TWENTY-SIXTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS

HENDERSON, N. C., FRIDAY AFTERNOON, MARCH 3, 1939

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

TREASURY ASKED FOR FEDERAL TAX S

Teacher Retirement And Power Project Bills In Assembly

State Would Help Teachers Build Pension Reserve; Little "TVA" Measure for Cape Fear Valley Sought; Part of Revenue Bill Adopted

Valley Authority to develop navigational and hydro-electric Facilities of the Cape Fear river.

Of age.

The measurements of the Cape Fear river.

permanent tax measure, which was It provides for the appointment of reported favorably by the finance a "public and corporate body" to committee last week. The tax bill, promote "water commerce, hydrodesigned to finance a record-setting electric power \$154,360,000 spending program dur-flood control." ing 1939-41, was considered section by section, in committee of the

sidered briefly an appropriations until the revenue bill has been approved.

gressional district and a chairman, all appointed by the governor.

The Senate adopted a resolution

The teachers retirement fund bill provides that the State and the teach

Raleigh, March 3.—(AP) — The House of Representatives today received bills to establish a retirement fund for public school teach- ers. Retirement would be optional ers, and to organize a Cape Fear at 60 and compulsory at 70 years

The Cape Fear Valley Authority the Cape Fear river.

The House then started work on a sentative McBryde, of Cumberland.

The principal office of the authority would be located in Fayetteville. The authority would be composed of Yesterday the representatives con eleven persons, and from each con-

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Forget Europe and Plug For More Business Here

Babson Sees American Public Getting Jittery Again About What Hitler and Mussolini May Do; Tend to Your Own Business, He Advises

BY ROGER W. BABSON

business men were terrified; investors dumped securities. We had a minor panic.

As a result, the sharp business recovery which started in June, 1938, August was almost snuffed out. It was well into mid-October before people stopped shaking and trembling over the straw war built up by hysterical press dispatches. The American public was fooled into thinking that the poker game going on in Europe

| would end up in a real war. Copyright 1939, Publishers Financial If the press services and radio bulletins had played up very opti-Babson Park, Fla., March 3.—The mistic and encouraging domestic war-scare of last September pulled news of the moment, as prominent-business up short throughout the ly as they played up this poker game. world. Ralio announcers, press dispatches, bulletin boards all screamon just as usual. In my thirty-five ed war. Retail trade slowed down; years' experience of business observing, I cannot recall a situation which was more over-played and over-emphasized tahn last September's war

Now, it looks like a repetition of and carried on through July and the Czech crisis could easily be reenacted. Today's news is filled with war rumors. Every move the dictators make is analysed and dramatized. The columnists are all broiled up radio commentators and frenzied over the United States armament plans and foreign policy. The public

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Money Bill Foes May Be Stifled Out

Used by Administraby Committees

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

big money bills just as they came the most far-reaching pieces of legisfrom committee are maneuvering lation porposed at this session. It procraftily with clear intent to stifle as vided for a State zoning commission, far as possible opposition from the and zoning commissions in each of

First strategic move to indicate this tions had to be approved by the State strategy was decision to take up and Planning Board, but with full authdispose of the revenue bill before ority to order removal of billboards, considering appropriations, this despite the fact that the spending bill repported out several days ahead of from 300 to 1,000 feet back from the the taxing measure, despite the fact that it has been printed and is in the hands of the representatives and despite the fact that there is no certainty when the revenue bill will be ready for consideration.

obvious. If the House passes the rev- from the home or field into a highenue bill about "as is", the leaders way. will be provided with a very fine spending bill through.

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Roadsides Bill Is Too **Dictatorial**

Daily Dispatch Bureau, In the Sir Walter Hotel. BY LYNN NESBET

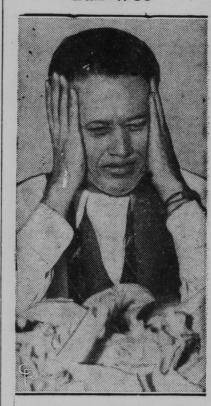
Raleigh, March 3.-Several members of the House Roads Committee boards, but they emphatically are not willing to give to a flock of new tion Group To Blud- commissions the power to make and geon Finance and law, and the power of life or death Spending Measures over two or three important industries in North Carolina. It was only Through as Reported by stretching parliamentary law governing legislative committee action that any part of the bill regulating

vertising, House Bill 375, introduced by Representative McClamroch and Raleigh, March 3.—Administration several emmbers, was shown up beleaders favoring passage of the two fore the committee a sbeing one of the 100 counties, whose recommenda-

highway. Not only that, but it would have required farmers and home owners this zoning board before they could Aim of this decision is completely build a private road or driveway

The title of the bill was intrigueclub with which to bludgeon the ing. The ostensible purpose of roadside beautification is admirable and If the appropriations bill should popular. Since the State is spending

(Continued on Page Four)



A Senator, too, must suffer when income tax time comes around, for he is no privileged character when Uncle Sam starts collecting. Senator Allen J. Ellender of Louisiana, is shown in his Washington office in the middle of his calculations.

FDR Back In Charleston FromVoyage

gress Tomorrow on Its 150th Anniversary

-The cruiser Houston, returning lay society. President Roosevelt from the South Atlantic war games, arrived at the navy yard here at 12:50 p. m., eastern standard time, about two hours ahead of schedule.

The President planned to remain aboard until late in the day, then go that of Leo XIII," and said: to his special train and leave between 7 and 8 p. m. for Washington. Escorted by the destroyer Warrington, the President's trim flagship steamed into Cooper river to the accompaniment of a 21-gun salute from Fort Moultrie.

Charleston, S. C., March 3.—(AP) -President Roosevelt was sailing up the South Atlantic coast for this port today, after a two weeks voyage that gave him opportunity to see firsthand how the United States would go about defending itself, and its sister republics from a South Atlantic attack.

The fact that the fleet maneuvers were uppermost in his mind and that Congress is now acting on his emer-Congress tomorrow.

The chief executive was due here on the cruiser Houston late this afternoon. He will entrain for Washington between 7 and 8 p. m. and arrive tomorrow morning

Before going to the Capitol for the oint memorial session around noon he will attend services at St. John's Episcopal church near the White House, in accordance with a custom

(Continued on Page Three)

mer weather for tomorrow.

ground.

Fair And Warmer Will

Follow Freezing Spell

early today, but Lee Denson, Raleigh of acres of lowland as the overflow weather man, forecast fair and war- moved slowly toward the sea.

The mercury started its nose dive SOUTH CAROLINA HIGHWAYS

shortly after dark yesterday in the wake of snow flurries that extended over most of the State. Generally Fed by the waters from new rains

the snow melted as soon as it hit the over the last 24 hours, flood-swollen

The lowest temperature here this to rise today and several highways

morning was 27 degrees. Low marks for some other cities during the 24-hour period which ended at 7:30 this 76 from Columbia to Sumter would

morning were: Asheville, 28; Char- probably remain closed for several

lotte, 29; Greensboro, 22 Hatteras, 42; days as parts of it were covered by

Meanwhile, flooded Eastern North swamps.

New Pope Begins His Duties By Appeal for World Peace

Asks Citizenship

Philippine resident commissioner to the U. S., J. M. Elizalde, appears

before the Senate committee on ter-

ritories and insular affairs in Wash-

ington. He pleaded that all Fili-

pinos in this country be allowed to become American citizens.

Gandhi Has

Started New

Masses Demands

Government Affairs

foreswore food in a hunger strike to

obtain administrative reforms for the

inhabitants of the tiny native state

the people a voice in the govern-

Even as the tottering Indian na-

tionalist leader and holy man began

his fast, serious communal rioting

The town of Rajkot lies in the in-

terior of a peninsula 110 miles west

of Cambay. It is famous for its dyes.

A crowd of spectators watched

irrevocable'

Gandhi's final preparation for the

hunger strike, which recalled his

three weeks fast in May, 1933, on be-

In three other fasts he went with-

out food for six days in September,

The little man chatted cheerfully

with his followers as he began an-other important day in his demon-

usual routine of massages and ablu-

tions, after which he looked at his

goat's milk just before the zero hour

half of India's untouchables.

week in August, 1934.

He said it would be a "fast unto

of Raikot.

"unconditional

In Rajkot Province

Goes on Air in Address to Christians All Over the Earth in Less Than 40 Hours After His Election Thursday; O'Connell Lauds Pius

Vatican City, March 3.—(AP)— Pius XII opened his potificate today with a strong plea for peace broad-cast to the entire Christian world. Speaking from the Sistine Chapel in Lenten, His Holiness called for peace with justice and understand-

So sudden and unexpected was the pontiff's decision to address the world less than 40 hours after his election yesterday that even Vatican authorities were not prepared for it, but an Italian summary was broadcast by government radio.

Pope Pius appealed for peace, which he said, according to this summary "we all must andently desire

mary, "we all must ardently desire, peace joined with justice and charity peace in the family, within nations and in all men, peace which sig-nifies mutual understanding and cordial collaboration." Like his predecessor, Pius XI, Pius

XII made peace the keynote of his policy, saying the first message of the vicar of Christ must be one of

"May God reward those who invoke it, who desire it with pure hearts and who pray for it, and hasten it," he said.

His Holiness began his five-minute message with an expression of profound emotion for the "inscutible purpose of God" which resulted in his election. He thanked the sacred college of cardinals, of which he was Will Leave by Train
Tonight for Washington, To Speak to Con
College of cardinals, of which he was until yesterday a member—Eugenio Cardinal Pacelli—for having consided him worthy of the heavy responsibility, and he expressed the wish his members would be faithful and ready advisors.

Then he sent greetings to all members of the episcopate and to all who work throughout the world to "pro-Charleston, S. C., March 3.—(AP) pagate the divine word" to the priest hood, missions and Catholic actions

William Cardinal O'Connell, archbishop of Boston, summed up almost universal acclaim for the grave, scholarly pontiff. Speaking with earnest enthusiasm, Cardinal O'Connell predicted for Pope Pius "a remarkable pontificate—something like

"The holy father is truly a beautiful character, a man of great intelligence and wide experience. He is humble and he is clever. He possesses great force and great restraint. He truly may be said to be a living saint. That is something of great importance in these troublous times.'

Trade Buying Lifts Cotton

New York, March 3.—(AP)-Cotton futures opened one to four points gency defense proposals, while debat higher on trade and foreign buying. ing foreign policies in general, gave New Orleans, Bombay and the South rise to speculation among members sold, and there was some hedge sellof his party here that he may touch upon world affairs in his speech to the 150th anniversary session of Congress to the control of the contr gain of two at 8.62, off a point from the best. Around midday the market was up two to four points.

HIGH WATER STOPS SCHOOL IN DUPLIN

ARE CLOSED BY FLOODS

streams of South Carolina continued

the overflow from the Wateree river

Kenansville, March 3.(AP)-O. P. Johnson, superintendent, said today goat's milk just before the zero h flood waters from Muddy Creek and of his hunger strike ultimatum. Northeast river forced closing of the Chinquapin school in Duplin county

Charlotte Garage Blast Kills Worker

Charlotte, March 3.—(AP)— An explosion in the repair shop of Pettit Raleigh, March 3.—(AP)—Tem-| Carolina rivers, which left their Motor Company here today killed peratures over most of North Caro- banks during record-setting rain last one workman and slightly hurt sevlina dropped below the freezing mark month, continued to cover thousands eral others. A police report attributed the blast

to a 15-pound air compressor. The man killed was Roy Byrd. Officials of the company said experts were called to examine the wrecked compressor to see if they could find a clue to the cause of the

FOR NORTH CAROLINA. Fair and not so cold tonight; Saturday partly cloudy and war-

Hotel Ruins Searched For **More Bodies**

Halifax, N. S., March 3. (Canadian Press)—Firemen probed ice-conted ruins of the Queen hotel today to determine the loss of life in the early morning fire yesterday which trap-ped sleeping guests as it swept the hotel and destroyed two adjoining structures. Police said 25 persons were missing and expressed fear even more had lost their lives in the

Four unidentified bodies were removed from the ruins. Dr. F. V. Woodbury, city medical

examiner, said police had removed three additional bodies from the ruins today. He appealed for dentists to aid him in identifying the charred bodies by means of their dental

In hospitals were 20 injured, including two firemen. The fire forced many guests to jump from windows of the blazing wood and stucco hotel. The hotel register, only exact record of the hotel's guests, was buried in a safe under tons of debris.

Working with city police, J. A. Rudland, Nova Scotia fire marshal,

began an inquiry into the cause of the blaze, which caused damage estimated at \$800,000. Hotel employes were questioned last night, but their statements were not disclosed.

JOE DIMAGGIO GETS PAY HIKE FOR 1939

Hunger Test today that Joe DiMaggio had signed his 1989 contract. While no figures were given, it is believed DiMaggio signed for \$28,000, a \$2,000 increase over his 1938 salary. Frail Leager of India's

Voice for People in Madrid Revolt Reported By Rajkot, India, March 3.—(AP)— Monhandas K. Gandhi sipped a cup of hot goat's milk today and then

Avilla, Spain, March 3.—(AP)— The Spanish nationalists have re-ceived reports that republican political leaders opposed to Premier death," unless the native rulers gave Negrin are attempting to form a new government in Madrid.

conditional surrender, which General Franco has demanded as an alterbrought death to two persons in Lucknow, 700 miles from Rajkot. anationalist offensive a- Means Committee on propose changes in the social security law. zone. The leaders of the so-called Dr. Frank Graham, president of the University of North Carolina, adzone. The leaders of the so-called opposed to communists, which form resent a large part of Madrid's popuimmediate surrender.

Large Army Bill Passed House Vote

Harrison and Doughton Call on Morgenthau To Back Up Recent Statements: Dr. Graham Pleads for Federal Funds To Help Education

Washington, March 3.—(AP)—The House, with almost unprecedented unanimity and speed, passed and sent to the Senate today a \$499,000,-000 army appropriation bill, carrying funds to start a proposed expansion of the air corps.

There was no record vote. Meantime, chairmen of the Senate and House tax committees called on the Treasury to submit recommendations for revising taxes which "act as a deterrent to business." Chairman Harrison, Democrat, Mississippi, of the Senate Finance Committee, and Chairman Doughton, Democrat, North Carolina, of the House Ways and Means Committee, advised Secretary Morgenthau that their members were in sympathy with the administration's view to

helping business. They wrote: "We appreciate that it is the inten-tion of the Treasury to make no rec-ommendations to the Congress concerning the Federal tax structure until after the March 15, 1939, tax returns are received and examined. As chairmen of the respective committees having to do with the subject of taxation in the Congress, and believing that we express the sentiment St. Petersburg, Fla., March 3.—
(AP)—Manager Joe McCarthy, of the New York Yankees, announced the New York Yankees, announced been received and examined the state of the New York Yankees, announced been received and examined the state of the New York Yankees, announced been received and examined the state of the New York Yankees, announced been received and examined the state of the New York Yankees, announced been received and examined the New York Yankees, announced been received and examined the New York Yankees, announced been received and examined the New York Yankees, announced been received and examined the New York Yankees, announced been received and examined the New York Yankees, announced been received and the New York Yankees, and the New Yankees, and the New York Yankees, and the New Yankees, a been received and examined, the views and recommendations of the Treasury Department relating to any provisions of the tax laws, which, in your judgment, act as a deterrent to business, and which, in your opinion, come within the scope of the statements to which we have ref

Harrison, in a statement yesterday, called for a "radical" curtailment of government spending as a means of encouraging business. Government economy was not mentioned in today's letter, however.

Another development, viewed as relating to government-business cooperation, was the appointment by Secretary Hopkins of General Robert E. Wood, chairman of Sears, Roebuck & Company, as the secretary's advisor on business relations. Wood will serve for about four months. Other developments:

Dr. Douglas Brown, of Princeton overnment in Madrid. University, chairman of the Social The nationalists regard this situa- Security Advisory Council, warned tion as holding the possibility of un- Congress that "free pensions" for the aged might lead to regimentation. He testified to the House Ways and native to a nationalist offensive a- Means Committee on proposed

vised a Senate committee that the much of Negrin's support, and to rep- United States had failed to carry out "the American system" in supporting lation, which nationalists say have its public schools. Noting federal been resulting in calls for bread or support for defense, highways, health, agriculture and social se-Reports of mass desertions are also curity, he urged passage of a bill proreported despite the attempts to pre- viding more than \$800,000,000 in the out food for six days in September, vent the citizens from going to na1932, a week in August, 1933, and a tional siege lines around the city.

vantage; the Democrats are mightily

lace; the New Dealers on Garner or

hard up for a good 1940 candidate.

with his followers as he began another important day in his demonstrative career. First there was his strative career and ablustrative of massages and ablustrati mail. Shortly before noon he took his last meal, wholewheat bread, to-matoes, cooked vegetables and oranges, and finally a cup of hot

By CHARLES P. STEWART Central Press Columnist Washington, March 3.—There's no denying it, Harry L. Hopkins looms more largely, day by day, on the political horizon, as a

1940 Democratic Senator Clark for the Old Dealers, possibility for the but the Old Dealers certainly would presidential nom- turn thumbs down on Ickes or Wal-Of course, I Clark. Parenthetically, I'm assum-

don't contend that ing that President Roosevelt is out he stands much of the situation for a third term, chance of getting it which I believe now to be assured. -not from present

This is quite an improvement in so

short a time. If Harry can keep it

up, he should be fairly formidable a

year hence. The best guessing is that

he can't. Yet he does have one ad-

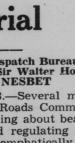
All this being the case, if the Demindications. Still, ocrats split, pro and anti New Dealhe seems a bit less er-ishly, the Republicans will have a corking good break to win. impossible than he Hopkins a Compromise.
What the Democrats need imperadid not so very long ago. As recently as when he was WPA boss all intelligent Washington commentators simply scoffed at the notion that his bid for the

White House was better than about 1,000-to-1. Now, as commerce secretary, he is rated as maybe 1 against 100.

tively is a good compromise leader. But they haven't one! No? How about Harry Hopkins? At this point I hear rancous laughter. Think of Harry Hopkins!—as a right-left compromise Well, wait!

The Republicans have no ripsnorting standard-bearer to offer, either. That is to say, their crowd doesn't suggest even a moderate liberal with any especial appeal. Their bunch is too extremely conservative

(Continued on Page Five)



desire to do something about beautienforce ordinances with the effect of roadside advertising was saved.

Admittedly aimed at billboard adfrom 300 to 1,000 feet back from the

be considered first, this sort of ar- a hundred thousand dollars a year