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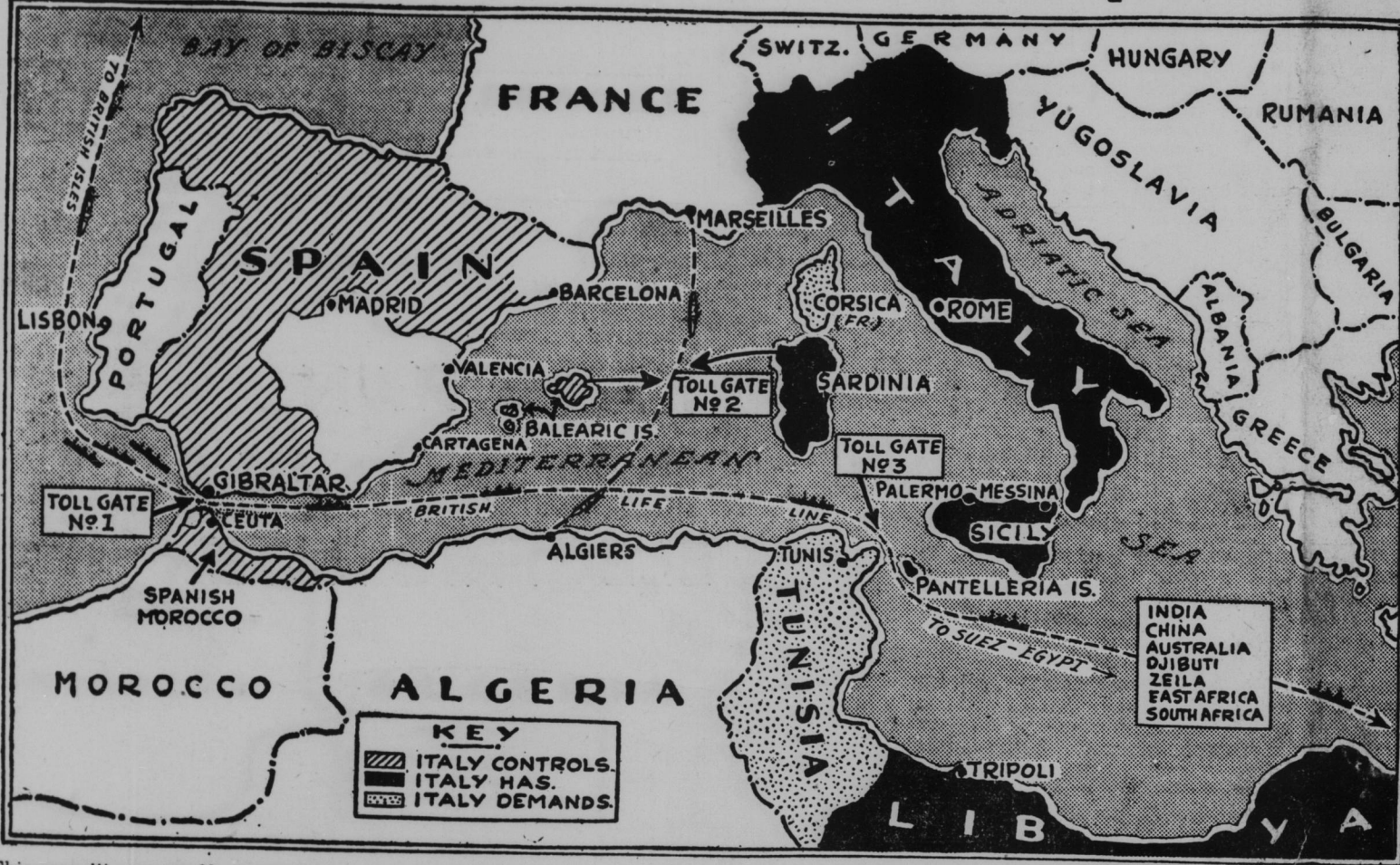
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HITLER OUSTS SCHACHT FROM REICHBANK

Holt Demands Baring Of Hopkins WPA Record

Mussolini's Control of British Life-Line Up to Franco



This map illustrates Mussolini's plan to make of the Mediterranean sea a vast "Italian lake". Great Britain, with her precious "Life Line of Empire" is on the anxious seat. Victory for General Francisco Franco and his insurgents in Spain would be the determining factor. If Franco wins, Italy will have Spain and Spanish Morocco as a base to imperil not only Britain's "life line" but also France's route to her African colonies. Artist has listed as "toll gates" places fortified by Mussolini, with aid of Hitler, to force showdown with Great Britain and France. (Central Press)

Negotiations End

Meaning Of Hitler Move Not Certain

Berlin, Jan. 20.—(AP)—Chancellor Hitler today removed Dr. Hjalmar Schacht, veteran financial wizard, from the presidency of Germany's Reichsbank in a sudden stroke followed swiftly by the breakdown of negotiations for the removal of several hundred thousand Jews from Germany.

George Rublee, American head of the inter-governmental refugee committee, who had been conferring here with Schacht on the Jewish transfer problem since January 10, was notified officially that the discussions would not continue. Rupture of the refugee committee's attempts to secure Nazi cooperation for Jewish emigration plans was the first major result of Hitler's abrupt replacement of Schacht by Walther Funk, minister of economics.

By this change, Hitler thrust the great Reichsbank, which under Schacht had retained comparative independence, more completely under control of the Nazi party.

German officials denied there was any connection between the shelving of the high-collared money wizard and his efforts to solve the problem of Germany's 700,000 Jews by the Rublee committee, formed last summer in France by representatives of 32 nations.

Martin Drops 15 Members Of Auto Body

Detroit, Mich., Jan. 20.—(AP)—Homer Martin, union president, suspended 15 members of the CIO United Automobile Workers executive board today, and announced he would assemble an international convention to replace the one called for March 20 at Cleveland by his opponent in the UAW.

Smoke Fumes Fatal To Trio In Brooklyn

New York, Jan. 20.—(AP)—Three persons, including a 90-year-old woman, died of smoke poisoning today in a mysterious fire which badly damaged a four-story house in the aristocratic Hill section of Brooklyn.

Attack On Cabinet Man Is Renewed

Barkley and Others to Defend Commerce Chief Seeking Confirmation; Glass Says Relief Bill Won't Be Cut Further; FDR Backs Cotton Conference

Washington, Jan. 20.—(AP)—Senator Holt, Democrat, West Virginia, demanded today that the Senate get a complete record of WPA activities before voting on confirmation of Harry L. Hopkins as secretary of commerce.

"The only reason for the elevation of Hopkins to secretary of commerce is his handling of WPA," Holt said as the Senate started its second day of debate on Hopkins.

Before the session started, Majority Leader Barkley, Democrat, Kentucky, said he and Senators McKellar, Democrat, Tennessee, and Sheppard, Democrat, Texas, would answer criticism of Hopkins.

"I am not trying to delay a vote," the youngest senator said. "But the people and the Senate have a right to know something about the conduct of WPA."

Holt, who talked for three hours yesterday, charged today that more than 1,000,000 persons were added to WPA payroll during the year before the November elections.

Meanwhile, Chairman Glass, Democrat, Virginia, of the Senate Appropriations Committee, said there:

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FENNER TELLS FAIR GROUP OF EXHIBITS

Raleigh, Jan. 20.—(AP)—W. E. Fenner, of Rocky Mount, chairman of the State's commission on participation in the New York World's Fair, told the State Association of Agricultural Fair Secretaries today that the exhibit of North Carolina would be one of the best advertisements the State has ever had.

Some 60 secretaries attended the opening session. This afternoon the secretaries arranged dates for exposition this fall.

Still More Tax Revenue Involved In Diversion

Over \$1,100,000 Collected for Oil and Gas Inspections and Only \$122,187 Spent for That, Rest Going Into General Fund of the State

Daily Dispatch Bureau, In the Sir Walter Hotel.

Raleigh, Jan. 20.—The budget appropriations bill calls for taking seven million dollars from the highway fund during the next two years, but it is really nine million dollars of gasoline tax money that will be diverted, point out Clarence Stone, one of the legislative leaders against diversion.

For some years there has been paid into the general fund, collected directly by the department of revenue and never going through the highway commission books at all, over a million dollars a year in the quarterly inspection tax. Only about one-tenth of it has been spent in inspection and testing work. This "diversion" has become an accepted policy



George Rublee, director of the inter-governmental committee on political refugees, found himself without a job in Berlin today when Fuehrer Hitler ousted Dr. Hjalmar Schacht as German negotiator of a plan for releasing Germany Jews to emigrate elsewhere. It had been rumored Rublee would return to America "very soon" and that a new director would be named.

FDR Favors Defenses Of Guam Island

Does Not Necessarily Mean Fortifications, However, and Change in World Trends May Cause Abandonment of Entire Plan, President Says

Washington, Jan. 20.—(AP)—President Roosevelt said today he favored the bill authorizing \$5,000,000 for defense improvements on the island of Guam, but contended this did not necessarily mean fortifications.

In a long discussion with reporters of the item in the \$65,000,000 bill introduced yesterday in both houses of Congress, the President also differentiated between authorization and actual appropriation. He said an authorization did not necessarily mean that a proposed project ultimately would be carried to completion.

Mr. Roosevelt said a change in world conditions might permit abandonment of the whole thing.

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Granville Negro Dies In Gas Cell

Raleigh, Jan. 20.—(AP)—King Solomon Stovall, 24-year-old Granville county Negro, died by asphyxiation in the gas chamber at State's Prison today for the robbery-murder of P. T. Moore, a store-keeper, last April 15.

A mask covered Stovall's face and held his head erect, and for the first time at a gassing in North Carolina the witnesses did not see every facial contortion of the dying man. Opinion of the witnesses was that the mask made watching an execution much easier.

The Negro entered the death chamber at 11:01, was given gas eleven minutes, 40 seconds, and was dead at 11:15 a. m. Dr. Felda Hightower, prison physician said. The execution was delayed from 10:30 until 11 as prison officials refused to use some acid on hand for the gas generation and hurriedly secured some apparently more concentrated.

Deputy Sheriff W. T. Beasley, of Granville county, who said he arrested Stovall in the Moore case, witnessed the execution. He said Stovall did

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Grab In Spain Worries U. S.

By CHARLES P. STEWART
Central Press Columnist

Washington, Jan. 20.—American naval authorities are more than a little worried by rebel gains in Spain recently.

Yankee public opinion probably is split something like 50-50 as between



the Spanish so-called insurgents under general Franco and the so-called

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WEATHER
FOR NORTH CAROLINA.
Fair tonight and Saturday; not quite so cold tonight.

New Tax On Power Companies Is Proposed In Legislature

Scale of Benefit Payments Would Be Changed in Another Bill; Number of New Bills in House; Senate Session Very Brief, With One New Measure.

Raleigh, Jan. 20.—(AP)—The legislature got from Representative Underwood, of Hertford, today a bill which would impose a new tax of one quarter of a cent per kilowatt hour on all electrical energy produced or sold in the State by public utilities. The measure would seek to make the tax applicable since 1935.

The House held the spotlight in the day's doings, the Senate meeting only a few minutes and receiving one bill.

Representatives Cherry, of Gaston, and Stone, of Rockingham, introduced three bills in the House to amend the law on unemployment compensation so as to change the scale of benefit payments; provide for the "employer-merit-rating" system of segregation of funds; and make provision for seasonal industries.

From Representative Page, of Bladen, came a proposal to levy a tax of two and a half percent on the gross sales of liquor, with the money to go into a special fund to be used to teach "of the evils of alcohol" in the public schools.

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Huge Sums Given For New Projects Sponsored By WPA

Raleigh, Jan. 20.—(AP)—Sixteen WPA projects to cost \$350,036.05 and employ 981 persons got approval today, Administrator George Coan, Jr., announced. Ten school construction projects included: Moore county, \$18,112.25 for Aberdeen school auditorium gymnasium and other work; Sampson county near Clinton, \$7,760 for Halix school teacherage; Halifax county, \$14,872 for school buildings; and Lenoir county, \$8,367 for gymnasium at Deep Run school.

Other projects included: Moore county, \$4,393 for matron service in public schools; Durham, \$34,836 for building and improving sidewalks; Dunn, \$23,308 for improving town-owned streets; Johnston county, \$12,664 for work relief programs; Smithfield, \$42,889 for improving streets; Hemp, \$26,361.20 for sidewalks.

Democracy Doomed Unless Spending Is Slowed Down

Voters Careless and Ignorant About Government and Tax System, Babson Says; Half Bills Unpaid; Sees Nation Headed Toward Chaos

By ROGER W. BABSON,
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Financial Bureau, Inc.

Babson Park, Mass., Jan. 20.—"I am convinced that public spending can never be stopped." This was the recent comment of an honest, far-sighted—but defeated—public official. A year ago, he was elected mayor of one of the nation's oldest cities on a "cut expenses" platform. He put constructive economies into force. They pinched the pocketbooks of this, that, and the other group. So, at the end of his term, pressure minorities defeated him for re-election. This man's conclusion, after a year's practical experience with public economy, is disheartening.

Vested interests are built up in public spending just as in power companies, railroads, and chain stores. Some pressure groups will fight just

as hard to keep on spending as other pressure groups will battle to retain water rights, electric franchises, and mail contracts. In a Fascist state, public spending can be controlled and even halted. In a Democracy, it constantly increases unless voters are people of high character. It believes that current public extravagance is today the most immediate of all threats to our personal liberty. It is surely a greater menace than possible armed invasion by foreign dictators.

Voters Ignorant.
Behind our colossal spending is the woeful carelessness and ignorance of the average voter concerning public administration and our tax system. The "soak-the-rich" slogan of the politician has gone over with a bang.

(Continued on Page Eight.)

Gives Advice To Editors To Be Bold

Chapel Hill, Jan. 20.—(AP)—Tom Wallace, editor of the Louisville, Ky., Times, told the North Carolina News-Paper Institute today that any lackadaisical attitude on the part of America's readers toward the editorial page should be blamed on the publishers.

He spoke at the morning session of the institute, which is being held at the University of North Carolina and Duke University.

"Complaints about editorial columns not being read arise largely from smug publishers, who would resent being called dishonest, but who, nevertheless, are just that," Wallace declared, "publishers whose editorial columns are never disturbing to predatory human beings or inspiring to honest men. Such publishers say they don't believe in editorial crusades, that they believe such projects are tiresome to readers.

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Maxwell Asks Big Sum For Road Safety

Daily Dispatch Bureau, In the Sir Walter Hotel.

By HENRY AVERILL

Raleigh, Jan. 20.—Commissioner of Revenue A. J. Maxwell quit his accustomed role of hardboiled tax collector and pedagogue of revenue raising long enough late yesterday afternoon to become, briefly at least, an apostle of safety and an evangelist for the doctrine of better roads.

He appeared before the joint appropriations committee to explain the budget requests of the highway safety division and the highway patrol and tarried long enough to answer leading and pointed questions from committee members primarily interested in such issues as diversion.

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