TWENTY-FOURTH YEAR

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DEMOCRATIC BLOCS FIGHT FOR

16 VIOLENT DEATHS FOR N. C. CHRISTMAS AND 500 IN NATION

Eight Duplin Negro Tenant Farmers Drown When Car Goes Into Northeast River

ROCKY MOUNT DEATH DECLARED SUICIDE

Occasion One of Most Expensive Christmas Celebrations for Nation at Large; Highways Are Crowded With Many Home-Coming Travelers

(By The Associated Press) Sixteen persons died violently in North Carolina over the Christmas holidays, eight of them when an automobile plunged through a bridge guard 14 miles south of Wallace. Eight Negroes, all Duplin county farm tenants, drowned when the car

dropped 30 feet to a Northeast river shoal and overturned. His gun accidentally discharged and W. G. Nixon, ten-year-old son of Ben Nixon, hunting guide at New Holland, near Washington, N. C., was killed

Jake Horton, Negro, was killed when he fell or jumped from a passenger train near Bonsal, in Wake

Ashley Hawkins Crisp, died of injuries suffered in an automobile accident near Pinetops. His uncle, Thomas

Crisp, was killed in the accident. North Rocky Mount last night and Police Chief O. P. Hedgepeth said it was a "plain case of suicide' by gas.

John Guthrie, 44, a barber, was fatally slashed in an altercation near his shop at Hickory. Officers said Marshall Johnson, also of Hickory, would be given a hearing January 5 on a charge of murder.

Virgil Bentley was fatally in an automobile driven, officers said,

(Continued on Page Four.)

FILMS OF BOMBING RUSHED EASTWARD

Cameraman Took Movies of Japanese Attack on American Gunboat

ington, it was announced today.

who shot the dramatic scenes of the ference from legislation we have had bombing, standing on the deck of the little American gunboat while it was on the flight.

Universal officials said the first made within 24 hours after their arrival in New York, probably late Wednesday night or Thursday morning. Alley, formerly of Laconia, N. H., and Chicago, was described by Universal officials as a "soldier of fortune cameraman," and "one of the top men Japan Jails Liberals



Kanju Kato

Kanju Kato, proletarian member of the Japanese parliament and chief executive of the all-Japan council of labor and farmer unions, is one of 370 members of liberal and labor groups who have been arrested in Japan. Many leading citizens have been seized in what many interpret as the beginning of all-Fascist regime.
Oppositionistic parties virtually
have been wiped out.

Gwendolyn Avent, 23, was found dead in the kitchen of her home in Sees Upturn Eight Lynchings For Textiles

Returning Prosperity, Rising Prices and Firmer Basis

3; Mississippi, 2; Tennessee, Alabama and Georgia one each.
In 56 instances, the institute said, Predicted

Washington, Dec. 27 .- (AP) - Claud. ius Murchison, president of the Cotton Textile Institute, predicted today 1938 would be a year of "returning prosperity, gradually rising prices and establishment of a firmer basis of operations in the industry."

"The foundation for greatly increas-New York, Dec. 27 (AP)—A specialty chartered United Air Lines laid this year," he said. Murchison plane is scheduled to rush the first news reel films of the bombing of the ward trend in business would be halt-U. S. S. Panay from Alameda, Cal., to ed in a short time. Most factors which New York tomorrow, and the first had a destructive effect this year on unedited print will be flown to Wash- our industry have been taken out of the picture. We look forward to a Norman Alley, Universal cameraman year with the least degree of inter-

in many years." Four factors, he said, have been reunder fire, will accompany the films moved as "handicaps" to the industry during 1937. He listed them as: House action in sending the wageshowing of the pictures would be hour bill back to committee; removal of the threat of processing taxes; indication the undistributed surplus profits tax would be modified; and elimination of the threat of wholesale labor disturbances.

The cotton textile industry, he de-

(Continued on Page Four.)

North Carolina Burning Bonds; Faces Lower Tax

Constitutional Amendment Prohibits Issue of New Bonds Above Two-Third of Liquidation Except by Vote of People In an Election

in coming years, rather than raising them, as so many other states are certain to be found to be found to so unless it had paid off \$3,000,000 in bonds the tain to be forced to do.

ward is assured by the debt and bond worth in the preceding year, or unless limitation amendment to the Constitution adopted in 1936. North Carolina is the only State in the nation which has a section making this redivisions to hold all new borrowings duction mandatory through the pro-vision that the State and all its sub-

Daily Dispatch Burean.
In The Sir Walter Hotel.
Raleigh, Dec. 27.—North Carolina is burning its bonds, not its bridges, be-

As a result, the State faces the cheerful prospect of reducing taxes Thus if the State should want to issue \$2,000,000 worth of bonds for any the capital had suffered in a month. two preceding years, or it cannot issue As the bonded indebtedness of the them without a special election. Like-State comes down, the sum needed wise, if a county, city or town should annually for interest and amortiation will become less and less.

That the trend will continue down-

By compelling the State and its sub-

(Continued on Page Four.)

TAX PLAN WOULD AFFORD RELIEF TO SMALLER BUSINESS

Firms With Less Than \$25,-000 Earnings Would Be **Exempt from Profits** Levy

NORMAL INCOME TAX WOULD REACH THEM

Would Range from 12 1-2 to 16 Percent; Large Incomes Would Pay Undistributed Profits Tax of 16 to 20 Per-

Washington, Dec. 27 (AP)-Members of a House sub-committee said today, they had decided to divide corporations into three tax groups, according to the size of their incomes. The plan, they said, probably would involve increasing a proposed income tax on corporations showing profits of between \$20,000 and \$25,000. It would exempt additional firms from the undistributed profits tax.

These groups fere t obe established:
1. Corporations with incomes of \$25,-00°C or less would pay a normal income tax, probably of 12 1-2, 14 and 16 per cent, and no undisrtibuted profits

2. Companies with large incomes would pay an undistributed profits tax of 16 to 20 per cent.

3. Firms with medium-sized in-

comes rangieg up from \$25,000 would be placed in what sub-committeemen termed a "notch." Their taxes would be lower than the 16 to 20 per cent undistributed profits tax of the big corporations, but somewhat higher than

For 1937 Same As

was also eight.

Deaths by states this year: Florida

officers of th law prevented lynchings. Five of these cases occurred in northern states and 51 in the south.

The eight 1937 and 1936 lynchings compared with 20 in 1935 and 15 in

JACKSON ADDRESS MAY BE FORECAST

Attack on Monopoly by Assistant Attorney General May Point to FDR Program

Washington, Dec. 27 (AP)-Criticism of monopolistic profiteering by Robret Jackson, assistant attorney general, received widespread interpretation today as a prelude to a broad administration anti-trust campaign. Most observers expected President Roosevelt to recommend specific legislation to strengthen the present anti-

trust statutes. Some even have predicted a congressional investigation of alleged monopolies. Jackson, who has discussed the monopoly with the President on several occasions, said in a radio address:

"It is the monopolists and those so near monopoly as to control their prices yho by their profiteering have simply priced themselves out of the market and priced themselves into a

Christmas Week-End Shelling of Old Spanish Capital Continues

Madrid, Dec. 27 .- (AP)-Spanish insurgent artillery batteries continued today to shell Madrid, still shaking from a Christmas week-end hombard-48 hours, 400 shells had poured into the city, killing eight persons and wounding 60.

A government dispatch reported four insurgent warships had bombard ed Castellon and Vinaroz on the Spen-ish coast Sunday without inflicting much damaged.

The shelling of Madrid followed one last night in which two persons were killed and 12 wounded. Meanwhile, insurgent troops and

(Continued on Page Eight.)

Americans Are Subject To Death Penalty Regulations Fixed By Japs At Shanghai

RIGID LAW SET UP BY JAPS ALL OVER **CONQUERED CHINA**

cent; Committee Is Agreed Treaty Right of Other Foreign Powers Apparently Involved In Regulations

> JAPANESE TROOPS' SHIP S ATTACKED

> Invading Army Announces Complete Occupation of Tsinan Shantung Province Capital; Objective of Movement Across Yellow

Shanghai, Dec. 27 (AP)-Americans were made subject to the death penalty today for crimes against Japan's armed forces under a Japanese de-cree establishing rigid law for China's conquered areas.

New rules and regulations for all persons, "including the nationals of third powers," in Japanese controlled areas apparently raised the question of the treaty rights for other foreign powers in China.

A Japanese kesman acknowledged that the nieasure put Americans and other foreigners under Japanese military law which provided death for

For 1936 Period acts against Japan's armed forces.

A tugboat carrying Japanese troop A tugboat carrying Japanese troops was attacked by an unidentified grenade thrower on Soochow creek a few Eight persons, all Negros, died by laurs after the rules were promulgatlynching in 1937, the Tuskegee Ined. One Japanese soldier was woundstitute department of records and re search, reported today. The 1936 total nades exploded. The spokesman said the Japanese held their fire, depending on settlement police to arrest the thrower.

The Japanese army announced the complete occupation of Tsinan capital of Shantung province, and the seventh Chinese provincial capital to fall to Japanese forces. Tsinan was the objective of one of several Japanese columns that swarmed across the Yellow river over the week-end with the evident purpose of adding all Shantung to Japan's zone of conquest.

CUBAN GOVERNMENT LIBERATES MACHADO

All Charges Against Former President, Ill in New York, Dropped in Amnesty

New York, Dec. 27 (AP)-The Cuban government withdrew today all charges against former President Gerardo Machado of Cuba, who had been held by United States authorities in temporary custody on an extradition warrant.

Machado, now seriously ill in a hospital here, was accused in Cuba of misapplication of funds and mass murder.

The liberation of Machado, once "iron man of Cuba," was formalized in the office of United States Commissioner Garrett Cotter, before whom extradition proceedings were first

brought several weeks ago. In the meantime, the Cuban Congress, with the approval of the president, passed a general amnesty for all political prisoners, an a act which included Machado and all members of his government.

Machado, who was president of Cuba eight years until overthrown by a revolution, now is at liberty to return to his own country after more than four years of exile.

Panay Loss Is Settled Definitely

PANAY LOSS cmfwyp
Washington, Dec. 27.—(AP)— The
State Department reiterated today it
considered a "closed incident" the international situation arising from the boming of the gunboat Panay, although the indemnity remains to be

Officials made it plain that this governmnt would watch closely to see that Japan carries out its assurances that there would be no unlawful inter-(Continued on Page Five.)



Bluejackets load supplies in Los Angeles harbor

More mystery to the mysterious moves of the U.S. navy fleet. First destroyers of the fleet were moved from San Diego, Cal., to Los Angeles harbor, where sailors are seen loading supplies. Rumor has it that it is purely a test of efficiency and speed in fleet maneuvers. Then, however, a fishing boat, allegedly owned by a Japanese, was seized in Los Angeles harbor with announcement that probably five more boats would be detained. Heavy guards also were placed around Pacific coast naval and air bases

er Sees It As Issue in

1938 Campaign

By CHARLES P. STEWART

maximum hour and minimum wage

bill at the extra session of Congress

phatically on the spot in the 1938 con-

Parliamentarily speaking, the bill, to

fact. Doubtless it was well meant, but

Continued on Page Five

gressional elections.

so intended.



NEWTON D. BAKER

War-Time War Secretary Died Christmas Day of Heart Attack

Cleveland, Ohio, Dec. 27.-(AP)-Simple funeral services will be held tomorrow for former Secretary of War Newton D. Baker, eulogized by prominent Americans today as one of the nation's great leaders. Arrangements called for the body

to lie in state with a military guard of honor in Trinity Episcopal cathedral tomorrow morning.

Mr. Baker died at his home here

Christmas afternoon. He had been confined to his home by heart illness for nearly a month. He was 66 years

In Baker's service as secretary of war under President Woodrow Wilson in World War days, few were more closely linked with General John J. Perishing. General Perishing said today: "Mr. Baker was America's greatest secretary of war."

FOR NORTH CAROLINA

Mostly cloudy, scattered light rain in interior tonight and Tuesday and possibly on coast Tuesday; slightly warmer tonight and in central and northeast portions

Seriousness of Division Among Democrats Acknowledged Generally Privately

ROOSEVELT COURSE TO DECIDE RESULT

Belief in Some Quarters Is Fight Will Be Carried on More Openly in Next Congressional Session; Roosevelt Wants His Wage-Hour

Washington, Dec. 27 .- (AP)-Soma Senate Democrats forecast today that an open battle for control of the party would develop between liberal and conservative legislators during the coming session of Congress.

Although unwilling to be quoted by name, thew predicted the present difvision would carry over into the 1940 national convention.

Seriousness of the party split was acknowledged generally by congressional Democrats in private conversation. Most of them deplored it, but some said they welcomed it as a means of bringing a realignment of parties along more realistic lines. Possible long-range results of the division were outlined differently by almost every one in discussing the subject. Many believed that President Roosevelt's course during the next three years would be the determining

The belief in some quarters that the fight would be carried on more openly during the next congressional session was based on two factors: the number of controversial issues coming before the legislators and the approaching off-year elections.

Administration friends have made no secret of Fresident Roosevelt's intention to continue his fight for wage hour legislation, blocked earlier this month by Southern Democrats in the

Fish Hits Landon On Labor's Non-Partisan Lead-War Views

Central Press Columnist
Washington, Dec. 27.—Representatives who voted to chloroform the Washington, Dec. 27.—(AP)—Former Governor Alf M. Landon's recent endorsement of President Roosevelt's foreign policies brought a sharp rebuke today from Representative Fish already realize that they will be em- Republican, New York, ranking minority member of the House Foreign Affairs Committee.

"Governor Landon, who knows less te sure, was not outright defeated. It than nothing about international issimply was sent back to the labor com sues, and amply demonstrated that mittee to be rewritten. However, this fact in the last campaign," Fish said, recommital practically amounted to "rushed to the defense of the Presidefeat. It is so spoken of and it was dent, slamming members of Congress without the faintest knowledge of the It was not a very good bill, for a situation."

Although he asserted "all Ameri-

Continued on Page Five.)

NEWTON D. BAKER New Year's Resolutions For Business Next Year

Labor Wars Must Stop and Administration Must Stop Persecution of Business if Recovery Is To Be Resumed Babson Decla res in Predictions

By ROGER W. BABSON,

Copyright 1937, Publishers Financial Bureau, Inc. ROGER BABSON'S HOPES FOR 1938

1. LABOR: That wage workers and employers will resolve to stop 2. TAXES: That Congress will resolve to modify and repeal taxes.

3. UTILITIES: That President Roosevelt will resolve to make peace with utilities. 4. RAILROADS: That the I. C. C. will resolve to grant a reason-

able freight rate increase. 5. BUILDING: That the building people will resolve to lower construction costs.

6. FOREIGN TRADE: That manufacturers will resolve to help negotiate trade agreements. 7. CONGRESS: That politicians will resolve not to pass new half-

baked "reform" or spending laws. 8. RELIGION: That we resolve to do more for the good of the

world as a whole and try to love our neighbors as we do ourselves. Washington, Dec. 27.-The season have prepared a list of "business re- which must be ironed out if you readsolutions" for 1938. This is not a cata- ers want business to start up the logue of trifling and annoying personal habits which must be abolished.

for resolutions is right at hand, so I It is a list of basic national problems

(Continued on Page Four.)