficulties first were disclosed in a Soviet communication stating that a new outbreak of fighting on the disputed Siberian-Korean frontier had been narrowly averted when Japanese troops moved into advanced positions after the truce. The troops were withdrawn, the announcement

said, after Foreign Commissar Maxim Litvinoff warned that "the U. S. S. R." will consider the armistice violated if they are permitted to hold their new positions.

While Japanese compliance with this demand removed dangers of an immediate clash, the Soviet government appeared still to be dissatisfied with the attitude of Japanese military representatives at Changkung.

In Tokyo, Domo (Japanese) News Agency said Soviet Russian troops had violated the truce by constructing dugouts within the no-man's-land agreed upon when the border fighting was ended August 11.

U. S. Health Insurance One Of Roosevelt Plans

May Be Discussed In Radio Talk Tonight on Broadening Social Security

Washington, Aug. 15.—(AP)—Federal health insurance may become one of President Roosevelt's proposals for broadening the social security program. The resident, who will speak tonight on the third anniversary of the social security act, already has recommended studies looking toward enlarging the program in other respects.

A hint that he might mention a health perfection system appeared in a statement by Chairman Altmyer, of the Social Security Board.

"The question of health protection," Altmyer said, "is beginning to appear on the horizon. We may one day set up safeguards against the hazard of illness, paralleling our present lines of defense against the hazards of want during unemployment and a destitute old age.

The President's brief speech will be broadcast to the nation over all major networks at 9:30 p. m. tonight. It will be delivered from the White House.

Few expected it to contain many political references, inasmuch as aides of the President said it would be very general and would not mention names of individuals or states.

FIRST HURRICANE NOT SERIOUS ONE

New Orleans, La., Aug. 15 (AP)—The first storm of the Gulf of Mexico's annual hurricane season, blew itself out today without serious damage reported. The blow struck last night at 50 miles an hour, less than hurricane force, on the sparsely settled Louisiana coast near Cameron.

In an early morning advisory, the United States Weather Bureau here said the disturbance is decreasing rapidly, and there is no further danger.

Plagues Over China Alarm Entire World

By CHARLES P. STEWART Central Press Columnist Washington, Aug. 15.—The United States Public Health Service is not unmindful of the spread of cholera in war-torn China.

Other countries' health service undoubtedly are similarly perturbed. In fact, the health section of the League of Nations already has broadcast a worldwide warning.

Incidentally the American Red Cross recently vacated 3,000,000 doses of anti-cholera vaccine to the Chinese and a movement is afoot to finance a still more extensive campaign against the epidemic on the eastern Asiatic mainland.

Peril. Of course, these measures are actuated partly by sympathy for the afflicted Orientals. However, the medical authorities of Occidental governments are not entirely regardless of the peril of such a scourge in western lands. Strict quarantines are fairly

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Brazil Air Liner Falls, Nine Dead

Rio de Janeiro, Brazil, Aug. 15.—(AP)—Nine persons were killed when an air liner fell into the Rio de Janeiro harbor today shortly after taking off on a flight to northern Brazil. Five of the victims were passengers and four members of the crew. Their identities were not immediately available.

The transport, operated by the Condor Syndicate, crashed near an island in the Rio de Janeiro bay. Cause of the crash was not known. Heavy fog had delayed the take-off for two hours.

Germans Plan World Flight At Early Date

Berlin, Aug. 15 (AP)—The record round trip flight to New York by the German air liner Brandenburg may be soon followed by a round-the-world flight. An air ministry spokesman admitted that another long distance flight was planned, but said "no information about it will be divulged in advance."

Air General Erhard Milch, welcoming the fliers upon their arrival, said: "I have reason to believe Field Marshal Goering will place a fine machine at your disposal for further flights whenever you wish and wherever you wish."

Milch said it originally was planned to make the New York flight a round-the-world attempt, but the idea was abandoned when the plans of Howard Hughes, American globe-circler, became known.

Business Men Warn ACL To Keep Trains

Raleigh, Aug. 15.—(AP)—A dozen witnesses testified at a Utilities Commission hearing today that proposed removal of three Atlantic Coast Line passenger trains on branches in Eastern North Carolina would harm their communities.

Mayors, chamber of commerce presidents, business men and ministers from Kinston, Washington, Hogwood, Greenville, Ayden and other affected places, told what effect they thought removal of the trains would have. The business men usually said they especially feared that removal of passenger trains would put perishable express shipments on slower schedules resulting in deterioration of the products.

The railroad presented testimony in the case two weeks ago, and had its witnesses here to appear again after the protestants had presented their case. Lines involved are between Weldon and Kinston, Washington and Parmele, and Plymouth and Tarboro. J. H. Canaday, of Kinston, one of

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Senator In Warm Retort To President

Calls Roosevelt "Purge" Second "March Through Georgia;" Question if People Are Able To Name Own Servants Settled Once With Federal Bayonets At Ballot Boxes

Waycross, Ga., Aug. 15.—(AP)—Senator Walter F. George said today President Roosevelt's effort to unseat him made the great issue of the Georgia campaign the question whether the people of this or any other state are "capable of choosing their own servants."

"We answered that question once when Federal bayonets stood guard over our ballot boxes," he said.

He made another reference to the War Between the States with a description of Mr. Roosevelt's Barnes-

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Tax Increase Is Intimated By Harrison

Washington, Aug. 15.—(AP)—Senator Harrison, Democrat, Mississippi, said today that unless there was a pick-up in business before Congress meets, it might be necessary to lower income tax exemptions and increase the levies in the middle brackets. Harrison is chairman of the Senate Finance Committee.

An upturn in business, he said probably would increase government revenues so that the revision would be unnecessary. Harrison added that he believed there would be no necessity of revising the un-

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BRITISH SHIPMAN AIR RAID VICTIM

Madrid, Aug. 15.—(AP)—A British vessel's radio operator was killed and two other Britons were wounded today in an insurgent air raid on Valencia. The operator was R. A. Amery, of the British merchantman Hillfern. He was hit while standing on the dock and died shortly after of shrapnel wounds.

The injured men, whose names were not disclosed, were the captain and the non-intervention officer aboard the British ship Fred-croge.

Neither British ship was struck in the bombardment.

AFL Leader Urges Probe Of Bureaus

Hints Communists Getting Toehold In Departments of The Government

Washington, Aug. 15.—(AP)—John Frey, American Federation of Labor leader, bluntly suggested today that a House committee investigating un-American activities direct some of its attention to the Federal government departments.

Frey made that suggestion when Representative Mason, Republican, Illinois, a member of the committee, commented on a meeting in Washington tonight as being sponsored by government officials, "most of whom have admitted they are members of the League for Peace and Democracy." This league, Mason told reporters later, is active now in collecting funds for the loyalist cause in Spain.

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