

# BRITAIN AND FRANCE RECOGNIZE FRANCO

## Supreme Court Condemns Sitdown Strike Weapon

### 3 Decisions Go Against Labor Board

#### Court Holds Employees Had Right To Strike but not To Seize Property of Employers; Hughes, Roberts and Stone Deliver Court's Opinion

Washington, Feb. 27.—(AP)—The Supreme Court today condemned the action of employees who seized their employers' plants in a sitdown strike.

The decision by Chief Justice Hughes upheld the right of the Faisel Metallurgical Corporation to discharge employees who seized two buildings of the plant in a 1937 sitdown strike.

This was the third major decision delivered today by the high tribunal against orders by the National Labor Relations Board. The three were the first important defeats administered to the board since enactment of the Wagner labor law in 1935.

"The employees," Chief Justice Hughes asserted, "had the right to strike, but they had no license to commit acts of violence or to seize their employers' plants. To justify such conduct because of the existence of labor dispute or of an unfair labor practice, would be to put a premium on resort to force instead of legal remedies and to subvert the principles of law and order which lie at the foundations of society."

The two other labor opinions were delivered by Justices Stone and Roberts.

In the decision by Justice Stone, the court set aside an order by the National Labor Relations Board directing reinstatement of striking employees of the Columbian Enameling & Stamping Company, Inc., of Terre Haute, Ind.

(Continued on Page Five)

### Kerr Ban On Tobacco Seed Export Gains

Washington, Feb. 27.—(AP)—Representative Burch, Democrat, Virginia, reported today he and Representative Kerr, Democrat, North Carolina, had held a satisfactory conference with State Department officials in the interest of Kerr's bill to prohibit exports of tobacco seed.

The bill has been opposed by the State Department on the ground it might complicate the trade agreement program.

Burch said the department agreed to re-examine the proposal in the light of all the facts, and that he hoped a "common meeting ground" could be reached at further conferences.

Proponents of the measure contend it would be of value in reducing competition in domestic markets from foreign tobaccos.

### Finance Committee Now At Sea On New Revenue

#### Virtually Complete Demoralization of This Group Is Outstanding Incident of Past Week; Nerves Becoming Taut

Daily Dispatch Bureau, In the Sir Walter Hotel.

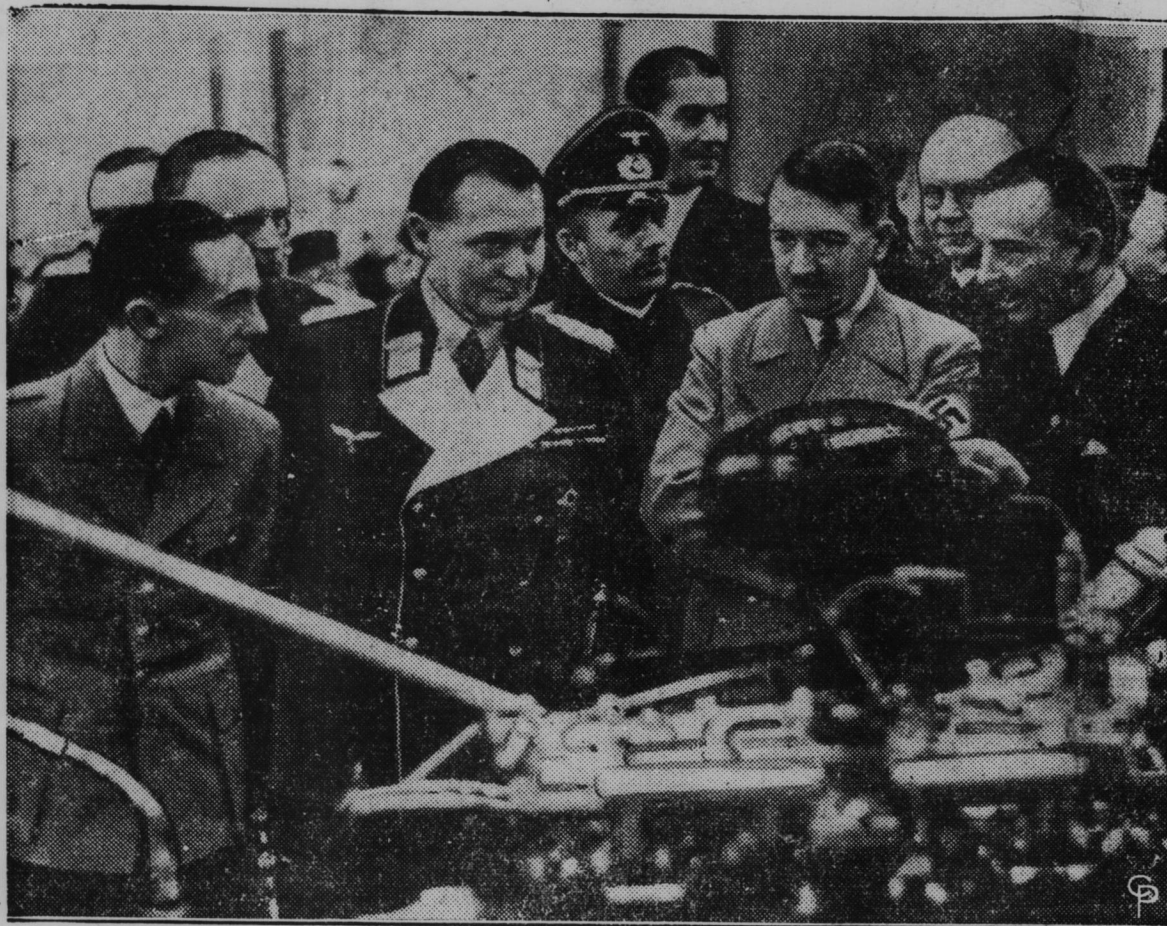
By LYNNE NISBET.

Raleigh, Feb. 27.—About the only progress made in the joint finance committee search for revenue last week was in the direction of increase friction and frayed tempers within the committee. Almost no new money was located, and when the committee adjourned for the week it left the big hall in the revenue building clouded with both cigar and sulphurous smoke.

The final minutes of the joint meeting had been occupied by a vigorous and sometimes profane tirade by Chairman Bill Fenner, of the House branch, who was presiding.

The boys had listened for an hour

### Nazis 1, 2, 3 Boost German Autos



Reichsfuehrer Adolf Hitler (second from right) wearing a pensive expression, inspects an engine at a Berlin auto show, which he opened. With him are Nazis No. 2 and 3: Joseph Goebbels (left) and Field Marshal Herman Wilhelm Goering, who are said to be "on the outs." This is first picture together of Goering and Goebbels since the reported beating of the propaganda minister.

### First Major Engagement In War Game

#### Roosevelt Watches As Black and White Fleets Press Their Sea Maneuvers

Miami, Fla. 27.—(AP)—The first major engagement between the main bodies of the "black" and "white" fleets engaged in continental defense maneuvers was due to take place in the Atlantic today, said a radio dispatch from the cruiser Houston.

The message, made public at temporary White House headquarters here, said the Houston, with President Roosevelt aboard, joined the principal forces of the "black" yeferendy fleet for the first time yesterday north of Puerto Rico.

The dispatch from the President's naval aide, Captain Daniel Callaghan, referred to him as the "commander-in-chief of the army and navy."

Should the high point of the war games be reached today, as forecast, the president, Admiral William Leahy, chief of naval operations, who also is on the Houston, and Admiral C. C. Bloch, commander-in-chief of the United States fleet and war games umpire, will meet off Culebra, small Caribbean island 30 miles southeast of Puerto Rico, tomorrow to discuss the lessons gained.

### 50-Year Rainfall Record Is Broken

Raleigh, Feb. 27.—(AP)—Heavy rain over the week-end broke a 50-year record for rainfall in February here. Lee A. Denson, director of the Weather Bureau, said today.

Precipitation of 1.69 inches Saturday and Sunday, Denson said, brought the month's total here to 8.54 inches, or 4.70 inches above normal, and 1.06 inches above the February record set in 1899.

With more rain forecast for tonight and tomorrow, the heavy fall has brought rises in the Neuse, Tar, Cape Fear and Roanoke rivers, Denson said. Forecasts as to whether the streams will leave their banks are expected later.

### Sen. Pittman Getting U. S. In Hot Water

By CHARLES P. STEWART  
Central Press Columnist

Washington, Feb. 27.—Chairman Key Pittman of the Senate Foreign Relations Committee is being quite severely raked over the coals by spokesmen in both houses of Congress for giving so many so-called "war ringtons" to the totalitarian powers. Nor do these criticisms come solely from Republican sources.

Plenty of Democratic legislators join in them, and some of the adverse Democrats are New Dealers. Pittman isn't getting an overly good press, either; not even from his own party's newspapers.

The administration's Pan-American defense program is as non-partisanly supported as any policy within the recollection of the oldest Washington observers. Confirmed pacifists join in endorsing it. They agree that inadequate preparation seems likelier to involve a country in war than an excess of it. Even such 100 percent peace-lovers as Republican Senator Gerald P. Nye and Democratic Representative Louis Ludlow appear to recognize that a nation which is loaded for bear is apt to be steered rather clear of ursine varnishes on the prong for easy picking.

True, some experts have said: "Let's not augment our aviation force too rapidly. Aviation is developing so fast that, if we do all our plane-building next year, our entire air fleet will be drifting into obsolescence the year after that. In order to keep up to date, we'd do better to string it out a bit more slowly than that."

There also are authorities who ar-



Key Pittman

(Continued on Page Four)

### Might Unite All of State Institutions

#### Legislature Soon To Get Resolution Authorizing Study of Proposal; Governor Hoey Favors Move and He Has Endorsed Idea

Raleigh, Feb. 27.—(AP)—Governor Hoey said today he expected a resolution would be introduced in the legislature shortly to provide for a study of possible coordination of all State-supported institutions of higher education.

The resolution would, if it follows the advice to the governor in his biennial message, continue in office the commission "now headed by Julian Miller, of Charlotte, which has been studying the entire field of education under a 1937 legislative authorization.

The commission would look into the possibility of putting all State-supported educational institutions under one central authority, probably to be designated as chancellor, with presidents of the various units which now operate independently.

Teacher colleges, Indian normal schools, Negro colleges and the University of North Carolina, all would be studied by the commission, with a view to eliminating duplication work.

The controversial election reform bill, abolishing absentee voting in primaries and tightening the restrictions, will come up as a special order in the House tonight.

### HERE IS ONE MAN WHO REFUSES MONEY

Winston-Salem, Feb. 27.—It's not often a person is found who refuses money, but such a case has been uncovered in Forsyth county, says S. R. Mitchiner, assistant farm agent.

W. B. Stafford, Route 4, this city, has just refused his benefit check for participation in the voluntary agricultural conservation program.

Explaining his action, he said: "I don't want the government to pay me for something I should do anyway."

### WEATHER FOR NORTH CAROLINA.

Occasional rain tonight and Tuesday; slightly warmer in the mountains and interior of east portion tonight and in central portion Tuesday.

### Quick Rearmament Is Urgent, Sheppard Tells U. S. Senate

#### Island Possessions Must Be Defended To Avert Menace to Continental United States, Military Chairman Declares, Opening Debate

Washington, Feb. 27.—(AP)—Chairman Sheppard, Democrat Texas of the military committee, told the Senate today that "the hostile attitudes of certain dictator-controlled and imperialistic nations" make necessary an "immediate expansion" of the nation's armed forces.

Starting debate on the administration's \$358,000,000 army and air corps expansion bill, Sheppard said his view was based on President Roosevelt's recent message to Congress. Sheppard told the Senate that "we cannot draw a line around the sea and land frontiers of the United States and say that this is what we will defend. It is not so simple as that. The Panama Canal, Hawaii, Puerto Rico and Alaska are vital links in our defense chain."

"There can be no withdrawal from

### Hines Starts Maneuvers To Escape Prison Term

#### At Least Short Time in Penitentiary Is Preferable to Convicted Tammany Leader in Numbers Racket; One Judge Also Under Fire

New York, Feb. 27.—(AP)—Legal maneuvers were in the making today to stave off a possible long-term prison sentence for Tammany District Leader James J. Hines, whose conviction Saturday of selling political protection to a numbers racket also threatened to unseat a Tammany magistrate.

Apparently ignoring Mayor F. H. LaGuardia's ultimatum that he resign or face impeachment, Magistrate Huion Capshaw declared that he would welcome an investigation by the appellate division of Supreme Court, to which his case would go.

An appointee of two Tammany mayors, Capshaw was accused by District Attorney Thomas E. Dewey of having dismissed policy cases against henchmen of the slain Dutch Schultz at the behest of Hines, convicted of partnership with the erstwhile public enemy No. 1.

Although he admitted under cross-examination that he made an "error" in an earlier version of a policy trial, Capshaw denied at Hines' trial that he had been improperly influenced by Tammany chieftain as charged by Dewey in a bill of particulars last summer.

Lloyd Paul Stryker, defense counsel, planned to confer with Hines, stumped and weary after the verdict of the jury which convicted him on all thirteen counts of a lottery indictment carrying a maximum penalty of 27 years in prison.

### New Terror In Palestine Fatal to 26

Haifa, Palestine, Feb. 27.—(AP)—Soldiers and police were ordered into a state of alert throughout Palestine today as a new wave of Arab-Jew terrorism, coinciding with a deadlock in the London conference on the Holy Land, brought death to 26 and injuries to 49 persons over the week-end.

Three bomb explosions at the Haifa Jewish market and railroad station left 20 known killed and 37 wounded. In Jerusalem three Arabs were killed by bombs and one Arab and one Jew were slain by snipers. At Jaffa bursting land mines killed one Arab and wounded four.

These disorders brought the casualty toll since the London peace conference opened February 7 to about 130.

Both here and in Jerusalem police searched damaged buildings and shattered vegetable trucks for bomb fragments likely to give a clue to those responsible for the explosions.

In London, United States Ambassador Joseph P. Kennedy told the British government that drastic restriction of Jewish immigration into Palestine and the abolition of the British mandate over the Holy Land would have a "disastrous effect on public opinion in the United States."

The ambassador saw Foreign Minister Viscount Halifax as Jewish delegates threatened to end a conference on the long standing Arab-Jewish controversy unless Great Britain changed a plan to make the Holy Land an Arab state allied with Britain, with Jews there relegated to minority status. It was understood that Kennedy discussed the sit-

### Indictments Of 4 Earle Men Urged

Harrisburg, Pa., Feb. 27.—(AP)—Indictment of four members of former Governor George H. Earle's cabinet and others affiliated with his Democratic administration was recommended today by a special grand jury which investigated charges of conspiracy to defraud the Commonwealth of Pennsylvania.

Cabinet members named in the presentment on charges of fraud and payroll padding in the highway department, "blackmail" of State employees for political contributions and misuse of surety bonds on State construction contracts were:

David Lawrence, Democratic State chairman and former secretary of the commonwealth, previously indicted on charges of conspiracy to defraud the commonwealth and violation of the election laws.

Ralph Bashore, secretary of the Democratic State Committee, and former secretary of labor and industry.

Roy Brownmiller, former secretary of highways.

The late Warren Vandyke, secre-

### Action Seen As Signs Of War's Close

#### Chamberlain Tells British Parliament Inurgent Chief Has Guaranteed Integrity of Spain Against Foreigners; Armistice Accepted

London, Feb. 27.—(AP)—Great Britain and France today formally recognized the nationalist rule of General Francisco Franco as the legal, sovereign government of Spain. Their action, pre-arranged to come together, was generally regarded as a sign that the Spanish civil war, which has kept Spain in arms for over 31 months, and Europe in fear of possible continental conflict, was approaching its close.

Announcing British recognition in the House of Commons, Prime Minister Chamberlain said he had noted "with satisfaction," that Franco had pledged Spain to preserve her "traditional independence."

### FLEDGE OF INDEPENDENCE RECALLED BY CHAMBERLAIN

London, Feb. 27.—(AP)—Prime Minister Chamberlain announced in the House of Commons today the British government's decision to recognize the nationalist regime of Generalissimo Francisco Franco as the legal Spanish government. He said the formal action for recognition was taken today.

"It seems to the British government impossible to regard the Spanish republican government, scattered as it was and no longer exercising settled authority, as the sovereign government of Spain," he said.

Cries of "shame" arose from the opposition as government supporters cheered the announcement that led to announce similar action following a cabinet meeting in Paris this afternoon.

Chamberlain, in his statement, added:

"The British government have noted with satisfaction the public statement of General Franco concerning his determination to secure the traditional independence of Spain."

In Paris, French Premier Daladier called his cabinet for the formal step toward establishment of diplomatic relations with Burgos.

Even with the promise of this joint British and French action, let alone its fulfillment, appeared to have pulled the last prop from under the tottering republican regime of Premier Juan Negrin.

Paris circles close to the Madrid

(Continued on Page Five)

### House G. O. P. To Challenge FDR's Power

Washington, Feb. 27.—(AP)—A committee of House Republicans recently organized its emergency powers swung its spotlight today on his authority to alter the dollar's value.

Representative Wilcott, Republican, Michigan, leader of the group, said his committee would attempt to analyze the President's monetary powers during a broad inquiry into the advisability of the United States "continuing to live under a managed economy."

Recommendations, Wilcott said, may be completed in time for presentation at a conference of House Republicans this week. Legislation to continue the power of the chief executive to revalue the dollar, which expires June 30, comes up for consideration this week before the House coinage committee.

Secretary Morgenthau has told an appropriations sub-committee that he hoped the President would be granted an extension of the devaluation authority, which he described as "one of the most useful weapons that the congress can place in the hands of the president to use in case of emergency."

Wilcott and some other Republicans argued that uncertainty in the minds of business men as to what use the government might make of the power leaves a contributing factor to production lags in many industries.

(Continued on Page Five)