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

TWENTY-THIRD YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS.

HENDERSON, N. C., SATURDAY AFTERNOON, DECEMBER 26, 1936

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

FRANCE READY TO RESTORE GERMAN COLO

CHIANG RETURNS TO Larger Appropriations NANKING TO ASSUME HIS RULE OF CHINA

Meanwhile, His Captor Is His Prisoner and Begs Mercy of Powerful Dictator

CHIANG'S WIFE IS GIVEN THE CREDIT

American-Educated Woman Effected Husband's Release from Mutinous Warlord in Sianfu Province; Tumultuous Welcome Is Accorded

Nanking, China, Dec. 26 (AP)-Rebellions Marshal Chang Huseuh-Liang, asserting his willingness to "suffer death," 'threw himself tonight on the mercy of his former captive at Sianfu, Generalissimo Chiang Kai-

The leader of the military mutiny that caused a grave governmental crisis made known his intention in a letter addressed to the premier shorty after his arrival in the capital. Chang, it was disclosed, is being

held under guard at the residence of Dr. T. V. Soong, the generalissimo's brother-in-law, who brought the mutineer from Sianfu by plane this aft-

General Chiang, meanwhile, returned triumphantly to Nanking to assume control of the Nationalist government after spending two weeks as Chiang's prisoner in the interior pro-

Credit for the dramatic solution to the grim thread of civil war was universally accorded to Kai-Shek's American-educated wife, who stood proudly at his side as he took the tumultous salute of the thousands who jushed to hail their leader's freedom.

Girl Saves ManInjured St. Peters. The pontiff passed a restless night and woke early to listen to mass said in the study adjoining his bedroom. He spent the rest of the morning napping and had only one visitor. InAirplane

St. Louis, Mo., De. 26.—(AP)— Tragedy was matched by the heroism of an attractive young swimmer as a low-flying biplane struck a tree and plunged into the Meramee river at Sylvan Beach late Christmas day, killing McCoy Sanders, 28-year-old passenger.

The pilot, Al Constance, who suffered serious injuries, was pulled from the half-submerged wreckage by pretty Miss Odessa Lafevre, 23-eyar-old beauty parolr operator, in a brave rescue effort after jumping off the Roosevelt Didn't Want Big horse she was riding along the river

Miss Lafevre was riding with her father, J. J. Lafevre, when the privately-owned plane swooped down a short distance from them, narrowly missed the steel girders of the bridge and rammed into a large elm tree near the water's edge. Bundled in riding clothes, Miss Lefevre kicked off one boot on the run, then plunged in-

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Brisbane Is Honored By The Nation

From All Sections Come Messages On GOMEZ WAS OUSED Death of Highest Paid Journalist

New York, Dec. 26 (AP)-Tribute came from all parts of the nation to-day for Arthur Brisbane, editor and columnist, whose death at 72 took from American journalism one of its best known figures.

The noted writer, in failing health for several months, died in his sleep in his apartment yesterday as news-paper presses rolled out his last colmn, a Christmas message he had dictated only a few hours before. Brisbane suffered a heart attack Thursday afternoon, but insisted on

dictating his column. His passing closed the amazingly successful career he began 53 years

(Continued on Page Three.)

Dictator Freed



CHIANG KAI-SHEK

Pope Looks Forward To Eastertide

Vatican City, Dec. 26 (AP)—With indomitable fortitude, Pope Pius XI set himself the goal today of standing before Easter throngs on the balcony

Today apparently he began a second

stage in the illness which forced him to bed partly paralyzed in both legs and suffering a complication of old-age infirmities just three weeks ago.

INAUGURAL FREEZE

Display, But Capital Demanded It

By CHARLES P. STEWART Central Press Columnist

Washington, Dec. 26—Preparations for 1937's presidential inaugural parade are better, perhaps, than halfhearted, but they are not 100 per cent terday in north Idaho with two pilots enthusiastic. Folk are not overly optimistic as to

The prospect of this possible aftermath does not worry the capital's hotel and restaurant managers, tourist entertainers and other businessmen and women who depend on a grand

back home again. The only question is:
Washington has not exactly a severe climate. Noses and ears do not literally freeze and rub off, as in the Twin Cities and thereabouts. Never-

Continued on Page Two.)

BY MENOCAL GROUP

Party With Largest Voting Strength Claims Credit for Overturn of Cuban President

Havana, Dec. 26.—(AP)—The powerful Menocalista party came forward today to assume responsibility

for the ousting of President Miguel Senator Sanitago Santiago Verdeja, president of the party, which has more votes than any other in the Cuban Congress, and tremendous

Gomez' successor. The senator charged the expelled executive incurred the Menocalistas'

disfavor because of a six months regime of inactivity which started with pared with only a little more than 50,fecund promises and ended in sterlie

For The Next Biennium Asked By Budget Board

Some \$5,000,000 More for State Institutions and Departments, Including Schools, to be Recommended to General Assembly; Governor Approves Requests

Advisory Budget Commission, now being printed and which is expected to be read for submission to the members of the 1937 General Assembly when it convenes here January 5, will recommend a substantial increase in the appropriations for all the State departments and institutions for each year of the new biennium beginning July 1, 1937, it was learned from an authoritative source today. The extent of the increase could not be It is understood that the members

Daily Dispatch Bureau, in the Sir Walter Hotel.

Raleigh, Dec. 26—The report the Advisory Budget Commission, Governor J. C. B. Ehringhaus, who is director of the budget, and Frank Dunlap, assistant director of the budget, completed their work on the report and on the model revenue and appropriation bills, the first part of this week and sent it to the printers. It is also understood that Governor Ehringhaus went over every word of the report and the bills personally and also that he wrote a good deal of the report.

Since all the members of the Advisory Budget Commission are pledge (Continued on Page Three.)

How Long New Prosperity Will Last Depends Upon Applying Christ Spirit TROUBLED EUROPE

Babson Says Babies and Their Proper Rearing Is Nation's Greatest Job; Relations in Industry Must Also Be on Equitable Basis, Economist Says

BY ROGER W. BABSON, Copyright 1936, Publishers Financial Bureau, Inc.

this important question.

What Is Prosperity? Let us look at "prosperity" through

a magnifying glass and see just what it is. It surely does not depend merely on the amount of goods produced. Babson Fark, Mass., Dec. 26.-"Is We certainly must consider whether the present return of prosperity to continue some years or is it merely a flash in the pan?" With business at mine our religion and health. Nor normal, this is a question which I am does it do much good to employ men constantly being asked. Those who to shovel sand from one pile to an think only of the vast numbers now other. Hence, when considering pros employed believe permanent improve- perity, we must consider what people ment is here. On the other hand, those are doing. Those employed in buildwho think of the millions unemploy- ing useful products are bringing about ed, believe the present spurt is only real prosperity, but those engaged in temporary. I have waited for my an- making whiskey are merely giving us nual Christmas message to answer a "shot in the arm." Now, what de termines the line of work in which a

(Continued on Page Three.)

WEARY SEARCHERS HUNT FOR PLANES

More Snow Hampers Hunt for Machine Long Lost In Utah Wilds

Spokane, Wash., Dec. 26 (AP)-Weary searchers depended upon a quick dash to lead them today to the snow-covered wreckage of an airplane missing since a week ago yes

aboard. In Utah, however, a fresh fall of snow during the night added to the possibility another vanished air liner, carrying seven persons, may not be

found until spring. The Western Air Express plane disappeared December 15.

pageant for a handsome financial cleanup; they will have scooped in their returns before the visitors begin to succumb to their hardships, deep snow to a point on Early Creek ridge, three miles away in St. Joe National Forest.

CarOwners FORMER PRESIDENT Warned To Charges His Two Sons Were Trapped by Socialists Into Fighting Get Plates

Daily Dispatch Bureau, In the Sir Walter Hotel, Ily J. C. BASKERVILL Raleigh, Dec. 26.—Although automobile owners are buying their licenses more rapidly this year than last, those who have not yet purchased their new 1937 license plates should do so at once in order to avoid posstrength in the rural areas, pledged it to support President Frederico Bru, Director R. R. McLaughlan, of the Motor Vehicle Bureau of the Department of Revenue, said today. While approximately 100,000 new license

(Continued on Page Two).

CHRISTMAS DEATHS ARE LISTED AT 354

Traditional Use of Fire-Crackers In South Adds to Grim Toll

Chicago, Dec. 26.—(AP)—Violent deaths by the hundreds turned Christmas gaiety to sorrow in virtually all sections of the na-

Traffic accidents were responsible for a huge share of at least 354 deaths on Christmas eve and

Christmas day.

More than two-score persons died by fire, drowning, falls, gunshots, stabbing, airplane and train accidents, or by other violent

The traditional use of firecrackers at Christmastime in the South brought death to a child in Florida and at least two persons in North Carolina.

At least 15 persons were drowned when an excursion launch capsized in the Kingston, Jamaica,

Paris, Dec. 26.—(AP) — Alcala Zamora, former President of Spain, charged the Spanish Socialist government today with "trapping" his two sons in the fight against Fascist insurgents.

In an open letter, Zamora asserted his sons, Louis, 24, and Hosea, 23, had gone to Earcelona to enlist in governmert militia after obtaining false passports from Spanish officials in Paris.

He declared they were drawn to Spain by offers of money and believed they were to form a university organization. He said his sons were stopped by

plates have been sold to date, as com- French border police at his request, but later were allowed to proceed after representations by Spanish ofWHITE HOUSE HAS TREE, TOO



The Christmas tree in the East Room As in the past, the White House has a huge Christmas tree this year. And, as usual, it is in the East Room.

WAITING DECISION

What German Dictator Will Do In Aiding Spanish Fascists Remains Question Mark

BRITAIN DISTURBED OVER THE OUTCOME

French Cabinet Members Curtail Christmas Holidays To Be Available for Any Emergency; Meanwhile, Hitler Ponders Course He Will Take

(By The Associated Press.)
A troubled Europe halted uncer tainly at a familiar cross-road today, waiting tensely for Chancellor Hitler of Germany to make a decision on aid to Spanish insurgents, which may lead to a new alignment of powers, and peace or general war.

London-Great Britain, obviously disturbed, hoped Reichfuehrer Hitler would make a decisive gesture for peace, and dispel war clouds overhanging Europe. Paris-French cabinet members

curtailed Christmas holidays and kept close contact with the capital in fear of a new "week-end coup" by Adolf

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Legislators Will Attend Inaugural

Washington, Dec. 26.—(AP)— Arrangements have been made by Representative Lindsay Warren of Washington, N. C., for the en tire membership of the North Carolina General Assembly to attend the inauguration of President Roosevelt in a body.

There will be 120 members of the State House of Representatives and 50 members of the North Carolina Senate in attendance. In addition, Clyde R. Hoey, who becomes governor of the State January 7, is expected to

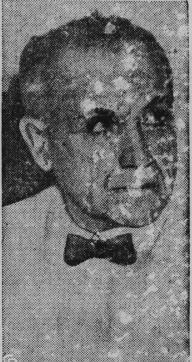
OUR WEATHER MAN



Partly cloudy tonight and Sunday; slightly warmer tonight.

WEEKLY WEATHER. Precipitation Monday and again about Wednesday; mild at beginning of week; somewhat colder Tuesday; much colder toward end

Cuban President



Federico Laredo Bru, above vice president of Cuba, has ascended to the presidency, succeeding Miguel Gomez after the latter was ousted in the squabble over his veto of the armysponsored sugar tax bill.

26 Persons Lose Lives **OnSteamer**

Explosion and Fire Wreck Italian Vessel at Dock in Eritrea, Africa

Rome, Dec. 26 (AP)-Twentysix persons were killed and 100 injured December 23, an official communique said today, in an explosion aboard the steamship Desare Battisti in the harbor of Massaua, Italian Eritrea, on the east coast of Africa.

A fire resulting from the explosion spread rapidly over the water front and the port, destroying several build ings, including the offices of the port

Twenty of those injured were reported seriously hurt.
"A boiler exploded in the steamer Desare Battisti about 10 a. m. December 23 in the port of Massaua,"

an official communique said. "The explosion tore the vessel open amidship and the ship sank near the Mihaj, head of the emergency defense dock. Twenty-six persons were killed | council, said in part: and 100 injured, of whom 20 are in a serious condition...

"Identification of the victims was the steamer were destroyed."

PLEDGE OF HITLER TO END EUROPEAN FEARS IS DEMAND

German Dictator Must Agree To Cooperate In Disarmament if Lands Are Returned

PLAN MIGHT SOLVE CRISIS IN EUROPE

Nazi Aid to Fascist Spanish Rebels Not For Glory But As Wedge To Prize Out Much Needed Raw Material Sources Essential To German Nation

Paris, Dec. 26. -(AP)-France is willing to give Germany back her former colonies in ceturn for a "full and lasting settlement" of European worries as to the third Reich's future path, foreign officials said today. Such a settlement must include

Adolfh Hiter's prom'se to participate in controlled disarmament, as well as his stoppage of volunteer German enlistments in Spain, they said. Hitler must also renounce territorial claims in Europe and agree to re-

turn to economic collaboration with the world, it was statea. On the other hand, the officials said, if Hitler desires the colonies only to make Germany stronger in a warlike

way, "he will have to take them from France by force." The colonies now under French mandate from the League of Nations, which would be consigned in such a deal, are Togoland in the Kameron. Togo is rich in raw materials Germany needs and Cameron produces, timber, hides and ivory, and is espe-cially suitable for raising of live-

COLONIAL CONCESSIONS

MAY SOLVE NEW CRISIS Berlin, Dec. 26.—(AP) — Colonial concessions to Germany may solve the international crisis centering on Nazi aid to Fascist Spain, well informed sources said today. These persons disclosed the week's grave conference in Paris between French Foreign Minister Delbos and German Ambassador Count von Welczek had involved not only the sending of German soldiers to Spain, but Germany's urgent need

for raw materials, as well. Delbos reportedly dropped the hint France was not blind to the theory that Spanish iron, copper, lead and mangaense, rather than the pursuit

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PSYCHIATRIST HALTS RIOT WITH PATIENTS

Women at Bellevue Hospital Quieted By Telling of Stories About New York, Dec. 26 -- (AP)-Christ-

mas stories told by a psychiatrist

quieted a tempestuous ward of Bellevue hospital last night after a twohour riot by 40 women patients. A favorite of the patients, Dr. Karl Bowman, director of psychiatrist service at Bellevue, brought order to the ward when he was called from his home at the height of the disturbance He persuaded the women, many less than 21 years old, to sit down and talk things over. One of the patients asked for a Christmas story. He told one. That called for another, and presently the ward was back to normal.

Socialists Clash With Rebel Foes

Spanish War Minister Tells Government Troops They Are Near Big Push

Madrid, Dec. 26.—(AP)—Socialist troops, continuing their drive to stem an insurgent advance on Madrid from the northwest, clashed today with Fascist attackers in the Boadilla del Monte sector.

The war ministry asserted the enemy was slowly retiing along the fortified line three miles west of the capital's boundary line. A proclamation addressed to So-cialist militiamen from General Jose

"It is sure that if today you can

continue your indomitable resistance x x x later you will be capable of delayed because all documents aboard transforming heroic resistance in a crushing advance."