TWENTY-SIXTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS

HENDERSON, N. C., MONDAY AFTERNOON, FEBRUARY 20, 1939

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

# LE SPEEDED FORW

## Legislature's Riddle Is Where To Get The Money

Unprecedented Joint Committee Begins Desperate Hunt for Revenue; Liquor Law Likely To Remain Unchanged; Many Deceptive Bills

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

Raleigh, Feb. 20.—Optimistic pre-

mated revenue and allocated expenditures, a joint sub-committee.

representing all four committees having to do with money, was named.

This is a precedent-making incidictions, made with an air of extreme pessimism, featured Capitol and hotel lobby conversations about the money bills as the seventh week of the 1939 General Assembly ended the seventh week of the 1939 General Assembly ended the seventh week of the 1939 General Assembly ended the seventh week of the 1939 General Assembly ended the seventh was color to the hope that the seventh was color to the several groups effected such a formula was color to the several groups effected such a formula was color to the several groups effected such a formula was color to the several groups effected such a formula was color to the several groups effected such a formula was color to the several groups effected such a formula was color to the several groups effected such a formula was color to the several groups effected such a formula was color to the hope that the several groups effected such a formula was color to the several groups effected such a formula was color to the several groups effected such as the seve Saturday. Not even the most opti- something can be done. The finance mistic members feel that any real progress was made during the week. except that the committees have gotten rid of some of the conversation that always accompanies the birth of revenue and appropriation bills. They hope that some progress will be made this week.

something can be done. The finance groups have Chairman Pat Taylor, with Senator Gordon Gray, Wade Barber and Jack Joyner; House Chairman Bill Fenner, with Representatives Frank Taylor, Hugh Senators Frank Taylor, Bryant. The appropriations groups have Senators Bill Rodman, chairwill be made this week.

In a desperate effort to speed up activity and bring out bills by the last of the week that will promise a fey, with Representatives Fred Seedlest of the week that will promise a fey, with Representatives Fred Seedlest of the week that will promise a few, with Representatives Fred Seedlest of the week that will promise a few, with Representatives Fred Seedlest of the week that will promise a few of the week that will be well as the w reasonable balance between esti- ley, C. P. Rogers and John Kerr.

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#### State Agencies Seeking Larger Personnel To Build Bigger Political Machine

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

ferred from the Department of Agriculture, Dean Schaub stating bluntly

that the reason therefor was that these agencies could supervise personnel. The Department wants to Raleigh, Feb. 20.—It is the dream keep them, and to greatly expand of every "politician" to have as many the marketing service, arguing that people as possible looking to him for the experiment station and extension jobs. That enables him to form what services are dominated by the Fedhe calls an organization, and what the opposition calls a political machine. This ancient motive has prompted a number of bills in the present session, as in every one in the past.

The product of policy-making and personnel if the transfer is made Each agency presented briefs showing that it could do the job better than the other. But by verbal state-The prolonged argument over dup- ment, on and off the record, college lication of activities in agricultural adherents charge that Commissioner work is a case in point. The experi- Scott has high political ambitions ment station and the extension serv- and wants to "build up a machine." ice at State College want the test while department workers retort farms and produce marketing trans- that Dean Schaub aspires to be an

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#### Showdown On Annual Wage Diversion Is Likely Near

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

Raleigh, Feb. 20.—As the revenue

bill nears the House floor, still containing full authority for guberna-torial diversion of highway funds, it becomes more and more apparent that the anti-diversion group can, and probably will, get its very first when the diversion section is reached by the committee of the whole. So far the antis have been bowled over on every test, but on only one of these was a roll call had, and even no diversion. It was merely a quesbill everybody knew would finally

wind up in finance anyway. There hasn't been so much talk about the \$7,000,000 diversion of late otherwise. and some writers have dismissed the whole thing as settled, but there is every prospect that the liveliest debate of all is still to come; and there are any number of antis who'll lay a small wager right now that on a roll call vote of the House they can

These folks point out that it's one thing to yield to pressure from the administration and say "aye" in committee on a proposal to let the divermittee on a proposal to let the diversion permission stay in the revenue bill, but quite another when it comes to having it recorded in black and white, for all to read from now on It is completely obvious that such a roll call can be obtained if those who have publicly committed themselves against diversion stick by their guns and call for the "ayes and noes' when the section comes up on the

(Continued on Page Four)

### BOSS HAGUE'S SON

leader, was appointed today by Gov-dissension in the membership. mon pleas judge of Hudson county. here,

# Basis Grows, Andrews Says

Washington, Feb. 20. — (AP)— Wage Hour Administration Elmer Andrews predicted today that wider use of "guaranteed annual wage" contracts by seasonal industries might result from the fair labor standards act.

A guaranteed annual wage contract is one under which employees are paid on an annual or semi-anroll call show down on the matter nual basis. Under the wage-hour act, such employees cannot be required to work more than 1,000 hours in six months, or more than 2,000 hours in one year.

Andrews based his prediction on a formal memorandum prepared by then it was by no means a straight out-and-out question of diversion or calvert Magruder, general counsel of the magruder of t of the wage-hour division, intertion of what committee should get a preting two sections of the law. The memorandum was intended to serve, Magruder said, as a guide to the administrator unless the court directs

Andrews indicated the guaranteed annual wage basis would become attractive to employers by giving them the right to step up production in emergencies without paying employees overtime. He emphasized that the exemption from overtime payments, however, applied only to industries whose employees worked under union contracts call-

#### Lumberton Mills Resume Operation Without Incident

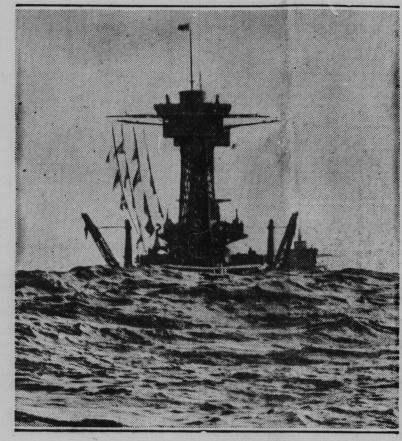
Lumberton, Feb. 20.—(AP)—O. G. Moorehead, general superintendent, said the Mannsfied mill here resumed operations this morning in all departments without incident. A number of employees in the weave room GETS BIG JUDGESHIP shed walked out late Friday, Morehead said.

A meeting was held Saturday of Trenton, N. J., Feb. 20.—(AP)—
Frank Hague, Jr., son of the Jersey
City mayor and State Democratic

A meeting was held Saturday of the Textile Workers Organizing committee local here to discuss reported disconsion in the membership

Seth Brewer, assistant administraof the court of errors and appeals, New Jersey's highest law tribunal. He succeeded Thomas Glynn Walk- Labor Relations Board had been reer, who resigned to become a com- quested to investigate conditions

#### Rough Going in War Games



One of the Sights F.D.R. Sees

One of the big battle wagons of the United States fleet is almost buried in a trough between two mighty waves during war games off Puerto Rico in test of U. S. first line of defense against attack from the east.

President Roosevelt journeyed south to become chief observer.

(Central Press)

# Roosevelt's Britain And Ship Now At France Seek Guantanamo Peace Plan

rives at Scene of Navv fense War Games

Miami, Fla., Feb. 20.—(AP)—The cruiser Houston, with President Roosevelt aboard, arrived off Guantana, Cuba, today as the contending "black" and "white" naval forces assumed positions for one of the most significant war games in the history of the American fleet.

The first radio message from the Houston to temporary White House headquarters here said the cruiser would visit Guantanamo Bay this morning, but the president would

not go ashore. After circling the bay off the American base, the Houston was to continue eastfard while the first stage of the mimic battle to test the Panama coast defenses gets under way. The Houston was heading for an initial position with the defend-ing "black" fleet, compased of surface and aircraft, spread out from Cuba to Venezuela in the Caribbean

#### No New Districts Needed, Hoey Says

Raleigh, Feb. 20.— (AP)— Governor Hoey said today he did not feel there is any necessity for this legislature to create additional superior court districts as it had enacted a law to permit continuance of special

The governor said he would present to the legislature as "information" the report of the special commission on judicial districts from 21 to somewhere between 24 and 27. The commission was authorized by the 1937 legislature, and its printed report will be given to the legislature tonight.

### Execution Of Kidnaper Is Delayed

Raiford, Fla., Feb. 20.—(AP)— Franklin Pierce McCall, his head shaved for the electric chair, was granted a stay of execution today until next Friday to permit an ap-peal to the United States Supreme Court of his conviction in the death of five-year-old James Bailey Cash,

(Continued on Page Four)

## Cruiser Houston Ar- Also Desire Accept- 30,000 More able Way of Recognizas Legal Government

Paris, Feb. 20.—(AP)—France and Britain today sought a new approach toward peace in Spain and for recognition of Generalissimo Francisco Franco's regime as the legal Spanish Government.

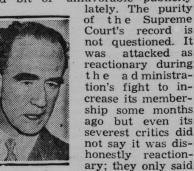
Senator Leon Berrard, French emissary and Sir Robert Hodgson, British commercial agent to nationalist Spain, conferred in Burgos after talks with the nationalists had snagged on peresistent nationalist demands for unconditional surrender by the republic government.

Sir Robert was believed to be taking the lead in the conversations with Burgos authorities while Berrard primarily was occupied with the preliminaries of joint recognition of Franco by France and Britain.

A showdown was expected Wednesday when the two planend a further interview with General Count Gomez Jordana, Franco's foreign minister.

#### About New Report Lower Courts Coming In For Criticism

By CHARLES P. STEWART Central Press Columnist Washington, Feb. 20.—The lower Federal courts have come in for a good bit of unfavorable publicity



not questioned. It was attacked as reactionary during the administration's fight to increase its membership some months ago but even its severest critics did not say it was dishonestly reactionary; they only said was tempera-

mentally so. And it has been considerably made over since then. I think also that the cam-

(Continued on Page Four)

FOR NORTH CAROLINA. Partly cloudy and colder, possibly showers near the coast tonight and Tuesday and mist changing to snow flurries in the mountains tonight.

Puts Damper on Criticism Here of Roosevelt Foreign Policy; Debate Over Fortifying Guam To Be Had in House on \$53 Million Bill.

Washington, Feb. 20.—(AP)—The \$53,800,000 naval air base bill sped forward in Congress today, new evidence of determination to bolster national defense.

Speaker Bankhead and Representative Rayburn, of Texas, the House majority leader, announced that the House would devote tomorrow and Wednesday to consideration of the legislation. They acted after the rules committee voted unanimously to ask

the House to start voting after six hours of general debate.
Senator Nye, Republican, North Dakota, proposed, meanwhile, to write into law army and navy regulations organizat the release of will gulations against the release of military aircraft to foreign governments. Nye introduced in the Senate a bill designed to safeguard for the United States any airplane or airplane appliance built under government contract, according to government specifications or with the aid of government ernment funds for research.

Chairman Vinson, Democrat, Georgia, of the naval committee, and Representative Maas, Republican, Minnesota, ranking Republican member

(Continued on Page Four)

# Italy Sends Maneuvers In De - ing Franco's Regime Men To Africa

London, Feb. 20.—(AP)—An Italian decision to send "30,-000 more troops" to Libya in North Africa was announced in Libya in North Africa was announced in the House of Commons today as the British gov-ernment sought approval of its costly re-armament program.

R. A. Butler, under secretary for foreign affairs, said Italy had informed Lord Perth, British ambassador to Rome, she was "sending 30,000 more troops to Libya to provide for the se-curity" of the North African territory.

Thirty thousand troops had remained in Libya after reductions in the force had been effected under the Anglo-Italian accord ratified last November.

#### **New Demand** Given Senate For Economy

Washington, Feb. 20.—(AP)— A new demand for government economy came today from Senator Adams, Democrat, Colorado as the Senate began consideration of the \$1,800,000,000 independent offices appropriations bill.

Adams asked that the Senate whittle \$4,252,000,000 from a \$17,206,000 IVA appropriation rejected by the House, but approved by the Senate Appropriations Committee. The \$4,-252,000 allocation would be used to start construction of a dam at Watts bar on the Tennessee

"When we were considering (Continued on Page Four)

# Outlook For Franco To Appoint Peace Dims New Government To Over Europe Control All Spain

Ocean's Trough



All Asea

One of the most dramatic of recent sea photographs is this one showing a French destroyer seeming de-scending into the trough of the ocean, during recent maneuvers.

# Britain Is Speeded Up

Confer With Key Men Committee today. as War Clouds Thick
approved President Roosevelt's en Over Europe

London, Feb. 20.—(AP)—King manager in the State's hot Democra-George VI and Prime Minister tic primary last year.

Chamberlain conferred with key Knowing of some of the trades Chamberlain conferred with key defense chiefs today prior to a full dress rearmament debate in the Senator Barkley's re-election cam-House of Commons set against a paign, Edward Weyler, secretary of background of increasing European the State A. F. of L. organization, tension over Spain and Italian- wrote the committee: "We do not French differences.

tour of Britain's New East defenses, Chief of the naval staff. Lord Chatfield was named min- judge."

ister for coordination of defense in a cabinet shake-up January 28. The British government asked Parliament to approve what probably is the costliest peace time rearmament program in history, its purpose strengthened by uneasy de-

velopments in the European struggle for mastery of Spain and the Mediterranean. Mediterranean.
A two-day debate on defense Path To War opened in the House of Commons. promised important revelations on foreign policy, Britain's present strength or weakness and the pro-

gress of re-armament. The resolution to increase the

(Continued on Page Two)

(By The Associated Press.) A cold wave over the middle west headed eastward today in the wake of rain, snow and abnormally warm weather.

Coldest point on the weather map was Detroit Lakes, Minn., with 31 degrees below zero. Forecaster H. A. Downes, of

Chicago, said sub-zero weather prevailed in the Dakotas, Minnesota, western Iowa and down to Nebraska. He predicted near zero weather tonight in Wisconsin. Michigan, Illinois and Indiana, and predicted the east, "basking in a February heat wave," would be jolted out of it by tonight and tomorrow by a decidedly cold wave. A storm area, which centered

over the Rocky Mountains Saturday, had moved to the upper St. Lawrence valley today. It brought precipitation over the week-end to nearly every section of the nation.

New York City residents perspired with temperatures in the middle sixties, but awaited "rain and much colder" weather to-

#### French Negotiations For Peace Between Warring Factions Is Broken Off Abruptly; Franco Demands Unconditional Surrender

Perpignan, France, Feb. 20:—(AP)
-Nationalist Generalissimo Francisco Franco was said today by authoritative sources to be planning to name a new government of eight cabinet ministers under the nominal direction of his brother-in-law,

Serrano Sumner, as premier.

The generalissimo, the sources said will retain his title as chief of state, and supreme commander of the army Franco has filled most of the spots on paper, these reports declared, but the actual change may not take place before the central zone of Spain is occupied.

Sumner is presently minister of the interior and one of the outstand-ing leaders of the falagists (fascists). He has been working publicly in the nationalist government a little more than a year.

French negotiations with Franco for peace in Spain and for recognition of his nationalist regime have been suspended abruptly. The conversations struck a snag at the nationalist Burgos headquarters last night when Franco's delegates ruled that only unconditional surrender of republican Spain or final victory for nationalist arms could end the civil

war.
The French mission had been instructed to seek a promise of leniency toward the republican side, as well as assurances that Spain would be rid of Italian and German forces as a basis of the recognition of Franco, which it hoped would bring peace.

#### Defense For Barkley Gave Job Promise To His Helper

Washington, Feb. 20.—(AP)—A union labor contention that Senator Barkley, the Democratic leader, had King and Premier ship to his 1938 campaign manager, was filed with the Senate Judiciary

nomination of Shackleford Miller, Jr., to be a federal district judge in Kentucky. Miller was Barkley's

think this promise of a federal The monarch received Viscount judgeship to Miller was very ethi-Gort, chief of the imperial general staff, who recently returned from a from Barkley stating:

"I could not in good conscience and Chamberlain conferred with ask Mr. Miller to sacrifice nearly a Admiral Baron Chatfield and Ad- year of his time in managing my miral Sir Roger Backhouse, lord campaign for re-election and then commissioner of the Admiralty and deny him any endorsement when he wanted to be appointed federal

# Ciano Paper Sees U.S. On

Rome, Feb. 20.—(AP)—Foreign Minister Count Galeazzo Ciano's newspaper charged today that an "imperialistic, puritan minority" of American leaders, headed by President Roosevelt, was starting the United States toward a "democratic

In the paper's leading editorial, it was said that "the army of American minds, even more dangerous than enormous material armaments" failed to impress Italians. "Italians do not believe," the paper asserted "that Providence has given Americans a 'blank check' on which they can write any victory they want."

The editorial appeared as Marshal
Pietro Badoglio, chief of the Italian general staff, arrived in Libya

on a mysterious mission, which foreign observers believed had some connection with recent troop rein-forcements in that Italian territory adjoining Tunisia, French North African protectorate. Tunisia figured largely in an Italian campaign for French territory.