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FINLAND IS OPEN FOR "HONORABLE PEACE"

Japan's Army and Navy Asking Approval of Seven-Year Arms Program Costing \$671,000,000

War Minister Declares Japan Is "Not Relaxing Its Watch" Along Russia's Border; Charges Russia With "Illegal Acts".

Feb. 1.—(AP)—Japan's cabinet today asked Parliament to approve a new seven-year arms program costing about \$671,000,000. The war minister had declared the army "is not relaxing its watch" along Soviet Russia's border. The appropriation asked today for the armament and rehabilitation of the army would be in addition to a total of \$1,062,017,660 which already has been approved for this purpose. The appropriation also would be in addition to the China "war and domestic military budget" for 1940-41 which totals \$1,532,478,000.

The request for the seven-year arms program was made after the war minister, General Hata, had declared that Russia had committed "serious of illegal acts" after expulsion of the Finns from the Manchukurian border. "There is no relaxation of our watch," Hata said. General Hata and the navy minister today said the new funds were necessary to push the "China incident" and "because of the change in the international situation."

Politics, Now



Walter Johnson

The "Big Train" of the Washington Senators, Walter Johnson is pictured as he announced his candidacy for Congress from Germantown, Md. The old speedball merchant has had two years of training in local politics, the only Republican in his county to be elected in 1938.

Vandenberg Proposes Trade Board

Suggestion, Regarded As Republican Substitute For Reciprocal Trade Program Would Abolish Trade Commission.

Washington, Feb. 1.—(AP)—Senator Vandenberg, Republican, Michigan, proposed today that Congress abolish the tariff commission and create a board of six members to coordinate the foreign commercial and financial activities of governmental agencies.

Regarded in some quarters as a Republican substitute for the administration's reciprocal trade program, Vandenberg's bill would authorize this foreign trade board to control imports, to protect the domestic economy as well as to encourage exports through barter agreements and other methods.

Characterizing the proposal as "a realistic approach to the realistic problem of increasing foreign trade," Vandenberg said the proposed new agency would be able to meet the difficulties confronted by "blocked" exchange in effect in some countries as well as other trade discriminations. "In effect," he said, "this board would be prepared to meet fire with fire when it was presented with a realistic problem in foreign trade." Although the bill made no mention of trade agreements as such, Vandenberg pointed out that bilateral treaties subject to Senate ratification could be made. He emphasized, however, that the system proposed under the measure would in no sense provide for a return of congressional "log rolling" in the consideration of tariff bills.

Pepper Lauds Wage-Hour

Columbia, S. C., Feb. 1.—(AP)—Senator Claude Pepper of Florida lauded today passage in 1938 of the federal wage-hour law as marking the beginning of a new era for the South although "many claimed to see in it the death knell of the section." In an address before the University of South Carolina student forum Pepper asserted that "the South not only had gained much by enactment of the law but stood to gain much more through a change of attitude of 'the remainder of the country.'" Those "of us" who favored the wage-hour law "saw that the South had to raise her wage scale to get a greater purchasing power which in turn would lead to a better market for southern industries and agriculture and a high standard of living for the Southern worker," Pepper said.

Finnish Loan Is Possible

Washington, Feb. 1.—(AP)—State Department authorities were quoted by members of the Senate foreign relations committee today as holding that a non-military loan to Finland would not violate international law. In view of this testimony by Councillor Warren Moore and Solicitor Green H. Hackworth, it appeared probable that the committee would vote to increase the capital of the tie Import-Export bank to \$100,000,000. Such an increase would pave the way for a new loan to Finland and possibly increase the credits China could obtain to help them in their struggles with Russia and Japan respectively. Senator LaFollette said he got the impression from testimony this morning that the State Department was giving its tacit support to the pending loan bill.

All Star Cast at Mrs. Roosevelt's Party



Motion picture stars, aiding in celebration of F. D. R.'s 58th birthday, were guests of Mrs. Roosevelt in the White House. Standing (l. to r.): Red Skelton, Kay Kyser, Tyrone Power, Mickey Rooney, Pat O'Brien, Charles Pettijohn, Walter O'Keefe, Commissioner George Allen, of D. C., Gene Autry, Lt. Mareau, aide to White House, and Lt. Phares, also an aide. Seated in front (l. to r.): Mrs. Pat O'Brien, Loria Jean, Brenda Joyce, Edward G. Robinson, Dorothy Lamour, William Boyd, Mrs. Edward G. Robinson, Olivia de Havilland, Ona Munson, James Cagney.

First Social Security Monthly Benefit Payments Made Today

Hughes Says Differences Show Vitality

Chief Justice, Speaking on Anniversary of First Supreme Court Session, Says Disputes Are "Token of Vitality".

Washington, Feb. 1.—(AP)—Disagreement over interpretation of the United States Constitution was described by Chief Justice Hughes today as "a token of vitality." He spoke on a program commemorating the first meeting of the Supreme Court 150 years ago after Attorney General Robert H. Jackson asserted that "law must be reviewed and rewritten in terms of current conditions if it is not to be a dead science."

Eccles Retained in Federal Post

Washington, Feb. 1.—(AP)—President Roosevelt nominated Marriner Eccles, present chairman of the Federal Reserve board, today for four more years membership on the board. The appointment for that period was made possible by an intricate maneuver in which Chester C. Davis, a board member, resigned after half his eight years on the board had expired. That left an unexpired four years which had to be filled and Eccles was given the appointment. Davis in turn then was given a reappointment for a 14-year term starting today.

Von Ribbentrop Says No Plans For Balkan War

Berlin, Feb. 1.—(AP)—Foreign Minister Joachim von Ribbentrop, in an interview prepared for publication tomorrow, declares that neither Germany nor Russia has any intention of carrying the war into the Balkans. Both nations, he says, are bending every effort to spare that section of Europe the horror of war and are actively at work to establish a stable peace in the Balkans.

About 7,300 Workers And Their Dependents Receive Checks, Ranging As High As \$42 to Some Married Couples.

Washington, Feb. 1.—(AP)—About 7,000 workers and their dependents, scattered across the country, collected today the first monthly benefits on federal old age insurance. The postman's ring bringing the social security checks will become a familiar routine for the first of every month in thousands of homes. The recipients are wage earners of 65 or over who have retired, along with their wives, widows, or dependent children. Social security checks have been sent out before as lump sum settlements of deceased workers.

Farm Income Shows Gain

Washington, Feb. 1.—(AP)—Although tobacco, livestock and cotton—combined with a considerable amount of government benefit payments—supplied more than 82 percent of the cash income received by North Carolina farmers in 1939, the state and a sizeable return from a number of diversified farm products. A Department of Agriculture report today placed the state's cash income from all sources at \$273,590,000 last year—a little more than a million dollars better than the \$325,903,000 in 1938—with the four sources accounting for \$195,000,000.

Virginia Bank Is Robbed of \$7,000

Meadowview, Va., Feb. 1.—(AP)—Charles W. Arnold, cashier of the Bank of Meadowview in Washington county, was slugged unconscious and the bank robbed of \$7,000 to \$8,000 this morning. Arnold was treated at a hospital and returned home but was unable to give details of the attack. A patron entering the bank about 8:30 a. m. found the vault open and the cashier lying on the floor.

Weather

FOR NORTH CAROLINA
Increasing coldness and slightly warmer tonight; possibly snow flurries in mountains. Friday cloudy, possibly light rain or snow in the mountains in extreme north portion; slightly warmer near coast.

President Addresses Finnish Diet

Expresses Hope That "Humanitarian Help" May Be Made to Cover Civilian Air Defense Equipment And Anti-Aircraft Guns.

Helsinki, Feb. 1.—(AP)—President Kyevi Kallio, in an impassioned speech in a solemn final session of the War Diet, repeated today Finland's offer to negotiate "an honorable peace" with Russia but said that Finland would not lend before "imperialistic aims." "We are forced to destroy people innocent of this war, people we have no reason to hate as a nation," the president said. "For this reason we regard this barbarous attack as senseless and are ready to negotiate an honorable peace."

Chamberlain Wants No New Minister

London, Feb. 1.—(AP)—Prime Minister Chamberlain rejected a suggestion today that he include an economic dictator in his war cabinet. Replying to motion by Laborite Herbert Morrison for such a change—a subject of sharp political controversy—the prime minister asserted: "It seems to me the existence of a minister who would be the director over all (economic) departments the right honorable member described, would change the position of the prime minister and I do not see what would be left for the prime minister to do."

Soviet-U.S. Relations Discussed

Washington, Feb. 1.—(AP)—Troubled Soviet-American relations were discussed today by Secretary Hull and Soviet Ambassador Aumansky during a 35-minute conference at the State Department. Neither Hull nor the ambassador would give the nature of their talks or where the Aumansky visit signified a Soviet protest against American assistance to Finland. Another and apparently unrelated development bearing on European affairs was the announcement by Secretary Hull that Ambassador William C. Bullitt had been summoned back from his post in Paris for consultation. There is no special significance to be attached to Ambassador Bullitt's return the secretary said.

Southern Europe Hit By Temblors

London, Feb. 1.—(AP)—A Reuters British news agency dispatch from Greece today reported "some light shocks" in an earthquake which struck the Mt. Olympus region. Several houses collapsed. Mt. Olympus, which the ancient Greeks called the home of the gods, is a rugged region of east central Greece. There are no large cities in the region, but villages and small towns dot the area.

Wagner Act Upheld By CIO Leader

Washington, Feb. 1.—(AP)—A CIO union leader testified today that except for "that incorrigible union buster, Henry Ford" automobile manufacturers were no longer among the open critics of the Wagner labor act. The statement, R. J. Thomas, made the statement in an appearance before the House labor committee, including the labor board and the CIO.

High Court To Hand Down Decisions Tomorrow; Vance County Case Among Others

Daily Dispatch Bureau. In the Sir Walter Hotel. Feb. 1.—The North Carolina Supreme Court is scheduled to hand down more than a score of decisions tomorrow as its "vacation" term draws to a close. Next week the court's regular term will begin with the first, twentieth and thirtieth Judicial Districts due to be heard on Monday before sessions begin on Tuesday. The cases on next week's agenda are of outstanding interest; but five of the 32 cases which may be included in the court's batch of opinions are of more than ordinary importance or interest. Socially set, however, are the two doubtful and controversial High Court power cases. The political significance is

Fight For Farm Budget Is Planned

House Members From Farm States to Battle For Items Dropped From Next Year's Appropriation Bill; Parity Payments Dropped.

Washington, Feb. 1.—(AP)—House members from farm states decided today to put up a battle for several major items dropped from next year's farm appropriation bill but they agreed their efforts probably were doomed to defeat. The last ditch stand for a full schedule of farm expenditures for next year is expected to be made in the Senate after the House has passed the bill late today or tomorrow. Representative Ferguson, Democrat, Oklahoma, sponsor of today's strategy meeting, said that the group would support an amendment by Representative Pace, Democrat, Georgia, for restoration of the largest single item cut out of the bill by the House appropriation committee, \$72,673,812 to supplement other appropriations for surplus crop disposition in other agency.

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