TWENTY-FIFTH YEAR

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# NER WORKING FOR LOCAL WPA B

Babson Sees Coming Year Best Since 1929 Connections

## **Above 1938** Is Forecast

Jobs, Wages, Retail Sales. Stocks and Even Farm Prices Should Make Good-Sized Advances; No Is Expected.

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

Babson Park, Mass., Dec. 30 .- Total ess by the end of 1939 will be as od as-perhaps even better thanyear-end since 1929. There may riods when business will mark but the average volume for the will be around 20 per cent above he 1938 level. Jobs, wages, retail sales, stocks, and even farm prices hould all chalk up good-sized gains. is even possible that the sharp eaks of early 1937 will be toppedthis is a pretty long shot. Conering all facts, I forecast that 1939 will be a year of moderate prosperity. There are no "hedges" tacked on my forecast as there were in several years past. In 1937, I feared that the sit-downers would upset the applecart. A year ago, Washington's inertia worried me. But today, I can see no the tides of recovery should not carry us vigorously forward-peprhaps even to new highs tinuation of the uptrend which began more than a temporary, but sharp, erruption of the upward swing.

I emphasize this bit of "back hisfory" because I believe it has an important bearing on confidence at the moment. Millions of people-as we get further and further away from 1929 look upon that year as setting a ouched. As a result of the sharp upsand-downs of the past decade, they have come to believe that hard times that total repeal is advisable. are now normal times in America. I disagree. I think that these people

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#### Speakership Sought For Its Prestige

Daily Dispatch Bureau. In the Sir Walter Hotel. Raleigh, Dec. 30.—As Libby Ward, Victor Bryant and Bill Fenner enter the home stretch of the hottest speak. ership race in several General Assembly sessions, the man in the street quite naturally wonders what all the shooting is about and why the air is being rent with fulminations, claims

and protestations. To the initiated, however, there is no mystery whatever. They are completely aware that the post packs more prestige, power, perquisites and possibilities of political preeminence

(Continued on Page Two.)

## 20 Pct. Gain BABSON'S FORECAST FOR 1939 French Refusal To Mediate

CONGRESS: LABOR: LIVING COSTS: BUILDING:

REAL ESTATE:

SECURITIES:

FOREIGN:

SUMMARY:

Twenty Per Cent Gain Over 1938 Gradual Upturn With Second Half Best Relief from New Anti-Business Legislation Moderate Increases From Current Lows Produce Prices To Rise; Income Higher More Jobs, Steady Wages, Increased Strikes RETAIL TRADE: Ten Per Cent Gain; Price-Tags Marked Up Food, Clothing To Lead Five Per Cent Rise Major Prop To 1939 Gains In All Industries Rends Steady; Values, Activity Higher Stocks and Medium-Grade Bonds To Advance No War For U. S., England, or France 1939 To Be Far Better Year Than 1938

## Disturbing Legislation State Elections Board Urges Absentee Repeal

Practically Unanimous Approval of Board Given by Adding Alternative of Entirely New Absentee Law if Repeal Is Withheld by Assembly

> Daily Dispatch Bureau. In the Sir Walter Hotel. BY HENRY AVERILL.

Raleigh, Dec. 30.-The State Board of Elections will late this afternoon release its recommendation to the governor and General Assembly that the North Carolina absentee ballot since 1929! This will merely be a con- law be completely repealed. At least all signs point that way, although no 1932. Frankly, I do not consider official information about the report, the 1937-1938 Recession as anything or its contents, could be secured by your correspondent.

The report will also include an alternative to complete repeal and minor recommendations regarding

Practically complete accord of the five board members for this recommendation was secured by adding an alternative recommending an entirely ecord which can never again be new absentee law to replace the existing one if the General Assembly does not concur with the elections board

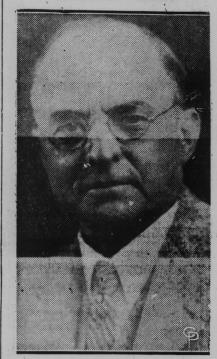
Vote of the State board on com-(Continued on Page Three.)

#### Governor To **Order Vote** In Franklin

Raleigh, Dec. 30.—(AP)—Governor Hoey received a formal request today from Franklin county officials to call a special election to elect a representative to the 1939 House of Representatives to succeed Representativeelect C. T. Nicholson, who died sud-

denly yesterday. The governor said he would set the election for the earliest possible day after conferring late this afternoon In Gaston county, a special election will be held tomorrow to name a successor to N. B. Kendrick, who died

#### Invisible Glass



The center portion of the glass covering this portrait of Dr. W. R. Whitney, General Electric vice president, has been treated with a new chemical coating that makes the glass invisible, glareless and 99 per cent efficient in transmission of light. The varnish was invented by Dr. Katherine B. Blodgett in the G. E. laboratories at Schenec-tady, N. Y.

#### Think Ward **Leading For** Speakership

Raleigh, Dec. 30.—(AP)—Rolling down the home stretch, the three-cornered fight for the speakership of the 1939 House of Representatives got more attention today than almost any with Attorney General Harry McMullen on the legal requirements. The legislature will convene Wednesday. weight, D. L. Ward, of New Bern, was either in the lead or fast gaining ground in his race against Victor Bryant, of Durham, and William E. Fenner, of Rocky Mount.

At least two veteran legislators who said they had not previously committed themselves let it be known they intended to back Ward or Fenner and they had been regarded by observers as probable Bryant supporters.
Some observers flatly predicted
Ward would win. Others continued to forecast Bryant would emerge on top. There were others who said Fenner was gaining ground and stood an ex-

#### cellent chance to win. Coast Line Man Found Dead Upon

Rocky Mount, Dec. 30.—(AP)—The body of M. K. Holden, 43, car oiler and packer on the Atlantic Coast Line railroad yards here, was found badly mangled on the main line track early today. While railroad officials generally presumed he was accidentally run over by a train, they were unable

Dr. J. G. Raby, Edgecombe county coroner, was enroute here from Tarboro to conduct an investigation. Holden, who lived near here, had been

## Draws Fresh Italian Attack

France's Attitude Toward Italy's "Natural Aspirations" Called Biggest Obstacle To Peace; France Seeks Military Rights In Syria

Rome, Dec. 30.-(AP)-France's refusal to have Prime Minister Chamberlain of Britain mediate the French-Italian territorial fight brought a new barrage of fascist attacks today. The attitude of France toward Italy's "natural aspirations," the newspaper Il Messaggero said, was "greatest obstacle" in the path of European pacification. The press indicated that Italy regarded Chamberlain's January 11 visit as an opportune occasion for discussion of her territorial demands and might bring the subject up regardless of the French attitude.

Says France Fears Conference Il Massaggero openly d.scussed the possibility of a conference similar to the Munich meeting, declaring that 'evidently the spectre of a new fourpower conference—because Germany would take part in it—disturbs France's repose

The paper attributed France's reluctance to have Chamberlain take up the matter to the French feeling that the "problem of relations between Italy and France no longer is a question of rights but rather a loss of prestige."

FRANCE SEEKS FURTHER CONCESSIONS BY SYRIA Paris, Dec. 30.-(AP)-Parliamen-

tary deputies said today France would ask military concessions from Syria in a new French-Syrian agreement se of uncertainty created by Italian colonial agitation.

The new agreement would be a sub stitute for the 1936 treaty granting Syria independence, and release from the French mandate. Syria ratified

(Continued on Page Three.)

#### Official Vote In Tobacco Balloting Given By Wallace

Washington, Dec. 30.—(AP)— Secretary Wallace announced to-day the official vote by which growers of flue-cured tobacco rejected marketing quotas on next year's crop in a referendum held December 10, The results gave 132,460 votes for quotas and 100,933 against. The crop control law under which the referendum was held required that quotas, to be operative must be approved by two thirds of those voting.

The proposed national marketing quota was 754,000,000 pounds.
The vote by states included:
North Carolina, 88,222 for and 65,-853 against; percent for, 57.3.

## Government Destroyer Loses Fight

Loyalist Warship Beached Trying To Run Insurgent Blockade Off Gibraltar

dash for freedom through blazing guns of Spanish insurgent warships and shore batteries ended in failure ership of same. But supposing that for a lone government destroyer to Rocky Mt. Yards for a lone government destroyer tostartled Gibraltar itself.

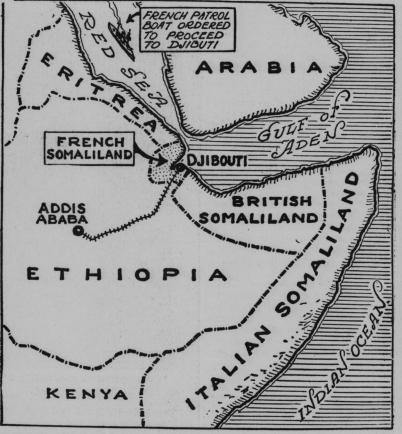
The Jose Luis Diev, a virtual prisoner here since August, attempted to sneak through a gauntlet of lurking insurgent ships in the pitch darkness of early morning. But destructive fire of her alert enemy forced her

(Continued on Page Two.)

#### WEATHER

FOR NORTH CAROLINA. Generally fair, slightly colder night; Saturday increasing cloudiness, probably followed by snow by night,

#### Scene of War Scare



French troops have been reported on the march to reinforce the border army in Somaliland, as Italy masses its forces just across the line in its new Ethiopian colony. The French warship D'Iberville is steaming through the Red Sea for the scene of the crisis, which arose from Italian claims to Djibouti, Gulf of Aden coaling station and terminus of the French-owned railroad to Addis Ababa, Ethiopian capital.

#### Warm Sun Thaws Icy State Roads

Raleigh, Dec. 30.—(AP)—Rising temperatures thawed out frozen highways and bridges in central North Carolina today and a bright sun dried them off quickly. W. Vance Baise, chief highway

engineer, said his reports indicated all highways had been cleared of slippery ice except in some mountainous sections. Sleet and freezing rain coated hundreds of miles of roadway yesterday.

Utilities companies here said damage from the ice glaze was

### **WPA** Inquiry To Embarrass Mr. Hopkins

By CHARLES P. STEWART Central Press Columnist Washington, Dec. 30.-Harry Hopkins is tackling plenty of difficulties in his new post as secretary of

commerce. To begin with, his apmore than been anbegan to be hinted that he might find trouble in getting himself confirmed by the Senate. Regardless of the merident Roosevelt's se-

Harry Hopkins lection of him for a

cabinet berth by no means was unanimously popular. Moreover, it has been common talk that he had to have a cabinet portfolio in order to get him out of the Gibraltar, Dec. 30.—(AP)—A daring WPA picture when Congress starts investigating charges of improper politics in said WPA during his rul-

> (Continued on Page Five.) **GERMANY OBSERVES** PART OF NAVY PACT

Berlin, Dec. 30.—(AP)— Germany notified Great Britain today of her intention to carry out certain rights for the drinks. granted her under the naval pacts by which German sea power is limited in proportion to that of the British Empire. Officials declined to disclose exactly what action the Nazi regime proposed to take regarding its navy but the matter was discussed today by high German officials and a British naval mission just arrived from

### Moderation In Weather Over North

More Intense Cold Is Forecast, However, for Northeast Section of Country

(By The Associated Press) Freezing weather prevailed today over most of the northern states, with the mercury near or below zero in many spots.

Weather observers promised a rise belt tomorrow, but said theré was no

prospect of very mild weather. A severe cold wave chilled Illinois Indiana and Michigan today. A mod-

erate cold wave rolled into Missouri and portions of New York. More intense cold was forecast for the northeastern section of the nation tonight. At least 12 persons died of exposure during the week of frigid weather. There was two exposure deaths each

(Continued on Page Three.)

#### U. S. Prepares For New Year tions, they just go to show that Pres-

(By The Associated Press) New Year's Eve all over the coun try will be the same old story—a cacophony of flatfoot flooging and Auld Lang Syne, a crazy mixture of revelry and reverie, with here and there a little departure from the familiar pattern. So it appeared today in a survey of

the nation's festive plans. For an evening out in this yearly prelude to headache, the price will run from \$15 per person in the Rainbow Room in New York to two bits a

head at the press club in Indianapolis the press club tariff embracing the cover charge, dancing and favors, the customers being obliged to pay extra

From almost everywhere a little of the easy-come-easy-go attitude was reported, and so it appeared that financially this would be the biggest thing of its kind since the old lush days of 1929.

New York, as usual, will lead the thing off with a million people celebrating more or less in public and several times that many at home.

## With WPA Objected To

Vice - President Clashes With Barkley's Proposal; Ickes Advises President \$1,547,769,-686 PWA Projects Have Been Contracted for Already

Washington, Dec. 30.—(AP)—Vice-President Garner was described authoritatively today as taking an active part in efforts to give local communities more control over expenditure of WPA funds.

Garner is understood to have told close associates that he believed the problem of keeping politics out of reief could be met at least in part, by setting up non-partisan boards in each county. These boards would examine complaints of political use of relief money or discrimination against reief applicants.

He has told his friends, it was learned, that these boards should be purely ocal agencies, appointed by local officials, entirely free from WPA conrol. This view, differs sharply from that of Senator Barkley, Democrat. Kentucky, who said yesterday he believed that if such boards were set up hey should be appointed by the

After hearing of Barkley's statement, Garner conferred with Senator Byrnes, Democrat, South Carolina, loor manager for WFA appropriation

Ickes Reports on Spending. Other developments:

Secretary Ickes reported to Presilent Roosevelt that the PWA had put a \$1,547,769 686 program "completely under contract" in the last six months o the accompaniment of a "constantly accelerated recovery in business and industry."

The report went to the White House amid speculation that Mr. Roosevelt might support a movement among congressmen to make the PWA a permanent agency. The deadline for this year's program is tomorrow midnight.

(Continued on Page Five)

#### Lease Offers For A. & N. C. Considered

Goldsboro, Dec. 30.—(AP)—Directers of the State-controlled Atlantic and North Carolina railroad appointed committees today to consider proposals submitted for leasing the line and to recommend an equitable distribution of funds received in a settlement with the Norfolk Southern in temperatures for much of the cold railroad, former operator of the A. &

On the committee named to consider leasing proposals were appointed H. P. Crowell, president of the road; Shelby Anderson, of Wilson, Raymond Maxwell, of New Bern; George B. Folk, of Raleigh, and M. B. Fowler, of Durham. This committee was called to meet this aft rnoon. Proposals were submitted by H. P. Edwards, of Sanford, and Junius Page of Aberdeen, and associates. The details were not disclosed to the full meeting of directors.

The following were named to study distribution of the settlement assets among creditors: S. A. Hicks, of Sanford; Dr. J. Y. Joyner, of LaGrange, and William Dunn, of New Bern.

#### Germans Hint **Breaking Of** U.S. Relations

Berlin, Dec. 30.—(AP)—Germany's official news agency D. N. B. said today that hope for improved relations between the United States and Germany "lacks every foundation," so long as the Washington State Department de-fends Secretary of the Interior

A statement issued by the agencyand considered in some quarters as Chancellor Hitler's word to Washingon—asserted:

"The minister of the interior of the United States Ickes delivered a speech before the Zionist society in Cleveland shortly before Christmas in which, in connection with thrusts at the third Reich, he attacked its leadership in an unwarrantable manner. "The German charge d'affaires in

(Continued on Page Three)

#### 1939 With Some Optimism New York, Dec. 30.—(AP)—Ameri-jour own salvation in a changing and can business leaders today expressed turbulent world." a general, though comparatively restrained belief that the year 1939

Business Leaders Await

will witness improved economic conditions in the United States. Throughout most of their predictions, however, ran a note of uncer-

trouble overseas. chairman of the board of Radio Cor- may be spasmodic and irregular, but Major General James G. Harbord, poration of America, summed up the majority of opinion with the state-

"If one fact has emerged from the welter of terror and brutality which tinues the pending-lending program." has submerged vast portions of the world during the past year, it is that cans. Conditions elsewhere are stead- may go ten to twenty percent highily strengthening our appreciation of er, due to the sheer force of cheap which we may change anything that hand, stock prices may go lower una majority of us do not like. We are der the impact of some new foreign employed by the railroad for about slowly but very surely working out crisis.

Optimism for the future was expressed by C. M. Chester, chairman of General Foods Corporation, who

"Employment in many industries will be helped by the food industry in tainty as to the possible effects of 1939 as it was in 1938. Probably we are on the verge of a period of general economic improvement. This the long range view seems hopeful."

near present levels if Congress con-

Lawrence Dennis, Wall Street economist, said "business should continue

Americans are lucky to be Ameri- next year's earning prospects, they Our own form of government, under and redundant money. On the other