

Henderson Daily Dispatch

ONLY DAILY NEWSPAPER PUBLISHED IN THIS SECTION OF NORTH CAROLINA AND VIRGINIA.

TWENTY-SEVENTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS.

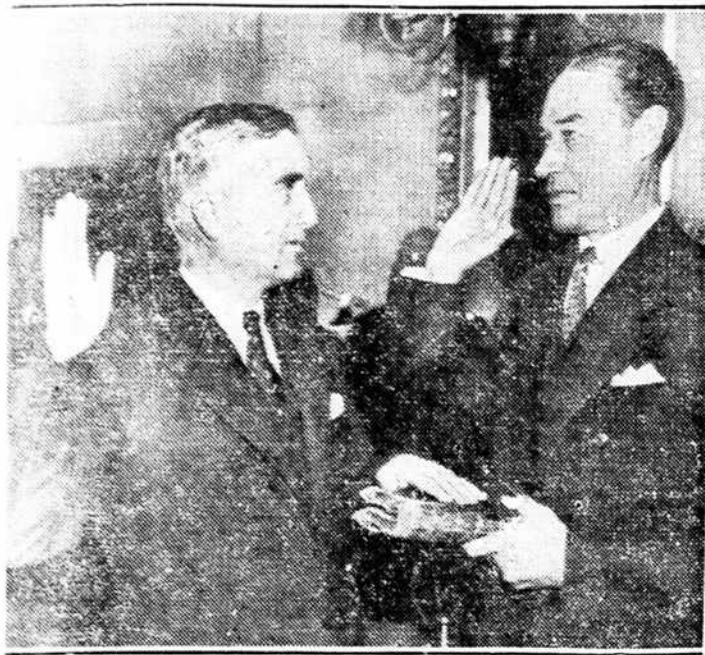
HENDERSON, N. C., THURSDAY AFTERNOON, JANUARY 4, 1940

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

1941 Budget Cuts Deficit By Half

Edison Made Navy Secretary



Central Press Photo

Charles Edison, son of the late Thomas Edison, famed inventor, is sworn in as secretary of the navy in Washington, taking the oath from Admiral Walter B. Woodson (right), judge advocate general of the navy. Edison was assistant secretary from 1937 until last June and became acting secretary then on the death of Secretary Claude Swanson.

(Central Press)

Early Convention Seen As Coup By Max Gardner

Daily Dispatch Bureau. In the Sir Walter Hotel. By HENRY AVERILL.

Jan. 4.—Governor Clyde Roper's idea that North Carolina's State Convention should be held earlier than ordinary this year has been received with mixed emotions.

Those who idolize the governor as the greatest in North Carolina history were quick to laud his proposal to the skies; but there were others who quickly classified the proposition as nothing more than an easily penetrated Max Gardner strategy to gain control of the Democratic National Convention.

Very prominent Democrat, who would not be quoted by name, said in this school of thought, "The whole thing is so clearly a deliberate trick to turn the delegation over to Max Gardner on a

being given the national administration every chance he has had," he commented with obvious sarcasm. "The national party plans to have its convention later than usual on account of unsettled world conditions, and so our governor immediately wants to do exactly the opposite."

He pointed out that to hold the North Carolina convention before the first gubernatorial primary would simply be to make the selection of this State's delegates before it is even known whether or not President Roosevelt will run for a third term; and thereby deprive those favoring FDR of any chance to stand out for a delegation pledged to the President.

"The whole thing is so clearly a deliberate trick to turn the delegation over to Max Gardner on a

(Continued on Page Three.)

Liberal vs. Conservative Alignment In Air Again

By CHARLES P. STEWART
Central Press Columnist.

Jan. 4.—Abandoning old-time Republican and conservative party lines in this country and the creation of two new parties, a Liberal and a Conservative, is an idea that has been circulating for a long time. It made its first serious attempt to realize itself in 1924, when the elder Senator Robert M. La Follette ran for president on the Progressive ticket, against the Republicans, on the one hand, and the Democrats, on the

other hand. Senator La Follette got Democrats, Senators Burton, K. Wheeler, to run with him. He also got considerable Republican support. Nevertheless, the effort fizzled.

Some Republicans and some Democrats described their original parties to vote for La Follette and Wheeler, but not enough of them, combined, to enable the Progressives to carry more than Senator La Follette's home state of Wisconsin.

It probably wasn't that there were not plenty of liberals, both Republican and Democratic, but they didn't vote that way, generally speaking. They cared less for their liberal principles than they did for their respective Republican and Democratic party labels.

Trying It Again.

Now the things to be tried again

(Continued on Page Seven)

Horton Not Given Seat With McNutt

Daily Dispatch Bureau. In the Sir Walter Hotel. By Henry Averill.

Jan. 4.—Governor Clyde Roper will be unable to attend the Monday Jackson Day dinner because he is going to be in a hospital and the failure of the Number One Hotel Lieutenant Governor William P. Horton to be assigned a seat at the speaker's table for that party feast is going to cause a deal of eyebrow lifting. It does not seem a likely little political controversy.

Those already pointing out that in the absence of the governor it should be the natural and proper thing to seat the next-in-line-of-succession at the head table.

Starting from that premise, they

Machinery, Machine Tool Business Is Brightest

Picked by Babson as "Industry of The Year For 1940"; Heavy Goods Boom And Labor Saving Scramble Are Incentives.

By ROGER W. BABSON.
Copyright 1940, Publishers Financial Bureau, Inc.

Babson Park, Fla., Jan. 4.—The machinery and machine tool business wins my vote as the "industry of the year for 1940." Operations in this business in the first half of the year should run 100 per cent above the early months of 1939. "Good times," paced by the heavy industries and armaments, make the machinery business an odds-on favorite in the

Huge U. S. Loans To Finland Likely

May Advance As Much As \$100 Million

Remission of Finland's War Debt Payment Also Proposed; Pittman Forecasts Aid But Eyes Neutrality Limits.

Washington, Jan. 4.—(AP)—Immediate financial and other practical aid to Finland was forecast today by Chairman Pittman, Democrat, Nevada, of the Senate Foreign Relations Committee, and other senators in drawing up a calendar for the committee's first meeting next Wednesday.

Among proposals under discussion in Senate corridors are bills providing for loans to Finland ranging from \$50,000,000 to \$100,000,000, remission of Finland's war debt payments and removal of all restrictions on \$10,000,000 credits already granted Finland. The latter action would allow the money to be used to buy war and other materials in or outside the United States.

Would Refund Payments.

In the House, Representative Hook, Democrat, Michigan, proposed a \$60,000,000 loan to Finland and suggested also that interest paid by Finland on her debt to the United States be refunded. Representative Smith, Democrat, Washington, offered legislation suspending payments on the Finnish debt.

"Bills which may be introduced authorizing financial or other aid to Finland by our government will probably be the first proposed legislation on foreign affairs we will have to consider. If the question of emergency, in view of Finland's plight, is raised, the proposals will have to be taken up at once," Pittman said.

Cautions Neutrality Limit.

Pittman said a question "worthy of consideration by our statesmen" was to watch the extent the United States may be justified in going beyond technical neutrality in assisting victims of aggression as a matter of self-defense—a self-defense which superseded the requirements of neutrality.

Ku Klux Head In So. Carolina Held In Flogging Case

Anderson, S. C., Jan. 4.—(AP)—Fred V. Johnson, of Greenville, chief of staff of the Ku Klux Klan in South Carolina, was taken into custody at a local hotel this morning by Chief Constable J. H. Jeanes and Special Investigator R. O. Lawson, who also seized two brief cases said to contain a list of the members of the KKK in this State and other records of the organization.

Johnson was being detained at the Anderson county jail today "for investigation," Chief Jeanes said.

In the meantime, Chief Jeanes said that a \$250 reward had been posted for the conviction of leaders of a band responsible for removing Lanier Pruitt from his home here and for his subsequent flogging.

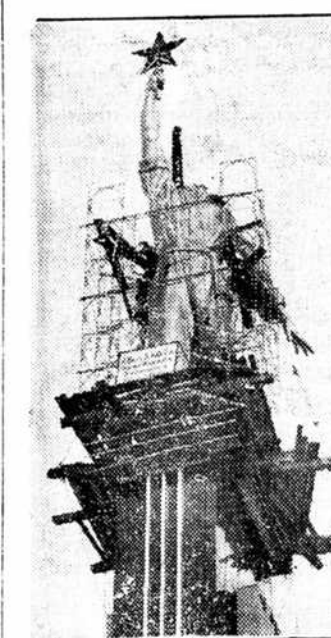
Big Four Guide Democrats in Congress



Here are the Big Four chiefs of the Democratic party, pictured leaving the White House after a conference with President Roosevelt. Left to right, House Speaker William B. Bankhead, Vice President John Nance Garner, Senate Majority Leader Alben Barkley and House Majority Leader Sam Rayburn.

Finns Far Into Russia

Red Decapitated



Here is how "The Worker" giant statue atop the Soviet Pavilion at the New York World's Fair, appeared after workmen had removed the head during dismantling of the building.

Chas. Edison Nominated To Navy Office

Washington, Jan. 4.—(AP)—President Roosevelt sent to the Senate today the nomination of Charles Edison, who had been given a recess appointment to be secretary of the navy.

Edison was appointed only a few days ago after having been acting secretary for several months, following the death of Secretary Claude A. Swanson, a Virginian, who died last summer.

Mr. Roosevelt sent to the Senate nominations for several vacancies in the diplomatic corps and State Department. James H. R. Cromwell, of New Jersey, economist and husband of the former Doris Duke, was nominated minister to Canada—a post which has been vacant for nearly two years, with the exception of a short time when Daniel C. Roper, former commerce secretary, filled it.

George S. Messersmith, now assistant secretary of state, was selected as ambassador to Cuba, and Breckenridge Long, one-time am-

(Continued on Page Two)

Weather

FOR NORTH CAROLINA. Cloudy, rain mixed with snow in the interior, and rain on the coast tonight and Friday; slightly warmer tonight; colder in mountains Friday.

Second Red Division Is Surrounded

Copenhagen, Denmark, Jan. 4.—(AP)—Finnish troops, chasing the shattered remnants of Russia's crushed 163rd division, were reported today to have pushed ten miles into Soviet territory and to have surrounded a second red army division, which had been sent to assist the beaten 163rd.

Supplies Cut Off.

The reports on the encirclement of the relief division, which were not confirmed immediately by military authorities in Helsinki, said the Finns surrounded them between Lake Kianta and the Russian border. The red troops were said to be in desperate plight, with food and ammunition supplies cut off.

Copenhagen press dispatches said that Finnish bombers had raided and partly destroyed the new Russian air bases on the islands of Dago and Oesel, off the coast of Estonia. Russia won from Estonia the right to fortify these islands last fall.

The Finns who were reported to have pushed into Soviet territory were those who last week-end defeated the Russian 163rd division on Lake Kianta.

This was the fourth point on the eastern front at which Finnish counter-offensive ski patrols have car-

(Continued on Page Seven)

Edison Requests Further Grant of FDR's Authority

Washington, Jan. 4.—(AP)—Secretary Edison said today the Navy's request for restoration of extraordinary powers to the President, with reference to "procurement of ships and material, commandeering of factories and the like" was just part of a "routine" overhauling of defense plans.

The newest member of the President's cabinet was questioned briefly during testimony before the House Naval Appropriations sub-committee on the navy's regular supply bill for the year starting July 1.

He told reporters later that "no implication should be drawn from this (the request) that we fear any imminence whatsoever of the United States being drawn into war. But we do feel that all these things should be thought out in advance, so that if in ten years or twenty years we should happen to get into war, there will be no confusion as a result of our failure to take these steps," Edison said.

Edison's appearance on Capitol Hill signaled the beginning of an early start on the major part of President Roosevelt's defense program through congressional machinery.

Goering Gets New Power In Germany

Berlin, Jan. 4.—(AP)—Field Marshal Hermann Wilhelm Goering has decided to take the supreme direction of the entire war industry into his own hands it was announced today. The avowed purpose is to bring about the greatest concentration and unification of everything that concerns Germany's economic policy during the war.

Goering, No. 2 Nazi, thus becomes the "supreme war-economic authority."

All chief offices of the nation having to do with war-economic policy are united in a general council under Goering's presidency. By this measure, it was stated, the "absolutely essential cooperation is to be insured."

Finns Claim Arctic Rail Line Is Cut

With the Finnish Forces on the Lake Kianta Front, Jan. 4.—(AP)—A Finnish division on its northern front has established positions within five miles of the Russian border, while before and behind ski patrols glide along to close in on the fleeing enemy.

The ski troops, which played a major role in dispersing the Russian 163rd division, killing thousands and capturing hundreds, penetrated Soviet territory at a number of points.

The Finnish patrols were said in a

(Continued on page two)

Murphy, Jackson, Others Nominated By President

Washington, Jan. 4.—(AP)—President Roosevelt nominated Attorney General Frank Murphy today to be an associate justice of the Supreme Court, and Solicitor General Robert H. Jackson to succeed him as head of the Justice Department.

The President also sent to the Senate the nomination of Judge Francis Biddle, of the third circuit court of appeals, to be solicitor general.

The 46-year-old Murphy, who had said he thought others were much better qualified than he for a seat on the high court bench, has been attorney general since January 2, 1939.

Biddle, a Pennsylvanian, once was chairman of the National Labor Relations Board, and last year served as counsel for the congressional committee which investigated the Tennessee Valley Authority.

The vacancy on the Supreme Court which Murphy will fill, if the Senate confirms him, was created November 16 by the death of Associate Justice Pierce Butler.

The appointment was President Roosevelt's fifth to the nine-member tribunal. Thus, the chief executive has personally picked a majority of the members.

Although Murphy was named to succeed Butler, regarded by the administration as a "conservative," his change was not expected to have any material effect on the nature of the court's opinions. In general, they have been favorable to the administration since shortly before President Roosevelt submitted his court reorganization plan to Congress in February, 1937.

\$460 Million Defense Tax Is Proposed

Roosevelt Budget Proposal Submitted To Congress Asks Spending of \$8,424,000,000; Revenue Put At \$5,548,000,000.

Washington, Jan. 4.—(AP)—President Roosevelt urged Congress today to slash war, relief and public works spending in a budget message asking \$460,000,000 of special defense taxes, and proposing one of the smallest deficits in a decade.

If all his recommendations are followed, he forecast a net deficit for the fiscal year beginning July 1 of \$1,716,000,000, compared with an estimated \$3,933,000,000 for the current year.

Business Upturn Helpful.

Cutting nearly everything in the budget except defense funds, the President estimated expenditures for the next fiscal year at \$8,424,000,000, which he said would be \$675,000,000 less than this year. Net receipts from existing taxes would increase \$322,000,000 to \$5,548,000,000 because of better business.

Reduced Rations.

The message, read to the Senate and the House by clerks, said that the government was "prepared to move forward to reduced rations."

It proposed "a gradual tapering off rather than abrupt cessation of the deficit," lest, Mr. Roosevelt said, there be a "too drastic or too sudden curtailment" of support afforded the national economy by government spending.

Within Debt Limit.

The President shaved things so

(Continued on Page Four)

Dr. Sledd Of Wake Forest Dies At 75

Wake Forest, Jan. 4.—(AP)—Dr. Benjamin F. Sledd, 75, who became professor emeritus of English at Wake Forest College in 1938, after teaching English at the institution 50 years, died of a heart attack at 3 o'clock this morning. Dr. Sledd was widely known as a teacher and author. He was head of the English department when he retired.

Funeral services will be held in the Wake Forest Baptist church at 3 o'clock tomorrow afternoon, and burial will follow in the cemetery here.

Three children survive, Dr. Arthur P. Sledd, of the faculty of Judson College in Alabama; Miss Elva Douglas Sledd, of Wake Forest; and Miss Gladys Sledd, of Murfreesboro.

The beloved professor was a native of Virginia and received degrees at Washington and Lee University and Johns Hopkins.