

WEATHER

Increasing cloudiness and slight warmer tonight; Wednesday mostly cloudy, possibly scattered light rains and colder.

The Times-News

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

GOOD AFTERNOON

By new Mr. Chamberlain must have realized he was "putched" around pretty badly at Munich.

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HENDERSONVILLE, N. C., TUESDAY, DECEMBER 20, 1938

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AMA INDICTED UNDER ANTI-TRUST LAWS

Hitler Paves Way For Nazi Test In Ukrania

REICHS LEADER PUZZLES OVER SOVIET POWER

Ability to Resist Nazi Incursions Is His Big Problem Now

WOULD CREATE STATE BIG AS TEXAS, KANSAS

(UNITED PRESS)

Reichsfuehrer Adolf Hitler today groped cautiously toward a solution of the world's most perplexing post-war mystery—the strength of the Soviet Union.

The German fuehrer is breaking ground for a test in the fertile fields of the Ukraine, where Nazi encouraged agitation was leading for the creation of a new nation, to be called Greater Rumania.

Poland, Rumania, Czechoslovakia and Russia would lose sovereignty over an area as big as Kansas and Texas combined and with population as large as France if agitation is successful.

Meanwhile, in Budapest the Hungarian government denounced as "treasonous lie" a statement of the Slovak autonomous government regarding Hungary frontier violations.

The Hungarian charge increased the increasing seriousness of the Hungarian-Slovak relations.

LOVAK-HUNGARY WARLEY BREAKS OFF

BRATISLAVA, Czechoslovakia, Dec. 20. (UP)—The government of autonomous Slovakia province last night broke off frontier negotiations with Hungary after a post-section clash in which two Czech customs officials allegedly were slain in a fight with Hungarian irregulars.

It was understood that the Slovak government had decided to deal with Premier Benito Mussolini and Chancellor Adolf Hitler—both in October satisfied Hungary's territorial demands against the Hungarian terrorist acts.

Hungarian soldiers said the customs men resisted an attack by a Hungarian detachment, which included soldiers.

The clash occurred as returns from Sunday's first elections for the Slovakian parliament showed 90 per cent of all votes were cast for the government party of Premier Josef Tiso.

Only government and Slovak Union Party candidates were permitted on the ballot.

In some towns near the Hungarian frontier, however, the government vote was only 30 per cent because of sentiment favoring Hungary.

Rotarians And Kiwanians Will Meet Thursday

Hendersonville Rotarians will hold their meeting at the regular time this week but will meet with the Kiwanis club Thursday.

PLANE BLOWS UP—FOUR DIE

BOERNE, Tex., Dec. 20. (UP)—Four members of the United States armed services were killed last night when a coast guard plane exploded over this town.

The victims were Lieutenant F. Lyons and Rupert Germaine of the coast guard; Ensign C. H. Deane of the navy, and George Deane, enlisted army man.

SANTA CLAUS WILL RETURN ON THURSDAY

In an effort to secure information on desired gifts as early as possible, Santa Claus will return to Hendersonville Thursday to meet all boys and girls in Hendersonville's trade area, it was learned today.

Officers of the merchants division of the chamber of commerce said Santa had sent this word from another North Carolina city, and as an added inducement to all who haven't let him know their gift wishes he promised to have with him a large quantity of candy to be distributed Thursday when he meets the children and asks them what they want him to leave in their stockings.

The veteran saint will spend Friday elsewhere but will be here for part of Saturday at least, and will attend the Christmas tree celebration at Church street and 5th avenue Saturday night.

CHAMBERLAIN FACES REVOLT ON REARMING

Wins Confidence Vote on Foreign Affairs But New Crisis Looms

LONDON, Dec. 20. (UP)—Political quarters today reported Prime Minister Chamberlain is threatened with a cabinet revolt in a dispute, not involving the government's foreign policy but its rearmament program.

According to political gossip a number of men of junior ministerial rank remanded the resignation of four key cabinet members because the British rearmament program was not speeded up in the lull after the Czechoslovakian crisis.

The Evening Standard reported that a "serious revolt" has broken out within the cabinet because of a continued lag in the government's rearmament program.

The three under-secretaries threatening to resign were identified as A. U. M. Hudson of the ministry of transport, Marquess of Dufferin and Ava of the colonial office and Lord Stratford and Mount Royal of the war office.

They were said to have insisted that War Minister Leslie Hore-Belisha, Minister of Defense Coordinator Sir Thomas Inskip and Earl Winterton, assistant to Home Secretary Sir John Simon, be removed from the cabinet.

The criticism of the "rebels" was said by the Evening Standard to be directed chiefly against Hore-Belisha, although they charged that all three ministers involved in home defense failed to take advantage of a "breathing space" afforded by the Munich four-power pact to push national rearmament to the limit.

CHAMBERLAIN SEES POLICY AS RIGHT

LONDON, Dec. 20. (UP)—Prime Minister Neville Chamberlain last night won a strong vote (Continued on page three)

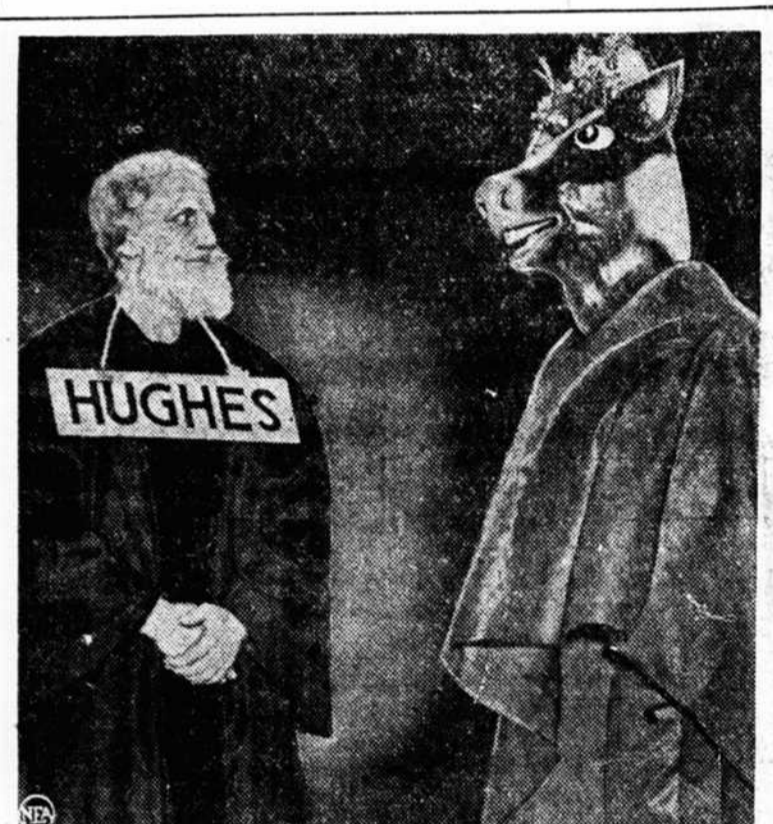
School Teachers' Retirement Fund Act Considered

RALEIGH, Dec. 20.—Sponsors of a plan for retirement of public school teachers and other state officers, which proposal will be submitted to the general assembly, conferred yesterday with Governor Hoey.

No definite plans were formulated, but it was the opinion of the conferees that all retirement plans would be consolidated into a single measure. Under tentative plans, employees would contribute 5 per cent of earnings, the state would match this sum, and retirement would come at age 65 after 35 years of service.

Governor Hoey did not oppose the plan, but questioned sponsors as to raising the funds to be contributed by the state. Retirement of teachers under the plan would cost the state \$1,000,000 annually, it was estimated.

Washington Bull-etin



Flower-loving "Ferdinand the Bull" was bitten by the "presidential bee" and "Justice Hughes" gave the matter judicial thought as wives of Gridiron Club members masqueraded at Mrs. Franklin D. Roosevelt's annual Washington party for "Gridiron Widows."

MUSICA AS BRILLIANT AND AUTOCRATIC EXECUTIVE NOT QUESTIONED BY HIS BOARD

NEW YORK, Dec. 20. (UP)—Federal authorities today turned up evidence that McKesson and Robbins was involved in a deal to sell two million outmoded army rifles to the Chinese army, which was turned down by Generalissimo Chiang Kai-shek.

NEW YORK, Dec. 20. (UP)—Philip Musica, as F. Donald Coster, president of McKesson and Robbins, Inc., was described today as a brilliant and autocratic executive whose decisions, even when shrouded with secrecy, never were questioned by other directors and officers of the firm.

William J. Murray, Jr., Columbia, S. C., first vice-president and director of McKesson and Robbins, testified at the hearing conducted by Assistant State Attorney General Ambrose V. McCall that not until last November did any other executive attempt to obtain a breakdown of the crude drug department which Musica operated as a huge swindling preserver.

WONDER WHERE ALL THE MONEY WENT By MARTIN KANE United Press Staff Correspondent NEW YORK, Dec. 20. (UP)—The monstrous chicaneries of Philip Musica, alias F. Donald Coster, last night were described by independent investigators for New York State and the federal government as involving gigantic bootlegging operations before and after prohibition and gun-running operations which may have been accomplished in violation of the neutrality act.

Magnitude of the gun-running contemplated engaging, was shown by the preliminary draft of a contract by which the president of McKesson and Robbins, old and respected drug firm, was empowered to obtain for shipment to a "British port" no less than 2,000,000 Lee-Enfield rifles.

Brien McMahon, ace government prosecutor who came to New York from Washington yesterday to coordinate the investigation by seven government departments, rated Coster's illicit liquor transactions as among the mightiest of the prohibition and early repeal eras.

The preliminary contract, a portion of which was released by the State Attorney General's office, specified that 300 calibre 1000,000,000 or more "30 calibre cartridges were to be removed from arsenals to convenient shipping ports on the Atlantic seaboard, thence to be loaded and shipped to British ports to be designated."

The agreement had at least the appearance of legality, in that it contained assurance that the McKesson and Robbins officials would "use your best efforts as herein-after set forth to secure all necessary (Continued on page three)

Edneyville 1939 And '38 Squads Will Battle

Boys' and Girls' Teams to Clash in New Gymnasium There

EDNEYVILLE, Dec. 20. (UP) (Special)—One of the high spots of the current Henderson county basketball season will be the clash between the team for Edneyville high and the great aggregation which made such an admirable record over Western North Carolina for the school during the season of last year.

All members of the 1938 team graduated last spring, and it will be a new squad which goes out on the floor for EHS in the game this Tuesday evening at 7:30 o'clock.

For their part of the twin bill the girls' team will meet a congregation from Hendersonville which is composed largely of EHS graduates. The feature attraction will take place in the new Edneyville gymnasium.

JAP REPRISALS IN U. S. AID TO CHINA HINTED

But Diplomats See Britain As Bearing Brunt of Tokyo's Ire

MAY BAR TRADERS IN CHINA HINTERLAND

H. O. THOMPSON United Press Staff Correspondent TOKYO, Dec. 20. (UP)—Diplomats suggested today that Japan might retaliate against the United States for granting China a "war credit" of \$25,000,000 by further tightening restrictions against Americans in the Japanese occupied areas of China.

It was believed, however, that Japanese wrath still would be directed chiefly against Great Britain as the Japanese insist that the American credits were British-inspired and that Britain has done far more than the United States in encouraging nationalist China to continue fighting the Japanese.

The section of Foreign Minister Hachiro Arita's statement of last night which aroused the greatest interest was that in which he said that the Anglo-American credits would have results opposite from those anticipated and would prolong the "embarrassments and inconveniences of third powers in the occupied areas of China."

In plain language it was believed the foreign minister meant that British and American traders, missionaries and others wishing to visit the interior of China, will be barred by Japan so long as London and Washington continue their policies of supporting Chinese Nationalist Generalissimo Chiang Kai-shek.

The foreign minister, who had been asked by foreign correspondents for comment on the Anglo-American credits, said he considered the granting of these loans as "regrettable acts" which will not prevent the Japanese people from creating the "new order" they are determined to set up in eastern Asia.

U. S. AGAIN AIDS CHINA'S FINANCES WASHINGTON, Dec. 20. (UP)—The United States government moved for a second time within a week last night to ease the financial stress in China created by Japan's undeclared war.

Following a \$25,000,000 credit extended to Chinese commercial interests by the Export-Import Bank, Secretary of the Treasury Henry Morgenthau, Jr., announced that a fiscal arrangement assuring the Chinese government adequate dollar exchange facilities had been continued by this country beyond December 31, 1938.

The arrangement was negotiated in July, 1937. It enables the Central Bank of China, under conditions which safeguard the interests of both countries, to obtain dollar exchange for stabilization purposes against gold which China has in federal reserve banks here earmarked for that nation's monetary reserves.

The treasury declined to reveal the size of this gold hoard, or how it was acquired. It is known, however, that some of it represents (Continued on page five)

ELKS LODGE WILL CONVENE TONIGHT

The Hendersonville lodge of the Elks will meet tonight at 7:30 o'clock at the Woodman of the World hall. All members are urged to attend.

RANKING OFFICIALS ADVISE F.R. GOVERNMENT MUST SPONSOR AIR DEFENSE PILOT TRAINING

By MACK JOHNSON Copyright 1938 By United Press WASHINGTON, Dec. 20. (UP)—High-ranking administration officials informed President Roosevelt yesterday that the government must sponsor a training program for thousands of civilian airplane pilots to avert a shortage which jeopardizes an efficient national defense program.

Gravity of the problem was emphasized at an hour-long conference between the chief executive, Chairman Edward J. Noble of the Civil Aeronautics Authority, Robert Hinkley, member of War CAA, Assistant Secretary of War Louis Johnson, and National Youth Administrator Aubrey Williams.

The United Press was informed reliably that the conferees stressed the aerial expansion programs of other powers, including Germany, Italy, Soviet Russia, France and Great Britain, and urged that there be an adequate civilian "pilot backlog" established in this country.

It was understood that plans discussed envisage use of vocational training facilities of the NYA and other agencies, which are financed from relief appropriations.

Mr. Roosevelt was represented as "deeply interested" but not yet ready to announce a decision. Noble said recently that he believed the United States should have a minimum of 250,000 private planes, 25 times the current supply, and that 20,000 pilots should be trained annually during (Continued on page three)

DISTRICT BOY SCOUT OFFICERS AND COMMITTEE NAMED; LAY FURTHER EXPANSION PLANS

Chairman Patla, Other Officers Re-elected; Will Hold Dinner Conference on January 5

Nathan Patla, chairman of the Hendersonville district Boy Scouts committee for the past year, Mayor A. V. Edwards, vice-chairman, and J. H. Lampley, treasurer were all re-elected at a meeting of the committee at the city hall yesterday afternoon.

Mr. Lampley has served for five years as treasurer of the organization. Members of the district committee, elected yesterday after the report of the nominating committee, were as follows: H. E. Buchanan, A. V. Edwards, Steve Porter, L. Y. Biggerstaff, J. T. Fain, Jr., R. C. Gibbs, E. A. Smyth, III, E. B. Sutherland, F. M. Waters, F. B. Gardner, Nathan Patla, Rev. L. T. Wilds, A. P. Cox, Rev. James P. Burke, J. H. Lampley, John Farmer, and O. B. Crowell.

In addition, all chairmen of troops committees in the county are automatically members of the district committee.

After the election, Chairman Patla announced the committees and committee heads for the coming year as follows: Rev. Wilds, chairman of the committee on advancement; health and safety committees, Dr. Brown, Mr. Smyth and Mr. Buchanan; organization, Mr. Gibbs, Mr. Farmer, and Rev. Burke; camping and activities, Messrs. Biggerstaff, Cox and Sutherland; training, Messrs. Waters, Gardner and Porter; finance, Messrs. Lampley, Coston and Crowell; and publicity, Mr. Fain.

A full report was made yesterday afternoon by Mr. Gibbs, chairman of a committee recently named to make a survey of possible locations for new troops and sponsoring agencies.

The report covered the scouting situation in various communities in the county, including Tuxedo, Blue Ridge school, East Flat Rock, Fletcher, Balfour, Flat Rock, Valley Hill, Dana, Edneyville, Bat Cave, Etowah, and Mills River. Prospects are good for early establishment of scout troops in some of these communities, Mr. Gibbs reported.

The committee on organization will continue its efforts in this work during the year, and is shortly expected to outline plans for the extension and consolidation of scouting in the entire county over a five-year period.

As a part of the program of extending scouting into the communities of the county, a dinner meeting will be held on January 5, at which time representatives of various communities will be invited to attend for a discussion of plans and procedures in setting up new troops.

Mr. Patla announced yesterday that registration for members of Troop 13 were now in the hands of Scout Executive Allen, of Asheville.

Attending the meeting yesterday were Chairman Patla, Executive Allen, and committee members, Messrs. Edwards, Wilds, Waters, Fain, Gibbs, Lampley and Farmer.

CHRISTMAS MUSIC PLAY IS PLANNED AT FLETCHER TONIGHT

FLETCHER, Dec. 20.—The primary grades of the Fletcher school will present an opera in two acts, "A Trip to Santa Land" on Tuesday evening, Dec. 20, at 7:30 o'clock.

The Little Girl (played by Mary Ann Davis) who does not believe in Santa Claus, fairies or brownies, but by the help of the Story Book friends, the little girl is induced to believe in them. About fifty children are taking part. Old Santa will be present.

The opera is under the direction of Miss Bonita Bruce, Mrs. W. N. Lane and Miss J. Wolfe. A small admission will be charged. The parents of the children taking part in the opera will be admitted free. Money obtained will be used to buy school library books.

POPE'S ANNIVERSARY

VATICAN CITY, Dec. 20. (UP) Pope Pius XI observed the 59th anniversary of his ordination to the priesthood today with a busy schedule, attesting to his vigor in his 82nd year of life.

COOPERATIVE MEDICAL AID FOILED, SAID

Farm Union Man Says Farm Help Cut Would Start Revolt

WALLACE SAYS CROP CONTROL FAVORED

WASHINGTON, Dec. 20. (UP) A federal grand jury today returned criminal indictments charging violation of anti-trust laws against the American Medical Association, three affiliated medical groups, and 21 individuals.

One of the indicted officials was Dr. Morris Fishbein, editor of the American Medical Association Journal and outstanding spokesman for conservative elements of the medical profession.

The indictments are based on the charge that the defendants combined to block co-operative medical moves.

THATCHER WARNS OF FARM AID CUTS

WASHINGTON, Dec. 20. (UP) M. W. Thatcher, national legislative representative of the Farmers Union said today after a conference with President Roosevelt that any effort to balance the budget by cutting \$2,500,000,000 to \$3,000,000,000 from federal appropriations "would be certain to cause a revolution."

Thatcher urged President Roosevelt to provide a farm benefit program of at least \$800,000,000 during the next fiscal year. He proposed to finance the program with increased income and estate taxes.

WALLACE WOULD EXPAND AAA WORK

WASHINGTON, Dec. 20. (UP) Secretary of Agriculture Henry C. Wallace, asserting that the nation's farmers overwhelmingly favor New Deal crop control legislation, predicted yesterday that the measure will be strengthened and improved next year in order to be of greater benefit to all agricultural workers.

Wallace based his conclusions on the results of crop referenda held among growers of cotton, rice, and three types of tobacco. Although only the cotton growers gave the two-thirds majority necessary to begin operations of marketing quotas, he said the referenda "constitute remarkable endorsement" of AAA programs.

The secretary's statement was made shortly after the crop reporting board in its final report of the year, estimated 1938 wheat production at 930,801,000 bushels—the fourth largest crop in American history—and corn at 2,542,288,000 bushels, slightly lower than last year's harvest.

The board's estimates, both above average, presaged bumper crops for the second successive year. The general appearance of abundance, the report said, is due "in part to the relatively small numbers of livestock on the farms to consume grain and to a lower level of domestic and foreign demand that was considered normal a few years ago."

4 Shopping Days Till Christmas



QUINTS WERE ENJOYING FIRST BACK TO CHRISTMAS FOUR YEARS AGO—Dionne quint enjoying first Christmas... Legion of Dignity launching campaign against film flth... Flamington, N. J., becoming overnight boom town on eve of Hauptmann trial... Best seller: "So Red the Rose"... Charred hulk of Morro Castle being removed from New Jersey beach... It was merry season for New Deal, just ahead in million elections.

Balfour P.-T.A. to Meet This Week

The regular monthly meeting of the Balfour Parent-Teacher association will be held in the school auditorium on Wednesday night, December 21, at 7:30 o'clock.

The meeting will be featured by a play, "On Christmas Hill," given by members of the first, fifth, and sixth grades.

JOHN PAUL LUCAS SAID CONVALESCING Hendersonville friends of John Paul Lucas, vice president of the Duke Power company of Charlotte have been grieved to learn of his serious illness during the past several weeks. Mr. Lucas is in Duke University hospital in Durham, where he is now thought to be recovering from a surgical operation. Latest reports of his condition are favorable.