

Fair and continued cold tonight; Saturday partly cloudy, slightly warmer.

# The Times - News

Largest Daily Circulation of Any Newspaper in North Carolina in Proportion to Population

Cleveland, O., councilmen told the Abraham Lincoln Brigade they couldn't hold a tag day. "Tag, you're OUT."

## CUBA SEEKS MEDIATION IN SPAIN'S WAR

### Says Britain To Offer Duce Somaliland

### STEERING UNIT AT LIMA WILL ACT ON OFFER

#### LONDON HEARS NAZI COLONY DEMAND NEAR

Frenchman Charges British Plan in Hope of Forcing French Concession

#### SEE NEW GERMAN MOVE FOR UKRAINE

PARIS, Dec. 16. (UP)—Partisan noted French political writer... who real name is Andre... writing in today's L'Ora... that British Prime Minister Neville Chamberlain is preparing to offer Premier Mussolini... to offer Premier Mussolini... that Chamberlain believes France will be forced thereby to give up French Somaliland, the Port of Djibouti... the French-owned Addis Ababa railway as a consequence... is the chief port on the east African coast and the railroad is the only one leading to this Ababa.

LONDON, Dec. 16. (UP)—The Daily Herald said today that Capt. Weidemann, personal aide to Chancellor Adolf Hitler, would sail to London in January to ask for the return of Germany's war-lost colonies.

The paper said the captain had been chosen since he has no official position in the German government and his previous meetings with British statesmen had been informal and for the purpose of improving Anglo-German relations—indicating that the German government is approaching the colonial question cautiously.

#### NAZIS SAY 'ACTION' TO WIN COLONIES

BERLIN, Dec. 16. (UP)—Chancellor Adolf Hitler and Field Marshal Hermann Wilhelm Goering asserted last night that Germany possesses the strongest fortifications in the world and realizes her demands for colonies can be satisfied "only by action."

Hitler and Goering spoke before 3,000 automobile highway builders gathered in the huge hall at Halle to hear Reich Commissioner of Roads Fritz Todt reveal a program calling for construction of 8,075 miles of new highways throughout the Greater Reich.

Todt, who directed the rapid building of the military highways serving Germany's new Siegfried line of fortifications in the Rhine-land, announced that 1,863 miles of the new highways already had been completed in Germany proper, Austria and the Sudetenland. Announcement of the highway network program coincided with information that the next few months would reveal a sharp shift away from armaments toward completion of the nation's transport system as a necessity of national defense.

#### ROME DECREE MULCTS JEWS

Excess Wealth To Be Liquidated; Returned in State Bonds

ROME, Dec. 16. (UP)—The cabinet today approved a decree obliging Italian Jews to register all their property. Jews owning property exceeding the limits outlined in a previous decree will be obliged to turn over the excess to the government for liquidation and return to its owners in the form of special government bonds, bearing 4 per cent interest.

#### Weather

Low temperature last night—16 degrees.  
THURSDAY  
Maximum temperature—52 degrees.  
Minimum—29 degrees.  
Mean—40.5 degrees.  
Day's range—23 degrees.  
Normal mean temperature for December—39.3 degrees.  
Normal rainfall to date—4.0 inch.  
Normal rainfall—5.46 inches.

### Principals of Inquiry Into Drug Firm



George Dietrich  
F. Donald Coster, president, and George Dietrich, assistant treasurer of McKesson & Robbins, Inc., were arrested in the former's Fairfield, Conn., home on Federal charges of violation of the Securities and Exchange act. The arrests followed discovery of a possible \$10,000,000 to \$18,000,000 shortage in assets of this third largest U. S.



Julian F. Thompson  
drug firm. Federal action was instigated by directors upon the report of Julian F. Thompson,



F. Donald Coster  
treasurer, who said he suspected irregularities three years ago, made a private investigation and found fantastic elements in the company's affairs. Last night Coster was revealed to be Philip Musica. Fingerprints, United Press dispatches said, identified him as the convict with a long police record.

### CHARGE NAZIS EXTEND POLICY INTO ENGLAND

#### Jewish Program Projected There; British Resentment Still Growing

LONDON, Dec. 16. (UP)—Prime Minister Neville Chamberlain yesterday served direct warning on Germany that any Nazi attempt to upset European peace must reckon not only with Britain's vast armaments but also with "our great financial resources, which might prove the deciding factor."

Chamberlain's new word of caution to Chancellor Adolf Hitler was considered highly significant in view of information that Earl Baldwin of Bewdley, Chamberlain's predecessor and Britain's outstanding conservative, is quietly coaching former Foreign Secretary Anthony Eden's demand for a firmer foreign policy against the dictators.

Speaking at a luncheon in the house of commons honoring the new Lord Bicester—prominent banker, before his elevation to the peerage—Chamberlain said: "When German statesmen reflect on the possible consequences of conflict they think not only of our armaments but our great financial resources, which in a war of long duration might prove the deciding factor."

"This has a great influence in preserving the peace of the world. The city of London (the financial district) is one of the great influences and great resources of this country which carries weight abroad."

Pressure against the gaunt, 69-year-old champion of "peace within our time" to force him to take a firmer stand against the menaces of the Rome-Berlin axis was crystallizing in several quarters last night. The extent of growing British resentment toward Germany, intensified by the Reich's anti-Semitic decree, was made apparent at this meeting.

### Rail Passenger Rate Cut Half Cent In South

WASHINGTON, Dec. 16. (UP)—The Southeastern Railroads' Presidents' conference today voted to reduce passenger fares to one and one-half cents per mile in coaches.

The new rate representing a one-half cent cut will be effective as soon as tariffs can be published, probably in January. The new rate would apply to all railroads east of Mississippi river and south of the Ohio and Potomac rivers.

### Judge Plyler Is Furman President

GREENVILLE, S. C., Dec. 16. Judge John L. Plyler, of the Greenville county court, was elected president of Furman university at a meeting of the board of trustees held yesterday.

An alumnus of the institution, Judge Plyler will take office on January 1 and succeeds Dr. B. E. Geer, who resigned some time ago.

### PLAN PRESBYTERIAN WOMAN'S AUXILIARY SESSION ON MONDAY

The Woman's Auxiliary of the Presbyterian church will meet on Monday afternoon at 3:30 at the church house.

A special offering will be taken at this time for Ministerial Relief and the Joy Gift envelopes will be turned in.

Mrs. J. Adger Smyth, secretary of Christian Education and Ministerial Relief will give the devotional and an original Christmas story will be read by Mrs. S. J. Fullwood.

### CONCERT BY SCHOOLS SET 7:30 TONIGHT

#### Band, Other Units and Soloists Will Perform This Evening

Hendersonville city schools will give a music concert tonight at 7:30 o'clock at the high school auditorium. The concert will be under the direction of Julian Helms, band director, and Miss Elva Schreyer, director of the high school glee club, rhythm band, and elementary chorus.

The program will open with selections by the high school band. These selections will include three sacred and four secular numbers.

The high school glee club will give four selections of popular and Christmas numbers.

The rhythm band, selected from the third grades, will give two numbers.

The elementary chorus, which is composed of members of the sixth grades will give four selections appropriate to Christmas.

The elementary school instrument class will give six selections.

Solos and duets will be given by Charles Morrow and Carroll Lippe, Forrest Gardner and Eugene Peagin, Emmy Lou Wilkins, and George Wilkins.

The program will be concluded with the Poet and Peasant Overture, three novelty selections by the high school band, and "O Little Town of Bethlehem," and "Silent Night."

### BAT CAVE WINS FIRST PRIZE IN LATE CONTEST

#### Balfour Second, Flat Rock Third in Registering on Visit to City

The Bat Cave school won the \$25 first prize, offered two weeks ago for the greatest percentage of enrollment registering at the city hall.

### DRUG MAGNATE OLD EX-FELON, ENDS HIS LIFE

#### Coster, Exposed as Musica, Indicated as Involved in Gunrunning

FAIRFIELD, Conn., Dec. 16. (UP)—Frank Donald Coster, president of McKesson & Robbins, shot himself to death at his home here today.

#### TRAFFIC IN ARMS FOR SPAIN INVOLVED

NEW YORK, Dec. 16. (UP)—Federal agents today hunted for evidence of gun-running and alcohol traffic in the affairs of Frank Donald Coster, president of McKesson and Robbins, Incorporated, a pillar in the wholesale drug business, who was exposed last night by his fingerprints as being also Philip Musica, swindler, with a prison record.

The unmasking of Coster as a man with an unsavory past was the second blow to fall upon his Wall Street associates. His firm, the third largest of its kind in the world with \$87,000,000 listed assets and \$174,000,000 annual business, failed two weeks ago with an \$18,000,000 shortage. The shortage was not in cash but of tangible goods.

Huge warehouses, stocked with drugs that had been carried on the books, did not exist.

Coster is under technical arrest in his palatial Fairfield, Conn., mansion after indictment by a federal grand jury in which he is charged with having filed false statements with the New York Stock exchange.

The revelation came shortly after Coster and other officials of the McKesson and Robbins concern had been indicted by a federal grand jury on four counts, three of which charge violation of the securities and exchange act, and the fourth conspiracy.

The charges involve the \$18,000,000 in missing assets of the drug concern.

Coster was closeted with attorneys at his home in Fairfield last night and with his indicted associates will be arraigned at 10:30 a. m. Monday.

Police said that Coster's fingerprints are the same as those of Philip Musica, a central figure in the "human hair frauds" of a quarter century ago.

Inspector Joseph Donovan of the New York police department, said Coster, arrested after the sensational exposure of a gigantic drug fraud, had been "definitely identified" as Musica.

Musica, a youthful business sensation of the pre-war years, was tried and convicted in 1913 for a \$2,000,000 swindle involving the vast United States hair company.

It was believed that Musica, born of an Italian immigrant and who rose to be a financial power on Wall Street and was associated with many of New York's leading bankers, had used a system similar to that in the McKesson and Robbins case, to "kite" fake securities.

Approximately a million dollars in cancelled securities of the city of Hendersonville and the water commission went up in smoke at the city incinerator yesterday afternoon.

City officials stood by to watch as the securities, consisting of bonds and notes, were reduced to ashes.

A register of the cancelled securities was signed by city officials, showing that the obligations had been paid and the security destroyed.

### LEGISLATORS HERE FAVOR TEACHER AIMS

#### Dinner Conference Largely Attended and Successful Event

#### 12TH GRADE, BETTER CONDITIONS SOUGHT

Public school teachers and officials of Hendersonville and Henderson county to the number of about 125 met at the Ames hotel last night for a dinner session in which interest centered in the addresses of those who will be identified with the legislature next year.

The speakers expressed themselves as being heartily in accord with many of the objectives of the teaching profession and all appeared happy over the success of the gathering.

Miss Lucile Sales, president of the city classroom teachers' association, acted as toastmaster.

The Rev. N. A. Melton was elected president of the Henderson county unit of the North Carolina Education association, and T. A. Cathey was elected secretary.

The principal speakers were L. B. Prince, senator-elect; M. M. Redden, chairman of the Democratic executive committee of this county; W. A. Hart, history teacher of Hendersonville and president of the Classroom Teachers' association of Western North Carolina, and Hubert C. Jarvis, representative-elect of Buncombe county.

L. L. Burgin, representative-elect of Henderson county, was unexpectedly detained and was not present.

Miss Sales, in paving the way for the speakers, congratulated the gathering upon being "educationally-minded" and relayed any tension that might have existed by saying that the meeting had not been arranged for a debate but for closer acquaintance and the furtherance of some of the goals of the teaching profession.

Some of the main goals included restoration of salaries to a pre-depression level, social security as it embraced retirement, addition of 12th grade, federal aid, reduction of teacher load, a state-wide nine-month school term, compulsory attendance, sick leave with pay, vocational guidance, etc. She solicited the aid of the audience in the accomplishment of these goals.

Mr. Prince expressed the opinion that the state's school system had grown more rapidly with new schools and courses than had the provision for caring for the better interests of the teacher. Mr. Prince said he was heartily in favor of the objectives with which he had become familiar but expressed the fear that the teachers were "advancing on too many fronts," because such a program would involve enormous expenditures.

Mr. Redden said his parents had taught public schools and that his mother now being engaged in the work he was naturally interested in the welfare of the profession. He said it was the most underpaid profession, considering the qualifications required of a teacher and the cost of preparation. He said the salaries were almost an "insult to your intelligence but the situation could be improved until you organize every county in the state."

He said 16,000 teachers were sufficient in number to "make the legislators take notice," but they wouldn't accomplish much without effective organization.

(Continued on page three)

### Plans Migration



Reichsbanker Hjalmar Schacht, who is in London to further Nazi plans for removing Jews from Germany, is pictured with his granddaughter. One rich Jew and four poor ones would be freed as a single economic unit.

LONDON, Dec. 16. (UP)—Dr. Hjalmar Schacht, Germany's economic wizard, last night outlined a Nazi program for the emigration of the Reich's 700,000 Jews to George Rublee, American director of the inter-governmental committee on refugees, in a secret meeting at the British treasury.

Although Schacht's aides had insisted upon no publicity to the proposal, it was learned reliably that the president of the Reichsbank put forward the possibility of an international loan for the migration of Germany's unwanted Jews and their resettlement in homes abroad.

The wealth left behind in Germany by the migrating Jews, deposited with a government trustee, would serve as security for the loan.

Schacht also was understood to have broached a plan whereby the Jews would surrender their wealth in exchange for "trade coupons" to be sold by them abroad for the limited purpose of purchasing German goods, thereby increasing German exports by millions of dollars.

Schacht's proposals were understood to have been so complicated that Rublee declined to voice his reaction to them until he has obtained expert financial and economic advice.

He will consult before proceeding further, American, British, (Continued on page four)

### Conferees Are Still Working on Peace Machinery for Americans

#### FRANCO PROPOSES SURRENDER BY FOE

LIMA, Peru, Dec. 16. (UP)—Cuba today proposed to the Pan-American conference that the American republics attempt mediation of the Spanish civil war.

The Cuban proposal was opposed by Uruguay, among others. The steering committee will meet tomorrow to decide.

Coordination of all peace machinery in the western hemisphere by the Eighth Pan-American conference last night was proposed in a project submitted by the United States delegation.

The United States proposal, aimed at elimination of duplication and the consolidation of efforts to banish war from the Americas, would merge into a single instrument the most pertinent provisions of eight existing peace treaties.

The provisions of the proposed treaty have been lifted bodily from the pacts and conventions for which it is proposed as a substitute.

It is divided into four chapters, the first of which is devoted to the prevention of controversies; the second the renunciation of war, pacific settlement of controversies, commissions of investigation and conciliation; the third, good offices of mediation; and fourth, arbitration.

The eight pacts replaced would be automatically superseded by the new coordinated treaty as it is ratified by the signatory countries.

### FRANCO SUGGESTS TRUCE IN CIVIL WAR

HENDAYE, Franco - Spanish Frontier, Dec. 16. (UP)—A radio broadcast from Generalissimo Francisco Franco's Burgos headquarters yesterday suggested—almost at the hour fixed for the start of his heralded Catalonian offensive—that the 29-months-old civil war might be ended by means of a truce.

Frontier reports had indicated that Franco would throw 250,000 troops into the biggest drive of the war Thursday but an insurgent communique at 3 p. m. reported "all quiet on all fronts" because of violent rains, 15-foot floods and inundated trenches.

The Burgos suggestion of a peace settlement was the first intimation from the insurgent side that Franco was willing to consider a truce, although the loyalist at Barcelona has indicated on several occasions that it would talk peace "on a basis of equality."

The radio station said there were indications that a new government might be established in loyalist Spain with "moderates" in control and said that if the extremists were ousted "discussion of peace would become feasible."

The Burgos radio, whose proposal was based on a stipulation that the loyalist army would have to make a complete surrender and that all extremists must be driven from the Barcelona government, suggested that Julian Besteiro might be made premier as "a step toward" ending the long and bloody conflict.

The loyalists simultaneously announced the uncovering of "an enormous Fascist espionage ring" (Continued on page three)

### 7 Shopping Days Till Christmas

LOOKING BACK TO CHRISTMAS SEVEN YEARS AGO—A bleak Christmas, with depression stalking the land. President Hoover was recon-mending RFC. Army of 1200 "hunger marchers" returning home from Washington. Young Herr Hitler was informing world he'd soon take over control of Germany. U. S. disturbed over Jap conquest of Manchuria. Throngs saw Navy's new dirigible Akron Boat over New York.

