

## After White House Coal Parley



Leaving the White House in Washington after conference with President Roosevelt concerning the strike deadlock, are (left to right): John L. Lewis, C. I. O. head, negotiator for the coal miners; Secretary of Labor Perkins and James F. Dewey, labor department conciliator. The President demanded the mines be opened.

## Democratic Big Trades Are Talked

News and Observer May Support Administration Man for Return for National Committee-Membership for Jonathan Daniels

Raleigh, May 11.—(AP)—The circuitous routes of capital gossip comes a story, unprovable in a court of law, and extremely apt to be denied in all quarters, but at the same time it's a very interesting story about the campaign for governor which will end in 1940, but which has been under way to all practical intents and purposes for a long time. The story hinges on the desire to Jonathan Daniels, editor of the Raleigh News and Observer, to be Democratic national committee-man, and the point of it is that there seems quite a possibility that he will attain his heart's desire by way of a bit of "hoss trading" with the State administration.

To make the story stand up at all it is necessary to go back as far as the Democratic State Convention back in 1936. Mr. Daniels earnestly desired then, just as now, to be the committeeman. The then governor J. C. B. Ehringhaus cherished the same lofty ambition; but at that particular moment the Ehringhaus star wasn't particularly bright, certainly not in the ascendancy.

On the morning of the convention it looked extremely like Daniels. This didn't suit Senator Josiah W. Bailey and his friends—particu-

(Continued on Page Six)

## State Roads Going Fast, Baise Says

Raleigh, May 11.—(AP)—North Carolina's primary highway system, once the pride of the State, will reach a "critical condition" unless a far-reaching program is launched within the next few years, Highway Engineer Vance Baise said today.

The chief engineer of the State Highway and Public Works Commission, spoke at the conclusion of a three-day safety institute for newspaper men, sponsored by an investment company.

Concurring in opinions expressed by Revenue Commissioner A. J. Max well, Baise estimated the cost of modernizing the highway system at \$17,000,000.

"More than two-thirds of the high-type improved roads of the primary system are greater than eleven years old, and many miles are 15 or more years in age," he said.

"North Carolina was the pioneer state in the construction of roads on a large scale, and as a result our most important travelled routes today are obsolete, due to sharp curves, lack of super-elevation of curves and narrow bridges and pavements."

## A. N. C. Directors Approve of Lease

Raleigh, May 11.—(AP)—Directors of the Atlantic & North Carolina Railroad met with Attorney General Harry McMullan today to approve a lease under which H. P. Edwards, of Sanford, will operate the State-controlled road.

The approval was a formality, since the State owns a majority of the stock, and McMullan has been instructed to east the State's ballots in favor of the lease.

The contract was drawn recently by McMullan, Matt H. Allen, of Winston, attorney for the road, and John G. Dawson, of Winston, attorney for Edwards. Under the measure, the State will receive an annual rental fee of \$60,500. The lease will not become effective until it has been approved by the Interstate Commerce Commission and the State Utilities Commission, and until Edwards posts a \$50,000 bond.

## Sees 15 Pct. Increase In Flue-Cured

College Station, Raleigh, May 11.—Lloyd Weeks, assistant tobacco specialist of the State College Extension Service, estimated today that North Carolina growers will increase their plantings of flue-cured tobacco 15 per cent this year.

Since compulsory control was removed from the tobacco crop last winter, farmers have been free to plant an unrestricted acreage this year.

For the flue-cured leaf belt as a whole, growers have indicated they will plant 11 per cent more tobacco this season than last, when they marketed 786,000,000 pounds. However, yields per acre on the 1938 crop were considerably above average. With normal yields this year, the 11 per cent increase would still place the total poundage below the 1938 figure. Acre yields up to the high level of last year would produce a 1939 crop of 872,000,000 pounds.

Weeks said in the spring outlook report on tobacco, the U. S. Bureau of Agricultural Economics reported prospects for stable or moderately improved general business conditions throughout the remainder of 1939. On this basis, it appears probable that cigarette consumption will be maintained at its present high level.

Although blue mold struck heavily in most of the Border and New Bright Belt counties, no general shortage of plants is expected to occur, Weeks said. Comparatively few cases have been reported where farmers will have to depend on their neighbors for seedlings.

In some communities, the recent hail storm did considerable damage to plant beds, while in other sections the damage was negligible, the tobacco specialist pointed out.

## LEAGUE COUNCIL DELAYS SESSIONS

Geneva, May 11.—(AP)—At the request of Soviet Russia, the League of Nations today postponed its Council session, originally set for next Monday, until a week later.

**Weather**  
FOR NORTH CAROLINA.  
Mostly cloudy tonight and Friday; slightly cooler in north portion Friday.

# CHAMBERLAIN HINTS AT WAR

## Bank Laws Discussed At Meeting

Group Elections Held At State Convention at Pinehurst; Hood Speaks to Industrial Bank Section.

Pinehurst, May 11.—(AP)—North Carolina industrial bankers today elected W. M. Spears, of Rocky Mount, chairman of their section of the North Carolina Bankers Association. Representatives of trust divisions chose L. E. Watt, of Winston-Salem, chairman of their section.

The sections met before a general session of the 43rd annual convention of the bankers association, at which bankers' problems were discussed by Harvey Weeks, assistant vice-president of the Central Hanover Bank of New York, and Thomas Boushall, president of the Morris Plan Bank, of Richmond, Va.

T. G. Chapman, of Raleigh was chosen first vice-president and secretary of the trust section, with J. P. Hobson, of Charlotte, as second vice-chairman. E. B. Crewe, Jr., of Wilson; F. D. Bazarth, of Durham; Fred B. Graham, of Wilmington; R. H. McDuffie, of Asheville, and the new officers comprise the new executive committee.

The industrial bankers heard Gurney Hood, of Raleigh, State bank commissioner, and Boushall discuss the industrial bank situation. They elected B. H. Plant, of Winston-Salem vice-chairman, and their executive committee was J. E. Sockwell, of Greensboro, and J. G. Dunn, of New Bern, to serve with the other officers.

Pinehurst, May 11.—(AP)—With much organizational work disposed of, the North Carolina Bankers Association considered today banking problems and laws affecting them. Preston Delano, comptroller of the currency, and Governor Hovey will address the final session tomorrow.

Robert Hanes, of Winston-Salem, praised the "healthy condition" of the State's banks yesterday, and said that no institutions in North Carolina had failed since 1933.

Meanwhile, the State's registered investment bankers decided to cooperate with Gurney Hood, North Carolina banking commissioner, in gathering information on the fiscal

(Continued on Page Six)

## Two Fugitives of State Taken, One Out in California

Raleigh, May 11.—(AP)—Will Braham, a life-terminer convicted in Forsyth county in 1936 of kidnapping W. W. Pollock, of Winston-Salem, was captured early today near Weidon, the penal division said. Braham escaped several days ago from the Caledonia prison farm. Oscar Pitts, penal superintendent, said he was caught about 2 o'clock as he attempted to catch a train. He surrendered without a struggle.

Others captured included: Archie Taylor, about 27, serving three to five years for house-breaking, imposed in Rutherford county in May, 1930, and who escaped from Cary prison camp in 1932. He was held in Los Angeles, Cal. Extradition papers are being prepared.

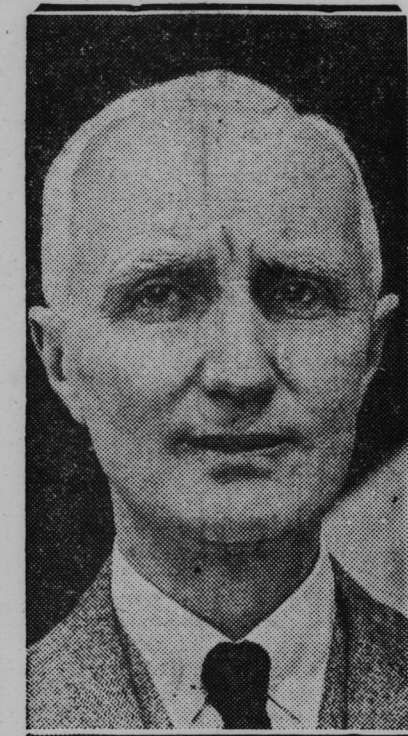
## On Trade Mission



R. S. Hudson (above), secretary for British overseas trade, arrives in New York. He will visit World's Fair, then go to Washington for conference with President Roosevelt and Secretary of State Cordell Hull.

## Labor Favors, While Doctors Denounce New Health Plans

On U. S. Visit



Sir William McLean (above), of the Department of British Overseas Trade, visiting in the United States, will inspect the World's Fair and confer in Washington with President Roosevelt and Secretary of State Cordell Hull.

## Britain And Roumania In Trade Pact

London, May 11.—(AP)—Oliver Stanley, president of the Board of Trade, announced in the House of Commons today that Great Britain and Roumania had signed a trade agreement under which Britain would advance a credit of 5,000,000 pounds (about \$23,400,000).

Britain will take 200,000 tons of Roumanian wheat and the credits she will advance to Roumania will be used for the purchase of United Kingdom goods.

Stanley said the protocol of the agreement was signed in Bucharest today following the recent "successful" visit of a British trade mission. It was expected Roumania mainly would purchase armaments with her credits.

Britain pushed the agreement as part of her campaign to offset Reichsmark's economic penetration of central and southeastern Europe. (The British trade mission was sent to Bucharest after Roumania and Germany signed a trade agreement.)

Stanley said an organization would be formed to promote British-Roumanian trade in a number of channels. Britain will purchase 200,000 tons of wheat from the next harvest, "if available," at world prices.

## Huge Loss In Grain Blaze At Chicago

Chicago, May 11.—(AP)—An explosion and fire tore a rambling grain elevator asunder with such suddenness today that firemen feared that at least eight workmen were killed.

Because of the size of the structure and intensity of the flames, firemen said it was impossible immediately to determine the casualties. Four men, two reported near death, were in the South Chicago hospital.

The elevator, covering a square block and 150 feet high, was at 102nd St. and the Calumet river, on the far south side. It was owned by the Rosenbaum Brothers Grain Company, a spokesman for which estimated the 800,000 bushels of grain, valued at \$200,000, were stored there. He estimated the elevator itself as worth \$200,000.

Three other elevators are in the immediate vicinity. Dock men said no vessels in the Calumet river were threatened. A 5-11 alarm and four special alarms brought all apparatus in the area.

Robert Thomas, a witness, said a "sudden explosion hurled flames about 300 feet into the air." Smoke

(Continued on Page Six)

## Socializing of Medicine Began in Germany in 1850, and What Have They Now, a Dictator, Opposing Medical Speaker Says

Washington, May 11.—(AP)—A. F. of L. and CIO officials testified today in support of a proposal by Senator Wagner, Democrat, New York, for an expanded Federal health program, while a representative of the Pennsylvania Medical Society opposed it as creating "a danger of breaking down democracy in this country."

The witnesses testified at a Senate Labor Committee hearing on legislation which would provide federal grants to states for various health activities.

"In Germany, in 1850, they started these things, and what is it now—a dictatorship?" Dr. C. L. Palmer, of Harrisburg, chairman of the Pennsylvania Society's committee on public health legislation asserted.

Lee Pressman, counsel for the CIO, attributed opposition to the bill to a "reactionary group of officials of the American Medical Association."

Matthew Woll, representing the A. F. of L., urged enactment of the measure.

Other developments:  
To Remove Business Burdens  
Secretary Morgenthau reiterated that the Treasury intends to ask Congress to remove business deterrents from the tax laws.

A White House secretary said President Roosevelt was considering further steps in the soft coal controversy, but would take no action as long as the operators' and miners' representatives continue negotiations.

The House committee investigating WPA heard testimony that members of the Workers Alliance plotted unsuccessfully to prevent by use of force a congressman from attending the Reading, Pa., post office cornerstone laying ceremonies because he voted against increased relief funds.

Low income farm families in North Carolina who obtained rehabilitation loans from the Farm Security Administration apparently are paying them back faster than farmers in some other states. Administrator W. W. Alexander informed Senator Bailey, Democrat, North Carolina, that more than half the money the FSA lent to North Carolina farmers up to January 1, had been repaid by that date. This compared with less than a third repaid in all states combined.

Alexander wrote Bailey that 11,870 loans totaling \$5,287,000 had been made to North Carolina farmers since inception of the program in 1935, and as of January 31, \$2,693,700 had been repaid.

## LATE FILERS GIVE THEIR LOBBY FEES

Raleigh, May 11.—(AP)—Late filers among lobbyists continued to report today regarding 1939 legislative activities to Secretary of State Thad Eure. They included:

Augustus T. Stroud, of New York City, reported paying \$1,000 for professional legal counsel to Norman Shepard, of Smithfield.

North Carolina Produce Dealers Association paid \$500 for legislative counsel to E. M. Blount, former Beaufort county legislator.

## U. S. Greatly Concerned Over Poland And Russia

By CHARLES P. STEWART  
Central Press Columnist

Washington, May 11.—The State Department is amused, even if somewhat worried by the Polish newspapers' response to Herr Hitler's demand for a German corridor through the Polish corridor.

I suppose every one knows what the Polish corridor is, but, to make sure:

Up-to-date Poland, as granted its independence under the Versailles treaty, promised to be exclusively an inland country, greatly to its economic disadvantage. It needed a port



Maxim Litvinov

## Queen Mother



Queen Mother Mary of England is pictured in one of her most recent photographs. She is in charge of the Princesses Elizabeth and Margaret Rose while their royal parents are visiting the U. S. and Canada.

## Russia Asks Reciprocal British Aid

## London's Defense Proposals Unacceptable Unless Soviets Would Be Helped Same As Moscow Would Help Britain, France

Moscow, May 11.—(AP)—The government newspaper Izvestia declared today that British security proposals were utterly unacceptable in their present form, and said Soviet Russia insisted on formation of "a united front of mutual assistance" by Britain, France, Russia and Poland, or at least by the first three.

The editorial was taken as an indication of the Kremlin's attitude. The newspaper said that if Britain and France wanted Russian collaboration in any scheme for security in eastern Europe, they must declare themselves willing to fight for the Soviet Union, and not merely invite the Soviet Union to help them fight.

The paper continued:

"We are told that by defending Poland and Roumania, Great Britain and France would be defending the western frontier of the U. S. S. R. That is not true. The western frontier of the U. S. S. R. is not confined to Poland and Roumania. Not having a pact of mutual assistance with Great Britain and France nor with Poland, the U. S. S. R. is asked to undertake to assist all these three states without receiving any assistance from them, and moreover, in the event of aggression aimed at the U. S. S. R., the latter would have to rely solely upon its own forces."

In his statement in the House of Commons on May 10, Chamberlain, the British prime minister, spoke of collaboration, of an alliance with the U. S. S. R., but collaboration implies reciprocity as its natural basis. Where there is no reciprocity, collaboration cannot be brought about."

The paper, however, did not say that the door was closed to further British-Russian negotiations.

## Seizure Of Danzig May Force Issue

If Polish Freedom Is Menaced, General War Will Come, Premier Says; France Has Alliances To Prevent European Catastrophe

London, May 11.—(AP)—Prime Minister Chamberlain said in an Albert Hall address today that any attempt "to change the (Danzig) situation by force" so as to "threaten Polish independence would inevitably" start a general war in which Britain would be involved. Chamberlain said:

"In many minds the danger spot in Europe today is Danzig, where our assurances to Poland are clear and concise. Although we would be glad to see the differences between Poland and Germany amicably settled by discussions, although we think they could and should be so settled, if an attempt were made to change the situation by force in such a way as to threaten Polish independence, why then that would inevitably start a general conflagration, in which this country would be involved."

The prime minister spoke to a meeting of women members of the conservative party shortly after Foreign Secretary Viscount Halifax had received Soviet Ambassador Maisky in a new effort to smooth out Russian-British negotiations for an alliance.

This meeting coincided with indications by Izvestia, the Russian government newspaper, that Moscow would reject Britain's latest proposals for cooperation in eastern European guarantees.

Chamberlain said that ex-Premier Blum of France, who visited London yesterday, asserted that there was one main danger of war—that the rest of Europe might become convinced that Britain and France were insincere and could not be relied upon to carry out their pledges of military aid.

"No more deadly mistake could be made," the prime minister asserted, than to attribute such insincerity to the British-French front.

He added "it would be a frightful thing if Europe were to be plunged into war on account of a misunderstanding."

Maisky's call was the third in three days.

## FRANCE HAS ALLIANCES TO PREVENT CATASTROPHE

Paris, May 11.—(AP)—Premier Daladier told the Chamber of Deputies today that France, "with all other states which wish to live honorably," had concluded specific military alliances and could not be relied upon to carry out their pledges of military aid.

"The true problem," he said, "is to

## Outer Area Coal Mines To Sign Up

Lewis Orders New Contracts, Including Exclusive U. M. W. Bargaining and Union Shop Plans; Coal Prices in N. C. Jump

New York, May 11.—(AP)—John L. Lewis dispatched telegrams of instructions today to union leaders in outlying districts in the soft coal mining region to sign new contracts with operators, and when that is accomplished to "arrange for forthwith operation of the mines."

About 126,000 miners employed in the so-called outlying districts stopped work May 4 and 5 to back up the 320,000 idle miners of the Appalachian area, whose representatives are deadlocked with the operators' committee in contract negotiations at the Hotel Billmore.

Lewis' telegrams emphasized that two sentences must be added to the wording of the old contracts when the new agreements are drawn. These sentences make the U. M. W. the exclusive bargaining agency for the employees and establish a union shop.

Reopening of the mines in the

(Continued on Page Six)