

CARDINAL PACELLI CHOSEN POPE PIUS XII

Money Bill To Be First For Passage

Action Deferred on Appropriations Until It Is Seen Where Money Is Coming From; Spending Measure Explained To House Briefly

Raleigh, March 2.—(AP)—North Carolina's proposed record-setting budget for the 1939-41 biennium reached the floor-discussion stage in the General Assembly today, and members of the House of Representatives promptly adopted the policy of "finding the money before we spend any."

The appropriations bill, calling for State spending of approximately \$154,360,000 during the two-year period, was explained to the representatives by Caffey, of Guilford, chairman of the appropriations committee. On motion of Representative Cherry, of Gaston, however, the House decided to defer detailed study of the pending measure until the finance bill had been passed.

Representative Fenner, of Nash, chairman of the finance committee, said the finance bill would not be printed until tomorrow afternoon. Consideration of the budget is expected to get under way in earnest at that time or early next week.

Speaker Ward, of Craven, complimented the work of the appropriations committee, stating that the group had a difficult job because it was confronted with decreasing revenues brought about by a lower business.

Senator Long, of Halifax, introduced a pure food bill, which he said was sponsored by the State Board of Health, The Department of Agriculture and the North Caro-

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Clipper Ship Overcomes Ice On Wings

Baltimore, March 2.—(AP)—Pan-American officials reported today the Beermuda Clipper advised by radio at 1:30 p. m. that wings of the plane had gathered ice at 11,000 feet as it flew some 75 miles off Cape Hatteras, N. C., but that it was removed by de-icers, and the ship was proceeding at a lower altitude on schedule.

The ship is due in Baltimore at 2:35 p. m. Earlier the coast guard at Washington said it received a message at 12:30 p. m. that the Clipper was icing badly at a point about 240 miles off the Virginia Capes. That radio message came by coast guard channels, forwarded from New York. It said sleet conditions were bad.

State Budget Held To Be Balanced By Use Of Road Money

General Fund Over \$7,000,000 Short, However, Aside from Highway Funds; Budget Commission's Figures Juggled by Finance Committee

Daily Dispatch Bureau
In the Sir Walter Hotel.
By HENRY AVERILL

Raleigh, March 2.—Money committees of the General Assembly have labored for nearly two months and have brought forth a so-called balanced budget under which North Carolina will, during the next two years, spend from its general fund at least \$7,000,000 over and beyond what its general fund taxes produce in the way of revenue.

Maybe it's the old fable in reverse—the mouse has labored and brought forth a mountain of trouble for the future.

According to the best available figures, the state will begin the next biennium with \$2,200,000 in its general fund, will operate at an approximate \$7,000,000 loss over the next two years and will emerge in

Proposed 1939-40 Taxes

Schedule	Estimated Yield	Change From Budget Commission Requests
Inheritance	\$ 675,000	\$ 75,000 Up
Privilege	3,196,000	516,000 Up
Franchise	7,782,500	224,000 Down
Income	10,790,000	90,000 Up
Sales Tax	11,250,000	400,000 Down
Beverage	2,085,000	125,000 Down
Gift	75,000	Same
Intangibles	550,000	50,000 Up
Miscellaneous	10,000	Same
Non-Tax Revenue	1,467,014	Same
Total	37,880,514	18,000 Down

Power Plant For Central Area Planned

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

Raleigh, March 2.—Development of a gigantic hydro-electric program along the general plans of the Santee-Cooper project in South Carolina, in either the Cape Fear or Yadkin river valleys, or both, is contemplated in a bill soon to be introduced by Representative Lacey McBryde, of Cumberland, and several others.

Sponsors of the legislation haven't completed details of the bill, but they are working toward the goal of putting it in the mill sometime within the next week. Its avowed purpose will be to reduce the cost of electric current, not only to customers of the proposed plants but to the whole State by reason of competition.

More or less facetious dubbing of the proposition as a "little TVA" brings quick denial from the sponsors that it is anything like the Tennessee Valley Authority. Roughly, the plan is to organize a corporation with authority to issue self-liquidating bonds, almost exactly like the Santee-Cooper lay-out in South Car-

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M. O. Blount, Prominent In Pitt, Is Dead

Greenville, March 2.—(AP)—Former Representative M. O. Blount, 75, of Pitt county, died today after an illness of two weeks. Blount, a resident of Bethel, served in the legislature in 1935. He and his sons operated farms in Beaufort, Edgecombe, Greene, Martin and Pitt counties. He was vice-president and a member of the board of directors of the Guaranty Bank & Trust Company. He was a member of the Pitt County Board of Education for 30 years, and was a steward of the Bethel Methodist church.

Funeral services will be held at 2:30 p. m. tomorrow.

Survivors include the widow, a daughter, Mrs. J. E. Harper, of Wilmington, Del.; three sons, H. J. Blount, and Mayor M. K. Blount, of Greenville; F. W. Blount, of Bethel, and one brother, J. D. Blount, of Rocky Mount.

DETAILS OF CHANGE

	Privilege Tax increases
Slot Machines	\$150,000
Laundries	2,500
Outdoor Advertising	5,000
Elev. Rev.	1,900
Soft Drinks	70,000
Drink Venders	45,000
Installment Paper	110,900
Punch Boards	40,900
Oil Companies	65,000
Chain Stores	35,900
Total	\$523,500

Fear 21 Are Victims Of Hotel Blaze

Queens Hotel in Halifax, Nova Scotia, Swept by Flames; Business Property Is Damaged

Halifax, Nova Scotia, March 2.—(Canadian Press)—Twenty-one persons were missing, many of them feared dead, after an early morning fire swept through the half century old Queens hotel today and then spread to adjacent buildings.

Twenty others were in hospitals suffering spinal injuries, compound fractures and burns. Many of the victims were hurt when they jumped from hotel windows before firemen could reach them as the flames roared swiftly through the old wood and stucco structure.

Unofficial estimates of the missing ran as high as 21 persons, but police said the hotel register had been lost in the fire and it might be days before a complete list could be compiled. It was believed, however, that there were 87 guests and about 30 employees in the hotel when the fire started.

Among the victims admitted to Victoria General Hospital was Miss Jean Sherwood, of New York, ice carnival star. The extent of her injuries was not determined immediately.

Others missing or injured all were listed as Canadians.

At 10:30 a. m., four hours after the fire was discovered, the flames still were searing from the ruined hotel and from adjacent buildings, but it was believed they were under control. Three business buildings in the same block were damaged by the fire, fanned by a 25-mile-an-hour wind.

Judge Manton Indicted By Grand Jurors

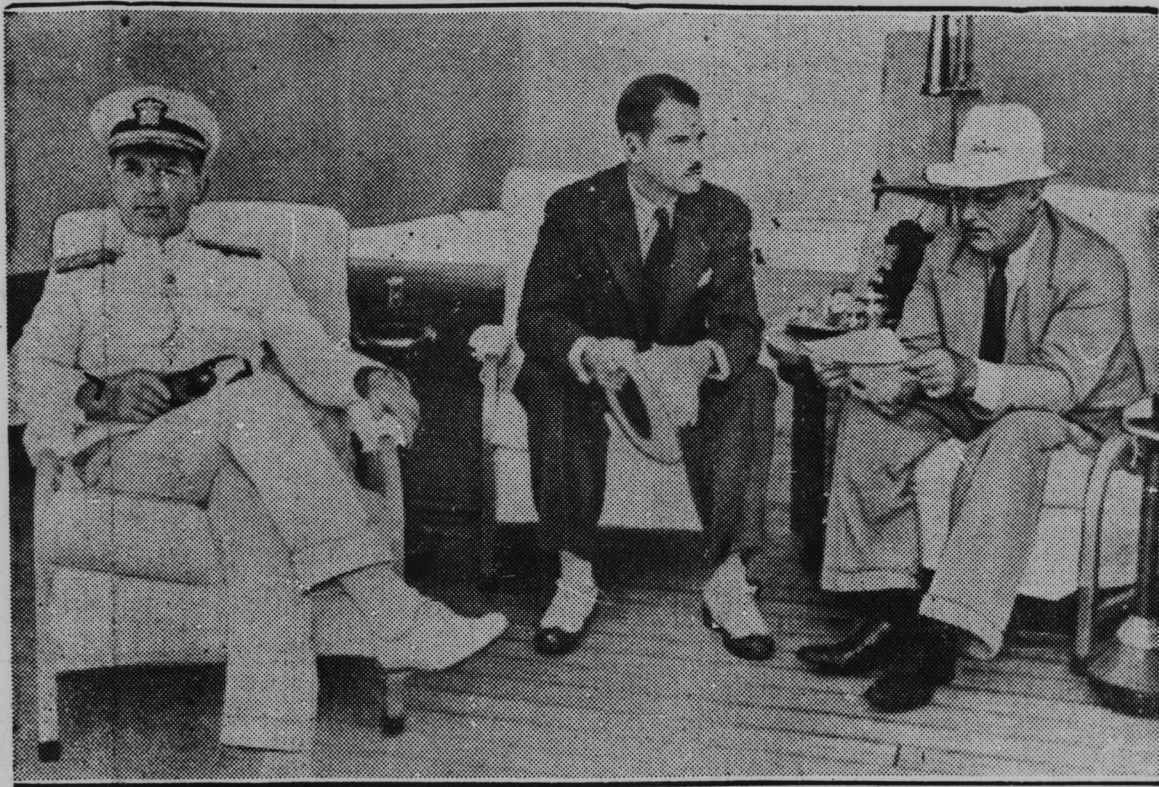
New York, March 2.—(AP)—Martin T. Manton, former senior judge of the United States Circuit Court of Appeals, was indicted on charges of conspiracy to defraud the government by a special grand jury today. Indicted with the former jurist were George Spector, insurance agent and one-time representative of the late Archie M. Andrews, financier.

The indictment contained three counts. Conviction would mean the two men liable to a maximum sentence in prison and a \$30,000 fine. Manton resigned from the bench after District Attorney Thomas Dewey had accused him in a letter to Chairman H. W. Summers, of the House Judiciary Committee, of having accepted loans from persons interested in cases before his court. Manton, who has denied any wrongdoing, was a witness before the grand jury.

WEATHER

FOR NORTH CAROLINA.
Partly cloudy, colder on the southeast coast tonight; Friday fair, with slowly rising temperature.

As Roosevelt Watched Fleet Maneuvers



This official navy photograph, taken off the Virgin Islands, is first since President Roosevelt left Florida to witness the current naval maneuvers from the cruiser *Houston*. He is taking it easy on the deck of the warship, with Admiral William D. Leahy, chief of naval operations, on the left, and Lawrence W. Cramer, Virgin Islands governor, in center. (Central Press)

Ambassador Dodd Fined Sum of \$250

Hit-and-Run Charges Against Former Envoy to Germany Settled After Plea of Guilty by Defendant, Who Struck Negro Child in Virginia

Hanover Court House, Va., March 2.—(AP)—Dr. William E. Dodd, former ambassador to Germany, was fined \$250 and costs in Hanover circuit court today on a plea of guilty to a charge of hit and run driving involving an injury to a Negro child. Dr. Dodd, 69, earlier withdrew his plea of innocence and pleaded guilty to the charge.

Leith Bremner, a member of Dr. Dodd's counsel, announced the change in plea as the case was called for trial in Hanover circuit court. Judge R. W. Coleman ordered the defendant re-arrested and the reading of the indictment. Dr. Dodd, after hesitating a moment, replied, "Yes," to the question, "Do you plead guilty?"

Leon Bazile, another defense attorney, halted Dr. Dodd when he attempted to elaborate on his plea. When Bazile asked him to say no more, Dr. Dodd said, "Why not?" but resumed his seat.

Judge Coleman then discharged juryman summoned for the case, and proceeded to hear a statement from Commonwealth's Attorney E. P. Simpkins as to the circumstances of the accident. Simpkins told the court after Dodd changed his plea that the State could put on witnesses in support of its charge, or he could summarize the evidence, whichever the court preferred. It was then agreed that he would summarize.

Simpkins said the change in plea was made without any recommendation from the Commonwealth.

The accident in which Glois Grimes was hurt occurred December 5 on a highway near here. Dodd pleaded innocent when arranged before a Hanover county grand jury which indicated him in January. He was released in continuation of a \$2,000 bond arranged at the time he waived preliminary hearing.

The Grimes child has been at a Richmond hospital since the accident. Attendees said yesterday her condition was fair.

HIGHWAY PATROLMAN AUTO WRECK VICTIM

Lincolnton, March 2.—(AP)—A. B. Smart, 32, a member of the Highway Patrol, was killed when his automobile wrecked ten miles north of here on the New-ton highway early today. Sheriff George Rudisill said after an investigation that Smart was driving his personal car, and that he apparently lost control of it either as a result of dozing or from some other cause. The sheriff said the patrolman was alone. Smart's body was sent to Spindale. He will be buried at his home town of Ellentboro, near Rutherfordton.

150 Men Saved Off Big Fishing Boat

New York, March 2.—(AP)—Radio Marine Corporation reported today the SS *Newfoundland* had rescued the 150 men aboard the fishing boat *Ranger*, which had sent out radio pleas for help. Radio Marine reported the rescue was effected in a heavy sea after the crew of the wooden *Ranger* had kept her afloat by bailing with buckets. The *Newfoundland* said it was trying to fasten a line to the craft to tow it to port.

Guam Issue Is Sore Spot To The Navy

By CHARLES P. STEWART
Central Press Columnist

Washington, March 2.—How to deal with dictators is a good deal of a puzzle. The Guam issue has been proving it to us.

There is about 130 square miles of surface to this little coral speck in the far western Pacific. For itself alone it is not worth a nickel. In fact, it would be a liability, running definitely into billions, if we had to defend it. For that matter, we don't want to defend it. Indeed, we don't want to defend the Philippines, which really do have some assessable value. It isn't sufficient, however, to offset the risks the archipelago means to us. Any row we might have over the Philippines would be with Japan, of course. And the advantage would be enormously with the Japanese. Our warships would arrive on the scene all tired and droopy after at least a week's forced steaming from Pearl Harbor, at the closest. The fact fighting craft would be waiting, fresh as a daisy, from an easy overnight cruise from southern Formosa.

I don't say that we wouldn't overcome our handicap, but it would be a long, hard job and darned expensive. Navy men have recognized all this ever since we acquired these islands—accidentally. Now we are getting out of them shortly; not because we're afraid of Japan, but because, from our standpoint, the whole situation being taken into consideration they're a poor investment.

Poor Proposition.
Now, agreeing that it would be poor business for us to get into a war with the Mikado over the Philippines how much poorer a proposition would it be for us to get into a war with him over that useless little Guam flyspeck? Approximately a trillion times poorer.

Guam has, to be sure, what military folk call strategic serviceability. That is to say, it is right in Japan's dooryard. If we were securely entrenched there it would be as exasperating to them as it would be to us, if they were entrenched on Catalina Island, just off southern California.

True, our story is that we're not fortifying Guam. Our version is that we are making only some harbor improvements and developing our landing and taking-off facilities, for commercial aviation purposes. And unquestionably our proposed little \$5,000,000 Guam appropriation looks like it. If we were contemplating fortification, our figure would run into the billions. It would have to, and even a small number of billions would be inadequate.

Only \$5,000,000.
Yet the Navy Department is irri-

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New Head Of Catholics Is An Italian

Election Is On His 62nd Birthday; New Pontiff Has Thorough Knowledge of United States; Choice of Pope on First Day Unprecedented

Vatican City, March 2.—(AP)—Eugenio Cardinal Pacelli was today elected 262nd pope of the Holy Roman Church on his 62nd birthday and assumed the name of Pius XII. The name under which the new pontiff will be spiritual ruler of about 331,000,000 Catholics was assumed in recognition of his succession to Pius XI, to whom he was papal secretary of state.

The election of the eminent Italian cardinal on the third ballot of the first day of the conclave's voting was without precedent in the modern history of the church. Not since 1621, when Gregory XV was chosen, has a conclave acted so promptly.

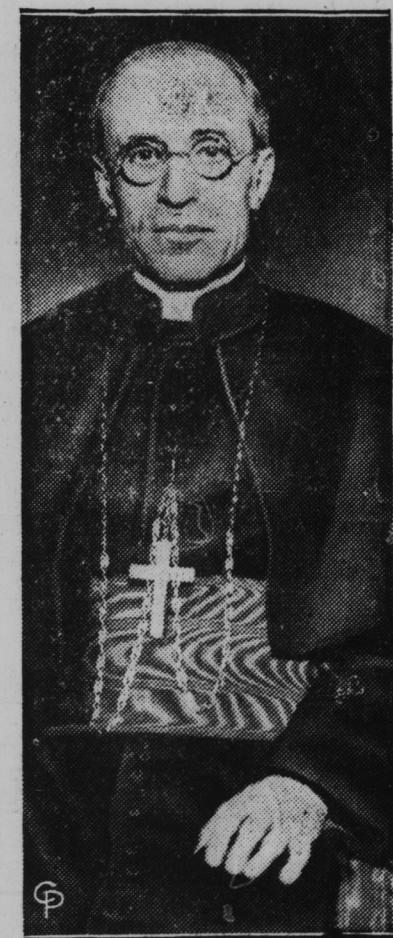
The new pontiff has a thorough knowledge of the church in the United States. Vatican authorities said the coronation of the new pope was expected to take place March 12, but the coronation date is decided by the new pontiff himself.

It was considered unlikely that preparations for the elaborate ceremony would be completed by next Sunday, March 5. Papal coronations customarily take place on Sunday.

ELECTION OF NEW POPE IS ANNOUNCED TO HUGE CROWD
Vatican City, March 2.—(AP)—Eugenio Cardinal Pacelli today was elected the 262nd pope. The new pontiff, papal secretary of state under Pope Pius XI, succeeded to the throne of St. Peter on his sixty-second birthday. He will take the name of Pius XII.

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New Pope Named



POPE PIUS XII

Logan Urges Expansion Of The Army

Kentuckian Backs \$358,000,000 Bill FDR Asked; Says Our Neutrality Act Gave Green Light Ahead to Dictators

Washington, March 2.—(AP)—Senator Logan, Democrat, Kentucky, said in the Senate today that passage of the United States neutrality act "gave the green light to the dictator nations of the world to move on the democracies."

Speaking in behalf of the administration's \$358,000,000 army expansion bill, Logan said that because neutrality legislation had given "much encouragement" to Germany, Italy and Japan, the United States must be prepared to defend itself against any possible attack.

The House began consideration of a half billion army appropriation bill, the largest since 1922, and was told immediately it would be asked to "add substantially" to that figure in the very near future.

Other developments: Senator Glass, Democrat, Virginia, veteran member of the Senate Banking and Currency Committee, announced flat opposition to President Roosevelt's request for an extension of the chief executive's power to lower the gold content of the dollar. Dr. Herbert Feis, representing Secretary of State Hull, told a House committee that one foreign government was discussing with this country the possibility of exchanging war

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JOSEPH COCKERHAN DIES IN WASHINGTON

Washington, March 2.—(AP)—Joseph L. Cockerhan, 50, prominent North Carolina attorney, died last night in Mount Alto hospital after an operation for a ruptured appendix. The body will be taken to his home in Surry county, where funeral services will be held probably Saturday or Sunday.

Most of State Reports Snowfall for Forenoon

Raleigh, March 2.—(AP)—Snow fell over most of North Carolina today, sending flood-swollen streams in the eastern portion of the state even further out of their banks. Lee A. Denson, Raleigh weather man, said temperatures slightly above freezing prevailed over most of the state, and that the snow was melting as soon as it struck the ground.

Flurries were reported from Asheville to Elizabeth City and possibly extended throughout the State. The lowest temperature here was 36 degrees early this morning. Fair and warmer weather is forecast for tomorrow.

Heavy rains last month set an all-

time record for February here. The Cape Fear at Elizabethtown today was at 29.5 feet, eight out of banks, and was expected to rise slightly more than a foot. The Roanoke at Weldon was at 33 1-2 feet, two and a half out of its banks, and was expected to rise to 37 feet by tonight or tomorrow. The Neuse was at 17.8 feet, four out of bank, at Smithfield, and still rising. At Goldsboro it was 17.4 feet, 3.4 feet out, an expected rise to 20 feet by Saturday or Sunday. The Tar river at Greenville was at 14.9 feet, two out, and expected to rise to 16. At Tarboro, it was bank-full and expected to rise two more feet.

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