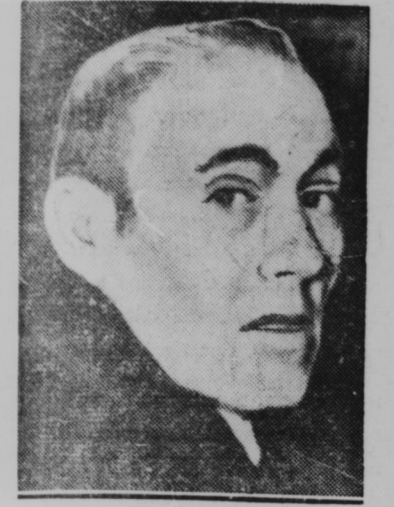


In Blackmail Case



Walter R. Cragg, (above), disbarred attorney, and Joseph Brandino, (middle), and his sister, Mary (below) have been placed under arrest in New York City on charges of blackmail against F. Donald Coster-Musica...

Promise New Arrests In Coster Case

Two Men and Woman in Custody Under Charges of Blackmailing Late Suicide

New York, Dec. 29.—(AP)—A supposed "key-witness" in the investigation of the tangled trickery of the late F. Donald Coster-Musica was identified today as a man, now dead, who two years ago claimed he was swindled out of \$20,000 by Coster-Musica, suicide head of the McKesson & Robbins drug firm.

The story came from Walter H. Cragg, a disbarred attorney, and one of three persons accused of systematically blackmailing Coster-Musica by threatening to expose his criminal past.

(Continued on Page Three.)

Credit Limit May Restrict Year's Crop

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Dec. 29.—Farmers who recently threw off government control of the tobacco crop are likely to find their 1939 production even more drastically limited by lending agencies than ever the Federal government undertook to do, in the opinion of J. M. Gainger, engineer of the State Rural Electrification Authority.

Mr. Gainger, whose work keeps him constantly in touch with the

(Continued on Page Five)

Fresh Cold Wave Much Worse Than First Heading This Way

North and West Warned of 25 Below Zero Blast, With Zero In Parts of South Forecast; "Much Colder" Weather To Be General.

(By The Associated Press)

Another severe cold wave, more frigid than the first this week, rolled into the northwest from Canada today. It followed the path of the first, sweeping across the western Canadian plains and crossing the border in the region of the Rockies.

The bitter chill was felt today in Iowa, Nebraska, Minnesota, Idaho, Montana, the Dakotas, Kansas and western Wisconsin. Weather observers said the Arctic blast would reach the eastern states by tonight or tomorrow.

Forecasters at Chicago said the new wave was really a "second section" of the first, and that there was no indication of warmer weather for the rest of the week. The new wave, he said, will be more intense because the first has already cooled the atmosphere.

Shippers were told to prepare for temperatures of zero to 25 below in the northwest and zero to ten above in the east and south. "Much colder" weather was the forecast for virtually every state east of the Rockies. Snow was predicted for most of the New England States, New York, Maryland, Pennsylvania, Delaware, New Jersey, Virginia, Tennessee, West Virginia, Kentucky and the District of Columbia.

At least 28 persons were victims of exposure or accidents attributed to weather conditions.

Travelers Given Warning Of Slick Roads In Section

Raleigh, Dec. 29.—(AP)—A cold drizzle which froze on highways and bridges over much of this part of North Carolina today brought warnings from State highway and safety officials for slow and careful driving. A low temperature of 24 degrees here early this morning was followed by rain about 10 o'clock, when the mercury registered 31 degrees. It started getting colder at once, and at noon the reading was 28.

Automobiles which were parked on streets soon were coated with ice and streets and sidewalks became slick.

Ronald Hovett, director of the highway safety division, and Captains Charles Farmer and L. R. Fisher, of the highway patrol, joined W. Vance Baise, chief highway engineer, in warning that bridges were becoming ice coated and dangerous. Highway crews were put to work sanding the worst spots.

At Henderson it started sleet-ing this morning.

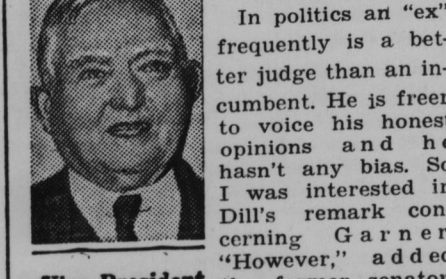
SEVEN OVERCOME BY COAL GAS IN HOME

Syracuse, N. Y., Dec. 29.—(AP)—Three women, one man, a girl and two babies were overcome by coal gas which pervaded a two-family house here shortly after 9 a. m. today. Two of the women, the girl and both babies were taken to a hospital, where it was said the condition of the women and one of the babies was "serious." The coal gas got into the house when a pipe from the furnace to the chimney became dislodged.

Garner Will Likely Win If He Can Be Nominated

By CHARLES P. STEWART Central Press Columnist

Washington, Dec. 29.—Ex-Senator Clarence C. Dill ventures the guess that Vice President John N. Garner might be elected to the White House if the Democrats were to nominate him.



In politics an "ex" frequently is a better judge than an incumbent. He is freer to voice his honest opinions and he hasn't any bias. So I was interested in Dill's remark concerning Garner.

"However," added the former senator, "it doesn't make much difference because I don't believe he can get himself nominated."

Hitler To Relax On Aged Jews If Children Leave

Wants U. S. Aid



Former Premier Leon Blum of France (above), maintaining control of the French Socialist party, obtained a vote of approval at its annual convention in Paris for his program of seeking cooperation between France, the United States, Britain and Russia in opposition to the totalitarian states.

Election Law Reforms Hinge On Committees

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Dec. 29.—The fate of efforts to revamp and reform North Carolina's fraud-favoring election laws depends as much upon the selection of election law committees in House and Senate next week as upon any other one ponderable factor, except possibly the vigor or lack of vigor displayed by Governor Clyde H. Hoey in urging correction of the abuses which are well high universally recognized.

In other words, the responsibility for what happens to these laws is going to rest squarely upon the shoulders of Lieutenant Governor Wilkins P. Horton and whomever the House chooses to be its boss for the coming session.

In 1937 these committees were definitely and irrevocably "packed" from the very start with beneficiaries and advocates of the absentee ballot. Both chairmen were from Swain, a county in which the State Board of

(Continued on Page Three.)

British Steamer Reported Bombed In Mediterranean

London, Dec. 29.—(AP)—Lloyds' agent at Gibraltar reported today that an SOS had been received from the 4,200-ton British steamer Marianga, which read: "Bombed. Crew took to boats." The steamer's message gave its position between Castellon, on Spain's eastern coast, and the Balearic islands. (Palma, on Mallorca, largest of the Balearics, is a big Spanish insurgent air base.)

Garner Will Likely Win If He Can Be Nominated

And it is understandable why the Texan, who might be elected if nominated, probably cannot be nominated.

As the Democratic nominee, being a southerner, he certainly would have the South 100 per cent behind him. It would be solidier than usual on account of his geography. Even New Deal Dixieclanders couldn't fail to vote for him. Of course, conservative northern Democrats would favor him, and the last election indicated that there is an increasing number of them. He also would be likely to scoop in a goodly following of Republicans, unless the G. O. P. puts on a stronger candidate than there has been any great amount of talk of thus far.

But nominating him is a different matter. Northern Democrats are sure to be jealous of him as a southerner. Once nominated, he doubtlessly would be accepted, but assuredly he won't

(Continued on Page Eight.)

Intergovernment Committee To Arrange for Migration of 150,000 Young Jews from Homeland in Few Weeks; But Hitler Puts "Catch" In It

London, Dec. 29.—(AP)—Robert T. Pell, assistant director of the International Refugee Committee, said today that Adolf Hitler had agreed to relax his campaign against elderly German Jews, provided their children emigrate as soon as possible.

Pell said he would go to Germany within the next two weeks to work out plans for the removal of "approximately 150,000 active young Jews." He said the refugee committee would ask specific assurances that elderly Jews would be guaranteed a decent living.

Pell will go to Germany as a member of a delegation including George Rublee, director of the committee; Joseph Cotton, of New York, and a British financial expert. They will see Field Marshal Hermann Goering, using suggestions outlined recently in London by Dr. Schacht, president of the German Reichsbank, as a basis for negotiation.

Under this plan, governments sympathetic to Jews would be asked to increase their purchase of German goods, and Germany, in return, would devote a fraction of the foreign exchange thus provided to enable Jews to transfer their money into foreign currency.

Originally, the Schacht plan called for removal of all Jews—some 700,000—from Germany. But German leaders were represented as feeling now that an attempt to remove 150,000 younger Jews with financial aid from foreign governments and rich Jews in Germany would be more practical.

The problem has been complicated by a general hardening of opinion throughout the British Empire toward accepting Jews as immigrants.

Rowan Woman Held In Death Of A Man She Hit With Pipe

Salisbury, Dec. 29.—(AP)—Mooreville police today turned Myrtle Anderson, 39, over to Rowan county authorities to be held pending an inquest into the death of Elmer Sherrill, middle-aged Mooreville man, found dead near her home this morning.

The police reported the Anderson woman said she had hit Sherrill over the head with an iron pipe when he threatened her with a knife last night, that he had left her home and she did not know he was dead until she saw him on the ground outside her home. Officers said the woman had notified them of Sherrill's death.

J. A. Sisto Is Expelled By Stock Board

New York, Dec. 29.—(AP)—The New York Stock Exchange announced today the expulsion from its membership of J. A. Sisto, general partner in a brokerage firm of that name.

The announcement of the expulsion was read to the members from the rostrum of the trading floor by Edward Bartlett, Jr., chairman of the governing board. The Exchange said Sisto had been expelled on three general charges.

The first charge said he had caused the Sisto Financial Corporation, of which he was president and a director, and which he dominated and controlled, to purchase from him at \$23 a share a total of 1,000 shares of the stock of Sisto Financial Corporation, which he had purchased about the same time for \$15.12 1-2.

Sisto also was found guilty of having charged "by erasure" his trading personal and corporation accounts during the last seven months of 1937. A third charge of which the exchange found him guilty asserted that on 30 different days in 1937 his firm had conducted transactions for Sisto Financial in a cash account which "were not bonafide cash transactions."

WEATHER FOR NORTH CAROLINA.

Occasional rain tonight and Friday, mixed with snow or freezing rain in interior; slightly warmer in east and extreme north portions tonight.

Would Have WPA Select Own Boards

If Local Groups Are Decided on, Barkley Wants WPA To Name Them; Roosevelt Works on Legislative and Budget Messages to New Congress

Washington, Dec. 29.—(AP)—Senator Barkley of Kentucky, the majority leader, said today that if non-partisan county boards were named to investigate complaints of disgruntled relief applicants, he would be in favor of having WPA select the boards.

Emphasizing that no legislation would be needed to set up such boards, Barkley said he believes any such action probably would involve a change in the methods of final determination of those eligible for relief jobs.

He said that the eligibility lists from which relief workers now are hired by the WPA usually were compiled by a certifying agent appointed by the county judge or some other local official.

When relief applicants complain that they have been denied a place on the rolls, their complaints eventually must be referred to the same certifying officials.

Other developments: President Roosevelt, anxious to reserve all possible time between now and next week for work on his legislative and budget messages, made only two engagements today. In addition, he studied a long list of recommendations and background for appointments to many federal posts, including the soon-to-be-vacated cabinet position of attorney general.

While there were reports that Gov.

(Continued on Page Five)

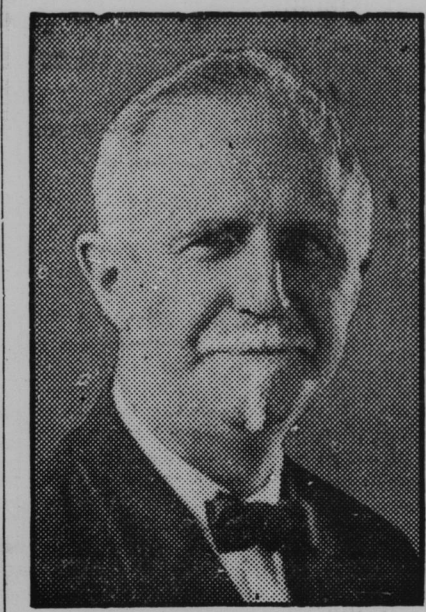
Find Ornaments From Clothing Of Slain Girl Of 19

Kingston, Pa., Dec. 29.—(AP)—Ornaments on clothing stripped from pretty Margaret Martin, slain after being lured from her home with the promise of a job, were reported found today in an isolated mountain saw mill.

State police disclosed the ornaments the 19-year-old business college graduate were sifted from ashes in the firebox at the mill. Also at the mill State police picked up a few shreds of cloth which resembled the girl's clothing. The mill is hidden in the Wyoming county backwoods, 18 miles from a creek, where the girl's nude body was found in a burlap bag last Wednesday, four days after she left home with the promise to her mother, "I'll be right back."

A coroner's inquest last night disclosed only that Miss Martin was a victim of murder "by strangulation at the hands of an unknown person or persons."

Plan For 1939 With Babson



Roger W. Babson

Every reader should base his year's work on a definite plan. Yet, to have a plan, he must know what lies ahead.

To know what the New Year has in store, we recommend Roger W. Babson's 1939 forecast of business conditions.

Business will be better, he says. But in what lines? Will prices work higher? Should you stock up on goods? Will your wages be increased?

Get the best forecast you can and profit by it. Read Roger Babson's 1939 Outlook Letter in this paper

Tomorrow

ITALY WANTS TUNIS INTERNATIONAL LAND OPEN TO ALL ALIKE

Court Possibility



Harold M. Stephens (above) of Utah, member of the United States Court of Appeals for the District of Columbia, is regarded as a likely appointee to the United States Supreme Court. He is 52.

Rebels Drop 20 Loyalist Airplanes

But Franco's Drive on Ground Virtually Halts, According to Reports from Opposing Sides in Spain; Planes of German and Italian Make

Hendaye, France, Dec. 29.—(AP)—An insurgent communique boasted today 20 government planes were downed in the greatest air battle of the massive offensive into Catalonia. Despite the aviation success, however, the insurgent land drive slowed almost to a standstill. Gains reported were of minor consequence, although in six days insurgents have claimed conquests of 380-odd square miles of territory.

The air battle was over land lines near a road 70 miles to the west of Barcelona. Twenty-four of insurgent General Franco's fastest fighting planes swooped down from a high altitude to a large government fleet which insurgent dispatches said consisted of 55 fighters and six bombers.

Land fighting in the area dwindled as the bombers dropped their explosives and headed for their base leaving fast pursuit planes to fight it out. Brief government accounts said German and Italian planes made up the insurgent air squadron.

At the end of the battle, insurgent dispatches said, 20 of the government planes had crashed, some of them in flames.

KINGS MOUNTAIN MAN IS KILLED IN CRASH

Kings Mountain, S. C., Dec. 29.—(AP)—W. E. Owens, 50, mill mechanic of Kings Mountain, was fatally injured today in a collision between his light pick-up truck and an automobile which State highway patrolmen said was driven by C. G. Luke, of Swansea, S. C.

Bill Fenner Resents Dope Of Newsmen

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Dec. 29.—W. E. (Bill) Fenner, candidate for speakership of the 1939 House, hasn't the slightest intention to trade, swap or deal with any person, living or dead, during the race, he indignantly informed your correspondent in a long distance call which fairly blistered insulation on wires along the route from Rocky Mount to Raleigh.

Bill bubbled and boiled as he commented on an article from this bureau in which it was stated that he is in position to lose less than any other speakership candidate and can get almost any important committee chairmanship that suits his fancy.

(Continued on Page Five.)

Balked by Rising Tide of French Defensive Measures, Mussolini Forms New Plan To Put Before Chamberlain on His Visit Next Month

Paris, Dec. 29.—(AP)—Italy was reported in diplomatic circles today to have indicated she will seek to internationalize Tunisia to remove the territory from strict French control.

Apparently balked in any idea of winning territory for Italy by the rising tide of French defensive measures, Premier Mussolini was reported in usually well informed circles to have formulated a new plan for presentation to Premier Chamberlain when the latter visits Rome next month.

Sources close to the foreign office said simultaneously Premier Chamberlain had promised to keep the French-Italian fight over Djibouti off the agenda when he visits Rome. The British premier also was said to have promised to back up a French stand against transferring any territory to Italy. Nevertheless, it was foreseen that he would have a difficult time avoiding discussion on the status of Tunisia, which is inextricably bound up with any discussion of Mediterranean problems.

French thought that Premier Mussolini's approach to Chamberlain will be based on the thesis that Tunisia is legally an independent country under French protection, and that the Bey of Tunis is the independent sovereign. The Italian argument might be that France had received an international mandate to protect Tunisia and that she had abused that duty.

ROBESON MAN DIES OF LONG EXPOSURE

Lumerton, Dec. 29.—(AP)—North Carolina's first death from exposure this winter was reported here today. Coroner D. W. Biggs, of Robeson county, said Wilton Baker, 23, found dead yesterday in a field several miles from his home here, had frozen to death.

Baker, who had been missing a week, apparently had been dead for several days, the coroner said. Funeral services were held today.

Old Age Issue Might Explode In Assembly

Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Dec. 29.—There is a strange—perhaps it's ominous—quiet and a noticeable lack of pep, interest and enthusiasm in any revision or re-vamping of North Carolina's old age pension system during the coming session of the General Assembly.

This is in such marked contrast to existing conditions in other states, and in the Federal Congress, as to suggest that it's one of those volcanic issues which smoulder and smoke along quite sluggishly until all of a sudden the top blows off with a loud and boisterous bang.

In short, there are all the potentialities for a good, old-fashioned knock-down and drag-out battle if ever the legislators get into the notion to start one.

Supposing, for instance, that some fellow gets an idea that payments in North Carolina are entirely too low, he can toss a grenade of staggering and startling statistics to prove that,

(Continued on Page Eight.)

Representative Nicholson Of Franklin Dies

Franklinton, Dec. 29.—(AP)—C. T. Nicholson, 62, representative-elect from Franklin county, died suddenly this morning in his automobile while enroute to Raleigh from his home near here.

Nicholson was being driven by his daughter, Miss Rebecca Nicholson. He became ill at a filling station, and was dead when brought here. Physicians said he died of heart failure.

Funeral services will be held at Franklinton at 3 o'clock tomorrow afternoon.

Surviving are the widow, the former Miss Junie Gowder, of Clayton; three daughters, Rebecca, Evelyn and Betty, and a son, Edwin, as well as three sisters, Miss Evelyn Nicholson and Mrs. G. C. Mitchner, of Franklinton, and Mrs. T. F. Gill, of Blackstone, Va.