TWENTY-FIFTH YEAR

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TOBACCO GRADING ACT IS ARGUED IN CHARLOTTE COURT

Constitutionality of Law Is Challenged in Federal Circuit Court of Appeals

VALID REGULATION IS NOT PROVIDED

"Due Process" Clause of Federal Constitution Viollated and Authority Unlawfully Delegated to Secretary of Agriculture Is Claim Set Up

Charlotte, Jan. 11 .- (AP) - The fourth United States Circuit Court of Appeals heard arguments today on the constitutionality of a tobacco inspection act passed by Congress August 23, 1935, empowering the secre tary of agriculture to designate markets upon the favorable vote of growers, at which government agents should inspect and grade leaf offered

The case came before the court on an appeal of Secretary of Agriculture Henry Wallace and others from a district court ruling enjoining the Department of Agriculture and the district attorney for Eastern North Carolina from enforcing the terms of the

Counsel for D. T. Currin and other tobacco growers, appellees, contended the act did not provide a valid regulation of interstate commerce; that inspection and grading on only three of forty North Carolina markets violated the "due process" clause of the Federal Constitution; that the act unlawfully delegated authority to the secretary of agriculture and growers; and that it wrought irreparable in-

Attorneys for the Department of Agriculture argued that growers on the three markets where inspection was established had favored the move, and the injunction prevented its being established at the others. They contended, and cited authorities in support of their argument, that the act did not unlawfully delegate authority to agriculture officials or farmers, and said the grading and inspection was instituted only on approval of the growers in a referendum as specified in the act.

17 NOW ARE HELD IN DYNAMITE CASE

Some in Asheville Involved in Blasting Tennessee Home, Killing Three Children

Elizabethtown, Tenn., Jan. 11 .-(AP) Sheriff Moreland said today 17 persons were in jail here or under bond in connection with the dynamite

sheriff said, were permitted to make frozen ground. bond for appearance here Saturday, when eight men and a woman charged in connection with the blast are

scheduled for arraignment. Moreland would not disclose the names of those detained as witnesses,

among them a Knoxville man. Sheriff W. L. Walling, of Bledsos county, was to be arraigned today. Walling, Sheriff Moreland said, was arrested yesteday on a charge of being an accessory after the fact in connection with the blast that wrecked of the flames. They went immediately others, Crave and White Tollett, and Lee Walker, all of Pikeville, Tenn., Sheriff Moreland said were charged with murder. Five men and a woman were charged with aiding and abct-

Hoey Sees Big Future Of Farmer

Raleigh, Jan. 11.—(AP)—Governor Hoey told agricultural extension work-ers at North Carolina State College today that "farmers and agriculture have a great future in North Caro-

Welcoming the workers, Dean J. W. Harrelson, of the college, said one million dollars was needed to equip the agriculture school so it could meet the demands of the people. Dr. C. W. Warburton, national extension director, also spoke.

Governor Hoey told of his own early days on a farm before he became a newspaper man and then a lawyer. He said farmers in those days did not know how to feed and care for their soils, burned off their land and kept

"Farmers have learned more now, Co though," said Hoey. "They know how to treat and feed the soil. Farming successfully is a complicated business a science, and it takes a well trained | man to be a good farmer. The farmer, though, is still the No. 1 man of North

The governor said the State has unlimited resources if they are conser-

ved and developed, but cautioned that Continued on Page Two.)

JAPS ARE PREPARED FOR FURTHER DRIVE IN CHINA INTERIOR

To Labor Post



Charles V. McLaughlin . . . takes McGrady's old post

Appointment of Charles V. McLaughlin, 62, vice president of the Brotherhood of Locomotive Firemen and Enginemen, to be assistant secretary of ed bombs on the Hankow air field. labor, has been announced by the president. McLaughlin, succeeds Edward McGrady, who resigned several months ago to become personnel director of the Radio Corporation of

Deep Snow Shroud Ten Plane Dead

Huge Air Liner Falls to Hankow Las been expected several in Montana Moun-Board

Bozeman, Mont., Jan. 11.-(AP)---A biting blizzard threw a snowy shroud over the bodies of ten persons killed when a Northwest Air Line plane crashed and burned in the Bridger mountains, 14 miles northwest of here vesterday

Piloted by Nick Mamer, who has flown more than 1,000,000 miles without injuring a passenger, the plane went into a tail spin and plunged nose killing of three children last Friday. first into a small clearing. The nose Those detained in Asheville, the was snapped off ty impact with the

> Searchers found all aboard dead, but the storm forced them to give up until late today the task of bringing the bodies here. A guard was left at the crash scene.

Gallatin county officials said snow plows would open the roads when the bodies are brought down by bobsled. Two wood-cutters, C. A. Larson and Glenn White were working about 200 feet from where the plane crashed, but were unable to approach because

the home of Harmon Gouge and kill- for help, and met Sheriff Lovitt Wested his three daughters. Three of the lake and a party of forest rangers. Croil Hunter, president of Northwest Air Lines, issued this statement at St. Paul:

"It has been determined that all on board lost their lives. Until a thorough investigation has been conducted both by the air line's officials and the Department of Commerce, we will be unable to make any statement as to the definite causes surrounding the

TRADING LIMITED IN STOCK MARKET

Some Profit-Taking in Monday's Best Sellers Holds Down Further Sharp Advance

New York, Jan. 11.—(AP)—Stocks generally swung over a restricted orbit in today's market. A few utilities and specialities managed to garner moderate plus signs, but recently buoyant steels, motors and aircrafts met sufficient profit-selling to stem the advance. Most leaders were down fractions to a point or more near the fourth hour. Dealings were quiet.

louren mour.
Bonds were mixed.
American Radiator 13 1-2
American Telephone148 3-8
American Tob B 71 7-8
Anaconda 36
Atlantic Coast Line 26
Atlantic Refining 21 3-4
Bendix Aviation 14 3-8
Bethlehem Steel 64 7-8
Chrysler 58 1-2
Columbia Gas & Elec Co 9
Commercial 9 1-8
Commercial 10 2-8
Continental Oil Co 10 3-8
Curtiss Wright 5 1-8
DuPont 118
Electric Pow & Light 12 3-4
General Electric 44 7-8
General Motors 36 3-8
Liggett & Myers B101
Montgomery Ward & Co 35 1-4
Reynolds Tob B 46
Southern Railway 13 1-8
Standard Oil N J 50 7-8
E0 7 9

U S Steel 59 7-8

Ready for "Next Operation, if Necessary," Spokes-man Says, Without Elucidation

FUTURE POLICY OF EMPIRE DISCUSSED

Conference With Emperor Held To Determine Course on Continent; Jap Warships Attack China's Southern Coast; Heavy Jap Troop Movements Seen

Shanghai, Jan. 11.—(AP)—The Jaenigmatically today that Japanese forces were "prepared for the next operation, if necessary. He gave no hint of the objective of the "next operation", or the con-

ditions implied by "if necessary." (The spokesman's statement was made while an imperial conference met with Emperor Hirohito at Tokyo to decide Japan's future policy i China.)

China war fronts, the spokesman said, were quiet. Japanese planes rain and three newly discovered Chinese air fields in the interior. Japanese forces in Shantung province pushed westward from Tsingtao, which they occupied without resistance yesterday and southward toward the Lungha railway in a drive to trap thousands of

(On China's southern coast, a Jr. panese cruiser and destroyer exchanged shells with Chinese forts guarding the river approach to Canton, the southern metropolis. The destroyer re-tired, apparently hit, after trying to land a boatload of Marines on an island. Four British-owned river vessels run the gauntlet of shell f're to safety (A Japanese push against south China to choke the fl.w of war supplies from the British crown colony of Hong Kong to Canton and thence

Heavy movements of Japanes troops and artillery from the interior tains, Killing All on hai. Since they did not arrive here it was believed the troops were reinforcements for Japanese trying to consolidate their 32.13 at Hangchow for a drive to the west

COTTON SHADES IN

Early Advance Registered, However, on Higher Cables and Better Textile Sales

New York, Jan. 11 .- (AP)-Cotton futures opened one to five points ap on higher cables and increased sales of textiles. Shortly after the first half hour early gains were lost and prices ranged from unchanged to one ne higher. March had eased from 8.64 to pass, and Mr. President, it must pass," 8.59. March by midday was selling at 8.58, when the list was net unchanged two points lower.

HANCOCK SEEKING BENEFITS ON SNUB

Jackson Day Speaker Saturday Night Lauded Reynolds, Omitted Bailey

Daily Dispatch Bureau.

Ju the Sir Walter Hotel.

Raleigh, Jan. 11.— Partisans of Frank Hancock are seeking to turn to their advantage the so-called "caub" which Oscar L. Chapman, assistant secretary of the Interior, deliered to Senator Josiah W. Bailey at Saturday night's Jackson Day dinner

Likewise at least two political commentators of considerable Statewide reason-Carl Goerch, radio man and publisher of The State, and Tom Bost, uean of Raleigh's reporters and correspondent of the Greenshoro News have expressed the opinion that the studied omission of Senator Bailey's name by the speaker was a political

Whether or not it was remains to be seen. As Bost pointed out in a lengthy article, there has always been a tendency on the part of North Car-olinians to resent "outside" interference in their politics; but whether Hancock can cash in on an alleged insult to a third party and, perhaps inferentially to himself, is another

There is no disputing the fact that considerable number (there's endless dispute about the size) of North Carolina Democrats are more in sympathy with Senator Bailey than with Senator Reynolds and the New Deal. but there is also no disputing that Frank Hancock's record is almost as much on the New Deal side as is Our

It seems a bit difficult to figure out what Mr. Chapman could have said about Mr. Bailey without laying him-

Continued on Page Two.)

Revolt in Guatemala?



President Jorge Ubico
... dictatorship threatened

According to reports, a revolt has broken out in Guatemala against the dictatorship of President Jorge Ubico, chief of the Central American "dictators' league". Army garrisons in northern Guatemala are said to have joined a movement to oust the iron-fisted president. President Ubico, however, denied rumors of a revolt, declaring the "country is in complete tranquility".

LYNCH BILL, SAYS **NEGRO IN CONTROL**

Tells Senate South May Just As Well Know It Has Been Deserted By Democrats

SAYS LONE NEGRO ORDERED THE BILL

Walter White, Secretary of Negro Association, Could Stop Measure Right Now If He Wished, South Carolina Democrat Shouts in Senate Speech

Washington, Jan. 11 (AP)—Senator Byrnes, Democrat, South Carolina, continuing a filibuster against the anti FORENOON TRADING lynching bill, said today "the Negro has not only come into the Democratic party, but the Negro has come into the control of the Democratic party.' "The Sout hmay just as well know," he said, "that it has been deserted by

the Democrats of the North." "One Negro whose name has heretofore been mentioned in the debate, Walter White, secretary of the Association for the Advancement of Colored People, has ordered this bill to

Byrnes shouted to the Senate. The South Carolinian, his voice mounting in volume as his speech progressed, said that "if Walter White who from day to day sits in the gallery, should consent to have this bill laid aside, the advocates would desert it as quickly as football players unscramble when the whistle of the referee is heard."

If the present anti-lynch legislation passed, Byrnes said, White will make further demands on Congress. A joint congressional committee meanwhile, reported agreement on wheat provisions of the "ever normal granary" program. Senator Pope, Democrat, Idaho, a committee member that "F. D.'s" continuation in the excsaid the wheat agreement was "a direct compromise" between the separate bills passed by the House and of 1944 is essential. Meantime, Senator Smathers, Demo-

Continued on Page Two.)

Deputies Block Mob InAlabama

Greensboro, Ala., Jan. 11 (AP)mob violence was balked here today when a few officers held at bay a mob of about 250 men while a Negro was taken from his home and hurried to jail at Selma. The sheriff said the mob formed

while officers were going to the home of Lee Jonues, 31-year-old veneer mill mill worker, to arrest him in connection with an abortive attack on Mrs. Robert Greene, prominent west Alabama matron.

Some of the deputies met the advancing mob about a block from the Negro's house the sheriff said, and held the muttering men at bay while Jones was rushed out a rear door and hurried 60 miles to Selma, where he was booked on charges of attempted kidnaping.

Mrs. Green was recovering today from contusions received when a Negro choked her last Saturday night. She is the wife of a former Resettlement Administration executive.

Five Captains Of Industry Are Called In By Roosevelt To Discuss Business Trend

His Eyes Are on Albany



Postmaster General Farley is shown with his arm around the shoulder of Robert H. Jackson, Assistant United States Attorney General, at a luncheon of Democratic bigwigs in New York City. Jackson announced he would accept the nomination for the governorship of New York in (Central Press)

ARE CROPPING OUT

Reform Program Can Be Completed Only By Roosevelt, Claimed

By CHARLES P. STEWART Central Press Columnist

Washington, Jan. 11-Investigations which Rooseveltians are conducting generally are regarded in Washington as hinting strongly at third term activity in behalf of President Roose

These investigations confidently are expected to lead up to conclusions favorable to the Rooseveltian politicoeconomic philosophy, but some of them of them are pretty certain to be strung out to the tune of two or three years' duration. For example, Senator James F. Byrnes' committee is trying to hit on the basic cause of unemployment. It surely will be some time before it can have analyzed its problem thoroughly enough to be able to submit a convincing answer to it.

A dozen other inestigations similarly are in progress. The fruit will be progressively ripen ing between now and 1940, but it scarcely can be counted on to be sufficiently mature to fall off the tree much before the latter year.

Six Years Needed. After that it will have to be "canned" in the form of legislation. The job of legislative "canning" will be completed rapidly if another four years witnesses its completion. If the investigatorial fruit is of Rooseveltian growth, can't it be more capably legislatively "canned" under Rooseveltian than under any other auspices? Assuming an affirmative

cutive mansion at least until the end It will be quick work at that. Such a transformation, from an orchardful of budding politico-economic fruit into a cellarful of legislative canned goods usually takes two or three generations. Effecting it in the space of three four-year presidential

response, the obvious rejoinder is

terms would be accomplishing it in record time. See F. D. R. Needed. Of course the theory is that "F. D.", having started the fruit a-growing, and having ripened it pretty well up to the point for the canners to take it in hand, can afford to turn it over to the latter to preserve it for

Yes, but the contrary argument is that not more than about once in a century is one man equipped to put Sheriff Calvin Hollis said probable through the whole program com-Mussolini and Hitler have tried it

the future.

but not with results all hands approve of. "F. D.'s" admirers consider that his system promises to turn out perfectly-if he is left alone to see it through to the finish F. D. R. Preferred?

ably as "F. D." has done-Agricul- of the project. ture Secretary Henry A. Wallace, Interior Secretary Harold L. Ickes, Solicitor General Stanley F. Reed, As- Jackson nor any of the remainder of sistant Attorney General Robert H. them—but they seem to be in a hope-Jackson, et cetera. And doubtless they less minority. have their friends, who agree with them The rank-and-file of New Dealers

however, would prefer another term of Roosevelt.

There also are stand-patters (of both parties) who want a reversion to conservation-neither Roosevelt, Reed,

Troops Hurl **Vicious Blow**

Loyalist Spain President Awards Gen-Teruel Center

Hendaye, Franco-Spanish Frontier Jan. 11 .- (AP)-The Spanish govern-

ment army hammered at insurgent today, but without definite indications of decisive gains on the front which now is the main one of the civil

Aerial forces of both armies par ticipated in the battle centering to the south of the provincial capital of Teruel, 160 miles east of Madrid, over which the government exercised con-

Insurgent communiques declared the government army lost 100 men during assaults against General Franco's lines in an effort to keep intact government communications lines be ween the southern front and Teruel. A Barcelona announcement by the government said, "We have improved our positions."

GENERAL WHO TOOK TERUEL AWARDED LAUREATE HONORS Madrid, Jan. 11.-(AP)-Presiden Manuel Azana today awarded Genera Vicente Rojo, chief of staff of the government central army, and commander of the Teruel offensive, the laureate insignia of Madrid.

Azana's decrees said the Teruel bat tle, in which the government captured the stronghold of the insurgent salient between Madrid and the coast, had changed the face of the civil war.

WAKE NEGRESS IS GIVEN LONG TERM to take on more pupils.

Raleigh, Jan. 11.-(AP)-Judge N A. Sinclair, in Wake Superior Court, sentenced Eula Dickerson today to passenger bus threw a dense fog. five to seven years in prison follow-ing conviction of the Negress on charges she shot Detective Joe Lowe recently when officers tried to arrest her on trespass charges.

FARMVILLE SEEKS HIGHWAY PROJECT

Raleigh, Jan. 11.-(AP)-A Farm ville delegation, headed by Mayor George W. Davis, conferred today with Highway Engineer Vance Baise, asking that a mile of Route 258 in think they could, respectively, carry Farmville be widened and that curts Carolina, while elsewhere in the state on, succeeding Roosevelt in 1940, as and gutters be provided on 2,700 feet

WEATHER FOR NORTH CAROLINA.

Occasional rain tonight and Wednesday; warmer tonight and in east portion Wednesday.

WESTERN FARMERS CALLING FOR HELP

Increasing Appeals for Financial Aid Coming From **Great Plains States** Region

DIRECT AID GIVEN TO 108,000 FAMILIES

These in Addition to Families Receiving Rehabilitation Loans; North Carolina Has Received \$92,-757,651 In Relief Funds in Three Years

Washington, Jan. 11.-(AP)-President Roosevelt asked five industrial White House late today on the business recession

Those invited for a 5 o'clock conference in the President's study were: Alfred Sloan, chairman of the board of General Motors Corporation; Er nest Weir, chairman of the board of the National Steel Corporation; Lewis Brown, president of Johns-Manville; M. W. Clement, president of the Pennsylvania Railroad, and Colby Chester, head of General Foods Cor-

Meantime, Secretary Wallace told the Senate Unemployment Committee that pleas for Federal financial aid from farmers, particularly from the Great Plains States, had been "ris-

ing steadily" since July.

Wallace said demands for subsistence grants averaging about \$20 a month per family had more than dou-bled rural relief spending since mideral Who Captured summer. The areas where needs are greatest, he said, are Montana, Wyom ing, North and South Dakota, Colorado, New Mexico, Kansas and Ne-

He said 108,000 rural families received direct subsistence grants in December, adding there was little likelihood that this number would decrease before the next harvested season. These were in addition to families re-

ceiving rehabilitation loans. Elsewhere in the Capital, the National Emergency Council reproted North Carolina had been allocated \$92,757,651 from relief funds appropriated by Congress in 1935-36-37. Of this amount, the report showed, \$84,-492,656 actually had been spent in the

(Continued on Page Six.)

12Children Injured In Bus Wreck

Chester, S. C., Jan. 11 Twelve high school pupils were injured, none seriously, today when, State Highway Patrolman Legare Ansel reported, a kero sene truck struck their bus at Evans, three miles south of here.

Ansel said he had arrested the driver of the truck, whom he listed as Laberne W. Pitts, 34, of Columbia, on a charge of failing to stop as he approached the bus, which, according to the officer, had come to a halt

The driver was quoted as saying his truck skidde when he put on brakes on seeing the bus, and an oncoming

Snow Falls Over Parts This State

Raleigh, Jan. 11.-(AP) -Snowflakes descended or northern North rain fell early today.

Lee Denson, in charge of the Weather Bureau here, reported .06 of an inch of snow here, which was melting. Snow fell also in Goldsboro, Henderson, Clayton, Garner, Wilson Mills, Wilson and Selma. Flakes, the first of 1938 for North Carolina, fell in parts of northern North Carolina and Virginia, Denson said.

At Rocky Mount and Wilson shortly after midnight it was raining also. A light sleet fell in Charlotte early last night, and this morning the city was blanketed by a heavy fog.