

U. S. Moves Citizens From Barcelona As Rebels Draw Close

Mexico Said "Scat"



Frank Kluckhohn Seized by Mexican police and given 24 hours to get out of the country...

Insurgent Armies Are Only 15 Miles Distant From Government Capital; Franco's War Planes Bomb City At Regular Intervals During The Day

Barcelona, Spain, Jan. 23.—(AP)—Insurgent air raiders today bombed five British ships, sinking one and killing two officers...

Barcelona, Spain, Jan. 23.—(AP)—United States officials arranged today to remove Americans from Barcelona as the Spanish government ordered civil evacuation of its capital...

American Embassy officials here said they would summon the United States cruiser Omaha tonight and told Americans to be prepared for the ship...

In London, steps were taken also to evacuate British nationals. Government Spain, meanwhile, went under a drastic "full state of war," which some observers believed to mean martial law...

(Continued on Page Four.)

Dewey Beginning Second Effort To Get James Hines

New York, Jan. 23.—(AP)—Judge Charles C. Knott, Jr., today deferred ruling on a motion to dismiss the conspiracy count in a 13-point indictment against James J. Hines as the Tammany district leader went on trial for a second time on charges of abetting the late Dutch Schultz's \$20,000,000 a year Harlem lottery racket.

Judge Knott delayed announcing his decision on the moot point, basis of 12 felony counts in the indictment, until after a jury has been picked from a special panel of 250 veniremen. The 12 felony counts accused Hines of contriving a lottery, while the conspiracy count, a misdemeanor, charged with him with "influencing, intimidating or bribing" public officials in connection with the policy gambling syndicate.

New York, Jan. 23.—(AP)—In the biggest test of his record-breaking career, Manhattan District Attorney Thomas E. Dewey opened a new court fight today to convict Tammany district leader James J. Hines of conspiracy in connection with a \$20,000,000 a year Harlem lottery.

A sensational trial ended Dewey's first attempt to put behind bars the bluff, white-haired ex-backsmith he accused of selling political protection for the huge policy racket operated by the late Dutch Schultz and his gang.

State Supreme Court Justice Ferdinand Pecora ordered the mistrial in September, 1938, after ruling that Dewey had "hopelessly" prejudiced the jurors against Hines by improper cross-examination of a defense witness.

(Continued on Page Two.)

Legislative Progress Is Slower Than It Appears

"Steam Roller" Tactics on Revenue and Spending Bills Is Resented by Many Members; High Pressure on Merit Exams Angers Some Others

Daily Dispatch Bureau, In the Sir Walter Hotel. BY G. LYNN NISBET.

Raleigh, Jan. 23.—The General Assembly starts its fourth week, the third of actual work, tonight with divergent views about how much has been accomplished. Committee hearings on finance and appropriations are further along than usual at this stage, but there has been little important statewide legislation completed. There are members, too, who voice resentment at what they term "steam roller" tactics in pushing through the budget revenue and appropriations bills without giving interested parties full opportunity to be heard.

The same tactics two years ago were more successful than this year's effort is apt to be. They shortened the legislative session in 1937—and had some influence on the defeat of Victor Bryant for the speakership in

1939. The Senate and House of Representatives in formal session cannot consider subject matter which has been definitely disposed of at a former sitting, but this rule does not apply to committees. There is a considerable group which believes that the committee work is not actually as far advanced as it might appear.

Those Merit Exams Worry. Perhaps the most important legislation of last week was enactment of the law blanketing under civil service all present employees of the Unemployment Compensation Commission who have been on the job as much as six months. This relieves them of taking the merit examinations which began Saturday.

Rushed through both houses under high pressure from the five affected employees, the bill received weak "ayes" but nary a single "no." After

(Continued on Page Five.)

In Reich's Finance Shakeup



Dr. Hjalmar Schacht Dr. Walther Funk

Drastic changes in Germany's financial and economic setup were foreseen as result of appointment of Dr. Walther Funk (right) minister of economics, to succeed Dr. Hjalmar Schacht (left), as president of the Reichsbank, ending Schacht's efforts to solve the Jewish refugee problem. Schacht remains a member of Hitler's cabinet, being kept on hand for "special assignments."

Ten Survivors From Bermuda Air Liner Approach New York

Three Others on Craft That Crashed and Sank in Atlantic Saturday Afternoon Given Up As Lost; Gales at Sea Slow Down Rescuing Tanker

New York, Jan. 23.—(AP)—Safe after one of the most dramatic rescues in the annals of trans-oceanic travel, five men and five women survivors of the sunken flying boat Cavalier approached New York today aboard the tanker Esso Baytown.

They were expected to arrive about 10 a. m., eastern standard time, but later advices indicated the tanker might not reach its pier until 4 p. m., because of rough weather. Gale-swept seas, which slowed the rescue vessel to eight knots, revived anew for the ten who lived the memory of nearly ten hours they spent clinging to rubber lifeboats until the tanker dove "in the darkness, drawn by their cries. Joy over their own rescue was tempered with sorrow at the fate of three other persons, two men passengers

and the plane stewardess, who slipped beneath icy waves apparently too weak from injuries for the long struggle against winds and water.

Eight coast guard vessels gave the three up for lost after a thorough search of the seas, where motor trouble forced the Bermuda-bound Imperial Airways craft to pancake into the Atlantic Ocean 300 miles southeast of Cape May, N. J., during a gale Saturday afternoon. It sank in ten minutes, forcing the 13 persons aboard to leap into the water before they could don life-saving equipment.

All survivors were reported in "fair condition," except Captain M. R. Alderson, pilot of the plane, who suffered more from shock and exposure than the others. Several were believed cut and bruised.

Legislators Laying Up 1941 Trouble

Daily Dispatch Bureau, In the Sir Walter Hotel. BY HENRY AYERLL.

Raleigh, Jan. 23.—Policies and trends of the current General Assembly have developed to the point where many careful observers are fearful it is laying up a vast store of worry and trouble for its 1931 successor.

The thought of this school of opinion is that the current body of lawmakers is going to get by as easily as possible, dodge the issue of balancing general fund expenditures in North Carolina and thereby pass the buck to those who follow it two years from now.

It is pointed out that after less than three weeks of the session, there are two facts which stand out crystal clear:

First: This legislature is not going to look for any new sources of revenue unless it is backed into a corner and can't dodge or twist its way out.

Second: This legislature is not going to appropriate any money for

(Continued on Page Two.)

Hoey Moves Cautiously For Program

Daily Dispatch Bureau, In the Sir Walter Hotel. BY G. LYNN NISBET.

Raleigh, Jan. 23.—One can hear about the Capitol statements that the administration is in complete control of the General Assembly, and that its program will be put through with as much ease as it was last year.

One may also hear the next minute the statement that the House is definitely anti-administration, being in "control of the forces which have for years supported candidates for gov-

(Continued on Page Two.)

Socializing Of Medicine Is Started

Washington, Jan. 23.—(AP)—President Roosevelt submitted to Congress "for careful study" today a comprehensive report recommending a long range \$850,000,000 federal-state program to improve the nation's health.

"The objective of a national health program," Mr. Roosevelt said, "is to make available in all parts of our country and for all groups of our people the scientific knowledge and skill at our command to prevent and care for sickness and disability; to safeguard mothers, infants and children, and to offset through social insurance the loss of earnings among workers who are temporarily or permanently disabled."

The report, prepared by an inter-departmental committee named in 1935, included a proposal for compulsory health insurance, which is opposed by the American Medical Association as a step toward socialized medicine.

Senator Wagner, Democrat, New York, has said he would introduce a bill to provide the first \$50,000,000 to start the health program, which by 1949 would cost the federal government and the states \$850,000,000.

WASHINGTON MAN IS GIVEN PRISON TERM

Frank Bright Gets Seven to Ten Years on Conviction Under Manslaughter Charges

Washington, N. C., Jan. 23.—(AP)—Frank Bright, 40-year-old Blount's Creek farmer, convicted by a jury verdict late Saturday afternoon of voluntary manslaughter following a four-day trial on a second degree murder count, was sentenced by Judge Leo Carr in superior court here today to serve seven to ten years in Central Prison.

Bright, charged with the pistol slaying of Osborne Cayton, 30, neighbor of the defendant, on November 22, had pleaded not guilty by reason of self-defense when the four-day trial opened here last Wednesday afternoon.

Roosevelt Leaders Claim Sufficient Votes To Restore Entire Item Cut From Relief

Hoey's Legislative Program Is Almost Ready For Assembly

Include \$5,000,000 Road Bonds, Elimination of Mandatory Death Penalty, Election Law Revision and Coordinating Legal-Penal Divisions

Raleigh, Jan. 23.—(AP)—Bills to carry into effect the main recommendations of Governor Hoey to the legislature will likely find their way into the 1939 General Assembly within the next ten days.

Governor Hoey said today he expected that within the next few days the following measures would be introduced:

To provide a \$5,000,000 bond issue for modernizing primary highways.

To remove the mandatory death penalty in capital convictions and permit discretionary life sentences.

To coordinate various legal and penal diversion and departments into a department of justice on the basis of the least possible expenditure by which coordination can be done.

To revise election laws along general lines recommended by the State Board of Elections.

The governor said he expected that within a week or ten days bills proposing to provide an anti-lynch law and to amend present labor statutes such as on hours and wages.

The governor said he stuck by his statement that he had no mandatory or "must" bills. He explained that, for instance, he might not favor everything in the election laws bill to be introduced in line with election board recommendations, but that "it is a good basis on which to work."

He said proposals relating to granting a tenth year salary increment to public school teachers and inclusion of a twelfth grade in the public school system will await the completion of work on the advisory budget commission recommendations by the finance and appropriations committees.

The \$5,000,000 road bond bill has been held back for the same reason, he said.

Stresses Army's Needs



Brigadier General George C. Marshall, deputy chief of staff of the U. S. Army, adjusts his glasses as he testifies before the House Military Affairs Committee. He stressed the Army's need for planes and anti-aircraft equipment.

New Defense Would Lift Rank Of U.S.

Would Advance Three Notches if 45,000 Men Are Added; Strengthen Canal Zone

Washington, Jan. 23.—(AP)—The 45,000 increase in army strength projected in President Roosevelt's defense program, officials said today, would move the United States up three notches in the list of world's active military forces.

A proposed addition of 27,000 officers and men to the air corps, 13,000 or more to the Panama Canal garrison and 5,000 to other branches, would swell the regular army to almost 230,000 officers and men.

Ten countries now have larger standing armies than the United States, on the basis of newly-revised official figures. Disregarding increases, which others might make in the meantime, the United States will rank eighth in two years if Congress approves the \$552,000,000 armament recommendation.

When trained reserves are included, the United States ranks only 19th, and officials anticipate no relative advance in this respect.

In air forces, the United States, with 25,895 officers and men in actual service and in trained reserves, ranks seventh and probably will continue to do so.

The proposed \$300,000,000 expansion of the army air corps likely will be the first part of the defense program ready for House action. Chairman May, Democrat, Kentucky, of the House Military Committee, said he hoped to complete hearings late this week.

Hopkins Foes Are Attacked By Senator

Washington, Jan. 23.—(AP)—Senator Schwollenbach, Democrat, Washington, accused critics of Harry Hopkins today of "trying to destroy the confidence of the people in a democratic government."

Rising to praise the appointment of the former relief director as secretary of commerce, Schwollenbach asked why Hopkins' assailants had taken so much time in Senate debate

(Continued on Page Two.)

(Continued on Page Four.)

Compromise Is Expected With House

Over-Riding of Senate Committee and Vote of Entire House Would Be Big Victory For Administration Forces; Hopkins Confirmation Up In Senate

Washington, Jan. 23.—(AP)—Administration leaders claimed sufficient Senate votes today to restore to the emergency relief bill the \$150,000,000 lopped off by the House, but they conceded that the fight would be close.

Even if the Senate does override its appropriations committee and accede to President Roosevelt's request for \$875,000,000, the full amount probably would not be authorized in the long run. Since the House voted only \$725,000,000, a compromise between the two chambers would have to be worked out.

The relief argument was ready to begin on the Senate floor as soon as the members disposed of the nomination of Harry Hopkins to be secretary of commerce.

An interruption to the Hopkins debate was expected, however, for receipt of a presidential message on a long range health program. A special committee recommended to Mr. Roosevelt last year that State and Federal governments spend up to \$850,000,000 annually on this work. The health recommendation almost touched off a controversy almost as heated as the discussions over WPA costs. The Senate Appropriations Committee voted 17 to 7 Saturday to accept the House figure of \$725,000,000.

Members pointed out that a reversal of this stand by the Senate itself would have great political value to the administration, even though a compromise with the House might be necessary.

Politicians say the relief revolt in Congress has stemmed from two causes, resentment over complaints of "politics in relief," and the belief of many members long fostered by such economy advocates as Senator Byrd, Democrat, Virginia, that Federal expenses must be cut.

Bitter Cold Kills Scores In Week-End

SOS Calls from Many Ships in Atlantic; Mountainous Waves Lash Coast Line

(By The Associated Press) A bitter cold wave, accompanied by disastrous gale-force winds, plummeted the mercury to sub-freezing points today as ocean storms brought a series of SOS calls from imperiled ships on the North Atlantic.

Storm fatalities reached into the scores. Mountainous waves lashed the eastern seaboard from Cape Hatteras to north of Maine, causing widespread distress, and delayed the arrival of rescue tanker enroute to New York with the ten survivors of the British Imperial Airways flying boat Cavalier, which sank with a loss of three lives Saturday.

SOS signals came from ten ships on the Atlantic and nearby craft turned to their aid. The lives of more than 300 passengers and seamen were in jeopardy.

Twelve persons were killed on the southwest coast of England, where the storm struck with particular fury.

Up-State New York counted five dead.

WEATHER FOR NORTH CAROLINA.

Rain tonight and Tuesday, beginning as snow or sleet in west and north central portions; rising temperature.