FRANCE READY TO NEGOTIATE WIT

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 re lief 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. Sabath previously was one of several city congressmen who had indicated willingness to support the \$250,000,000 item not recommended by the President if farm members would vote for the \$150,000,000 emergency WPA fund sought by urban representatives and the administration.

"The parity payments seem to me as unnecessary expenditure of a quarter billion dollars," Sabath said.

Some of these boys have sponsors

remained confident that the House would approve the money

The parity payments are intended to place farm income on a par with the prices of articles which farmers buy. They would be in addition to der the administration's agricultural program. Economy advocator is \$500,000,000 for regular benefits un-Senate were pessimistic about the chances of holding down either the farm or relief appropriations. Well informed sources said Vice-President Garner had dropped his demand that farm payments be curbed.

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.

Back as a private in the ranks after service as finance chairman in 1935 and speaker in 1937, Gregg Cherry has maintained his prestige this session as the peer of any member of the assembly and the superior of most.

He has taken more lickings than he has celebrated victories. He has led many a forlorn hope since Janu- ing agreement act of 1937 and orders ary 4. He has broken with the powers-that-be on some issues, stood tary of agriculture.

as biting and pungent as ever. His and the other constitutional. Ordknack as a phrase-maker has been ers issued under the law regulated

(Continued on Page Five)

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

High Court In Approval

State Can Tax Income of Federal Employees and Vice-Versa, Says Ruling of Tribunal; Agricultural Act of Fenner Might 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 employe of a federal agency and that the federal government can tax the income of a state

The decision on attempts by New York and Utah to tax the income of federal employees was described by government attorneys as "one of the most momentous in many a year.' The court specifically overruled previous decisions holding that the federal and state governments could not tax the "means and instru-

mentalities of each other." The court also: Agreed to pass upon the constitutionality of the agricultural marketissued under the law by the secrewith them on others. He has been consented to review litigation from an independent of the independents. two federal district courts, one of His sarcasm and irony have been which held the law unconstitutional

(Continued on Page Four)

Spruill To Oppose Scott; Other Candidates Talked

BY LYNN NESBET

the flowing verbiage which he uses (Cap) Eagles, of Edgecombe, or for- Democrat, North Carolina, caused a so effectively to extoll the "rippling waters of the silvery Chowan," but so a member of the past and present with perhaps just as much enthusiwith perhap asm, Charles Wayland Spruill last ment is expected to head off any fur- about operation of the Federal Housweek announced his candidacy for ther entries from the Farm Bureau ing Administration in the State. the office of commissioner of agribloc, but it by no means indicates of culture in the 1940 Democratic pri-that Spruill and Scott will have a be called upon the return of Repre-

mary.
This announcement, made in casready drawn between Commissioner Manual says of him: intent to run, although half a dozen torial district, was born at Quitsna, prospective candidates for State of-fices have been quietly feeling out

sentiment. There are those who think that if Spruill had waited just a few days, he might have been beaten to Raleigh, March 27.-With none of the draw by Representative W. W.

two-way race. This announcement, made in casual conversation with newspaper-old, is a successful business man and the capital Saturday after recupemen at a committee hearing, serves farmer of Bertie county. The bio- rating from a recent illness in Flormore clearly to define the lines al- graphic sketch in the North Carolina ida. Bailey, however, left the city

Kerr Scott and the Farm Bureau. It "Charles Wayland Spruill, Demo-wanted to take a week's rest in was the first definite statement of crat, senator from the third sena-North Carolina."

(Continued on Page Four)

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. The nomination now goes to the Senate, where con firmation appears assured.

Douglas, now chairman of the Securities Commission, was appointed to succeed Associate Justice Louis D. Brandeis, 82, who retired recently.

Run In 1940 For Governor

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

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

Just how much credence should be put in these reports this correspon-

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 colline and the further conclusion that he for the formation of the formation o clusion that it is up to them to do something about the matter of putiting him into the 1940 political pudities.

village. Staff officers were said to have tried in vain to halt the hostities.

Big Flying Boat

North Carolina's

Delegation Delays State FHA Inquiry Regulation

Washington, March 27.—(AP)— The absence of Senator Bailey,

sentative Robert L. Doughton, dean the week-end, explaining he

Representative A. D. Folger, said value of half the ad valorem taxes, consideration of the problem would await Bailey's return.

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 fur-ther 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."

Cox assured the House it would not be a "political investigation," and that there would be "no attempt to whitewash anybody or anything."

Representative Martin, of Massachusetts, the Republican leader, also

supported the inquiry with the declaration that "the American people demand that this agency be conducted in a fair and impartial manner."

Martin said the political activities in the WPA were "an outstanding issue in my congressional district in the last election."

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. The resignation followed reports of difficulties in negotiations between the Lithuanian foreign ministry and Willi Bertuleit, the Nazi president of the Memel directory, who were work ing out details of the cession of

Memel to Germany.

The cabinet also had been negotiating with former opposition parties on the establishment of a "common patriotic front," involving reconstruction of the cabinet to admit new representations.

Hungarian-Slovak Front Quiet After Sunday's Fighting

Bratislava, Siovakia, March 27 .-(AP)-A Slovak communication redent is unable to say. They bear the ported quiet today on the Hungaearmarks of authenticity but not of rian-Slovak front after minor fightof allibility.

Substance of them is that the impulsive, aggressive and sometimes announcement said, failed last night explosive gentleman from Nash who ir attempts to take three small vil-

torial calibre and the further con- vaks said the Hungarians shelled a

Slovak political sources said the If asked about it, the important

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(Carpatho-Ukraine, to strengthen Hungary's hand in border-making provided in the boundary of their newly-won state, Carpatho-Ukraine, to strengthen Hungary's hand in border-making provided in the boundary of the provided in the border of the boundary of the provided in the border of the boundary of the provided in the border of the boundary of the provided in the border of the boundary of the provided in the border of the boundary of the provided in the boun negotiations which started today at Budapest.

Of People's

Daily Dispatch Bureau, In the Sir Watter Hotel. BY LYN NISBET

Raleigh, Farch 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

(Continued on Page Five)

House Votes Chamberlain Says "Thorough" Roumania Retained To Reply To WPAInquiry Full Independence

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

of Commons today that Roumania trade mission to Roumania which "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.

informed the British government that the agreement contains no political clause, and Roumania has not signed away her economic independence," the prime minister said. He said the Roumanian government had informed Great Britain that the acinformed the British government ments to Germany.

London, March 27.—(AP)—Prime In this, it was believed, Chamber-Minister Chamberlain told the House lain was referring to the British that its purpose had not been threat- opening negotiations for a French-"The Roumanian government has ened by Roumania's prior commit- Italian settlement.

informed Great Britain that the accord is "directed against no third party."

was not considering the possibility cast speech Wednesday.

Reconciliation appeared to be closer than at any time since De-

Britain Rejects Plans For Boycott On Germany

Douglas Most Popular Pick On High Court

By CHARLES P. STEWART Central Press Columnist



Douglas

Exchange Commission he was adver- penalties. tised as a rip-snorting liberal. He himself said that he was a "pretty conservative fellow."

The remarkable thing was that the (Continued on Page Four)

Lands at Azores

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., east-"I do not expect to take off for

ern standard time, Sunday. 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."

Coopera-American tion Fails To Win Approval

London, March 27.—(AP)—'The Washington, March 27 .- William British government today rejected Orville Douglas appears to be about suggestions of an economic boycott the most human Federal Supreme against Germany or attempts to apply League of Nations penalties this country ever "with American cooperation" to halt

had. To be sure, at this moment of Richard Austen Butler, parliawriting he isn't mentary under secretary for foreign one of the justices. affairs, told the House of Commons He's only been appointed by the possibility of a boycott. He also President. He hasn't been con- Halifax was "unable to consider" firmed by the steps which opposition laborite Mor-However, gan Price suggested should be takhe will be. Prob- en "with American cooperation to ably he will have been already by these lines are in rope."

apply economic sanctions against future disturbances of peace in Europe."

type. President Price made the suggestions "in Roosevelt never made a less disputed view of the friendly reply received Price made the suggestions "in selection. A few trans-Mississippi from the American government insenators did say that they wished a dicating willingness to cooperate in farther westerner had been chosen, the economic activities of the Leabut his geography was the only fault gue." His reference was to a Unitfound with Douglas-and even that ed States note to the League secrefault was found not at all vigorously. Republicans as well as Democrats were suited with him. When he was drafted from his Yale law professor-ship to a place (subsequently the States' collaboration in non-political Butler indicated that the United chairmanship) on the Securities and work s eemed to exclude economic

Judge Burney Is Hearing Argument In Check-Off Case

Fayetteville, Farch 27.—(AP-Judge J. J. Burney heard arguments On Maiden Flight here today in the suit brought 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 to Madrid after peace negotiations by which Lumberton local of the failed to bring an agreement with 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 northwest portion and in mountains early tonight; Tuesday partly cloudy and somewhat colder, fol-loyede by rain Wednesday.

Daladier Is Mussolini

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

Paris, March 27.—(AP)—Premier Daladier, secure in his dictatroial decree powers, mapped a reply today to Premier Mussolini's African demands, a reply designed to permit

cember 17, when Mussolini denounced the 1935 treaty which he initialed 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.

London Also Refuses
To Be Party to Application of League of
Nations Penalties;

A tions Penalties;

I. 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 onial character. "These problems

(Continued on Page Four)

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 Kiagsi province.

Chinese earlier had reported that a "brilliant counter-thrust" northwest of Nanchang had pushed back advancing 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

(Continued on Page Two)

Franco Is Blasting At **Madrid Line**

Republicans Say They Are Ready To Surrender Entire Air Force as Evidence of Good Faith

Hendaye, France, March 27.— (AP) — Nationalist Generalissimo Generalissimo Franco was reported today to have swung his central army into an offensive designed to smash a way inthe republican government.

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

Republicans immediately announc ed by radio that they would surrender their entire air force as evidence of good faith. Earlier reports to the nationalist command at Irun said Franco's troops might enter

A breakdown in negotiations for surrender of Madrid had sent the nationalists in the south toward the rich Almaden mercury mines.