

Headache, Mr. Norman?



History making in the financial world is this meeting in Berlin of Mon-tagu Norman (left), governor of the bank of England, and Dr. Hjalmar Schacht, president of Germany's Reichsbank. They are reported to have discussed loan for Germany in return for letting the Jews go free.

Frankfurter And Murphy Get Committee Aproval

Girl Bludgeoned To Death In Home

Milwaukee, Wis., Jan. 16.-(AP) Eight hours after the battered and partially nude body of 16-year-old Ruth Scott was found tied to her blood-stained bed today, a Milwaukee man arrested at Racine signed a confession that he slew her with a hatchet during an attempted burglary, Sheriff Miles Hulett,

or Racine county, said.

Italy Threatening **Benefits In Japan Determined** War For Vengeance Old Age To To Smash U.S. Fleet For French Insults Be Speeded If It Intervenes

Anti - French Campaign Takes on Impetus Following Chamberlain Visit; Hatred of Each Toward Other Intensified; Wait Outcome in Spain

Rome, Jan. 16.-(AP)-Italy's anti-French campaign gained new impetus today with newspaper threats that Italians might avenge "French insults with guns."

The press attacks came as Italy made an insurgent victory in the Spanish civil war the price for settling her quarrel with France over colonial influence in the Mediterranean. Newspapers unanimously publish-

ed defiant protests against statement attributed by a Paris newspaper to an anonymous French officer that ten Italian soldiers were hardly enough to fight one retired Frenchman. Virginio Gayda, one of Italy's most responsible editors, wrote that French.

hatred of Italy was breeding Italian hatred of France until "finally the rifles will go off by themselves." Italy's determination not to settle her quarrel with France until the Spanish war ended successfully be-

came apparent with publication by Former to Supreme the foreign office of a bulletin out-Court and Latter To lining what Mussolini told Prime Min-Be Attorney General; ister Chamberlain in their conversa-tions last week. Both Expected To Be Some diplomatic circles thought that the stiffening of Italian attitude Some diplomatic circles thought

Confirmed by Full was a consequence of encouraging in-surgent advances in the Barcelona of Senate Vote Early This Week' Early Surgert atvances in a dan-ger that the Spanish conflict could be-come a general European conflict.

Mussolini told the British premier Washington, Jan. 16.—(AP)— The Senate Judiciary Committee today approved the appointment of Felix Frankfurter to the Supreme Court Fights "Seizure"

Greater Protection to Dependent Children Sought and Unemployment Protection Would Be Expanded; Warns of Untried and **Unsound Panaceas**

Washington, Jan. 16.-(AP)-Presdent Roosevelt recommended to Congress today wide expansion of the social security act, and warned against "turning to untried and demonstrably unsound panaceas."

The expansion program he called for included beginning old age in-surance benefits sooner and liberal izing them in the early years, affording greater protection to dependent children, extending unemployment and old age protection as rapidly as possible to "all of our people," and increasing in some instances federal grants and aid to states.

He also proposed that states re-ceiving federal aid be required to in-stitute merit systems for the personnel of the agencies handling social security funds. His message made no direct reference to old age pension proposals.

The president emphasized the desirability of affording greater old age security. He described as sound a 'two-fold approach" recommended by the Social Security Board on th.s point.

"One way," he said, "is to begin the payment of monthly old age insurance benefits sooner, and to liberalize the benefits to be paid in early years. The other way is to make proportion-

For Injuring

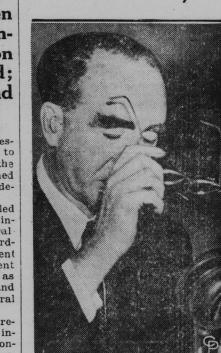
Dodd entered a plea of innocence

Americans At

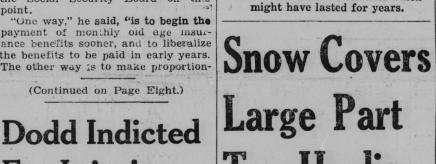
Lima Parley

(Continued on Page Eight.)

"Inside" Story



Before a Senate committee, Attorney General Frank Murphy explains that as Governor of Michigan he never sanctioned sit-down strikes, and that he withheld literal en-forcement of law in order to pre-vent bloodshed and bitterness which



Tokyo Newspaper **Creates** Sensation In Japan in Discussing American Plans To Defend Guam and Wake Island in The Western Pacific

> DEMOCRACIAS UNITED. London, Jan. 16.— (AP) —The United States, Great Britain and France were believed firmly allied in a mutual stand against recognizing Japan's "changes by force"

in China. Just as Prime Minister Chamberlain returned from what many observers called his fruitless talks in Rome with Premier Mussolini, the British Foreign Office released the text of its strongest note to Tokyo since the Chinese-Japanese conflict broke out. The communication resembled the one sent by the United States on October 6 charging "unwarranted interference" with American rights in China, and asking the Japanese government to "imple ment its assurances already given with regard to the maintenance of the open door and non-interference with American rights."

France, informed persons said, was expected to follow in the footsteps of the other two democracies with a similar note as a signatory of the 1922 part in which China, Japan, the United States, Great Britain, France, Italy, Belgium, Portugal and The Netherlands pledged respect for Chinese territorial integrity and mainten-ance of the open door for trade.

Tokyo, Japan, Jan. 16.--(AP)-The newspaper Kokumin declared editorially today that the "Japanese people are determined to smash the Amer-ican fleet" if the United States intends to get a political foothold in China" by fortifying the Guam and Wake Islands. The article, which caused a sensation in Tokyo, demanded to know "the real intention of the American people in the western Pacific, not those of the President or the State Department." (Washington reports last week listed among proposals for new naval bases the long demilitarized island of Guam, 1,500 miles from Japan and said an air and submarine base there would outflank any Japanese advance to the south or west, but would call for a basic decision on national policy, in view of resentment likely to be aroused in Tokyo.) Plans have been drawn for improving the lagoon at Wake island for surface craft of tonnage under cruisers. The newspaper, which has consider able circulation in military circles, said that if the United States wants only to increase trade with China. then Japan would assist, but if America seeks to interfere with Japan's China policy, even resorting to arms, then Japan must be ready to crush Would Unite

mont, voted a defense fund of \$67,500 by the state legislature to fight encroachment of state property by the federal government, urges congress to amend the federal control act to prevent the taking of state lands and waters without consent. The cause of the action is a proposed federal flood-control dam across the Ompompandosuc river at Union Village, 50 miles from Montpelier.

(Central Press)

Insurgents

Mediterranean

Governor George D. Aiken, of Ver-



Hulett announced that Ernest John Mahr, 24, willingly dictated the confession after his arrest by two deputies.

Milwaukee, Wis., Jan. 16.-(AP) Ruth Scott, 16-year-old high school student, was killed with an axe early today by an intruder who broke into her home asd slew her after tieing her arms together and partially stripping her of clothing. Mrs. Scott, who is hard of hearing, woke up and saw the shadowy figure of a man standing in her bedroom, a hand-axe in one of his hands, and a butcher knife in the other, she told authorities. He struck Mrs. Scott on the head as she struggled with him, and then one of the passes he made with the knife hit her right hand, gashing

The woman broke away and ran into the kitchen, where she turned on the light and saw the body of her daughter lying on a bloodstained bed in the adjoining room. Ruth had been struck on the head several times. She was lying face upward and arms tied above her head to the back of the bed.

Legislative **Trend Away** From Hoey

Sales Tax Foes Resisting Administration; Tuition Hike Expected To Fall; Opponents of Highway **Fund Diversion Appa**rently Are Gaining

Daily Dispatch Bureau, In the Sir Walter Hotel.

BY G. LYNN NISBET. Raleigh, Jan. 16.—As the General sion through introduction of a re-Assembly enters upon its second week solution that it is the sense of the of actual work tonight, the program legislature that it is "in favor of usoutlined in the governor's biennial ing all money derived from gasoline in the House, it will be the first outmessage and in the budget commis- sales and automobile license fees on sion report will find much more definite opposition than had been anticipated.

Outstanding developments of last but that will be the general tenor of question of financing the State. week indicate clearly that members the resolution. The words are taken have minds of their own on many from a statement by Governor Clyde of the items which had been expected R. Hoey quoted in "The Car Owner", to go through smoothly. Chief among Carolina Motor Club publication, in istration supporters of the budget plan connection with the club's referendum

(Continued on Page Three.)

Frankfurter to the Supreme Court Spanish question has divided and still and Frank Murphy as attorney gendivides profoundly the two countries." eral

This action sent President Roosevelt's appointments to the Senate Vote Reform floor for expected confirmation early this week

The full judiciary committee acted at a closed session after sub-commit-**Drive Starts** tees had conducted hearings and unanimously approved both appointments.

Coming Week Murphy, former governor of Michigan, who was defeated in the November election, was named attorney general to succeed Homer Cummings who resigned.

Frankfurter, a noted liberal and Harvard law instructor, was appointed to the vacancy resulting from the death of Associate Justice Benjamin N. Cardozo.

P. L. WOODARD, 69, OF WILSON PASSES ON

ducted from the home at 3 o'clock

Daily Dispatch Bureau,

tional, disguised or unashamed-are

marshaling their forces for a show-

to be made at tonight's House ses-

Those may not be the exact words

In the Sir Walter Hotel.

tomorrow afternoon.

Resisted

the public roads."

on the diversion question.

Wilson, Jan. 16.-(AP)-P. L. Woodard, 69, wealthy Wilson merchant and manufacturer, died in a Richmond hospital of pneumonia today. measure to require a new registration He is survived by his widow and one of voters every twelve years, with new sister, Mrs. Roger Smith, of Goldsboro. Funeral services will be con- tions in all counties where there has

Showdown On Diversion

Resolution To Be Offered in Legislature Com-

mitting That Body, in Sentiment, Against Use

of Highway Funds for Other Purposes; To Be

Raleigh, Jan. 16 .- The real push for reforming North Carolina's election laws will be launched this week, with introduction of the "suggested" State Board of Elections measure scheduled for Tuesday or Wednesday, according to all present indications.

Daily Dispatch Bureau, In the Sir Walter Hotel.

So far, the only concrete proposals to hit the legislative hopper have been a bill by Mecklenburg's J. B. Vogler to amend the absentee ballot law and jointly-introduced House and Senate

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Rockingham Man Sponsor.

Strategy No Surprise.

obvious and it will not take admin-

(Continued on Page Three.)

Strategy behind the resolution is

thirds vote) is probable.

now inevitable. Franco's sage was broadcast by the insurgent zadio. listings to be held before 1940's elec-

In 50 Miles **Negro Child** Barcelona

mer United States ambassador to Germany, was indicted by a Hanover county grand jury today on a charge of hit-and-run driving and causing injury to Glois Grimes, a four-year-Franco's Forces Hamold Negro child. His trial was set for mering Away at Gov-March 2. Visibly nervous, the 69-year-old Dr. ernment Defenses on

formal arraignment. He attempted to | explain his plea, but at the repeated Lerida, Spain, Jan. 16.-(AP)-Generalissimo Francisco Franco Dr. Dodd took his seat after the plea. Brazile sought unsuccessfully to appealed to government Spain tohave the trial delayed until the next day to lay down its arms, warning that an insurgent victory was meswealth Attorney Edward Eimpkins, Jr., objected strenuously, and the court set the trial for Thursday, A low ter

He declared that insurgent March 2. troops were marching against Brazile pleaded that Dr. Dodd was Barcelona, the government capiin a very poor physical condition, and tal, "not to destroy her, but to save her." tack of larvngitis and was in no con-

Hendaye, France, Jan. 16 .- (AP)-The Spanish insurgent command today reported capture of Cervera in a

(Continued on Page Three.)

To Be Sought This Week Legislature **Progress** Is Up With 1937

sion of North Carolina's General As-Most likely introducer of the resolusembly has accomplished as much and tion is Representative Clarence E. seems to be about as far along its BY HENRY AVERILL. Raleigh, Jan. 16.—Friends and foes Stone, of Rockingham county, chairnormal path as the 1937 Assembly of diversion-contingent or uncondi- man of the House Roads Committee. at the corresponding period of its Logical disposition of the resolution session, in the opinion of most legis upon its introduction is reference to

lative leaders and observers. down in the legislature this week. Mr. Stone's committee for study and Typical of this view is the opinion First move in this direction is likely report. No motion to suspend the of Victor S. Bryant, Durham, who rules (which would require a twowas finance chairman in 1937, and who has taken an active part in out Its ultimate fate is unpredictable, lining and explaining this session's

but if it should come to a record vote fiscal policies. "I don't think we're much, if any, and-out test on diversion ever had in behind our 1937 pace," he said. Mr. Bryant said this session should the legislature. In previous sessions the question has always been tied to be concluded in reasonably short or (your correspondent hasn't seen them) the revenue bill or some other vital der, provided there is no drastic departure from the revenue and appropriations bills as outlined in the bud-

get recommendations. **Depends** on **Diversion**.

When his attention was called to

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I ar Heelia

White Mantle From Asheville to Elizabeth City, Rather Heavy in Some Places

[Raleigh, Jan. 16.— (AP) —Snow blanketed most of North Carolina today except on the coast, where it rained. Weather Man Lee A. Denson said the snow was recorded all the way from Asheville in the mountains when the indictment was read at his to Elizabeth City and Norfolk, Va.

The airways weather station here reported scheduled flights were being insistence of his attorney, Leon Bazile maintained in this area, but that fly ing at most stations north of Raleigh was by instrument, as snow was con tinuing. Around two inches of snow term of court in order that the vic- covered the ground and roofs here tim could be in court. However, Com- this morning, when the fall stopped but it quickly melted from pavements

A low temperature here of 31 degrees was listed by the Weather Bu- the American fleet. reau, while the airways station. five miles from here, recorded 29.8 de-

had been suffered from a severe at- grees. Elizabeth City reported heavy snow falling this morning. Fayetteville got dition to stand trial in the near futwo inches during the night, but as ture. But the commonwealth attorney at Raleigh the sun was shining this argued that Dodd had appeared in morning

court three times within six weeks in Charlotte had its first snow of the connection with the case, and there was no medical testimony brought for-(Continued on Page Eight.) ward to show that he was unable to

Two Agencies Ask

Lease Upon State A. & N. C. Railroad

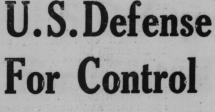
Raleigh, Jan. 16.-(AP)- The directors of the State-controlled Atlantic & North Carolina Railroad were notified today to meet at Goldsboro Friday to consider proposals for leasing the line from Goldsboro to Morehead City to

private interests. A committee of the directors studied two proposals for lease of the line this morning, asked that some changes be made in them, and voted to have the full board hear a recommendation or consider the two proposals in their entirety Friday. No details of the terms were revealed.

H. P. Edwards, of Sanford, headed one of the groups seeking the lease, and Henry A. Page, Jr., and Junius Page headed the other.

WEATHER

FOR NORTH CAROLINA. Fair tonight and Tuesday, followed by rain or snow Wednesday; somewhat colder in northwest portion and in the mountains tonight.



Senator Drafting Legislation To Put Army and Navy Under Same **Cabinet Head**

Washington, Jan. 16 .- (AP)-A proposal to reorganize American military control by placing the army and the navy under a single cabinet officer was revived in Congress today in connection with the President's \$552,000,-000 defense program.

A Democratic senator, who declined to be quoted by name, said he was drafting ! islation to create a secretary of national defense. Several House members are said to have been contemplating such a move.

Similar moves heretofore have been meeting opposition from army and navy leaders, but the senator contended the strengthening of the army and navy was a propitious time to make the change. The administration's attitude has not been disclosed.

Senate and House committees were ready to return to a study of the armament program this week. Chair-

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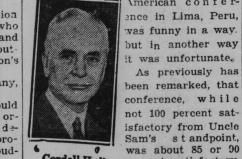
A LOS

Were Spied On Daily Dispatch Bureau, In the Sir Walter Hotel. Raleigh, Jan. 16.—The current sec-By CHARLES P. STEWART **Central Press Columnist** Washington, Jan. 16.-Secretary of State Cordell Hull's first interview, following his arrival in the United States from the Pan American conference in Lima, Peru,

stand trial.

Sam's st andpoint, was about 85 or 90 Cordell Hull percent satisfactory. Eighty-five or 90 was pretty good,

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and Secretary Hull doubtless consid-

