# Henderson Daily Dispatch

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# Scandinavian Defense Alliance Deemed Necessary Following End Of Finnish-Russo Conflict

## Paul Grady Is Sixth To File Formally

### Kenly Lawyer Issues Statement Saying Liquor Interests and Machine Politicians Hoped He Would Not File

[illegible] March 14.—(AP)—Paul [illegible] of Kenly, filed today to [illegible] the sixth democrat seeking [illegible] gubernatorial nomination.

[illegible] S. Eskridge of Raleigh, [illegible] daughter, paid the $105 fee [illegible] father signed his declara-[illegible]

[illegible] Cathey, blind Asheville [illegible] to oppose the veteran [illegible] for the congressional [illegible] in the 11th district and [illegible] ranks got a new quali-[illegible] A. I. Ferree of Asheboro [illegible] for secretary of state. [illegible] Pou filed to succeed [illegible] state auditor.

[illegible] issued a statement saying [illegible] liquor interests and machine [illegible] have "combined in their [illegible] prayers that I would not [illegible] that the devilment carried [illegible] in this state would not [illegible] out and exposed to pub-[illegible] in this campaign. They [illegible] exercised every sort of press-[illegible] stop my candidacy."

[illegible] Kenly lawyer, a veteran leg-[illegible] announced that he favored [illegible] wide liquor referendum and [illegible] of the sales tax when he be-[illegible] candidate.

## 25 Killed In Texas Wreck

### Missouri Pacific Train Hits Truck Carrying Fruit Pickers Near McAllen, Texas

McAllen, Tex., March 14.—(AP)—[illegible] driver Charles King es-[illegible] 25 persons were killed in a [illegible] Pacific train collision with [illegible] loaded with fruit pickers at [illegible] intersection six miles from Mc-[illegible] today.

[illegible] witnesses said bodies were [illegible] along the right of way for [illegible] feet. Ambulances carried the in-[illegible] to hospitals in nearby lower [illegible] Grande valley towns.

[illegible] truck in which the orchard [illegible] were riding apparently was [illegible] squarely in the center. It re-[illegible] jammed on the front of the [illegible] until the train was stopped.

## Record Income Tax Returns

Washington, March 14.—(AP)—[illegible] early returns running two to [illegible] ahead of last year, the treasury [illegible] that tomorrow night's annual [illegible] tax deadline will bring one [illegible] richest harvests in many years.

[illegible] official estimate of the income [illegible] so far has been made pub-[illegible] in the first eleven days of [illegible] collections beat the similar [illegible] last year by $66,642,417 to [illegible]. Not even the treasury [illegible] this ratio to hold out the rest [illegible] month, but a comfortable mar-[illegible] the $505,000,000 total off [illegible] 1939, is anticipated.

## Senate Limits Campaign Contributions

Washington, March 14.—(AP)—[illegible] Senate approved a $5,000 limita-[illegible] political contributions today [illegible] an amendment to the [illegible] anti-politics legislation.

[illegible] limitation provision, sponsor-[illegible] opponents of amendments to [illegible] the Hatch Act, carried by [illegible] of 40 to 38.

[illegible] Bankhead, Democrat, Ala-[illegible] author of the provision, im-[illegible] clinched his victory when [illegible] Senate tabled a reconsideration [illegible] 41 to 38.

[illegible] Bankhead provision would [illegible] any individual to contributing [illegible] any candidate or campaign [illegible] and define as a "pernici-[illegible] political activity" any contribu-[illegible] this.

[illegible] Pepper, Democrat, Flor-[illegible] led off another long assault [illegible] broadening the Hatch law [illegible] one of his colleagues assert-[illegible] debate over the extension

(Continued on page two)

### Ten Hurt in Hospital Blast

Debris fills the basement laboratory of Booth Memorial Hospital, Cleveland, following a blast which rocked the building, injured ten staff members and shook up eighty patients. Among those who escaped uninjured were sixty mothers and infants. The explosion drove laundry tanks and boilers through the walls and broke forty windows.

## Farmers May Plant Under Allotments

### Hearing March 27 On Application Of Local Truck Firm

**Washington, March 14.—(AP)—The Interstate Commerce Commission will hold a hearing at Henderson, N. C., March 27 on an application of the Vance Trucking Company of Henderson to purchase motor vehicle operating rights of J. H. Early, also of Henderson. The hearing will be conducted by Examiner Bruce W. Card.**

### AAA Approves Change Whereby Planting Less Than 1940 Acreage Will Not Affect Allotment For Later Years

Washington, March 14.—(AP)—The Agriculture Adjustment Administration announced a change today in its flue-cured and burley tobacco programs to allow farmers to plant less than their 1940 acreage allotments without affecting the size of their future allotments or marketing quotas.

Under the new provision, if a producer grows as much as half of his 1940 allotment, his allotment for 1941 and later years would be determined just as though an acreage as large as the 1940 allotment had been grown.

However, if less than half the allotment was grown in 1940 the allotment for 1941 and later years, unless the local AAA committee determined that no effort was made to grow tobacco in 1940, would be determined as though one-half of the 1940 allotment had been grown.

J. B. Hutson, assistant AAA administrator, said the change recognized that "in view of the existing tobacco surplus and prospects for relatively low prices, some farmers would prefer temporarily to plant a smaller acreage than their allotment calls for.

Hutson said the change had been requested by representatives of growers at recent conferences. He said that supplies of burley and flue-cured tobacco now on hand were so large that it would be helpful if growers could plant less than their 1940 allotments.

## Bailey Attacks Barkley As GOP Leader

Washington, March 14.—(AP)—Senator Josiah W. Bailey, North Carolina Democrat, claims that the New Deal's Senate leader, Alben W. Barkley of Kentucky, has taken over the leadership of the Republicans.

The Republicans solidly backed Barkley in his support of the new Hatch bill extending the present Hatch law forbidding non-policy making federal employees from taking part in politics to include also non-policy making state employees paid in whole or in part from federal funds.

During senate debate Bailey attacked the extension as "vicious legislation" designed to "employ the gifts and the grants of the federal government to control the democratic processes in the states of our American union."

"When the federal government reaches forth its hand by way of coercion—and that is what it is—to compel my state to a policy, even though it be a good policy, it lays its hands upon the holy of holies of our American life," Bailey added.

"It undertakes to break down the process by which the republic lives."

Bailey then told the Senate passage of the Hatch measure under the leadership of Barkley would be a Republican victory.

### Pass Merchant Marine Exams

Washington, March 14.—(AP)—The Maritime commission announced today that three North Carolinians had passed a scholastic examination for deck and engineer cadets in the American merchant marine.

They include Robert Gilham Rustin of Goldsboro. He took the deck test.

## McDonald May Be Candidate For Superintendent Of Public Instruction, Opposing Erwin

Daily Dispatch Bureau,
In the Sir Walter Hotel.

Raleigh, March 14.—There's a fifty-fifty chance that Dr. Ralph W. McDonald will run for Superintendent of Public Instruction against incumbent Clyde A. Erwin.

Tremendous pressure is being brought to bear on the University of North Carolina associate Extension director and at the time this piece was written there were strong indications that the issue—to run or not to run—was being seriously, almost prayerfully, considered by the stormy petrel of North Carolina politics whose candidacy for Governor four years ago threw the State into an uproar such as it rarely knows in its political campaigns.

The pressure is being applied principally by the school-room teachers of North Carolina through their leader; but a McDonald candidacy for the education post would be more than acceptable to a large group of hard-headed business men who were unyielding opponents for the Governor's chair.

McDonald was in Raleigh Wednesday and he was pictured to your Raleigh reporter as being torn between a natural ambition to try for the highest educational post in the state and a strong personal disinclination to making the race in view of the long illness which followed his gubernatorial campaign of 1936.

There is every reason to believe that the convention of the North Carolina Education Association, which opens here today, will definitely make up the McDonald mind on the matter of again entering the political

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## ICC Refuses To Re-Open Rate Case

### Reductions in South to North Freight Rates Ordered Put Into Effect June 1; Is Important Southern Victory

Washington, March 14.—(AP)—The interstate commerce commission refused today to re-open for reargument its decision in the long-fought south to north freight rate case in which the south won an important victory.

The commission also today ordered reductions put into effect June 1.

As in the original decision, the commission voted 5 to 4 against granting petitions filed by the northern railroads and northern interveners for reargument and rehearing.

The report said that after careful consideration of the evidence the ICC found no reason warranting rehearing or reconsideration.

In its original decision the commission ordered reductions in rates on 18 commodities from the south to the north to a basis approximating that within the north.

The south to north rates on the commodities involved now are about 37 percent higher than the rates within the north.

Commodities involved in the proceedings included stoves of all kinds various kinds of stone, cast iron and brass pipe fittings, fire hydrants, iron and brass valves, and soapstone and talc.

## Martial Law At PWA Dam

### Oklahoma Governor's "States Rights War" Blocks Completion of Project

Disney, Okla., March 14.—(AP)—Fifty-seven Oklahoma national guardsmen reached the Grand river dam site today, then turned around and went back to their mobilization point at Wagoner, leaving a handful of officers to carry on Governor Leon C. Phillips' "states rights war".

After a conference with I. N. Towne, construction superintendent, Adj. Gen. Louis A. Ledbetter said it would not be necessary for the troops to remain at the dam site because "we are getting splendid cooperation from all officials here."

Major H. B. Parris, commander of the guard company, arrived at the site of the $20,000,000 power and flood control project last night. He ordered Towne to stop all construction which would cause water of the river to back up in the reservoir.

Phillips declared martial law to prevent completion of the dam before the Public Works Administration pays the state's $850,000 claim for damages to bridges and roads.

## Dies To Call Soviet Leader

Washington, March 14.—(AP)—Chairman Dies of the committee investigating un-American activities announced today that "the head of the Soviet military police in the United States" would be called before the committee soon in an expose he said would involve "people in government circles."

Dies, just returned from a vacation visit to Miami, declined to name the prospective witness or those who might be involved.

The chairman said a definite date for the hearing had not been set and that the committee had not determined whether the hearing would be open or closed.

### Weather

**FOR NORTH CAROLINA.**
**Cloudy, rain in east and central portions tonight and on coast Friday. Slightly colder tonight.**

### What Reds Left of Finland

The black portions of this map show what the Reds demanded from Finland as the price of peace. Soviet gets the entire Carelian Isthmus, including Viipuri. Reds will lease the Island of Hanko. Petsamo in the north will be a duty free port for the Reds and Ribnii and Sretni will belong to the Soviet. Railroad and territory near Kemijarvi also goes to Russia, which also takes over Lake Ladoga.

## *Extent Of Damage To Finland Shown*

## French Senate In Secret Session

**Paris, March 14.—(AP)— The senate voted unanimously this afternoon to go into immediate secret session to hear Premier Deladier explain his conduct of the war.**

**The vote was taken after the premier himself, responding to clamorous press comment on the Russian-Finnish peace and pressure in parliament, offered to discuss with the senators both the war and the political situation.**

## Rumania To Be Protected

### Germany Obtains Definite Pledge From Russia Regarding Balkan Country

Berlin, March 14.—(AP)—Germany, an unimpeachable although non-official source disclosed today, has obtained a definite pledge from Russia that Rumania will be spared, come what may, in southeast Europe.

This assurance, which probably will be publicly documented soon, has apparently enabled German diplomacy in turn to make Rumania incline toward a Russian-Rumanian non-aggression pact.

Negotiations are being conducted in the greatest secrecy but circumstantial evidence points to Berlin as one center where, to say the least, the subject is being aired. German, Russian and Rumanian sources, however, say this capital is not the scene of actual negotiations.

## Georgia Finds Evidence Of Terrorism

Atlanta, March 14.—(AP)— Evidence before a coroner's jury of widespread terrorism by nightriding floggers accused of numerous abductions, floggings and one death over a two-year period linked three church-going county officers with

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### Russian Bombings Wrought Tremendous Havoc To Finnish Industrial Cities, Rail Transport and Fortifications

By WADE WERNER

Copenhagen, March 14.—(AP)—Now that the Rusisan-Finnish war is over, some of the most obvious reasons influencing the Finns in their decision to sign peace can be disclosed.

While the hostilities continued, the censorship policy naturally dictated suppression or minimizing of the damage done by the Soviet air raids to industries and transport vital to continuance of armed resistance.

The havoc wrought by the bombers actually was tremendous.

Not a single sizeable town in all Finland escaped.

This was bad enough for the civilians, hundreds of whom were killed, while countless others saw their homes demolished, burned or badly damaged.

But damage to the factories and railway transportation as well as harbor facilities, was a more vital factor in crippling Finnish defense.

Hanko and a number of other towns practically ceased to exist.

Some railway junctions had little left but tracks and the movement of troops from such points to the front was fost difficult and dangerous task.

In the midst of increasing trans-

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## President Of Finland Calls For Unity

### Sweden and Norway Declare Themselves Ready to Discuss Alliance; Concerned Over Concessions To Russia

Helsinki, March 14.—(AP)—President Kyosti Kallio told Finland today her losing fight with Soviet Russia, ended by a crushing peace after 105 days, had made a Finnish-Swedish-Norwegian defensive alliance inescapably necessary.

The necessity of such an alliance, he said, has "become evident during this war," and added:

"I dare to hope that the essentiality of a northern defensive alliance has become evident also to our neighbors during this war."

Finland counted on new fortifications and a possible alliance, if need be, to save her from Czechoslovakia's fate.

President Kallio spoke in a broadcast address and he said to his people they should not forget that Finland still is independent and still possesses a powerful army.

He expressed appreciation for American relief activities and said that "in this respect the work done by former President Hoover has been of extreme value."

As he spoke, all available trucks were on the road to begin the work of removing thousands of Finns from areas to be ceded to Russia.

Looking ahead, Kallio declared "this nation must count on its own strength and unity for the great reconstruction tasks but added "we trust that those civilized nations

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## Moral Embargo Against Reds To Continue

Washington, March 14.—(AP)—With President Roosevelt indicating uneasiness over Finland's future the United States will continue to regard Russia warily for some time.

This became apparent today when it was learned from a reliable source that the "moral embargoes" against Russia would be maintained indefinitely regardless of the Baltic peace.

The President laid down the "moral embargo" on the shipment of warplanes and parts to Russia early in December. This was later amplified by the state department to include materials going into the manufacture of airplanes.

No move to lift any of these embargoes will be made for some time, it was learned, because:

1—Officials are not sure that Russia will not again move against a Finland weakened by the peace treaty.

2—Nor are they sure that Russia,

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## Babson Says Utility Men Fear "Death Sentence"

By ROGER W. BABSON,
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Winter Park, Fla., March 14.—The S. E. C.'s recent move in asking several public utility holding companies to file their plans to comply with the Holding Company Act may be just a warning shot. But whatever its purposes, its only effect on the industry has been (1) a loss of $250,000,000 in security values, (2) less ability to cooperate on national defense, and (3) curbing new expansion that could provide 100,000 jobs. The industry, which has been slowly regaining the confidence of investors, has been plunged once more into a morass of uncertainty and confusion.

In any industry that faces uncertainty and change, investors always become over-excited. The present situation among holding companies is an excellent illustration. In my opinion, the utility business is not on the way out—it is on the way back! Despite unsettlement, I urge investors not to unload good utility securities now. They are already selling at distress values. Remember, the recent S. E. C. move was fully discounted five years ago when the Holding Company Act was passed!

**Unscrambling The Scramble**

But investors are not the only ones who are scared. The utility men themselves are worried sick over the thought of trying to unscramble the nation's most complicated scramble. According to a strict interpretation of the so-called "death sentence", most of the larger holding companies would have to make radical changes in their ope-

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