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HENDERSON GATEWAY TO CENTRAL CAROLINA

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MAY OUST CHIANG AND HALT CHINESE WAR

TOKYO SAYS U. S. AND OTHERS SEEK MEDIATION ROLES

Germany, Italy and England Moving for Peace in Sino-Japanese Conflict In East

BETTER BE ACTIVE, SPOKESMAN STATES

Those With Large Interests In China May Well Seek Amicable Settlement, Foreign Office Says; Chinese Bid for Peace Will Be Welcome

Shanghai, Dec. 8.—(AP)—The possibility that China might form a new government without Premier General Chiang Kai-Shek and make peace with Japan was advanced by authoritative quarters here today. The general's departure from Nanking in the face of the advancing Japanese army, these authorities said, likely would cause subordinates to undertake whatever settlement was obtainable. This possibility would lead to a new government, recognized by Japan and eclipsing Chiang. Rumors of Chinese-Japanese negotiations to save Nanking from the fate that befell Shanghai were heard on every side.

Tokyo, Dec. 8.—(AP)—A Japanese Foreign Office spokesman hinted today that the United States and three other powers were attempting to mediate the Chinese-Japanese war. "Japan is waiting to hear the results," he said. Meanwhile, Tokyo clung to the hope that China would

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Bombings Damaging For Spain

Madrid, Dec. 8 (AP)—Barcelona and other towns of government-held eastern coast of Spain and Palma, Balearic islands air and naval base of the insurgents, sifted the debris of shattered buildings today for victims of air raids reported to have taken hundreds of casualties. While 15 insurgent war planes swept in from the Mediterranean yesterday to bomb Barcelona, capital of the Spanish republic, 24 government air raiders spanned the 150 miles of sea between the eastern coast and Mallorca to strike a devastating blow at the insurgent base at Palma. A heavy toll of dead and injured was reported from Barcelona and other coastal towns caught in the insurgent air raid. The government airmen reported they dumped thousands of pounds of bombs on military objectives at Palma. In Madrid, now under insurgent siege for 13 months, several persons were killed by artillery fire in one of the city's principal markets. Women standing in line for vegetable rations were among the injured.

PETROLEUM GROUP GATHERING POWER

May Become Great Political Organization Under Sparger's Guidance

Daily Dispatch Bureau. Raleigh, Dec. 8.—There is being built up in North Carolina an organization which can very readily become perhaps the most powerful political machine in the state. The organization is the North Carolina Petroleum Industries Committee and the building is being done very largely by S. Gimer Sparger, a political wizard of no means proportions. Mr. Sparger, whose home is in Stokes was a member-in fact still is a member—of the 1937 State Senate. He is organizing the gasoline, oil and allied industries men of North Carolina into a cohesive body. When it is stated there are between 10,000 and 12,000 filling stations in North Carolina, the octopus-like tentacles of his group can be imagined. Giving

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COTTON PRODUCTION OF 18,746,000 BALES BIGGEST ON RECORD

Hiccoughs a Week



Dee Mack ... can't stop hiccupping After hiccupping for a week, Dee Mack of San Francisco was given sleeping tablets by physicians to relax her nerves. But she continued to hiccup in her sleep.

CHINESE DESTROY NANKING PROPERTY TO BALK JAPANESE

Bridges Being Blown Up and Village Walls Being Levelled Ahead of Invader

ANCIENT CAPITAL SEVERELY SHELLED

Steady Stream of Civilians Move to Safety Zones, and Despite Imminence of Attack, Authorities Maintain Order; U. S. Gunboat Is On Hand

Nanking, China, Dec. 8.—(AP)—Chinese troops blew up bridges and levelled village walls in Nanking's eastern suburbs today in an effort to destroy all possible cover Japanese attackers could use in an attack. The capital awakened to the thunder of artillery. Despite the imminence of attack, authorities maintained good order. There was a steady stream of civilians to a semi-safety zone. Military defense preparations were far advanced to prevent any possible last-minute panics. Two British gunboats moved a mile and half up the Yangtze to avoid consequences of an expected bombardment by the Japanese. In Shanghai, Japanese ministry authorities warned all foreigners and Chinese non-combatants to evacuate

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Series Of "Guides" About State Soon Will Be Ready

Almost Every Form of Information About Sports, Recreation and Industry Included; Mass of Data Assembled by Conservation Department

Daily Dispatch Bureau. Raleigh, Dec. 8.—The advertising division of the Department of Conservation and Development is nearing completion of a series of "Guides" to the State which will cover almost every phase of activity in Tar Heels. Already printed, and now in a second edition stage, is "Variety Vacationland", soon to come are "Fishing and Hunting," "Golfing," "Home Seekers" and "Industrial" guides. When the series is completed there will be scarcely a single topic upon which the division will not have avail-

Increase Over Half Million Bales Above October Forecast By Government

PREVIOUS RECORD WAS BACK IN 1926

Heaviest Per-Acre Yield On Record Caused New High in Production, With 264.6 Pounds on 33,930,000 Acres; North Carolina Total 775,000 Bales

Washington, Dec. 8 (AP)—The Department of Agriculture forecast an 18,746,000-bale record cotton crop today in its final 1937 estimates. A bale is figured by the department at 500 pounds gross weight. Last month's estimate was 18,243,000 bales, an increase of 670,000 bales over October. The previous record was 17,978,000 bales in 1926. Last year 12,399,000 bales came from the fields, and in the five years, 1928-1932, an average of 14,667,000 bales was produced. The heaviest per-acre yield on record caused the new production high. The department said it was indicated an average of 264.6 pounds had been grown on 33,930,000 acres. This compared with 34,383,000 acres

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TAKE THREE MORE ESCAPED CONVICTS

One Arrested Near Raleigh, Two at Petersburg; Nine Escaped Near Sanford

Raleigh, Dec. 8.—(AP)—Three more prisoners who escaped from the Lee county prison camp Sunday night were caught today. Oscar Pitts, superintendent of prisons, announced that William Casey, convicted in Duplin county, had been taken at the home of an uncle near here. J. R. Deas, sent up from Guilford, and Gordon Taylor, convicted in Robeson, were taken at Petersburg, Va., and Pitts said they were allegedly in possession of an automobile stolen in Sanford. Nine men got away in a break, but only Trolie Conner, of Bertie county, and Donnie Owen of Robeson, are still free.

CONCORD'S HISTORY IS LAUDED BY HOEY

Governor Speaks at 100th Anniversary of City; Urges Enduring Things of Life

Concord, Dec. 8 (AP)—Governor Hoey urged citizens of North Carolina today to re-dedicate themselves "to the enduring things in our State and national life, and have a finer appreciation of the enlarged opportunities which have come to all the people," as he reviewed 100 years of Concord's progress. The governor spoke at the city's centennial celebration exercises. A part of the centennial celebration was the dedication of a new armory, and the governor praised the "gallant military units, the inheritor of the fame of its predecessors and the worthy successor of these previous military organizations, and itself a mighty force for peace and good order in this commonwealth, and a part of the right arm of our national defense."

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8,000 Haitians In Nearby Soil Slain

Port-Au-Prince, Haiti, Dec. 8.—(AP)—President Stenio Vincente estimated today that 8,000 Haitians have been slain on Dominican soil since October. He said the slayings were "definitely and positively not a border incident, but the assassination of Haitians on Dominican soil far beyond the border." Early reports placed the number killed at about 5,000. The killings, according to George Leger, Haiti's foreign minister, occurred when the Dominican government, after revoking the permit for Dominican laborers to work in the Dominican Republic's cane fields, ordered a round-up of Haitians to be expelled from Dominican territory.

1937 COTTON CROP INCOME SHOULD BE AS MUCH AS 1936

Government Bureau Says Price Is Lower but There Is So Much More To Be Sold

BROUGHT FARMERS ALMOST A BILLION

Government Price Adjustment and Soil Conservation Payments Included in Figures for 1936; Smith Charges Under-Grading Very Costly

Washington, Dec. 8.—(AP)—The Bureau of Agricultural Economics said today that, despite substantially lower prices, this year's huge cotton crop should give growers a total gross income equal to, if not larger than, that of last year. Income on the 1936 crop was estimated to be \$987,100,000. This compared with \$861,000,000 in 1935, and \$822,000,000 in 1934. The bureau included government price adjustment and soil conservation payments in figuring the totals. It said the combined income from cotton and cottonseed was 15 percent larger than in the previous season, more than twice as large as 1932 and 1933, and about seven percent larger than the average for the five years ended with 1932-33. During the first three months of

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Cold Wave Leaves; New One Coming

(By The Associated Press.) The Carolinas enjoyed a momentary respite today from a premature cold wave which has gripped the State for three days, but colder weather was predicted again for tomorrow. Although temperatures generally were several degrees higher than yesterday's lows, the mercury at many points continued far below freezing. Mount Mitchell, where a low of 14 degrees below zero was reported yesterday, warmed up today to a minimum of six above. Asheville, whose weather dropped to four above yesterday, registered a low of 16. The official forecast said there would be light snow or freezing rain

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16 DAYS TILL Christmas SHOP EARLY

House Committee Drops Idea Of Federal Income Taxes On State, Municipal Employees

RECOVERS FROM MYSTERY DISEASE



Mrs. Helen Traska with nurse and baby—who was saved. Although 11 babies have died from a mysterious intestinal ailment in a Chicago hospital, this baby, Sandra Peterson, has recovered from the disease and now is at home with her mother, Mrs. Helen Traska. A nurse, Mable Peterson, is shown with mother and baby.

COTTON REPORT IS WEAPON IN HANDS OF CONTROL GROUP

Acree Restriction Advocates Find It Strong Argument in Congress Debate

MANDATORY LOANS ON CORN APPROVED

Wallace and Commodity Credit Corporation Can Extend Credit at Their Wish; Court Decision Virtually Nullifies State-Municipal Tax Plan

Washington, Dec. 8 (AP)—A House tax sub-committee abandoned today proposals for Federal taxation of income of State and municipal employees, and interest on State and municipal securities now tax-exempt. "The sub-committee agreed that in view of the Supreme Court decision on Monday, no recommendation would be made along either line," said Chairman Vinson, Democrat, Kentucky. The court decision held that Washington and West Virginia might tax gross incomes received by contractors for building locks and dams for the federal government. Some committeemen said the decision had "thrown cold water" on the idea that State and municipal employees might be subjected to Federal tax, and that tax-exempt interest might be a source of revenue.

COTTON REPORT WEAPON FOR CONGRESS SPONSORS

Washington, Dec. 8 (AP)—Congress still talking about farm aid, received an Agriculture Department report to-

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ASKS MEDIATION IN SHIPPING INDUSTRY

Kennedy Wants Labor Service Similar to That Now Prevailing For Railroads

Washington, Dec. 8.—(AP)—Joseph P. Kennedy, chairman of the maritime commission, asked a Senate committee today to create a mediation labor service for the shipping industry, and to liberalize government subsidies under terms of the merchant marine act. He said eight months of operations under the act, designed to re-establish a powerful America-owned and operated shipping fleet had "revealed two most serious ailments, the replacement problem and the situation with regard to labor." In the face of announced opposition by organized maritime labor, Kennedy asked Congress to pattern arbitration of marine labor disputes after that operated under the railway labor act.

25 UAWA MEN ARE HELD AT DEARBORN

Group Arrested Trying To Distribute Literature in Forbidden Area

Detroit, Mich., Dec. 8.—(AP)—Dearborn city police arrested 25 members of the United Automobile Workers of America this afternoon when they attempted to distribute union literature in a "prohibited area" at the gates of the Ford Motor Company. The union members offered no resistance. A dozen state policemen assigned as "observers" were on duty in the area, designated by Mayor John Carey, of Dearborn, as one of congested traffic and in which union activity is forbidden. The union immediately said it would defy the order, and State Police Commissioner Oscar Olander ordered his detachment of troopers to stand by. The prohibited area was the scene of a riot last May 26, when the union attempted to distribute its literature.

Duke Power Case Based On Constitution Ground

Payne Believed Seen at Shelby

Shelby, Dec. 8 (AP)—Sheriff Raymond Cline said today two men, one believed to be Bill Payne, widely-hunted desperado, held up a filling station attendant near here last night and robbed him of \$120. The sheriff said Frank Bradley picked up a photograph of Payne from 12 unmarked pictures and said it resembled one of the robbers. Bradley said the two men drove into his station and ordered gasoline. When the tank was filled, Bradley said, the men thrust guns against his rib and took his pocketbook and a quantity of cigarettes. They drove away toward Asheville, he said. Sheriff Cline said Bradley's description of one of the robbers was similar to Payne's and commented that "there is a strong possibility" he was the man.

Right of PWA To Finance Local Power Project Is Argued Before Supreme Court

DECISION POSSIBLE AT JAN. 3 SESSION

Duke Company Seeks To Prevent \$2,852,000 Advance to Greenwood County, S. C., for Building Buzzard Roost Power Plant; Six Hours Consumed

Washington, Dec. 8.—(AP)—Counsel for the Federal government and Greenwood county, S. C., defended before the Supreme Court today the right of the Public Works Administration to finance construction of publicly owned power plants. Their arguments, together with a brief reply by counsel for the Duke Power Company, concluded a six-hour debate on constitutionality of the government action. A decision is possible January 3.

The Duke company sought to prevent the PWA from making a \$2,852,000 loan and grant to Greenwood county for a plant at Buzzard Roost, S. C. D. W. Robinson, who appeared for the county, said the Public Works Administration had made an investigation of the loan and grant to determine, among other things, the question of "reasonable security." He made a detailed and technical

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THREE VIEWS UPON CONTROL OF CROPS

Bankhead Accused of Trying to Sway House To Compulsory Idea

By CHARLES P. STEWART Central Press Columnist Washington, Dec. 8.—Speaker William B. Bankhead of the House of Representatives is being considerably criticized by congressmen, who blame him for trying to influence legislation. Undoubtedly he has tried to do so. Specifically the speaker bellows in compulsory control of crop production

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WEATHER FOR NORTH CAROLINA. Cloudy, probably occasional light snow or freezing rain in the interior and rain on the coast tonight and Thursday; slightly warmer in east and central portions tonight; colder Thursday afternoon and night.