TWENTY-FIFTH YEAR

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# FINANCE, INDUSTRY, LABOR SEEK ACCORI

War And Unrest Accentuate Crises On Two Great Continents

## MORE MODERATE **GOVERNMENT FOR** FRANCE EXPECTED

All Exchange Transactions Throughout Country Indefinitely Suspended There

LABOR UNREST AND LOW MONEY CAUSE

Chinese Forces Spurred To Desperate Counter-Attacks by Presence of General Chiang; Spanish Conflict **Quiet Pending Start of New** Battles

(By The Associated Press.) The people's front government of France collapsed in a factional strugtoday, tired infantrymen at Teruel, Spain, rested in slush and mud for battles to come, and in the Orient a half million Chinese and Japanese soldiers were locked in a see-saw battle to determine the fate of central

The Bank of France ordered all exchange transactions suspended "until further notice," while President Albert Lebrun sought a new government to replace that of the resigned Camille Chautemps. He first invited Chautemps to form a new cabinet, but the

Socialist members of the second people's front regime, formed last June, resigned in sympathy with the opposition of the extreme left segment of the front, the communists, who opposed the policies, especially regarding labor, of Chautemps, a radical so-

The radical socialists are the most conservative of the three parties that had formed the leftist-inclined peo-

The crisis was precipitated by growing labor unrest and the fall of the which in unofficial trading dropped to 30.20 francs to the dollar. Some observers felt the new government would be a middle-of-the-road cabinet, carrying out the policies of a sphere of opinion somewhere between the "leftism" of the former working union of socialists, communists and

(Continued on Page Five)

### Wayne Man Perishes In Truck Fire

Clinton, Jan. 14.—(AP)—Roy Coley, middle-aged Mount Olive man, was burned to death when his truck wrecked and caught fire here early today. His companion, Charles Newman, 18, of Greenville, S. C., escaped with severe bruises and lacerations. Police Chief E. L. Cherry said the big truck, driven by Coley, left the road and crashed head-on into a large oak tree just inside the town limits. The driver was wedged in the cab when the engine was driven back in-

to the truck. Coley was returning to Mount Olive with an empty truck from Greenville. Newman, the sheriff said, was hitchhiking to Washington to visit an uncle. He was brought to a hospital at

## Riots Occur In Michigan

ties at Foundry Clash With Blood- In Raleigh shed After Dispute

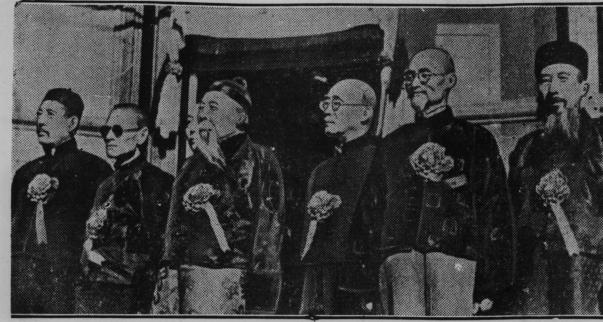
New Haven, Mich., Jan. 14.—(AP)— Peace-makers in a foundry workers dispute, which erupted into riot and

bloodshed, sought speedy action today to forestall further threats of violence With this village of 800 inhabitants tense, union and company representatives prepared for new conferences in the wake of last night's fighting at

the strike-bound New Haven foundry. A handful of pickets of the UAWA, obedient to a truce, patroled the foundry area and Malcomb county deputies who had been reinforced by other officers on emergency calls to neighbor-

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China's Elder Statesmen-Puppets of Japan



Here is a group of Chinese elder statesmen selected by Japan to organize a new government in Peiping, now renamed Peking, to replace the "deposed" Nanking Nationalist regime. From the left, they are Marshal Chi Hsueh-yuan, minister of public safety; Wang Keh-min, president of the executive council; Kiang Chao-tsung, mayor of Peking; Tung K'ang, president of the judicial council; T'ang Erh-ho, president of the legislative council, and Wang Yi-t'ang, minister of rehabilitation.

# LITTLE FOR STATE IN MID-DECEMBER

440 Manufacturing Establishments Show Sag of Only 4.6 Percent **Under November** 

**NOT AS SERIOUS AS** 

Few People Were Cut Off Goods Best Paid

Raleigh, Jan. 14.—(AP)—Major A. L. Fletcher, State labor commissioner, reported today that complete reports from 440 manufacturing enterprises in North Carolina showed they used only 4.6 percent less employees in a mid-December week than they did during the comparable November week.

For the purposes of the labor statistics, all employers report detailed data on their work week ending the nearest the fifteenth of December, as compared with the similar week of

"There is no doubt the recession has made itself felt in North Carolina but the cold figures certified by the employers show that during December the unemployment was nothing like as serious or widespread as idle rumors would have made our people believe," said Fletcher. "The manufacturing plants cut off a few people, the payrolls dropped some, but the weekly earnings of those working

Fletcher noted that because of seasonal conditions employees increased in retail trade establishments and dropped slightly in wholesale houses. The 440 manufacturing enterprises said their December employees totaled 111,325 ,down 4.6 percent from No vember, the payrolls totaled \$1,639,431 down 2.3 percent, and the man-hours of labor showed a drop, with the average work week being 6.9 percent off. But the average weekly earnings

jumped 2.3 percent to \$17.27.

The highest paid industrial workers were in knit goods, as they averaged \$17.77 weekly for 38.2 hours, the earnings being up 2.1 percent over November in 64 plants.

## Strike Area Highway 1 Pickets and Depu- Re-Routed

Raleigh, Jan. 14.—(AP)—The Highway and Public Works Commission voted today to reroute U. S. Route No. 1 through Raleigh, Chairman Frank Dunlap, said, and then disposed of routine business.

Route 1 will enter Raleigh from the and using it in two Wilson county north as now, turning west on Edenton street to Salisbury street, turning south on Salisbury for a block, and leaving the city out Hillsboro 28; Marshall Sullivan, 22, and Bertie street to the west. Now the route Rooks, 24, all of Rocky Mount, were leaves the city by Western boulevard in jail here in default of \$3,000 bond to the west. The route of the high- each. way had been the subject of a local controversy for some months, and confessed robbing two stores at Lufinally Sandhills section towns asked cama, taking a safe containing aits routing as approved by the com-

## Federal Sales Tax Soon Inevitable, Babson Says

Present Tax System Heading United States Straight Toward Bankruptcy and Inflation; Gives Ten Recommendations for Reforms in Taxes

BY ROGER W. BABSON, Copyright 1938, Publishers Financial Bureau, Inc.

Babson Park, Fla., Jan. 14.-The biggest problem facing the nation today is not the recession; not the job-less, not the railroads. It is our taxa-IDLE RUMORS STATE tion system. If we continue at the rate we are going, we will ultimately com-Weekly Earnings of Those mit suicide by taxation. Government spending is eating up our present as-Working Went Up, Though sets. Taxes are hindering us from building up new capital. More than new capital. any other "reform" our taxing meth- the major source of Federal Governand Payrolls Dropped ods, from Federal down, need a com- ment internal receipts. Despite the

> piece of patchwork. Its only basic policy is to conceal taxes from the ultimate payer-the consumer. It is short-sighted, unequitable, unreason-

able! It penalizes initiative and thrift.

It handicaps industrial growth.

hinders the normal operation of business. It retards new building. It encourages loose fiscal policies. It fos-ters sit-down strikes of capital. It is heading the United States straight toward bankruptcy and inflation. There are at least ten different steps that should be taken immediately to

relieve the current crisis: 1. Broaden The Income Tax Base: Five years ago the income tax was Some, Fletcher Says; Knit plete and thorough overhauling during passing of many new revenue laws, it still contribute to Our present system is just a big 1928 only 4,070,000 filed income returns

(Continued on Page Six.)

## MANY JUDGE RACES | CLAIM RAIL RATES LOOM THIS SPRING

Among Outstanding in Coming Primaries

Daily Dispatch Bureau, In the Sir Walter Hotel. Raleigh, Jan. 14.—Hotly contested races for superior court judgeships are certain this spring in at least five

Twelve districts elect judges this year and it is likely that the fighting will extend to more than the five predicted, for while judges are presum ably out of politics while on the bench they usually get right out and scuffle for their place there just like any other politician.

The districts in which primary campaigns already seem certain are first, econd, sixth, eighth and tenth. Other districts which elect this year are fifth, Judge J. Paul Frizzelle, Snow Hill: ninth, Judge N. A. Sinclair, Fayetteville; twelfth, Judge H. Hoyle Sink, Lexington; fourteenth, Judge W. F. Harding, Charlotte; sixteenth, Judge Wilson Warlick, Newton; nine-teenth, Judge A. Hall Johnston, Asheville; and twenty-first, Judge E. C. Bivens, Mt. Airy.

The prospective contests shape up about like this: First: Judge Walter L. Small, of Elizabeth City, has been physically

(Continued on Page Six.) **ROCKY MOUNT TRIO ADMITS ROBBERIES** 

Confess Theft of Alderman's Car Jan. 7 and Breaking Into Two Stores at Lucama

Rocky Mount, Jan. 14.-(AP)-Three men arrested here last night have confessed stealing Alderman J. E. Johnson's automobile January 7.

The policeman said the men had round \$75 from one, and a small amount of merchandise from the other,

Judicial Contests To Be American Railroads Say They Must Have More Money To Live

> By CHARLES P. STEWART Central Press Staff Writer Washington, Jan. 14.-The railroads as we know, have been beseeching the Interstate Commerce Commission recently to allow them to make a considerable increase in their passenger

and freight carrying charges. At present rates, they say, they cannot continue to operate and "break even", to say nothing of having a small profit margin left over.

The shippers' counter-argument is that they are trying to fix their tariffs upon a basis of fictitiously inflated valuations of their properties; that the transportation figures they seek to impose will make prices so high as to slow up business generally. This reasoning hurts the feelings of

the Association of American Railroads, from which I have received a complaint of unfair treatment in some Naturally I invited the association

(Continued on Page Three.)

VIRGINIA SALES OF TOBACCO ARE HEAVY

20,137,419 Pounds for \$16.94 Average in December; Season 88,789,562 Richmond, Va., Jan. 14.—(AP)-

Virginia producers sold 20,137,419 pounds of leaf tobacco in December for \$3,412,462, for an average of \$16.94 per hundredweight, Henry Taylor, Federal-State crop statistician, announced today. Total seasonal sales, he reported

were 88,789,562 pounds, which is 2.5 percent of above sales through December of last year. The average price today is \$24.38, compared with \$22.58 for the same period last year, and \$20, 78 for 1935.

FOR NORTH CAROLINA.

Rain in east and central portions this afternoon and on north-east coast tonight; Saturday gen-erally fair and slightly colder.

# **VAST PROGRESS IN** SOUTHERN STATES

President of American Newspaper Publishers Speaks at Florida Industries Day

DR. CHARLES HERTY HONORED AT EVENT

Stahlman, Nashville Publisher, Predicts Billion Dollar Annual Paper Business in South; Secretary Roper Urges Cooperation of All Agencies

Fernandina, Fla., Jan. 14.-(AP)-James Stahlman, president of the American Newspaper Publishers Association, predicted today that "within the next ten or fifteen years the South will experience an industrial conomic and social rehabilitation such as it has never heretofore known.
He spoke at the celebration of Florida Industries Day, honoring Dr.
Charles Herty, of Savannah, Ga., for research into the use of Southern pine for making newsprint, kraft paper

and fibre board. The rehabilitation, Stahlman said, will come about through the application of Dr. Herty's research to the many uses to which southern pine can and will be put."

"I predict, he added, "that within this mort period, we will see kraft, newsprint, rayon, collophane and collateral industries using southern pine. with an annual turn-over of not less than one billion dollars.

"I see depleted farm lands and eroded hillsides turned into gorgeous groves of waving slash pine.

Secretary of Commerce Daniel Roper, another speaker, called for cooperation "through the conference table method". to build confidence Roper said the "success of the future depends upon sincere cooperation and constructive criticism between busi ness, industry, labor and govern-

"The complexities of modern civilization," he declared, "naturally require more regular activity on the part of the government than under our former economic system of agrarian and handicraft production. We are in the midst of a social situation that, in the sweep and pervasiveness of its influence, more radically differs from that known to the founding fathers than their social situation differed from conditions in the stone

### TARBORO MAN PUT ON RURAL BOARDS

Governor Hoey Announces Naming of C. A. Johnson; Important Meeting Arranged

Raleigh, Jan. 14 (AP)—Governor Hoey said today C. A. Johnson, of Tarboro, has been elected a director of the North Carolina Rural Rehabi-

litation Corporation. The directors wil hold "an unusually important meeting here January 25 to consider future policy of the corporation," Hoey said.

Johnson succeeded the late Leland
Kitchin, of Scotland Neck.

### MONAGHAN CASE IN RALEIGH NEAR END

Raleigh, Jan. 14—(AP)—Judge N. A. Sinclair charged the jury this afternoon in the case of Frank C. Monaghan, charged with second degree murder in the highway death of Larry Davis, of Lumberton and Winston-Salem. Attorneys presented arguments this morning,

## Dean Noe Continues His "Fast"

Memphis, Tenn. Jan. 14 (AP)-The Very Rev. Israel Harding Noe entered his thirteenth day of abstinence from food and water today, his vigor apparently unimpaired and his spirit

The pale and thin dean of St. Mary's Episcopal Cathedral has shown no public sign of weakness, although med ical friends predict inevitable collapse. One physician said the 46-year-old clergyman could "last only a few

But the dean told his Bible class last night his next lesson would be two weeks hence, explaining he would attend a meeting of the church in Knox-

(Continued on Page Four.)

C. I. O. Revolt?



David Dubinsky ... assails Lewis

Rebellion high in the ranks of the C. L. O. broke out when David Dubinsky, president of the Inter-national Ladies Garment Work-ers union, assailed John L. Lewis' "one-man rule" of the organization. Dubinsky, who heads the third largest affiliate of the C. I. O., demanded resumption of peace negotiations with the A. F. of L., at a rally of the I. L. G. W. in New York.

All Possible Evidence Is Sought as to Cause of Crash in South Seas on Tuesday

**HUGE NEW SHIP IS** BEING CONSTRUCTED

Will Carry 72 Passengers and Have Weight of 40 Tons; Will Be Ready for Tests In March; California-Manila Service Goes on Uninterrupted

San Francisco, Cal., Jan. 14.—(AP) -Naval authorities, seeking all possible evidence of what caused the Samoan Clipper tragedy, planned another search today of the South Seas area where the 21-ton flying boat crashed and burned Tuesday, killing Captain Edwin Musick, and six crew

A navy plane from Pago Pago, American Samoa, flew yesterday over the spot 12 miles out where the craft struck after turning back on a flight to Auckland, New Zealand, because of motor trouble.

In dumping gasoline before an emergency landing the huge plane caught fire and presumably was shattered by a mid-air explosion. Charred bits of wreckage and a few

that searchers recovered. Officials said a 40-ton, 72-passenger plane being built expressly for the eight points net lower. route, would be ready for tests in March. They declined to reveal plans

for service on the line pending completion of the new air giant. Operation of Pan-American California-Manila service went on uninter

## Louisiana Trio Hang As Killers

New Orleans, La., Jan. 14 (AP)-Joseph Ugarte, 27; Owen Cauche, 29 and Anthony Dallao, 33, were hanged in that order shortly after noon today for killing a bank guard in a \$3,100

hold-up.
Freshly shaved and bathed, the three men had paced their small cells here early in the day, often kneeling to pray. They had known the noon Grady said here this afternoon he de-hour signalled the time for their cided to suggest to the defense that

hanging.

The three, condemned to die for a hold-up murder, saw all but one thread holding them to life cut away last night when the Louisiana Board of Pardons declined to interfere in their case.

The men's mothers said boodbye to them before midnight. The three were convicted of slaying Pierre N. Rizan, a bank guard, during a hold-up here New Year's eve why that order should not be set The bandits escaped with

Definite Program of Action With Government Is Goal of White House Conference

**DISCUSSIONS WILL** BE CONTINUED SOON

Roosevelt Says He Favors Elimination of All Holding Companies: German Ambassador Protests to Hull on Dodd's Attack Upon **Adolf Hitler** 

Washington, Jan. 14.—(AP)— Six representatives of finance, industry and labor declared after an hour and a quarter White House conference today they were desirous of working out with the administration a "definite program of action" in dealing with the present economic situation. John Lewis, CIO chairman, acted as spokesman for the group as they left President Roosevelt's office.

"We attended this conference with the President, and discussed with him the gravity of the existing economic and industrial situation in this coun-

try," he said.
"The discussions will be continued at the President's discretions."

Others at the conference were Owen Young, General Electric Company chairman; Thomas Lamont, a partner of the J. P. Morgan banking house; Philip Murray, chairman of the CIO steel organizing committee; Charles Taussing, president of the American Molasses Company, and A. A. Berle, of New York, former administration

The President said, meantime, he favored the elimination of all holding companies. He made the statement at a press conference in expressing un-alterable opposition to the modification of the "death sentence" in the utility holding company act. which had been proposed by Wendell Will-kie, head of the Commonwealth & South Corporation, as one condition to an "understanding" with the ad-

ministration. Other developments: German Ambassador Hans Dieckhoff protested to Secretary Hull against William Dodd's address in New York last night, in which the former American envoy to Berlin attacked

(Continued on Page Eight.)

### **FURTHER DECLINES** IN COTTON PRICES

Disappointing Cables and Liquidation Depress Market During Forenoon Period

New York, Jan. 14 .- (AP) -- Cotton futures opened unchanged to four points down on disappointing cables and liquidation. March, after the first half hour, was 8.54, with the list three to fie points net lower. The January option expired at noon today. By midday March was selling at 8.53, and the pieces of tattered clothing were all list was four to seven points net lower Trading in January contracts ended at noon with a final price of 8.46, or

### **Grady Sure** For Godwin Certiorari

Jurist Suggests That Course to Defense; Probation Order Still Stands

New Bern, Jan. 14 (AP)—Understanding that Solicitor Claude Cannady of Harnett county had refused to permit Mrs. Sina Pope Godwin's counsel an extra week in which to perfect an appeal, Judge Henry A. Grady said here this afternoon he de-

it apply for a writ of certiorari. That, Grady said, he is sure will be granted, especially if he recommends it, and will be the same thing as an

appeal.

Neither the order placing the twiceconvicted defendant, charged with the slaying of her third husband, on pro-bation, nor the order for a hearing in Greenville, at which defense attor-

(Continued on Page Five.)