

FRANCE READY TO NEGOTIATE WITH ITALY

Huge Relief-Parity Fund Approval By House Forecast

Action Is Complicated By A Split

Urban Members Want \$150,000,000 More for Relief and Rural Congressmen Seek \$250,000,000 Parity, Latter Not Backed by President

Washington, March 27.—(AP)—Congressional action on farm and relief appropriations was complicated today by an apparent split in the hastily-formed alliance of rural and urban House members advocating additional funds.

Chairman Sabath, Democrat, Illinois, of the House Rules Committee, announced his opposition to including \$250,000,000 for farm parity payments in the \$1,067,000,000 Agriculture Department bill.

Gregg Cherry Outstanding Assemblyman

Daily Dispatch Bureau In the Sir Walter Hotel. BY HENRY AVERILL. Raleigh, March 27.—Win, lose or draw, Gaston's gift to the General Assembly remains an outstanding, upstanding figure in the Tar Heel legislature.

Spruill To Oppose Scott; Other Candidates Talked

Daily Dispatch Bureau. In the Sir Walter Hotel. BY LYNN NESBITT. Raleigh, March 27.—With none of the flowing verbiage which he uses so effectively to extol the "rippling waters of the silvery Chowan," but with perhaps just as much enthusiasm, Charles Wayland Spruill last week announced his candidacy for the office of commissioner of agriculture in the 1940 Democratic primary.

Douglas Gets the O. K.



William O. Douglas (right) is pictured with Attorney General Frank Murphy at hearing of senate judiciary subcommittee in Washington, at which nomination of the SEC chairman to Supreme Court bench was approved.

High Court In Approval Of Tax Plan

State Can Tax Income of Federal Employees and Vice-Versa, Says Ruling of Tribunal; Agricultural Act of 1937 To Be Ruled on

Washington, March 27.—(AP)—The Supreme Court approved part of President Roosevelt's tax recommendations to Congress today by holding that a state can tax the income of an employee of a federal agency and that the federal government can tax the income of a state employe.

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Committee Okays Douglas on Court

Washington, March 27.—(AP)—The Senate Judiciary Committee unanimously approved today President Roosevelt's nomination of William O. Douglas to be an associate justice of the United States Court.

Fenner Might Run In 1940 For Governor

Raleigh, March 27.—Among the extra-curricula activities for some of the General Assembly's members this week, organization of a "Fenner for Governor" club is reported on authority (plausible but far from unimpeachable) to hold a prominent place on the agenda of political business.

Just how much credence should be put in these reports this correspondent is unable to say. They bear the earmarks of authenticity but not of infallibility.

Substance of them is that the impulsive, aggressive and sometimes explosive gentleman from Nash who heads the House Finance Committee has been bitten by the gubernatorial bug; or, at least, that many of his staunch supporters have reached the conclusion that he is of gubernatorial calibre and the further conclusion that it is up to them to do something about the matter of putting him into the 1940 political puddle.

If asked about it, the important

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North Carolina's Delegation Delays State FHA Inquiry

Washington, March 27.—(AP)—The absence of Senator Bailey, Democrat, North Carolina, caused a further postponement today of a meeting of North Carolina members of Congress to consider complaints about operation of the Federal Housing Administration in the State.

The conference was expected to be called upon the return of Representative Robert L. Doughton, dean of the delegation, who came back to the capital Saturday after recuperating from a recent illness in Florida. Bailey, however, left the city over the week-end, explaining he wanted to take a week's rest in North Carolina.

Representative A. D. Folger, said consideration of the problem would await Bailey's return.

House Votes "Thorough" WPA Inquiry

No Senate or Presidential Approval Is Needed; Rules Committee Probe Declared Not "Political Investigation"

Washington, March 27.—(AP)—By a bi-partisan vote, the House directed its appropriations committee today to make a "thorough investigation" of the WPA. The investigation resolution, by Representative Cox, Democrat, Georgia, requires no further action of the Senate or President Roosevelt to make it effective.

The measure was supported by Democratic Leader Rayburn, who said he was convinced the inquiry would "reflect credit on the administration of the WPA."

Lithuania Cabinet Resigns In Crisis On Ceding Memel

Kaunas, Lithuania, March 27.—(AP)—The Lithuanian cabinet resigned today less than a week after it had agreed to cession of Memel to Germany. General Tshenius, chief of the general staff, has been asked to form a new cabinet.

Hungarian-Slovak Front Quiet After Sunday's Fighting

Bratislava, Slovakia, March 27.—(AP)—A Slovak communication reported quiet today on the Hungarian-Slovak front after minor fighting yesterday despite an official truce. Hungarian forces, an official announcement said, failed last night to attempt to take three small villages. Air forces on both sides were inactive.

The fighting pivoted on a dispute over two hills on the Slovak-Carpatho-Ukraine frontier, where the Slovaks said the Hungarians shelled a village. Staff officers were said to have tried in vain to halt the hostilities.

Slovak political sources said the Hungarians were trying to seize as much territory as possible along the boundary of their newly-won state, Carpatho-Ukraine, to strengthen Hungary's hand in border-making negotiations which started today at Budapest.

Regulation Of People's Habits Grows

Daily Dispatch Bureau. In the Sir Walter Hotel. BY LYNN NESBITT. Raleigh, March 27.—The House of Representatives spent almost exactly the same amount of time and put nearly as much zest and pep into debating a proposed bill to exempt homesteads up to a thousand dollar value of half the ad valorem taxes,

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Chamberlain Says Roumania Retained Full Independence

Did Not Sign Away Her Freedom in Treaty With Germany; British Trade Mission Still Has Way Open, Commons Is Advised

London, March 27.—(AP)—Prime Minister Chamberlain told the House of Commons today that Roumania "has not signed away her economic independence" in her new trade treaty with Germany. "We must await developments before coming to any definite conclusions," Chamberlain added, however.

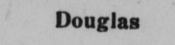
In this, it was believed, Chamberlain was referring to the British trade mission to Roumania which Oliver Stanley, president of the Board of Trade, announced a week ago would be sent to Bucharest. The mission has not gone, but Chamberlain was believed to have indicated that its purpose had not been threatened by Roumania's prior commitments to Germany.

Britain Rejects Plans For Boycott On Germany

Douglas Most Popular Pick On High Court

By CHARLES P. STEWART Central Press Columnist

Washington, March 27.—William Orville Douglas appears to be about the most human Federal Supreme Court justice that this country ever had. To be sure, at this moment of writing he isn't one of the justices. He's only been appointed by the President. He hasn't been confirmed by the Senate. However, he will be. Probably he will have been already by these lines are in type. President Roosevelt never made a less disputed selection. A few trans-Mississippi senators did say that they wished a farther westerner had been chosen, but his geography was the only fault found with Douglas—and even that fault was found not at all vigorously.



Douglas

The remarkable thing was that the

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Big Flying Boat Lands at Azores On Maiden Flight

Horta, The Azores, March 27.—(AP)—The 42-ton American flying boat Yankee Clipper, carrying the largest number of persons ever to fly the Atlantic in a heavier-than-air machine, landed at 11:06 a. m. (8:06 a. m. eastern standard time) today, completing the first leg of a trans-oceanic survey flight from Baltimore.

The 74-passenger flying liner, with 21 crew men and technicians aboard, covered about 2,454 miles on the first leg of its maiden ocean flight nearly half an hour ahead of schedule, making the trip in the official time of 17 hours, 32 minutes.

This was at an average speed of 165 miles an hour. The ship left Baltimore at 2:34 p. m., eastern standard time, Sunday. "I do not expect to take off for the rest of the trip for a few days," said Captain Harold Gray, in command of the ship, "but the exact time depends on developments and weather reports."

Daladier Is To Reply To Mussolini

Italy To Be Asked Specifically What She Wants; Territorial Concessions Opposed At Paris, However

Paris, March 27.—(AP)—Premier Daladier, secure in his dictatorial decree powers, mapped a reply today to Premier Mussolini's African demands, a reply designed to permit opening negotiations for a French-Italian settlement.

Sources close to Daladier said the reply would take one of two forms, either a direct note to Rome through regular diplomatic channels asking Italy just what she wants, or a similar question to be put in a broadcast speech Wednesday.

Reconciliation appeared to be closer than at any time since December 17, when Mussolini denounced the 1935 treaty which he initiated at Rome with Pierre Laval, then the French premier.

Although Mussolini's speech was far from specific on what he wants in Africa, hopes for reconciliation were retarded by the French fear he would later ask what Daladier's government, backed by the nation, has said could not and would not be granted.

1. Territorial concessions.

2. Rights in Tunisia, French North African protectorate, beyond those granted to Italy in the 1935 treaty.

Mussolini pointed out that in the denunciation of the 1935 treaty "Italian problems with France were clearly set forth, problems of colonial character." "These problems

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New Success Claimed By Japs In China

Shanghai, March 27.—(AP)—The Hankow headquarters of the Japanese army reported today the capture of Nanchang, once an important Chinese air base in Kiangsi province.

Chinese earlier had reported that a "brilliant counter-thrust" northward advanced Japanese troops in fighting that took the lives of 1,000 Japanese and 500 Chinese.

Japanese yesterday began a siege of the city, 170 miles southeast of

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Franco Is Blasting At Madrid Line

Hendaye, France, March 27.—(AP)—Nationalist Generalissimo Franco was reported today to have swung his central army into an offensive designed to smash a way into Madrid after peace negotiations failed to bring an agreement with the republican government.

Nationalist forces were said to have advanced to new positions on the Madrid front, the Toledo front and in the Cordoba region in south central Spain against only weak resistance.

Republicans immediately announced their entire air force as evidence of good faith. Earlier reports to the nationalist command at Irons said Franco's troops might enter Madrid. A breakdown in negotiations for surrender of Madrid had sent the nationalists in the south toward the rich Almaden mercury mines.

Judge Burney Is Hearing Argument In Check-Off Case

Fayetteville, March 27.—(AP)—Judge J. J. Burney heard arguments here today in the suit brought by a group of employees of the Mansfield Cotton Mills at Lumberton seeking to eliminate the check-off system of collecting dues for the textile workers organizing committee.

The issue was whether or not a temporary restraining order obtained by these employees should be made permanent.

At the outset, the TWOC won a victory, at least technically, when Judge Burney sustained a demurrer by which Lumberton local of the union was eliminated as a defendant in the proceedings. The judge ruled, however, that the officers of the union were liable for any obligations under the action.

WEATHER

FOR NORTH CAROLINA. Cloudy and somewhat colder tonight, preceded by showers in the east and light mist in north-west portion and in mountains early tonight; Tuesday partly cloudy and somewhat colder, followed by rain Wednesday.