

BRITAIN MAY BREAK RELATIONS WITH JAPAN

Japan And China Are Told United States Will Demand Entire Respect For Rights

EACH GOVERNMENT ASKED TO ASSUME ITS RESPONSIBILITY

Confirmation of Japanese
Intention To Blockade
Chinese Ports Is
Received

VOTING SCANDAL IN HOUSE IS RUMORED

Washington Hums With
Stories of Representatives
Being Recorded on Issues
When Not Even in Town;
Full Investigation Is To Be
Undertaken

Hyde Park, N. Y., Aug. 27.—
(AP)—President Roosevelt today
started his three weeks stay at
the summer White House by sign-
ing the rivers and harbors bill as
officials announced a flood con-
trol measure would receive his ap-
proval shortly.

Washington, Aug. 27.—(AP)—Sec-
retary Hull said today this govern-
ment had served notice on Japan and
China it would demand respect of all
its rights and interests in the Far
East.

Hull added the governments of
Japan and China were requested to
observe these rights to the extent they
would be responsible for damages to
this government, or its citizens, as a
result of hostile operations.

Although the secretary did not di-
rectly connect this notice to the con-
flicting powers with a reported threat
by Japan to blockade Chinese ports,
Hull said American consular officials
had confirmed an announcement
Japan intended to enforce a blockade.

Absentee Votes in House.
Elsewhere in Washington, a mem-
ber of the House high command dis-
closed an investigation is under way

Continued on Page Two.)

Price For Tobacco Is Still High

Raleigh, Aug. 27.—(AP)—The coax-
ing chants of auctioneers fell like
sweet music on tobacco growers' ears
today as prices on New Bright Belt
markets continued to march abreast
of those at yesterday's seasonal cur-
tain raiser.

The golden weed lay high on mar-
ket floors, and the estimated price
of 20 to 25 cents a pound accelerated
the selling, although there were
hulls at some markets set for expect-
ed big breaks Monday.

Kinston counted about 800,000
pounds today with prices averaging

Continued on Page Two.)

POLITICAL BATTLE OF 1938 IS BEGUN

Country Watches To See If
New Deal Will Attempt
Any "Purge"

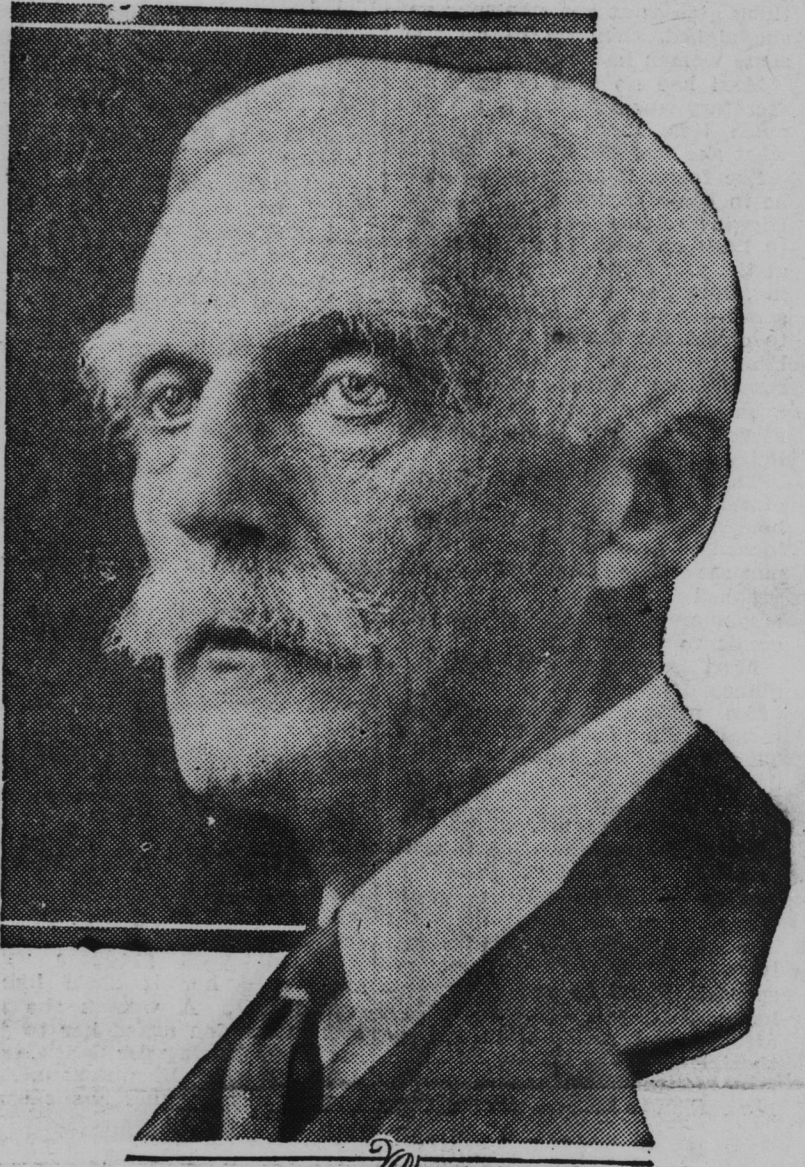
By CHARLES P. STEWART
Central Press Columnist
Washington, Aug. 27.—Next year's
political fight is raging like fury al-
ready.

It may seem early, with election
day more than a year distant, but
this is an unusual situation. Nomina-
tions are at least as important as
election; maybe more so. And the
nominating primaries will begin in
April.

Meanwhile senators and represen-
tatives who hope to run again will
not have much time to do missionary
work among their home folk. There
probably will be an extra congress-
ional session, starting Nov. 1 or ear-
lier.

Continued on Page Two.)

Former Treasury Secretary Dies



ANDREW W. MELLON

Doubt if Russians Ever Made Alaska

Fairbanks, Alaska, Aug. 27.—
(AP)—Pacific Alaska Airways
pilots said today they were con-
vinced Sigismund Levanevsky and
his five Soviet companions never
reached Alaska on their attempt-
ed trans-polar flight from Moscow
to Oakland, Cal., by way of Fair-
banks. The fliers have been miss-
ing two weeks.

Three Pacific Airways fliers
have covered 100,000 miles of
northern Alaska territory without
finding a trace of the missing
plane. Sir Hubert Wilkins, noted
explorer, carrying on the search
in a Russian-owned flying boat, ex-
pressed belief the Levanevsky
plane was down somewhere 500
miles on the North American side
of the pole.

SALES TAX INCOME UP DESPITE CUTS

Essential Food Exemptions
Fail To Stop Its Mount-
ing Revenue

Daily Dispatch Bureau,
In the Sir Walter Hotel.
Raleigh, Aug. 27.—Sales tax col-
lections for August, made on July
sales, will show an increase over the
corresponding month of 1936, despite
the fact that exemptions from the
levy were allowed for the first time
since June, 1935.

This fact is clearly shown by fig-
ures up to and including collections
of August 24, the latest available. On
that date sales tax collections for Au-
gust, 1937, amounted to \$786,153.77
against \$781,032.39 for the correspond-
ing period of August, 1936, showing
an increase, therefore of \$5,121.38.
The August, 1937, figures include

(Continued on Page Six.)

DODGERS' PITCHER IN HALL OF FAME

Brooklyn, N. Y., Aug. 27.—(AP)
Fred Frankhouse, veteran Brook-
lyn Dodger righthander, entered
baseball's hall of fame today by
pitching a no hit, no run game
against the Cincinnati Reds in the
first game of a double-header, al-
though the contest was called at
7 2/3 innings because of rain. The
Dodgers won 5 to 0.

New York Chinese Do Their Bit for Homeland



Busboys and waiters in one of New York's numerous Chinese restaurants are shown as they eagerly give their hard-earned dollars for the support of their warring countrymen in China. The committee collecting the money in New York City aims at a war chest of \$500,000 to help fight off Japan's troops. (Central Press)

FOUR LOSE LIVES AS PRIVATE PLANE FALLS AT ALBANY

State Assemblyman P. H.
Strong and Probably His
Wife Victims of
Night Crash

PLANE CAUGHT BY HEAVY RAINS, FOG

Sought Landing Instructions
Mile South of Airport;
Bodies Crushed Beyond
Recognition, Two Buried
Deep In Debris and Not
Recovered

Albany, N. Y., Aug. 27.—(AP)—The
bodies of State Assemblyman Prit-
chard H. Strong, wealthy Rochester
aviation enthusiast, and three com-
panions were found today in the twist-
ed wreckage of Strong's airplane a
mile south of the Albany airport.

The bodies were so badly mangled
that positive individual identification
was impossible immediately, but
Joseph Fitzgerald, Albany airport
manager, said there was no doubt the
victims were Strong and his party,
who disappeared in flight from Sara-
toga Springs to Albany early today.

In the party were believed to be
Mrs. Strong and Charles Judson,
Rochester investment counsel. The
pilot was Clarence Robinson, of
Rochester.

Two bodies were buried so deeply
in the wreckage they could not be
immediately extricated. The body of
a woman was thrown clear and that
of a man believed to be the pilot was
partly outside the plane.

Caught in rain and fog, the plane's
pilot radioed the airport shortly after
12:15 a. m., eastern standard time,
saying he was about to land and ask-
ing in a worried voice for further di-
rections, which night airport Manager
Thomas Wink gave.

(Continued on Page Three.)

Seeds Are Already Sown For Next Panic In U. S.

And When It Comes, Government Will Be Weakened
In Handling It by Already Unprecedented National
Debt, Babson Says; New Crash Certain

BY ROGER W. BABSON,
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Financial Bureau, Inc.

Gloucester, Mass., Aug. 27.—"When
shall I sell stocks and put my money
into short-term bonds and cash?"
This is a question which every inves-
tor and business man ought to be
considering today. I have been spend-
ing a lot of time here by the Atlantic
Ocean this month. I am a great be-
liever in periodically getting away
from one's every-day routine in order
to keep a proper perspective. Hence,
I have been thinking about the next
depression—how soon will it come,
what will be its causes, and similar
problems.

Another Crash Certain.
There is, of course, going to be an-
other depression some time. Before it

comes the investor should sell stocks,
the purchasing agent should cut down
inventories, the credit manager should
tighten his terms, and the manufac-
turer should hold back expansion
plans. In short, the time is coming
when every one should reef his sails
and get prepared for the storm. Those
who feel that panics are now merely
a matter of historical interest are
making a great mistake. Just as the
ocean tides will continue to ebb and
flow, so will the economic tides con-
tinue to rise and fall. There is no Su-
preme Court which can declare the
Law of Action and Reaction uncon-
stitutional.

When this next crash will come I
do not know. No one knows. But able

(Continued on Page Six.)

Franco's Army Menaced By Government's Fierce Campaign In East Spain

Motorized Insurgent Column
Speeding from Conquer-
ed Santander to
New Area

REBEL STRONGHOLD IS BEING ATTACKED

Government Forces Sweep
to Within Four Miles of
Zaragoza, Held by Insur-
gent Forces; Clean-Up Op-
erations Under Way in San-
tander District

Hendaye, Franco-Spanish Border,
Aug. 27.—(AP)—General Francisco
Franco, worried by the Spanish gov-
ernment's drive near Zaragoza, was
reported by insurgent sources today
to be speeding a motorized column
from conquered Santander to the
Aragon front.

These reports said the column pack-
ed up and rolled out of the Biscayan
seaport, leaving other brigades of the
100,000-strong northern army to pro-
secute clean-up operations east and
west of Santander.

The motorized force will be thrown
against the Madrid-Valencia army in

(Continued on Page Three.)

CROPS OVER STATE FINEST IN YEARS

Frank Parker, Statistician,
Makes Observation in
90 Counties

Daily Dispatch Bureau,
In the Sir Walter Hotel.
Raleigh, Aug. 27.—North Carolina's
crops are uniformly in the best con-
dition within the past 20 years, Frank
Parker, United States Department of
Agriculture statistician on duty with
the State Department of Agriculture,
said today after returning from a
tour which took him into nearly 90
of the State's 100 counties.

"Crops are the most uniformly good
I ever recall seeing in North Caro-
lina," he said, "and I have been mak-
ing an annual inspection tour since
1916."

"There are just a few spotty sec-

(Continued on Page Six.)



FOR NORTH CAROLINA.
Partly cloudy tonight and Sat-
urday, preceded by scattered thun-
der showers this afternoon and
possibly near the coast tonight.

DESPERATE BATTLE NORTH OF SHANGHAI NOW BEING FOUGHT

Tide See-Saw Back and
Forth as Crack Sino-Jap
Troops Carry On
Big Struggle

CASUALTIES RUN UP IN THE THOUSANDS

Britain's Ambassador,
Meanwhile, Lies Near
Death in Shanghai Hospi-
tal; Blood Transfusion
Given by American Sailor;
Situation Is Strained

London, Aug. 27.—(AP)—The Brit-
ish government was reported today
considering breaking off diplomatic
relations with Japan unless full satis-
faction is obtained for the wounding
of the British ambassador to China
in an attack by Japanese war planes.

Sir Hugh Knatchbull-Hugessen,
his back broken by a Japanese ma-
chine gun bullet, was in a critical
condition in a Shanghai hospital. In-
dignant foreign officials were said to
have taken a grave view of the attack
made on the envoy's car by Japanese
bombers in the Shanghai area.

Explanations from the Japanese
government were awaited momen-
tarily before a fateful decision was
made on just what would constitute
the "appropriate action" the govern-
ment has pledged itself to take.

FURIOUS BATTLE RAGES NORTHWEST OF SHANGHAI

Shanghai, Aug. 27.—(AP)—Crack
Chinese and Japanese divisions fought
a furious, costly battle today to turn
Lochen, key point in China's defense
lines about Shanghai, into a smoking
heap of ashes.

The tide of battle see-sawed from
side to side. Both Chinese and Jap-
anese rushed reinforcements to the
desperate fighting 12 miles northwest
of Shanghai. Thousands of casualties
were sustained by both sides.

Japanese, after first being hurled
back into Lion forest, reported they
had rallied and occupied the town
late this afternoon, gaining a foot-
hold for a drive into a district just

Continued on Page Two.)

Lewis Hurls Defiance At Henry Ford

Milwaukee, Wis., Aug. 27 (AP)—
Chairman John Lewis, of the CIO,
flung down the gauntlet today to
Henry Ford with a declaration the
United Automobile Workers of Amer-
ica are going to organize Ford work-
ers.

The long-awaited arrival of Lewis
had been the signal for a noisy dem-
onstration by delegates to the UAW
convention.

Howling, shouting delegates, 1,200
strong, rose to their feet, mounted to

(Continued on Page Six.)

Flood Loss Is Heavy In Many Places

North Carolina,
Washington, D. C.,
and Colorado Cities
Heavy Sufferers

Raleigh, Aug. 27 (AP)—Swollen
by heavy rains, Eastern North
Carolina streams continued to rise
today, apparently covering thou-
sands of acres of lowlands, but do-
ing little damage.

The Neuse river was at 17 feet,
3 1/2 feet in flood, at Smithfield
today, and probably will rise a foot
more by tomorrow, he said. The
Tar was eleven feet at Rocky
Mount, two over the banks and
still rising.

Florence, O., Aug. 27.—(AP)—Work
train crews, highway employees and
citizens of nearby Portland, Col.,
worked today to repair damage caus-
ed by flood waters that swept this
area last night.

A cloudburst, coming on the fifth
(Continued on Page Six.)