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Japan Apologizes To Great Britain For Naval Attack

Admits Shelling of Gunboat Was Mistake and Expresses Regret For Incident

EMPEROR ADVISED OF INVESTIGATION

Tokyo Press Hails Settlement of American Panay Incident as Tribute to "Coolness and Sincerity" of Japanese and American Peoples

Tokyo, Dec. 28.—(AP)—Foreign Minister Koki Hirota tonight delivered to the British ambassador, Sir Robert Craigie, Japan's reply to a protest against Japanese attacks on the British gunboat Ladybird.

The text of the note was not made public, but the military section of imperial headquarters issued a statement saying the attack was a "mistake" and expressing "regrets." One sailor was killed in the attack. The Japanese note was given Ambassador Craigie after Hirota reported details of the government's investigation to the emperor.

Hirota's report on the attack, which occurred on the Yangtze the same day the United States gunboat Panay was sent to the bottom by Japanese bombs, included the government's measures for amicable settlement with Great Britain.

With final disposition of the Ladybird incident, Tokyo newspapers hailed settlement of the Panay bombing as a tribute to the "coolness and sincerity" of the Japanese and United States governments and peoples.

Rightists Gain Power In Rumania

Bucharest, Roumania, Dec. 28.—(AP)—King Carol tonight accepted the resignation of Premier George Tatarescu and commissioned Octavian Goga, anti-Semitic president of the National Christian party, to form a new government.

Tatarescu submitted his resignation last week after the Liberal party failed to win a majority in the Chamber of Deputies election. The king's decision was announced after a series of conferences with party leaders.

AMERICAN GUNBOAT MOVING REFUGEES

Nearly 300 United States Citizens Taken from Province Capital

Shanghai, Dec. 28.—(AP)—The United States gunboat Sacramento steamed out of Tsingtao harbor today, carrying American refugees from that rich Shantung province seaport isolated by advancing Japanese troops.

Worst Storm Of Year Rakes The Northwest With An 8-Foot Snow

Seattle, Wash., Dec. 28.—(AP)—Gales, ice, snow, rain and landslides crippled communication as the year's worst and most widespread storm lashed the Pacific Northwest today. Traffic was halted on Portland, Oregon, streets as 4.47 inches of rain, heaviest fall since 1911, was recorded in 24 hours. A small tug boat, the Ben Hur, overturned and sank in Portland harbor while trying to move a heavy barge. Two men aboard were rescued.

FIERCE ATTACK BY RELIEF COLUMN ON BESIEGED TERUEL

Spanish Insurgents Break Through Government Outposts North-west of City

TRYING TO RESCUE 6,000 HELD THERE

Provincial Capital Captured Last Week by Government Surprise Attack After Rebels Held It 17 Months; Government Blasts Buildings

Hendaye, Franco-Spanish Frontier, Dec. 28.—(AP)—General Mugueta Aranda's relief column was reported today to have driven through Spanish government outposts northwest of Teruel in a fierce counter attack to deliver 6,000 men, women and children besieged in the fallen city.

Dispatches reaching the French frontier said Aranda's men were "fighting without pause." Insurgent sources declared Aranda's advance guard might soon reach the seminary-fortress, the Bank of Spain building and a civil governor's palace, where 3,000 insurgent officers and soldiers and about that many civilians fought hunger, thirst and a blasting siege.

Advices from insurgent and government sides told of heavy fighting outside the provincial capital, which was captured last week in a surprise offensive after it had lain seventeen months in insurgent control.

Barcelona dispatches said opposing patrols were still fighting inside the city, with government forces apparently controlling the greater territory. (Teruel, whose insurgent forces long had threatened to spear into vital government territory, is 135 miles east of Madrid.)

Reports direct from Teruel said the three ancient stone-walled buildings which housed the insurgents were slowly being blasted apart by government artillery. The upper floors had been set afire.

FRENCH DIVISION LANDS ON MINORCA, SENATOR SAYS Paris, Dec. 28.—(AP)—Senator Henri Lemery told the French Senate today there had been "rumors" a French division had landed on the island of Minorca, last stronghold of the Spanish government in the Balearic islands off the Mediterranean.

He hoped, Lemery said, to have a denial from the government. (Reports of Italian forces based on Mallorca and Ibiza, Balearic islands, controlled by the Spanish insurgents, have greatly perturbed French politicians the past several months.)

Lemery, rightist senator from Martinique, declared the Spanish Madrid-Valencia government's resistance to General Franco was possible only by large numbers of volunteers recruited on French territory.

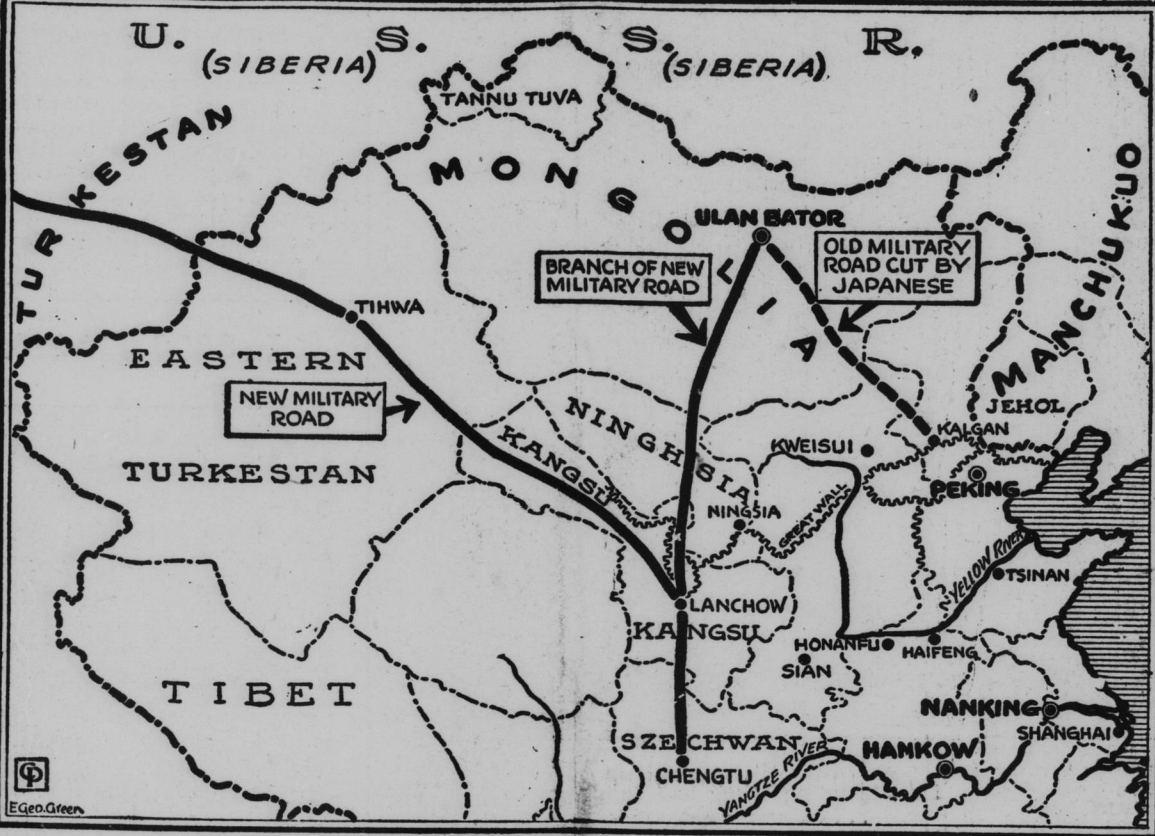
Foreign Minister Delbos said: "I protest the statement of Senator Lemery."

COTTON IS MIXED IN MIDDAY PRICE

Cables Are Steady and Trade and Foreign Buying Are Much in Evidence

New York, Dec. 28.—(AP)—Cotton futures opened one to three points up on steady cables, trade and foreign buying. March eased from 8.35 to 8.28, leaving prices three to six points net lower after the first half hour. By midday March recovered to 8.32 and the list ranged from two points net higher to three lower.

CHINA RUSHES MILITARY ROAD TO SOVIET UNION



Route of new highway, designed for speedy shipment of war materials from Russia to heart of China. A new Sino-Russian super highway, built for shipment of war supplies from the Soviet Union to the heart of central China in two weeks, is being rushed to completion, Chinese sources reveal.

Kidnaped—Freed



John Bryan, Jr., 8 years old, is pictured above. The lad, son of a Centerville, Ind., bank cashier, was kidnaped with his nursemaid and held for \$3,800 ransom, but a quick police net balked the kidnapers. Neither boy nor nurse was harmed.

Expansion Over South Very Rapid

Chattanooga, Tenn., Dec. 28.—(AP)—The Southern States Industrial Council said today Southern industry expanded by \$185,000,000 during 1937. This expansion, the council reported, gave permanent employment to 67,735 workers.

BUFFALO IS AGAIN SHORT OF CURRENT

Failure of Electricity Hampers Industry and Affects Many Homes and Hospitals

Buffalo, N. Y., Dec. 28 (AP)—Buffalo and suburbs, with a population of about 700,000, encountered its second emergency of a month today when electrical service failed in about 100,000 homes.

KENNEDY SHELVED INTO LONDON POST

Washington Gossips He Is Being Dropped from 1940 Limelight

By CHARLES P. STEWART Central Press Columnist Washington, Dec. 28.—Is Joseph P. Kennedy, being shipped over to London, as Uncle Sam's ambassador, mainly to get him out of the political limelight on this side of the water?

WEATHER FOR NORTH CAROLINA

Cloudy and unsettled tonight and Wednesday; probably mists or light rain in south portion; slightly colder near coast tonight and in north portion Wednesday.

Woman Freed In Death of Mother

Warren, Ohio, Dec. 28.—(AP)—Miss Louise Campbell was ordered free from the Trumbull county jail today after Coroner J. C. Henshaw ruled the gunshot death of her mother was accidental.

The 28-year-old woman had been in jail without charge since Saturday. Mrs. Campbell, 55, daughter-in-law of a pioneer Ohio steel master, James A. Campbell, died Sunday of internal hemorrhages induced by an abdominal wound, despite a blood transfusion from her daughter.

GENERAL MOTORS LAY OFF 30,000

Action Renews Demands in Congress for Tax Relief to Business

Detroit, Mich., Dec. 28 (AP)—William Knudsen, president of General Motors Corporation, announced today employment in General Motors plants throughout the United States would be reduced by about 30,000 employees, effective January 1.

NEWS BRINGS NEW DEMAND OR FEDERAL TAX RELIEF

Washington, Dec. 28.—(AP)—Senator Van Nuys, Democrat, Indiana, said today the decision of General Motors Corporation to reduce its working force by 300,000 January 1 demonstrated that the immediate duty of the oncoming Congress is to take steps to reassure business.

BAILEY MANIFESTO GETTING PUBLICITY

"Address to the People" by U. S. Senators Not Specific, However

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, Dec. 28.—Senator Josiah W. Bailey couldn't get many fellow members of the "greatest deliberative body on earth" to sign "an address to the people of the United States"; but his manifesto is getting unusually widespread distribution and publicity through the medium of full page newspaper advertisement under which ap-

U.S. Will Keep Up Silver Purchasing From The Mexicans

DEATH CONTINUES TO RAUGE STATE DURING HOLIDAYS

Fayetteville Woman Is Burned to Death in Fire That Destroys Home There

HIT-AND-RUN CAR KILLS ANGIER BOY

Two Negroes Drown Near Manteo as Car Leaves Highway and Dives Into Canal; Negro Accused in Drowning of Eight Persons Near Wallace

Fayetteville, Dec. 28 (AP)—Deputy Sheriff Patrick said today he had been informed Christine Weeks, 24-year-old son of Mrs. Nannie Fisher, 49, had shot himself to death when officers approached him to question him about a fire at her home that cost her life.

Patrick said the deputies, Frank Gray, Ernest Jackson and Wesley Freeman, came upon Weeks about a mile from the burned house, and but he fled, carrying a shotgun. The officers telephoned in, Patrick said after a short chase, Weeks "turned the gun on himself and blew his brains out."

Fayetteville, Dec. 28.—(AP)—The body of Mrs. Nannie Fisher 49-year-old widow, was found early today in the ashes of her home near here.

The home, on Cedar creek road, three miles from Fayetteville, burned shortly after midnight. City firemen were called, but the flames had gained so much headway that they were unable to extinguish them.

Angier, Dec. 28.—(AP)—Chester Johnson, 17, of near Angier, was dead today after an unknown hit-and-run driver ran into him on Highway No. 15-A just inside the Wake county line late last night as Johnson rode a bicycle homeward.

Highway Patrol and Wake county officers sought the driver but his identity had not been established, said Captain Charles Farmer, of the patrol.

Negro Accused in Death of Eight Near Wallace

Wallace, Dec. 28.—(AP)—Alonzo Whitehead, Negro, was charged today with fast and reckless driving in the death by drowning of eight other Negroes.

BASKETBALL YOUTH DIES OF PRACTICE

Gastonia, Dec. 28.—(AP)—Charles J. Dockery, 23-year-old Charleston mills basketball player, died here about noon today, 45 minutes after he became suddenly ill at a practice game at the Armory.

Death was attributed to his having become over-heated. He is survived by his parents, Mr. and Mrs. J. D. Dockery, of Chattanooga, Tenn., and several brothers and sisters.

Present Policy To Hold Through January, Mexicans in Washington Agree

Washington, Dec. 28.—(AP)—Treasury and Mexican officials announced today continuance of United States purchases of Mexican silver through January.

TRADE BALANCE IN 1937 IS FAVORABLE

Margin of Exports Over Imports Is \$151,670,000 Through November; Wheat Crop Insurance Rider To Be Insisted on in Farm Bill

The understanding was reached in a conference this morning between Mexican Finance Minister Eduardo Suarez and Secretary of the Treasury Morgenthau. The purchases will be made on the same basis as the past year, the United States paying 45 cents an ounce for newly-mined Mexican silver delivered at New York.

It was understood no permanent agreement could be reached until President Roosevelt announced the price to be paid next year for newly-mined United States silver. His year-old proclamation fixing the present domestic price at 77.57 cents an ounce will expire Friday night.

The Commerce Department announced, meanwhile, United States merchandise exports showed a \$187,000 excess of export over imports in the first eleven months of the year.

November foreign trade was slightly smaller than in October, but the Commerce Department said, the decline was seasonal. Exports totalling \$314,682,000 were five percent under October, and imports aggregating \$233,226,000 were one percent below the previous month.

Other developments: Senator Pope, Democrat, Idaho, predicted that Senate conferees would insist on retention of a wheat crop insurance rider on the farm bill.

Former Librarian At Davidson Dies

Aberdeen, Dec. 28 (AP)—Miss Cornelia Shaw, librarian emeritus of Davidson College, was found dead in bed at her home here today, apparently of natural causes. She was a sister of the late Superior Court Judge Thomas J. Shaw, of Greensboro. The funeral will be held from the home in Southern Pines, Wednesday afternoon.

TWO LABOR CASES ARISE FROM STATE

Labor Board To Hear Complaints from Erwin Mills Employees Early in January

Baltimore, Md., Dec. 28 (AP)—Benet Schaeffer, regional director of the National Labor Relations Board, announced today the NLRB would consider three new cases in Virginia and North Carolina early in January.

Schaeffer said both North Carolina cases involved petitions by the TWOC for representation vote at the Erwin mills. One vote will be taken at Durham, the other at Coolemees, on or about January 10.

The Virginia case involves a complaint brought by the American Federation of Labor against the Titmus Optical Company of Petersburg. The union has charged the company with general discrimination against AFL workers, Schaeffer said. It will be heard January 6.

Predicts Next Congress Will Block FDR Program

Another Do-Nothing Session Forecast, With Executive Dictation Stepped on About As Completely As During Extra Sitting Just Ended

By CHARLES P. STEWART Central Press Columnist Washington, Dec. 28.—(AP)—Congress' regular session, beginning Jan. 3, probably will be as unproductive as the extra session, recently ended. During the short holiday recess New Deal leaders have worked hard to put some "pep" into the Rooseveltian program, but the rank and file of legislators seem as little inclined as ever to lend support to White House recommendations. Quite generally they scattered from Washington over Christmas and the New Year. Probably few of them went home, except those who live very near-