

HENDERSON'S POPULATION 13,873

HENDERSON DAILY DISPATCH

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U. S. DEFENSE PLANS PRESSED IN CONGRESS

Unemployment Group Exempted From Merit Examinations

New Absent Ballot Ban Is Presented

One Would Hold Legislative Sessions Only Once Each Four Years; Exemption of Auto Drivers From Liability for Hitch-Hikers Apparently Is Killed

Raleigh, Jan. 19.—(AP)—A bill exempting veteran unemployment compensation Commission employees from merit examination requirements was passed on its second and third readings today and ordered enacted into law by the House.

Final passage of the measure, which applies to persons who have been with the compensation agency for six months came after Representative Cherry, of Gaston and others had spoken in favor of it. There was not a dissenting vote.

Cherry, former speaker of the House, said that there had "been a great deal of misunderstanding and misrepresentation" about the purpose of the bill. The social security act gives the State power over personnel, he asserted, and the federal government, he charged, is attempting to set up a merit system "under a threat of withholding funds to which this State is justly entitled."

Other speakers for the measure were Representative Murphy, of Rowan, and Clegg, of Moore. Earlier, new bills to abolish the absentee ballot and use of markers in

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Hearing Upon Sales Tax Is Best Show Yet

Daily Dispatch Bureau, In the Sir Walter Hotel.

By HENRY AVERILL

Raleigh, Jan. 19.—There are certain subjects which won't wear out—the weather, the sales tax and a few others.

Clyde Greene, of Boone, told the joint finance committee of House and Senate that yesterday afternoon as the Fair Tax Association put on the hit show of the General Assembly to date. Chances are there will not be such another performance this time. There seems little likelihood of any real liquor row, and that's the only thing that can even touch a sales tax hearing for color, fire and bitterness.

J. Paul Leonard, indefatigable head of the F. T. A., wielded the baton for an hour and a half symphony of hate against the measure which has been North Carolina's hottest controversy for some half dozen years.

Committee members sat silent and outwardly unmoved as Mr. Leonard

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Plan Law On City Limits Extensions

Many Municipalities Seeking Extended Areas for Purposes of 1940 Census

Daily Dispatch Bureau, In the Sir Walter Hotel.

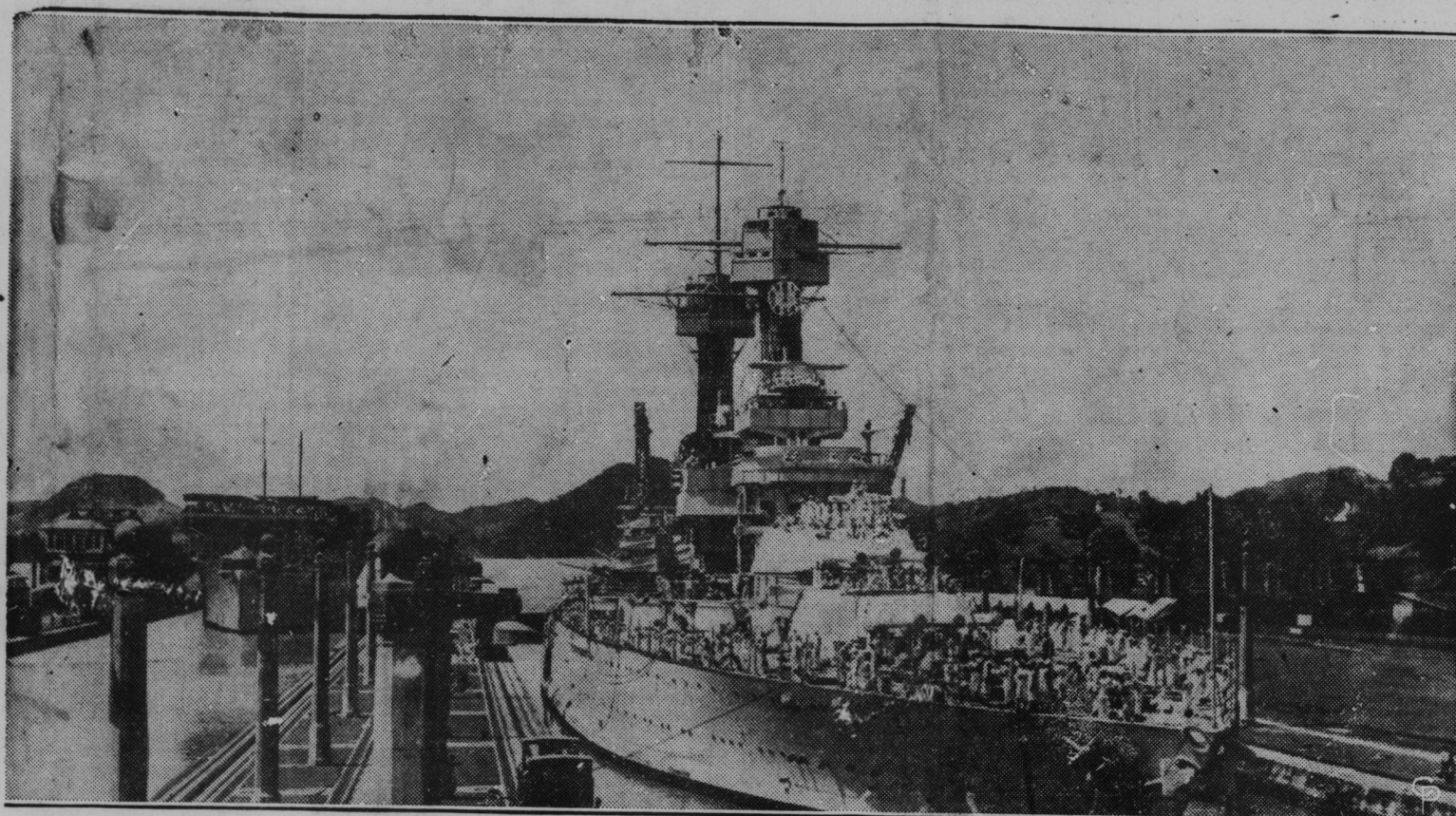
By G. LYNN NISBET.

Raleigh, Jan. 19.—Anticipated embarrassment of the legislators over local fights for extending corporate lights of a dozen or more smaller towns and at least two of the larger cities of North Carolina, may result in introduction of a general State-wide bill providing for city extensions with out particular legislative authority.

Already several smaller towns have had extension bills introduced, the largest one to date being Newton. The

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Through Panama Canal to Atlantic War Games



The Tennessee, one of Uncle Sam's mighty Pacific spokesmen, navigates the Miraflores locks on her trip through the Panama Canal to join the Atlantic fleet in the annual Naval maneuvers. In background is one of the fleet's aircraft carriers.

Japanese Sore Spot



A Japanese paper, asserting fortification of Guam by the U. S. would be a threat to Japanese holdings in the Pacific, declared war might result. The small island naval base is shown in relation to Japan (1352 miles distant) and her mandated islands. The Philippines are 1523 miles distant from Guam while Honolulu, big American naval base, is 3312 miles away.

(Central Press)

N. C. Traffic Deaths 937, Down By 186

Raleigh, Jan. 19.—(AP)—North Carolina's traffic fatalities dropped 186 in 1938 under 1937, Ronald Houtt, director of public safety, announced today. There were 937 fatalities last year, compared with 1,123 in 1937 and 1,026 in 1936.

"This is an excellent indication of the results of highway safety work, aided by citizens and civic organizations throughout the State," said Houtt. "The difference in reduction of fatalities on a percentage basis, by which 1938 deaths fell under those of 1937, compared with the previous

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\$4,000,000 Of Road Work In State Ready

Raleigh, Jan. 19.—(AP)—George W. Coan, Jr., State WPA administrator, announced today that his organization would make \$3,000,000 available to match a \$1,000,000 State allotment for a farm-to-market road improvement program. The new \$4,000,000 program will extend through several months. "This will mean that 4,000 WPA workers who have been idle for the last six weeks, due to lack of sponsor's funds for farm-to-market roads,

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Changes For Japan Is Alarmed By U. S. Plans For Defense In Pacific

Official Press Director at Berlin Categorical Says There Will Be No Changes

Berlin, Jan. 19.—(AP)—The press chief of the German government, Dr. Otto Dietrich, today took the unusual step of personally issuing to foreign correspondents a complete, emphatic and categorical denial that any cabinet changes were contemplated either now or at any time in the near future. Rumors of impending changes had become so general in Germany, and had been launched among foreign press representatives with such consistency by persons ordinarily in the know, that a denial was deemed necessary and advisable in the interest of clarification, as well as amicable international relations.

Rumors circulated yesterday in Berlin circles usually considered well informed that the following shifts in the Nazi leadership were likely: Appointment of Field Marshal Hermann Goering and vice chancellor and war minister; appointment of Propaganda Minister Paul Goebbels to be chief of Nazi party district leaders, and transfer of his propaganda and press functions to Dietrich himself to the foreign office and to Goering's office; retirement of Interior Minister Frick and his replacement by Heinrich Himmler, chief of all German police.

Wrong Identity Pleaded In Death of Georgia Cleric

Brunswick, Ga., Jan. 19.—(AP)—With 50 defense witnesses to be called after completion of State testimony, the trial of George Cleyborn, Negro, accused of killing Dr. Charles H. Lee, Episcopal rector, entered its second day in Glynn County Superior Court here today.

Cleyborn's counsel yesterday sought to show officials believed the crusading churchman of St. Simon's island, was killed by a white man now serving a prison sentence for burglary. This phase of Cleyborn's defense developed when George Cowart, the Negro's attorney, asked Representative W. Ben Gibbs if he had said publicly that "Grady Stevens killed Dr. Lee."

Gibbs, who investigated the crime as solicitor, and who returned here yesterday from Washington to testify for the State, answered he had made a statement he "always had an idea Stevens had something to do with the murder of the rector."

The 71-year-old Dr. Lee was killed near midnight of February 5, 1938, as he sat at his desk in the rectory of Christ Episcopal church, the victim of a sniper's fire through a window.

WEATHER

FOR NORTH CAROLINA. Fair tonight and Friday.

Tokyo, Jan. 19.—(AP)—Japan is gravely concerned by United States naval expansion plans, a naval office spokesman declared today, and fears establishment of airplane and submarine bases in the Pacific would be but an advance for "long distance attacks."

Panic Aboard Liner During Storm Related

New York, Jan. 19.—(AP)—Stories of hysteria and near panic among 360 passengers on the Italian liner Vulcania, struck by a furious storm which silenced its radio off the Azores on Tuesday, were told today when the ship reached port here.

J. M. McClelland, publisher of the Longview, Wash., Daily News, said that at least six passengers were injured and that scores were bruised as the vessel wallowed in mountainous seas. "The waves crashed over the top of the ship, breaking windows on the top deck," he said. "The hurricane struck at 12:30 o'clock, just at the lunch hour, and all we could do was crawl on the floor and try to hang on. The wind reached a velocity of 125 miles per hour."

"We never expected to live through it. There was general hysteria. Women fainted and screamed. Everybody was praying." McClelland said the radio antenna was torn away soon after the blow struck. Italian Line officials said the ship had met five days of bad weather, with continuous high head winds, but declined to confirm passengers' statements as to the number injured. Line officials said the peak wind velocity was 67 miles per hour.

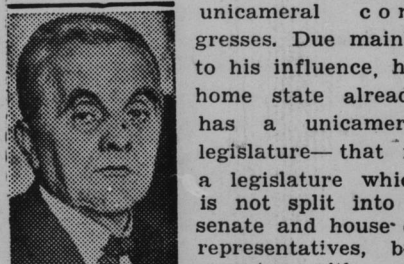
GASTON NEGRO GETS 30 YEARS, NOT DEATH

Gastonia, Jan. 19.—(AP)—Chirner Dee, Gastonia Negro, drew 30 years in prison from Judge Allen Gwynn here this afternoon as a jury convicted him of second degree murder at the end of his second trial on a charge of killing Hoke Davis, Gastonia rent collector, last summer. Convicted of first degree murder at his first trial Dee was sentenced to die along with James Sturgis, Negro, convicted at the same trial. The Supreme Court granted both a re-trial on a technicality. Sturgis will be tried at a later court term here.

ification of Guam, in the middle of the mandates, would seem an unnecessary way to treat Japan, in view of our policy of non-attack and non-aggression." He emphasized that these mandates, the South Sea islands held by Germany before the World War, were unfortified and under present international agreement could not be fortified. For this reason the spokesman said Guam would have a real strategic value, if fortified, "although Japan's object on expansion in the Pacific was moral rather than legal," since no treaties exist to prevent it.

Unicameral Congress Is Not Probable

Washington, Jan. 19.—(AP)—Having abolished lame duck congresses, Senator George W. Norris of Nebraska is agitating now for unicameral congresses. Due mainly to his influence, his home state already has a unicameral legislature—that is, a legislature which is not split into a senate and house of representatives, but operates with only one chamber. Reports from the Corn



husker senator are to the effect that the new system is quite satisfactory. Senator Norris advocated it on grounds of efficiency and economy. There was no sense in two houses, he argued; one is just as democratic and works faster. Whether or not the same thing would do equally well on a national

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Steamship Breaks Into Halves, With No Warning Given

New York, Jan. 19.—(AP)—The steamship New Orleans radiotold to the Mackay Radio Company today that the motor tanker Jaguar had broken in half about 200 miles southwest of the Azores last night. The message said: "SS Duala picked up seven of crew from forecastle last night and 30 this morning from after part. After part believed still afloat. Accident occurred suddenly. No radio call for aid sent."

Chamberlain's Son Menaced by Blast

Tralee, Ireland, Jan. 19.—(AP)—A violent explosion today at the rear of a hotel at which Frank Chamberlain, son of the British prime minister, was staying, shattered hundreds of windows and damaged the hotel walls.

Chamberlain, 25, who lives at Birmingham, England, was on a vacation in Ireland. He was uninjured.

Police worked on the theory that the outlawed Irish republican army which is blamed for a series of explosions in England Monday and Tuesday, also was responsible for this latest blast.

The explosion was believed in some quarters to have been an attempt to kill the British prime minister's son. It was disclosed that young Chamberlain had been guarded by three detectives since his arrival here Monday.

Army, Navy Both Urging More Speed

19 New Mobile Anti-Aircraft Regiments Asked; 12 Naval Air Bases Requested; Roosevelt Proposes Taxing of Federal Income; Hopkins Nomination Comes Up

Washington, Jan. 19.—(AP)—The Army high command passed along to Congress today its belief that "any future war will at least start in the air."

Brigadier-General George Marshall, deputy chief of staff, offered that observation in telling the House Military Committee that 19 new mobile anti-aircraft regiments were needed to supply a "reasonable" ground defense.

This nation is "weak compared with other nations" in its defense from bombing attacks, Marshall said in replying to questions from committee members considering President Roosevelt's \$552,000,000 defense program. The House and Senate received from their respective naval committee chairmen a bill sponsored by the Navy to authorize the development or increasing of 12 naval air bases, including Guam and the mid-Pacific.

Mr. Roosevelt chose today to urge Congress to make all private income from all government salaries and all future government securities subject to the general income tax laws of the Federal and state governments.

The Senate took up the nomination of Harry L. Hopkins to be secretary of commerce, approved yesterday by the commerce committee on a 13 to 6 vote. Chairman Bailey, Democrat, North Carolina, who refrained from voting on Hopkins, asserted in a formal statement that Hopkins, by making political speeches while he was WPA administrator, set an example

(Continued on Page Two.)

House Body Again Clips FDR's Funds

Trims \$3,550,000 Off \$13,529,000 Appropriation Requested by the President

Washington, Jan. 19.—(AP)—The House Appropriations Committee, supporting a congressional economy campaign, sheared \$3,550,000 today from President Roosevelt's recommendations for the first deficiency appropriation bill.

In approving the proposed expenditures on the reduced scale, the committee for a second time backed up a sub-committee which started the economy drive by slashing \$150,000,000 from the \$375,000,000 the President asked for relief. While the cut in the deficiency items was small in amount, committee members said it was significant of a trend against the administration's spending program. The total cut was from \$13,529,000 to \$9,979,000.

The appropriations committee acted just before debate on the bill began on the House floor. Leaders said they expected to pass the measure tomorrow.

Government Army Repels Rebel Drive

Loyalists Attempt To Run Blockade To Rush Troops To Their Catalonia Front

Hendaye, France, Jan. 19.—(AP)—Catalonia's militiamen fought off insurgent thrusts in the mountains west of Barcelona today while the government sought to run a naval blockade to rush reinforcements from the idle Madrid front.

Twelve thousand Madrid troops, the first contingent of 60,000 the geographically divided government hoped to shift to the hard-pressed Catalonia fronts, were reported already at sea. They were said by advices reaching the French border to have embarked last night at Valencia, whence the other 48,000 were expected to leave shortly.

An undetermined number of insurgent warships, three of which yesterday shelled government lines northeast of Tarragona, were ordered to intercept the transfer. Insurgent and government manpower in the battle for Catalonia has been about evenly matched, with about 300,000 on each side. The insurgents, however, hold a decided advantage in planes, artillery and other equipment.

AIR DEFENSE DRILL GIVES BARCELONA DAWN FRIGHT

Barcelona, Jan. 19.—(AP)—The sharp whine of airplane engines filled Barcelona skies at dawn today as crisp, clear weather made the government redouble its precautions against enemy air raids.

The sudden barking of anti-aircraft guns, unpreceded by alarms startled residents who failed to read the morning papers announcing air raid defense maneuvers. Government pursuit planes flashed over the city in the morning sunlight.

BIDS SUBMITTED ON CAPE FEAR DREDGING

Wilmington, Jan. 19.—(AP)—The Hill Dredge Company of Ventnor, N. J., submitted a low bid of \$291,729 on a contract to dredge the inland waterway between the Cape Fear river and Little river to a depth of 12 feet and to widen it from 75 to 90 feet. The government estimate of the costs was about \$328,000.

Public Hearing Assured Over Highway Diversion

Daily Dispatch Bureau, In the Sir Walter Hotel.

Raleigh, Jan. 19.—There is going to be a public hearing on the policy of the General Assembly regarding diversion of highway funds, but one of the moot questions hereabouts is "When?"

Ever since the bill declaring the General Assembly's policy to be against any transfer of money from highway to general funds was taken from the Senate Road Committee and referred to the finance group, its advocates, particularly Senator John Umstead who sponsored it, have been trying to get a date set for a public

hearing. They have been promised such a hearing by Senator H. P. Taylor, finance chairman, but they have been absolutely unable to get any definite date set.

In fact, the Anson county senator now contends that a hearing may not be necessary at all, in view of the fact that "the finance and appropriations committees are going to make a sincere effort to reach a budget under which no transfer of highway funds will be necessary."

For that reason, he told your cor-

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