

370 JAPANESE HELD IN REVOLUTION PLOT

RIVAL GROUPS PLAN TO RENEW FIGHT IN LABOR'S CIVIL WAR

"Divide and Conquer" Campaign Plotted by American Federation of Labor Body

NEW CAMPAIGNS BY CIO ALSO FORMING

AFL Seeks Return of Garment Workers from Lewis Organization; May Expel United Mine Workers In Support of New Progressive Miners Union

Washington, Dec. 22.—(AP)—American Federation of Labor leaders talked today of starting a "divide and conquer" campaign against the CIO, now that peace negotiations in organized labor's factional war have collapsed.

John Lewis' CIO organization prepared, at the same time, to enroll more recruits and consolidate its ranks.

The federation's first step, informed persons said, might be an attempt to get the International Ladies' Garment Workers to leave the CIO and re-join the federation.

Then, the federation may expel the United Mine Workers and the Amalgamated Clothing Workers at the executive council's Miami meeting next month and start a membership battle in the coal fields and clothing factories.

United Garment Workers and the Progressive Miners of America would lead the fight, officials said, but the federation would back those unions with funds and organizers.

At the federation's Denver convention last fall, President William Green appealed to the rank and file of the CIO unions in both coal fields and clothing mills to overthrow their leaders and return to the AFL fold.

Bill Payne Pal Seized In Indiana

Anderson, Ind., Dec. 22.—(AP)—A man police said gave his name as Charles Frederick Yeager, 23, alias Charles Frederick Howenstan, of Norfolk, Va., was arrested here today at a relief mission when a pistol fell from his pocket.

YEAGER TO BE RETURNED TO THIS STATE AT ONCE

Raleigh, Dec. 22.—(AP)—Oscar Pitts, superintendent of prisons, said today immediate steps would be taken to return Charles Frederick Yeager, who police reported under arrest in Anderson, Ind., to complete a prison term.

(Continued on Page Five.)

Carriers Collect On Christmas Eve

Daily Dispatch carriers will collect from their weekly subscribers Friday, Christmas Eve, instead of the usual Saturday. There will be no paper Saturday, Christmas Day. Full cooperation of subscribers when carrier calls will be appreciated.

Rural South Is Not All Rosy Despite Big Crops And Healthier Income

Atlanta, Ga., Dec. 22.—(AP)—Despite bumper crops and increase farm income for 1937, agricultural leaders reported today a year-end business recession in some rural areas of the South.

Recent prices declines, a cotton surplus boosted by the season's record yield of an estimated 18,746,000 bales, and uncertainty over the administration's farm aid program were described as major points in the outlook for 1938.

Findley Weaver, director of the bureau of business research of the University of Oklahoma, expressed the

Hit by Cummings



Federal Judge Ferdinand A. Geiger, of Milwaukee, against whom charges of being "arbitrary, unjust and unfair" were made by Attorney General Homer S. Cummings, is pictured above. Geiger's dismissal of a Grand Jury which had voted but not returned indictments against three automobile manufacturers under the anti-trust laws, caused Cummings' ire.

INSURGENTS ADMIT LOYALIST CAPTURE OF TERUEL CENTER

Only Isolated Bands of Rebel Garrison Still Resisting, Franco Statement Says

CASUALTIES HEAVY IN TERRIFIC FIGHT

Government Crack Brigade Reported Wiped Out; City Known as Franco's Spearhead on Lower Aragon Line Considered by Rebels as Lost

Hendaye, Franco-Spanish Frontier, Dec. 22.—(AP)—Government forces have captured Teruel, insurgent officers said they were advised today by General Francisco Franco's headquarters.

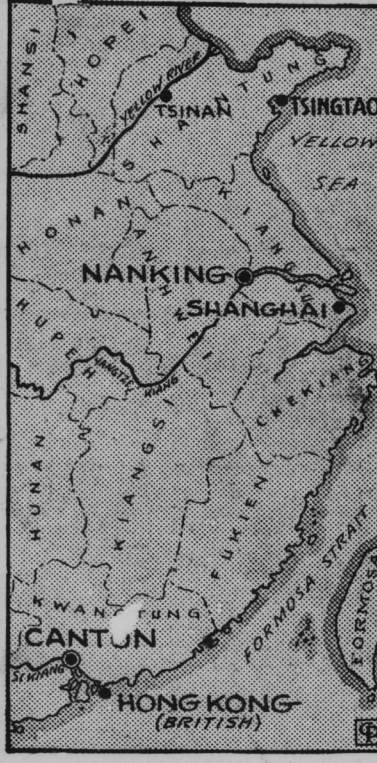
Official government dispatches—following an earlier premature announcement that the strategic provincial capital had been occupied—indicated part of the old quarter known as the "city of Roack" remained in insurgent hands. Only isolated bands of the insurgent garrison still were resisting, Franco's officers acknowledged. They said Salamanca headquarters considered the city, which had been the spearhead of Franco's lower Aragon line, as lost.

Military dispatches to Iran said the insurgents recaptured a fortified position just west of Teruel, inflicting heavy losses on government troops.

A government crack brigade was "wiped out" in the fighting around Teruel, the insurgent report said. The insurgents announced the Fran-

(Continued on Page Five.)

NEW TROUBLE ZONES IN CHINA AS JAPANESE MOVE ON SOUTHERN CITIES



Places shown on map are mentioned in latest dispatches



View of Canton, southern Chinese metropolis, where Great Britain has large interests

New trouble zones on the Sino-Japanese war front are shown here. While it was believed Japan planned a major offensive on the southern metropolis of Canton, shown above, where there are large British interests, U. S. warships reached Tsingtao, 300 miles from Shanghai, to help evacuate Americans in a new trouble zone there. A Japanese naval attack was feared at Tsingtao as a result of

destruction of rich Japanese cotton properties there by Chinese troops. At the same time it was believed the Japanese army would begin large-scale landing operations on the Kwangtung coast north of British Hongkong for a drive to bring the southern coastal provinces under Japanese sway. (Map above shows various places mentioned.)

—Central Press

Japanese Bombers Roar Over 3 U. S. Warships At Tsingtao

London, Dec. 22.—(AP)—The war office announced today the British garrison at Hong Kong would be strengthened as the government sent the sixteenth protest it has made to Japan since the outbreak of the Far Eastern conflict.

Sir Robert Craigie, British ambassador to Tokyo, was instructed to protest a Japanese attack on and seizure of a Chinese customs vessel in territorial waters off the British colony of Hong Kong December 11. The double action followed a two and a half hour review of the Oriental situation by the cabinet this morning.

JAPANESE BOMBERS ROAR OVER AMERICAN WARSHIPS Shanghai, Dec. 22.—(AP)—Japanese bombers roared today over the industrial seaport of Tsingtao, where three United States warships stood by to evacuate the 300 Americans there, if necessary.

United States consular authorities advised Americans to leave as fears increased that Japanese would attack the city in retaliation for destruction of Japanese cotton mills by Chinese troops. The United States cruiser Marblehead, the destroyer Pope and the gunboat Sacramento were in the harbor of the city 390 miles north of Shanghai.

Reports that 30,000 Japanese troops had left Shanghai for an unknown destination and that 80 transports were ready for additional troops gave impetus to fears that Tsingtao, as well as others of China's coastal cities would be attacked.

The Japanese planes, apparently making a reconnoitering flight, disappeared shortly. Tension caused by their appearance, however, remained high. United States authorities at Shanghai and Tokyo notified Japanese that a flag-decorated train carrying 300 foreign refugees, some of whom were Americans, would leave Hankow for Canton tomorrow.

HIGHWAY PATROL IS HAVING HARD TIME

Series of Recent Incidents Draws Fire of Public in Localities

Daily Dispatch Bureau. In the Sir Walter Hotel. Raleigh, Dec. 22.—Major Arthur Fulk is sitting tight and saying nothing as the State Highway Patrol, of which he is commander, continues to get into hot water in several sections of the State and for several different reasons.

"Hot spots" for the patrolmen and their commander in recent weeks have been Wilmington, Raleigh and Charlotte. In each city the patrol has come in for some vigorous and unwelcome verbal castigation. In the Wilmington incident the city's Mayor Thomas E. Cooper was the castigator. It came about when veritable swarms of patrolmen, to hear Mayor

(Continued on Page Four.)

HITLER MARCHES IN LUDENDORFF RITES

Brilliant Military Pageant Is Given for Great German World War Chieftain

Munich, Germany, Dec. 22 (AP)—Chancellor Adolf Hitler himself laid a wreath today at the bier in the brilliant military funeral for World War General Eric von Ludendorff. No one of military, political or economic rank in Nazi Germany was missing at the ceremonies before Field Marshals' hall for the general who had been Field Marshal Paul von Hindenburg's chief of staff in the World War.

The rites were the most impressive since the burial in 1934 of von Hindenburg, who had become Germany's president. Ludendorff died Monday at the age of 72.

Hitler walked directly behind the coffin in the procession from Victory Arch to the hall where State obsequies were held. Four generals flanked the gun carriage bearing the general's body.

WEATHER FOR NORTH CAROLINA

Increasing cloudiness, followed by rain in interior tonight and Thursday; warmer tonight.

Toronto's Baby Derby Will Valid

Ottawa, Ontario, Dec. 22.—(AP)—(Canadian Press)—The Supreme Court of Canada today upheld the eccentric will of Charles Vance Miller, instigator of Toronto's unique "stork derby."

Miller's will provided his estate, estimated in excess of \$500,000, should go to the mother or mothers giving birth to the most children in Toronto between October 31, 1926, and October 31, 1936. The Supreme Court left to Ontario courts the task of determining the mother or mothers entitled to the money, for which a dozen or more women have filed claims. Validity of the will was

(Continued on Page Six.)

Roosevelt Lauds Work Of Kellogg

Washington, Dec. 22 (AP)—President Roosevelt today praised the late Frank B. Kellogg as an "indefatigable worker in behalf of world peace."

The chief executive issued this statement on the death of the former secretary of state: "An outstanding and sincere figure in our national life and in world affairs has gone in the passing of Frank B. Kellogg. An indefatigable worker in behalf of world peace, he never lost faith in the superiority of the arbitration of reason to physical force in the government of man."

MINNESOTA AND NATION MOURN KELLOGG PASSING

St. Paul, Minn., Dec. 22 (AP)—Minnesota and the nation mourned today the death of Frank B. Kellogg, son of pioneer parents, who raised himself to the heights of world statesmanship. The former secretary of state, diplo-

(Continued on Page Five.)

EXTRA SESSION IS ENDED WITH NONE OF TASK FINISHED

Members of Congress Leave Administration Program Up In Air As They Go Home

SOME PRELIMINARY GROUNDWORK READY

Barkley Says Session Has Clipped Six Weeks from Regular Session; G. O. P. Senate Leader Sees End in May if FDR Will Hold New Bills Off

Washington, Dec. 22.—(AP)—Members of Congress left the administration special session up in the air today and began a twelve-day Christmas vacation that deferred enactment of major legislation until the new year.

The sudden adjournment at dusk yesterday, after the Senate passed the Housing bill 66 to 4, found none of President Roosevelt's recommendations actually written into law. Administration leaders, however, contended the session had served a valuable purpose in finishing preliminary work on farm, housing and other administration measures. Final approval of these will be sought at the regular session convening January 3.

Democratic Leader Barkley, Kentucky, asserted the session had clipped from six to two months off the regular 1938 session. Republican Leader McNary, of Oregon, predicted the regular session would end in May "if the President doesn't keep sending recommendations to Congress."

"POPEYE" CREATOR IS CRITICALLY ILL

Santa Monica, Cal., Dec. 22 (AP)—E. C. Segar, cartoonist creator of "Popeye the Sailor," is in a critical condition at Santa Monica hospital, Dr. Raymond Sands said today.

Bailey Predicts Workable Farm Bill Next Two Years

Senator Explains His Opposition to Present Measure, Which He Says Is Unconstitutional; Outlines Plan That Would Really Help the Farmer

Senator Josiah W. Bailey has sent to the Daily Dispatch a letter addressed to the "farmers of North Carolina," in which he explains his vote against the measure just passed in the Senate, declares it unconstitutional, and outlines a new farm plan, which he says would really benefit the farmer on a permanent basis, and which he predicts will pass in the next two years. The senator writes as follows:

Senate will not become a law. The House passed a different Bill. When the Senate passes one Bill and the House passes another, both bills are referred to a Conference Committee made up of Senate and House members, and they work over both bills with a view to reporting a compromise measure.

We may look for the compromise measure in the session in January. Meantime, there is little to be said. I voted against the measure in the

(Continued on Page Five.)

POLICE ANNOUNCE RAIDS CARRIED OUT OVER A WEEK AGO

Member of Parliament and Several College Professors Are Held Under Suspicion

REVOLT BASED ON COMMUNIST IDEALS

Have Been Spreading Anti-War Propaganda Ever Since Outbreak in China; Many Citizens Stunned by Developments; Three Organizations Named

Tokyo, Dec. 22.—(AP)—Police declared today their secret arrest of 370 suspected agitators had barred activities for a "general revolution based on communism."

A member of Parliament and several former university professors were held on suspicion of inspiring communist and pacifist movements. They were rounded up in a nationwide series of raids at dawn last Wednesday.

"The main point of their movement apparently was to lead a general revolution based on communism," the Metropolitan Police Board said. "Since the outbreak of the Chinese incident, they have used every opportunity to spread anti-war propaganda throughout the nation."

"Therefore, the authorities have been forced to arrest those who violated the peace preservation law, disrupted the private property system and sought to change the state structure."

Many citizens appeared stunned by the arrests, and there was a widespread belief they were made to deflect the nation's attention from the strained international relation. Ordinarily, they said, such a campaign would have been kept secret for months.

Police declared three organizations, the Labor-Farmer party, the Pro-

(Continued on Page Six.)

CHARLOTTE MILLS ORDER DIVIDENDS

Charlotte, Dec. 22 (AP)—C. A. Linberger, president of the Linberger interests at Belmont, announced today directors of five of a chain of mills the company operates had ordered semi-annual dividends of three to five percent. In addition, he said, directors of the Acme Spinning Company would order an annual dividend of 10 or 12 percent tomorrow. Disbursements to stockholders were estimated to number more than \$200,000.

Many Road Contracts Held Back

Raleigh, Dec. 22.—(AP)—The State Highway & Public Works Commission met in executive session here today. Chairman Frank Dunlap could not be reached during the morning.

Robert Johnson, director of the prison division, was in the commission room twice for conference. After his first visit he said he knew of no mention being made of the prison surgical consultant's post.

Yesterday and last night Dunlap and Johnson conferred with Dr. Ben Lawrence, of Raleigh, a surgeon. Dunlap recently notified the firm of Neal, Thompson & Neal, Raleigh doctors,

(Continued on Page Five.)



To the Farmers of North Carolina: The Farm Bill which passed the