

HENDERSON, GATEWAY TO CENTRAL CAROLINA.

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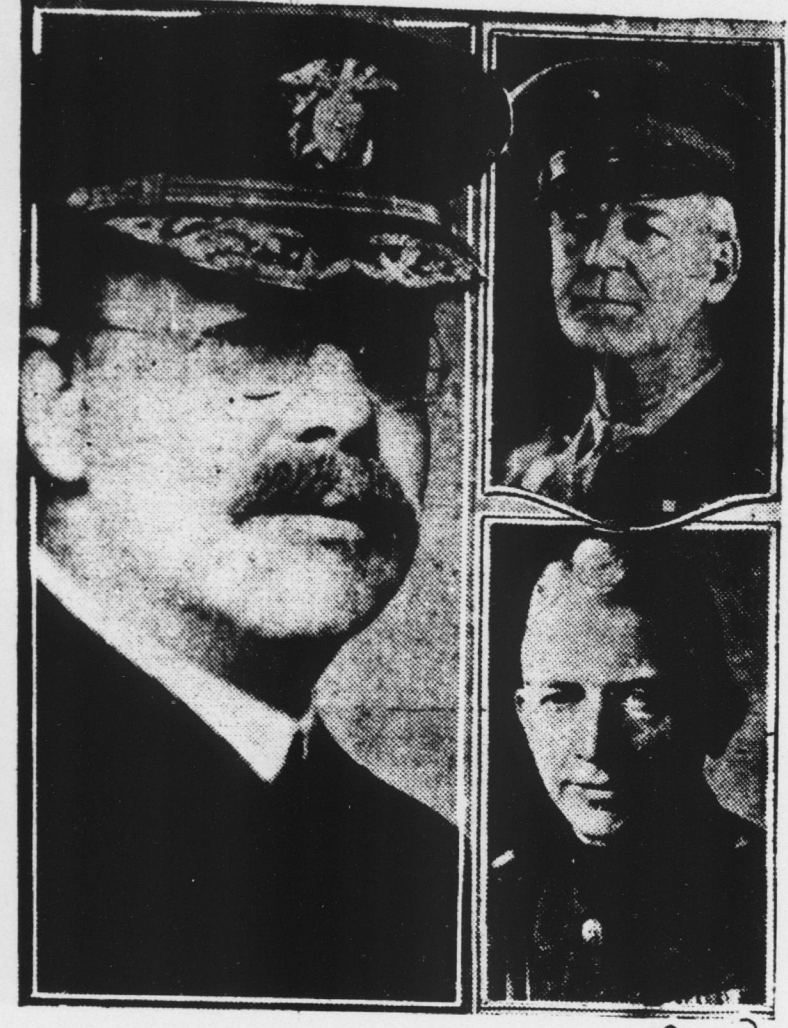
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## MAJOR ENGAGEMENT AT SHANGHAI LOOMING

### Four Hour Truce Is Arranged To Allow All Foreigners To Evacuate Chapei Battle Area

#### NAVY DIRECTS U. S. ARMY IN CHINA



Presence of U. S. marines, a regular army battalion, and navy forces at Shanghai, uncovers an unusual situation in which the United States army functions under a naval commander. Colonel Lorenzo Gasser, lower right, commander of the Thirty-third regi-

#### NEW MEASURE SEEN AS EFFORT TO HALT FAILURES OF BANKS

Legislation Would Broaden Basis On Which Paper Can Be Rediscounted

#### WOULD HELP BANKS FACING HEAVY RUNS

Federal Reserve Board Would Be Able To Determine Value Of Securities And Rate Loans Accordingly

Washington, Feb. 11.—(AP)—The expectation that bank failures would be stopped by the forthcoming legislation to broaden the base on which paper can be rediscounted was expressed today in high treasury quarters. It was pointed out that if the federal reserve bank were able to advance funds on the intrinsic value of securities held in the portfolio banks, this would aid banks finding their cash exhausted through unnecessary runs to raise additional money and prevent them having to suspend business.

#### DISARMING OF ALL NOW SEEN AS ONLY HOPE AGAINST WAR

Maxim Litvinoff, Russian Delegate, Proposes Total And Universal Disarmament

#### ANOTHER WORLD WAR FORECAST AT M E E T

Soviet Russia's Commissar Of Foreign Affairs Surprises Arms Parley With Bold Statement

Geneva, Switzerland, Feb. 11.—(AP)—Maxim Litvinoff, Commissar for Foreign Affairs for Soviet Russia, proposed total and universal disarmament to the World Disarmament conference today as the only valid security against war. M. Litvinoff, chief of the Russian delegation to the conference forecast the approach of another world war which he predicted would be more terrible than the last unless disarmament is achieved. His plan for total disarmament of the world, he admitted frankly to the delegates would probably have slight chance of acceptance by the great powers and as an alternative he offered a second project for progressive and proportional disarmament. Then to the surprise of many of the delegates he assured the conference his government was ready to consider any proposal likely to achieve arms reduction.

#### WHERE JAP ATTACKS HAVE FAILED



This map shows the area around the famous Woosung forts near Shanghai, where Chinese troops, despite heavy bombardment and troop concentration, have thrust back Japanese attacks in attempts by the latter to circle the entrenched Chinese army. The district is heavily fortified by the Chinese. In the photo below are shown field mortars of the type used by Chinese in repelling the invaders. The guns are used to hurl heavy bombs at an angle designed to land them in the opposing trenches.

Hostilities Will Cease For Short Time To Allow Trucks To Go In For Residents

#### PREPARATIONS MADE TO RESUME FIGHTING

Group Of Shanghai Volunteers Are Relieved By United States Troops Who Guard International Boundary

Shanghai, Feb. 12 (Friday) (AP)—Five hundred pound aerial bombs will smash into Woosung when hostilities on that front are resumed perhaps today, certainly before many days have passed. It will be the first time such huge missiles of destruction have been used in this area but the big bombs will not be dropped on Chapei because of nearness of the international settlement. The explosion of such a bomb is terrific.

On Thursday the hostilities along the whole 20 mile front from Chapei to Woosung were suspended because of the celebration of Japan's "Empire Day". Even the Chinese government customs boats in the Whangpo dressed ships as an

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#### LAWRENCE MAY NOT CONTINUE IN RACE

Winston Salem Man May Drop Out of Race For Labor Commissioner

Daily Dispatch Bureau. In the Sir Walter Hotel. BY J. C. BARKER. Raleigh, Feb. 11.—According to reports that have been in circulation here for several days, R. R. Lawrence of Winston-Salem, president of the State Federation of Labor, will probably withdraw within a few days as a candidate for the nomination for Commissioner of Labor. For six months or more, Lawrence has been a more or less active candidate for the nomination for the State office now held by Frank D. Gris. But for the past several months his campaign has not been progressing any too well, according to reports. One reason for this has been that a majority of the Democrats in the State have always in the past been opposed to nominating any one as Commissioner of Labor who has been considered a representative of organized labor, and hence have not warmed up to Lawrence as he evidently thought they would.

#### Jim Ham Lewis Is Placed In Running To Succeed Hoover

Springfield, Ill., Feb. 11.—(AP)—James Hamilton Lewis, United States senator from Illinois, was placed in the running as a Democratic candidate for president today with the receipt of a primary petition prepared in his behalf at the secretary of state's office.

#### HENRY FORD PLANS TO MAKE BIG CAR

Auto Manufacturer Will Put Out New Four And Eight He Declares

Detroit, Mich., Feb. 11.—(AP)—Henry Ford today said that he is planning to bring out an improved four and a new eight cylinder car in the near future. He also said the chassis of the new models will be so constructed as to permit installation of either four or eight cylinder engines. Mr. Ford, in an open interview, said the new car will be of longer wheel base, lower hung chassis and heavier. He added that production will start sometime this month, the first public showing to be early in March.

#### Property Tax May Play Part In State Campaign

Daily Dispatch Bureau. In the Sir Walter Hotel. BY J. C. BARKER. Raleigh, Feb. 11.—No candidate can win the Democratic nomination for Governor of North Carolina unless he openly advocates the complete removal of the present 15 cents tax on property for the partial support of the six months school term, according to a conviction that is growing in political circles here. The candidate who advocates the removal of this tax most strongly, and that also succeeds in convincing the people that other taxes on property must and can be reduced, will be the one who gets the nomination, observers here are convinced. As a result of this growing conviction, based on first-hand information as to how a majority of the people in the State feel about the matter, both J. C. B. Ehringhaus and A. J. Maxwell are expected to announce momentarily that they will seek the removal of the 15 cents tax on property for school purposes, and thus follow in the footsteps of Lieutenant Governor R. T. Fountain, the third candidate for the nomination, who has been advocating the removal of this 15 cents tax for many months.

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#### MUSSOLINI AND PONTIFF CONFERS WITH POPE TODAY

Mussolini And Pontiff Hold Conference Lasting For An Hour

Vatican City, Italy, Feb. 11.—(AP)—Premier Benito Mussolini, II Duce, of Italy Fascism and Pope Pius XI, Holy Father to the Catholic world, met today in the pope's library at the Vatican for the first time were coiseted alone for a full hour sealing the peace of the church and state which was begun by the Lateran Treaty three years ago.

The premier's first visit to the pope looked for several months since the settlement of the controversy over the Catholic action society, was expected to last only for a few moments, lasted an hour to the surprise of the waiting attendants of both himself and the pontiff.

#### PROPOSAL TO HELP BUSINESS OFFERED

Hoover Tells Six Score Business Executives To Reconsider Plan

Washington, Feb. 11 (AP)—A group of six score business executives who pleaded before President Hoover today proposed for "a two year's truce" in destructive competition" were directed by him to reconsider their suggestions. The group representing independent producers and distributors throughout the country returned at once from the White House to a continuation of their conference at the Hotel Mayflower. The proposal for a two year moratorium in competition was asked as an arbitrary period during which there might be investigation of a non-partisan committee of congress of existing business conditions.

#### Smith and Raskob Visited By Byrd In New York Today

New York, Feb. 11.—(AP)—Former Governor Harry F. Byrd, recently endorsed by the general assembly of Virginia as Democratic presidential candidate, called on Alfred E. Smith and John J. Raskob today—not as a candidate, he said, but as vice chairman of the Democratic National committee,

#### ATTACKS ARE MADE ON CREDIT PLANS

Proposal to Loosen Credit By Federal Reserve Regulations Opposed

Washington, Feb. 11.—(AP)—The latest proposal for loosening credit by a revision of federal reserve regulations was assailed in the House today as congressional leaders completed their draft of the bill that was evolved at a series of White House conferences.

Before the bill had been dropped into the hopper, Representative Busby, Democrat, Mississippi, a member of the House Banking committee called it "a mere legislative palliative that is not going to meet the situation." Busby said the federal reserve system "cannot meet the basic troubles."

#### U. S. IS URGED TO PREPARE FOR WAR

Maryland Governor Urges Maintenance Of Adequate Armed Force

Baltimore, Feb. 11 (AP)—Governor Albert C. Ritchie today called on the United States to maintain adequate armed forces to protect the nation in the face of a world giving every indication of preparing for another war. Standing at the foot of the first monument erected in honor of George Washington, the Maryland executive and Democratic presidential candidate, issued his plea over a nationwide radio system in opening Maryland's celebration of the Washington Bicentennial. Declaring that the armed forces of the nation are now far below the provisions of the national defense act he pleaded not to weaken them further.

#### WEATHER

FOR NORTH CAROLINA. Rain tonight and probably Friday morning; warmer in central portions tonight; colder Friday; fresh, possibly strong southwest winds.

#### Dr. Harry North Victim Of Heart Attack In Raleigh

Raleigh, Feb. 11 (AP)—The Rev. Harry M. North, D. D., presiding elder of the Raleigh district of the Methodist Episcopal Church, South, died suddenly at 12:15 this afternoon at the district parsonage. Dr. North was stricken with a heart attack and died before Dr. James W. McGee, who was summoned, could reach the house. His death followed by less than

a week that of Dr. Michael Bradshaw, a former presiding elder of this district, who died Sunday in Durham. Coming here from the Wilmington district, Dr. North had been presiding elder for two years. In recent years he had served pastorates at Durham, Rocky Mount and Kinston. Funeral arrangements were not complete this afternoon.

#### U. S. AND MEXICANS TO LINK INTERESTS

Will Join In Event of Complications In Far Eastern Situation

Washington, Feb. 11.—(AP)—State Department officials denied today that there is any understanding between this country and Mexico in connection with relations with the Far East. In quarters conversant with Latin-American affairs, it had been said previously that such an understanding was in force. Washington, Feb. 11.—(AP)—Existence of an understanding between the United States and Mexico linking their national interests in event of further complications in the far eastern situation was disclosed today in authoritative quarters. While no notes on the subject have been exchanged between the two governments at least in recent months, information was given today that this government and that of Mexico see their interests as common in the event of discordant eventualities springing from difficulties with oriental nations.

#### Records In Harwood Case Are Reported As Missing

Daily Dispatch Bureau. In the Sir Walter Hotel. BY J. C. BARKER. Raleigh, Feb. 11.—State circles are all in a flutter again as a result of the report that certain important records having to do with the case of the State against Miss Lola G. Harwood, former employee of the State Department of Revenue charged with misappropriating some \$4,903 in State funds, have been tampered with or mutilated. Reports that something had struck a snag in this case started circulating several days ago when the case was suddenly continued again and when the civil action, in the hands of J. M. Broughton as referee, and understood to be nearing settlement, was suddenly resumed. It was finally learned yesterday from unofficial but reliable sources that the snag was the discovery that some of the State's records in the case have either been mutilated, defaced or lost. So far, no one connected with the case from the State's angle, would discuss the matter or either deny or verify the report that the State's records had been tampered with. Commissioner of Revenue A. J. Maxwell, when asked about the mat-

ter, declined to comment on the case or any of the reports connected with it in any way, other than to say that the entire matter was in the hands of the Attorney General. Neither would Governor O. Max Gardner discuss the case, saying that it had not been brought to his attention and that he knew nothing about it. Attorney General Brummitt, when asked if he had any statement to make about the case and the reports that important records had either been lost, mutilated or defaced, said: "I have nothing to say. I am not trying this case in the newspapers." When asked further if he would either affirm or deny the reports concerning the mutilation of records in the case, said: "I just told you I have nothing to say about it." The refusal of both Commissioner Maxwell and Attorney General Brummitt to discuss the reports in connection with the case and their failure to deny the reports in connection with the mutilation or removal of some of the records in the case, are being interpreted by most people here as com-

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#### MANUFACTURES TAX IS BEING PLANNED

May Be Big Item In New Revenue Bill Now Being Drawn Up

Washington, Feb. 11.—(AP)—A general manufacturers sales tax of one or two percent appeared certain to be the big item in the new revenue bill being drafted by the House Ways and Means committee with appointment today of a subcommittee of seven to study the proposal advocated by a large number of representatives of big industries. Subcommittee members also were appointed to draft recommendations for increases in income taxes and for the levying of a gift tax. Acting Chairman Crisp declined to make the personnel of the subcommittee public. The proposal likely of approval is to levy a general sales tax on manufactures as they come from the factory in preference to taxes on the individual manufacturing products.