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Cloudy And Warmer, With Showers Probable Late Tonight And On Tuesday.

The News-Sentinel

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Senate Is Ready To Decide Fate Of The Reorganization Bill

Ballot On Sending Bill Back To Committee Set For This Afternoon.

Measure Is Branded Blow At Democracy

New Deal Leaders Assail Program As Protest Telegrams Pour In.

What Reorganization Measure Would Do.

WASHINGTON, March 28.—(U.N.S.)— Here, in tabled form, is what the Government reorganization bill would do:

1. Authorize the President to reduce, co-ordinate and reorganize the various executive agencies, with the exception of independent establishments such as the Federal Communications Commission.

2. Abolish the bi-partisan Civil Service Commission in favor of a single administrator, who would be authorized to develop, expand and revamp the merit system, and extend the civil service to cover 200,000 Federal workers not now under the merit system.

3. Abolish the general accounting office and post of Comptroller General, transferring their functions to the Director of the Budget in the executive department. A system of post-audit would be established under an auditor general.

4. Create a department of welfare into which approximately a score of Federal welfare agencies would be incorporated. The department's head would be a member of the President's Cabinet.

5. Create six administrative assistants to the President, who is authorized to make rules and regulations for their co-operation with the various departments and agencies of government.

WASHINGTON, March 28.—(U.N.S.)— Delayed by more than 70,000 telegrams demanding defeat of the Administration's government reorganization bill, the Senate today plunged into its most vituperative debate since the legendary battle over the Supreme Court enlargement measure last year.

The reorganization bill was branded by Senator Welsh, Democrat, of Massachusetts, as "a dagger at the heart of democracy."

Senator Tydings, Democrat, of Maryland, described the move for passage of the bill as "technique used by dictators abroad."

Senate galleries were packed with reporters. Chinese pressmen were allowed to gain admission for the historic struggle being waged by a coalition of Democrats and Republicans to kill the bill.

With a vote this afternoon on the Welsh motion to send the bill back to committee—tantamount to death—sentiment ran high in the capitol. A final vote on passage of the bill was set for 4 p.m. C.S.T. today, provided the motion to recommit the measure fails.

"It is not too much to say that what we are here considering is the question of plucking a dagger from the very heart of the democracy," Welsh charged.

"What a spectacle to the country for this Congress now to confess that it is unable effectively to perform the duties that have been heretofore performed by our predecessors and which is the duty and responsibility of the Congress under the Constitution," he thundered.

Protocol Point. Many of the telegraphic protests came from individuals, but hundreds were issued by civic, patriotic, veterans, farm and business organizations, according to the two telegraph companies.

Both sides forecast victory as the hour for voting neared.

"We are sure of our ground and will defeat the motion to recommit," said Senator Byrnes, Democrat, of South Carolina, sponsor of the bill.

"We have a very good chance of winning," said Senator Wheeler, (Continued on Page 2, Column 8)

Japan To Pay For Bombing Of The Panay

Bill Of \$2,214,007.36, Presented By U. S. Not To Be Questioned.

TOKYO, March 28.—(U.N.S.)— Seventy million Japanese will dig up a shade over 28 cents each, on a per capita basis, to pay for the bombing last December 12 of the American river gunboat Panay and three oil tankers. Japan today decided to pay without question the \$2,214,007.36 bill presented by the United States.

NEW GOVERNMENT.

Judge Set Up Begins In Nanking To Replace Chiang Kai-Shek.

SHANGHAI, March 28.—(A.P.)—A new government, with Chinese personnel but dominated by Japan, was set up today at Nanking—former capital of the Chinese national regime—and replaced Chiang Kai-Shek's administration.

The new government was described by its spokesman as the "reformed government of the Republic of China."

Japan last week ordered the creation of such government at Nanking "under the umbrella" of the similar North China regime recently established at Peiping.

Inauguration of the Nanking Government was announced here through Tze, chairman of the executive Yuan.

Liang Hung-Tze, whose post is equivalent to that of Premier, formerly was Secretary General under Tuan Chi-Jui. Provisional Chief Executive of China in 1924 and 1925.

He issued a statement saying the new government would respect "all just and reasonable rights" but "he would not receive any contracts or treaties made by the national (Chiang) Government at Hankow or by Chinese provincial governments with foreign powers."

Generalissimo Chiang Kai-Shek has been operating the nationalist government of Hankow while carrying on the fight against the Japanese invaders. He moved his government to Hankow before Nanking's capture December 11, 1937.

CHINESE CLAIMS GAINS.

Despatches from Hankow and Chinese troops had recaptured Lancheng, strategic South Shantung port city of the Chinese National Railways.

Chinese military leaders said they were convinced the Japanese offensive down the railway against Su-chow had been stopped. Su-chow, south of Lancheng, is the junction city where the Tien-tzu-Pukow line crosses the vital east-west Lanchow-Hankow.

The Chinese said they cut Japanese lines of retreat in so many places around Lancheng that the invaders were forced to break ranks and take to the hills, abandoning communications established at great cost in the past two weeks' severe fighting.

That the Japanese were being suffered heavy losses in recent battles, many of which have resulted in tanks, was also indicated by the arrival in Shanghai of 40 truck loads of dead soldiers. Military observers estimated there were 800 corpses in the convoy.

Handbill Dropped.

Japanese planes flew over Shanghai, dropping handbills announcing the inauguration. The five-barred flag was hoisted on Japanese-controlled buildings in Shanghai.

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