

Madrid Surrenders To Gen. Franco

Measure To Finance Hospitalization For Auto Victims Killed

On Atlantic Flight



Captain Harold Gray (above) is in charge of the *Yankee Clipper*, world's biggest airplane, on its experimental flight to Europe from Baltimore, Md., preparatory to regular trans-Atlantic passenger service.

School Machinery Bill Gets Favorable Senate Committee Report; Both Houses Hold to Ban on New Bills After Last Midnight

Raleigh, March 28.—(AP)—The House today, 53 to 38, tabled and killed the Senate bill to provide hospitalization for any person injured in an automobile accident with funds to be obtained by adding 30 cents to the cost of automobile licenses.

Injured persons would have received \$3 a day for 21 days toward paying their hospital expenses.

The Senate received from its education committee a recommendation that it enact the important school machinery act just as it passed the House. The bill sets up the pattern for operating all public schools.

The House sent to the Senate the Seelye bill to permit citizens of Morehead City to decide at the polls if they want to legalize pari-mutual betting and horse and dog racing.

Whisky Bill Frowned On.
A second unfavorable report was given by the Senate Finance Committee to the measure by Representative Quinn, of Duplin, which was designed to prohibit wholesale shipments of tax-paid whisky into dry counties.

Twenty-one counties were included.

(Continued on Page Six)

Firm at Winston Buys County And City Obligations

Raleigh, March 28.—(AP)—William B. Greene Company, of Winston-Salem, bought \$71,500 of Randolph and Town of Marion bonds today at Local Government Commission sales.

The Scottish Bank of Lumberton bought \$25,000 Lumberton street improvement bonds at a premium of \$9.25, with interest at 2-1/2 percent. Revenue anticipation note sales included, \$700 Bailey, to the National Bank of Wilson at par with six percent interest.

State Bureau Of Identity Is On Trial

Daily Dispatch Bureau,
In the Sir Walter Hotel.
(BY LYNN NESBIT)

Raleigh, March 28.—There is an undercurrent of feeling around the Capitol, cropping out in frequent conversations about the probable fate of the department of justice bill, that the State Bureau of Identification and investigation is sort of on trial before the court of public opinion.

This is the newest major division in the State government and is financed by the collection of five cents on every bill of cost in every criminal action in courts from justice of the peace on up. JP courts were added to the collecting agencies by the present General Assembly. The division has been of great help to law enforcement officers in finger

(Continued on Page Six)

New Plan Offered For Extending City Limits

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

Raleigh, March 28.—There was unanimous agreement of the Senate calendar committee that "there ought to be a law" and so the Corey bill providing ways and means of extending city limits without recourse to the General Assembly received a one hundred per cent favorable vote from that hard working group Monday afternoon.

The measure sponsored by the stout senator from Pitt, and endorsed unofficially by the League of Municipalities, would transfer the biennial city extension headache from the legislature to the Local Government Commission.

The only regret expressed by any member of the calendar committee

was that it comes so late in the session.

The bill provides machinery for holding elections at any time they are approved and ordered by the local government commission, that group to act under stated circumstances and after public hearing.

In brief, here's how a city would go about extending its limits:

Each city would be mapped, with areas immediately adjoining its limits laid off in squares of 2,000 feet sides.

Whenever twenty per cent of property owners within one or more of these squares, or whenever the governing body of any city, shall petition the Local Government Commission for extension to take in any

(Continued on Page Six)

Czechs Kiss Flag of Freedom



Expressing her appreciation of American liberty, Elizabeth Zak, dressed in the costume of her native Czechoslovakia, kisses the flag, while Marion Fiala looks on. The ceremony occurred during the "Stop Hitler" parade in New York City, in which 20,000 persons marched while 500,000 spectators cheered. (Central Press)

France Will Refuse To Negotiate With Italy On Territory

Also Disinclined To Open Any Negotiations Until Italy States Exactly Just What She Is After; Claim Mussolini Was Not Specific

Paris, March 28.—(AP)—France will refuse to negotiate if Italy advances claims for French territory, sources close to the government said today. Furthermore, the French are disinclined to open any negotiations until Italy clearly states exactly what she does want.

This, informed sources predicted, will be the thesis of a speech Premier Daladier is to make tomorrow, and which, in effect, will be an answer to the speech by Premier Mussolini last Sunday.

The Italian premier's references to problems with France in Djibouti, the Suez Canal, Tunisia and the Mediterranean, were considered by many in France as vague references

to demands which should be specific before France would be willing to talk over them. If Daladier's speech to the nation follows these lines, it will constitute a radical departure from the "Munich group" in the cabinet, which was reported in the minority at a meeting of the cabinet yesterday.

The French press said that Foreign Minister Georges Bonnet and four others advocated opening negotiations with Italy immediately on the basis of Mussolini's speech. The majority, however, led by Daladier, opposed such a move, which they condemned as an exhibition of weakness before Mussolini's boast of Italian strength.

Budget Will Be \$300,000 Over-Spent

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

Raleigh, March 28.—The current General Assembly seems sure to authorize expenditures of almost \$200,000 for each year of the coming biennium, over and above the total carried in the big appropriations bill passed last week.

A brief summary made in calendar committee of the Senate during yesterday's session showed \$589,000 already approved by the committee or on the Senate calendar without formal approval of the group.

The sum is made up as follows:
C. C. C. camps \$ 70,000
Department of Justice 20,000
Fish hatchery 60,000
Library 100,000
Cape Hatteras National park 20,000
Forestry service 10,000
Apprentice school 9,000
Eastern N. C. sanatorium 10,000
Japanese beetle extermination 30,000
Experiment stations 180,000
Bang's disease control 80,000

Total \$589,000

All of these items except that for the experiment stations have been given favorable reports by the calendar committee, and the excepted item is even nearer enactment, having been placed directly on the Senate calendar without committee reference and having already passed its second reading.

Chairman Bill Rodman of the calendar group, who previously

(Continued on Page Six)

Pay Boosts Voted State Officialdom

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

Raleigh, March 28.—The Senate calendar committee maintained its record of approving every official salary increase asked of it, except for Commission of Agriculture W. Kerr Scott.

And even in his case there were obvious signs of relenting, members themselves pointing out the gross inconsistency of the committee's action in refusing to increase the Scott stipend while at the same time (almost in the same breath) hiking pay for Parole Commissioner Edwin Gill and providing very short thereafter for "additional pay" of \$1,500 annually for Utilities Commissioner Stanley Winborne.

There were also signs that the committee can't stand against the pressure of superior court judges who are seeking \$2,000 annual "expense money" in place of the \$1,500 now allowed them.

The committee has reported unfavorably a bill to increase the Scott salary and the judges expense bill; but has reported favorably on a measure allowing the governor to

(Continued on Page Six)

WEATHER

FOR NORTH CAROLINA.
Mostly cloudy, somewhat colder in east and central portions tonight and Wednesday; occasional rains Wednesday.

Spanish War Ended With Capitulation Of Ancient Capital

White Flags Are Run Up as Nationalist Banners Appear; Republican Leaders Are In Flight; Populace Jubilant as Peace Returns

Paris, March 28.—(AP)—Nationalist leaders, broadcasting from the union radio station in the heart of surrendered Madrid this afternoon, announced the complete military occupation of the capital.

Madrid, March 28.—(AP)—War-weary republican Madrid surrendered to triumphant nationalist Spain today, and the savage civil war which frightened Europe for nearly three years was all but over.

White flags of surrender, mingled with nationalist emblems, broke out throughout the city early today as leaders of the national defense council fled. Not a shot was fired when listless soldiers of the defeated republican regime laid down their arms.

Capitulation in the conflict, which lasted two years and eight months, and cost hundreds of thousands of lives, came on orders of Colonel Adolfo Prada, the republican army's new commander. General Jose Maja, "savior of Madrid," and his war minister had gone to Valencia. It seemed certain that no attempt at resistance would be made.

An estimated 60,000 jubilant fascists celebrated in the streets of this city, which had been under siege since November 6, 1936. Madrid's famous "fifth column," Generalissimo Francisco Franco's sympathizers, who risked their lives to spy for him during the war, came into the open.

Released from the strain of war, people rushed frantically about the streets, dancing and embracing each other. Nationalist troops by noon had not formally taken over the center of the city.

General Franco was expected to make a triumphal entry after "clean up" operations.

The surrender followed long and secret negotiations with the nationalist commander by a national defense council, which was formed to succeed the republican government of Premier Negrin after Franco had pushed the Catalan army into France following his capture of Barcelona.

Worst Fighting For Five Months Raging In China

Shanghai, March 28.—(AP)—The most intensive fighting of the past five months in the China war is in progress. 120 to 150 miles southwest and southeast of Hanow as the consequence of a major Japanese offensive. Both Japanese and Chinese accounts today indicated that casualties were very heavy.

Late last night the Japanese army announced it had finally taken Hanchung in a seven-day 40-mile drive. Chinese insisted the attackers were checked north of the city.

The Chinese acknowledged that hand-to-hand fighting continued. They said they accounted for more than 1,000 Japanese casualties. Japanese said that in three days of the offensive 3,700 Chinese were killed and 770 captured.

In northern Honan province, west of the Heping-Hankow railway, Chinese estimated they caused 1,500 casualties in 40 engagements in the past two weeks.

Banker Indicted With Judge Manton Makes Guilty Plea

New York, March 28.—(AP)—John L. Latsch, former executive of the Fort Greene National Bank in Brooklyn, who was indicted with the former Federal Circuit Court Judge Martin T. Manton, on charges of conspiracy to obstruct justice, pleaded guilty today in Federal court.

Judge Murray Hulbert paroled Latsch in the custody of his attorney T. Warren Lee, for sentencing May 15.

United States Attorney John Cahill told the court that Latsch had been of material help to the government, and that he "would be of much more help before the Manton case is closed."

DUCE WARNS FRANCE ON AFRICA



Premier Mussolini is shown as he celebrated the 20th anniversary of Italian Fascism by an address in Rome in which he warned that Italy is prepared to fight for recognition of her "sacred rights" and called on France for satisfaction of her Mediterranean and East African aspirations. Photo telephoned to London and flashed by radio to New York.

Spanish War Ended, Says Mussolini

Il Duce Smiles as Crowds Under His Window Shout for Tunisia, French Colonial Possession in Africa That Italy Wants

Rome, March 28.—(AP)—Premier Mussolini told cheering thousands gathered under his balcony tonight that the Spanish war "is finished with the defeat of bolshevism."

"Thus will all enemies of Italy and fascism be finished," he declared.

Shouts of "Tunisia! Tunisia!" went up from the crowd when Il Duce appeared, and continued until he spoke.

Mussolini smiled and some present thought they saw him nod at his reference to France's north African protectorate, where Italy wants concessions.

NEGRO MAN BURNED TO DEATH AT DUNN

Dunn, March 28.—(AP)—A 24-year-old Negro man was found burned to death after a residential fire here today from which six other persons escaped. Coroner Melvin McLean identified the man as Booker T. Bethune.

FDR Authorizes Two New 45,000-Ton Battleships

Washington, March 28.—(AP)—The White House announced today that President Roosevelt had given the Navy authority to build two battleships of 45,000 tons each.

The Navy, which has authority under a 1938 bill to build three new battleships, is asking Congress now for funds to start work on two of them.

The White House said the Presi-

Cox Claims Sabotage On Immigration

Georgia Democrat Says Labor Department Tampering With Legislation; Action Delayed on Release of Government - L o a n Cotton

Washington, March 28.—(AP)—Representative Cox, Democrat, Georgia, accused the Labor Department today of trying to "defeat" the immigration law. He made the statement at hearings before the House Rules Committee, of which he is a member, on a resolution directing the immigration committee to study all immigration, naturalization and deportation laws and investigate the smuggling of aliens into the United States.

The Rules committee had endorsed the measure previously, but reconsidered it after opposition developed in the House.

Cox said there was talk that the Labor Department was responsible for the resolution. Representative Schulte, Democrat, Indiana, author of the measure, and prospective chairman of the inquiry, said the de-

(Continued on Page Six)

Eight Women Are Nabbed In Poland As Propagandists

Warsaw, Poland, March 28.—(AP)—Polish authorities arrested eight women at Bydgosz today on charges of spreading false news about Polish treatment of Germans. D. N. B., official German news agency, published a dispatch yesterday from Bydgosz which said German women and children were beaten on the streets for speaking their mother tongue. Polish authorities said such stories were exaggerations.

Rallies were held throughout the country to stress the people's readiness to defend Poland against aggression, and the press reported many contributions to the nation's defense fund from organizations and individuals, including an unidentified family in Los Angeles, Cal.

Slovaks And Hungarians End Parleys

Budapest, Hungary, March 28.—(AP)—Boundary negotiations between Hungarian and Slovak commissions were broken off today as fighting broke out anew along the disputed frontier between Slovakia and Hungary's newly-acquired Carpatho-Ukraine.

The negotiations were interrupted suddenly when the Slovaks decided to return to Bratislava, their capital.

Artillery engagements broke out again in the Labor river valley, and at least two men of the Hungarian forces, which marched into the disputed area last week, were reported killed. Although clothed with full power to enter into an agreement with Hungary, the Slovak delegation refused to accept the terms offered by Hungary before first consulting with their government.

One report here was that the settlement suggested by Hungary was dictatorial and involved cession to Hungary of a large section of the Slovak state formed a fortnight ago when the Czechoslovak state collapsed.

The Slovak commissioners said they would return to Budapest after consulting with leaders in Bratislava.

gent gave authority for the 45,000-ton ships, largest ever to be constructed by the United States, to Admiral William Leahy, chief of naval operations, about two months ago. At that time, it was said, information reached this country that certain other nations intended to build 45,000-ton capital ships. Under the 1938 construction act, the President had the discretionary power to meet any such tonnage.