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U. S. FEARS RESULT ANGLO-MEXICAN BREAK

400,000 Chinese Trapped, Jap Spokesman Claims

ONLY ALTERNATIVE
NOW IS SURRENDER
OR BE ANNIHILATED

Goal of Five Months Achieved by Japs in Cutting Vital Lunghai Rail Artery

SOLDIERS LANDED FOR NEW ATTACKS

Troops Put Ashore Near Southern Port of Fochow Aim at Another Important Railroad; China's Huge Central Army In Precarious Position

Shanghai, May 14.—(AP)—A Japanese army communiqué said the vital Lunghai railway—aim of the Japanese central China campaign, had been cut east of Tanhan. Mobile troops reaching the line immediately blew up a bridge. Passage over the railway runs east and west through the heart of Central China's rich agricultural area, had been blocked shortly before by aerial bombardment, disrupting transportation of war supplies to China's huge army defending the region. In reaching the railway, the Japanese achieved a goal for which they have battled for five months. Japanese army spokesmen declared 400,000 Chinese troops were trapped in the Suchow area with no choice other than to surrender or face annihilation. Suchow was violently bombed and 100 civilians killed. While the Japanese were furiously pressing their advantage in Central China, warships landed troops near the south China port of Fochow—definitely for an attack on the Canton-Hankow railway. Japanese planes warmed overhead, protecting the ground troops.

Government Planes Hit Insurgents

Hendaye, France, May 14.—(AP)—A surprise attack by 50 new government war planes injected a new factor into operations on the eastern Spanish front today as the insurgent drive against Valencia gained headway. The insurgent air force, long dominant in eastern Spain, hurriedly called for plane reinforcements. The government mass attack over a point 40 miles northeast of Teruel, came in the wake of reports that 300 new government planes had been unloaded at Barcelona. Eighteen insurgent ships engaged in the flight and reported shooting down seven government planes without losing any themselves. Insurgent bombers raided Barcelona twice early today and twice yesterday, killing and wounding about 200 persons, according to dispatches from the government seaport. On the ground, the insurgent offensive gained speed after breaking through government defenses northeast of Teruel.

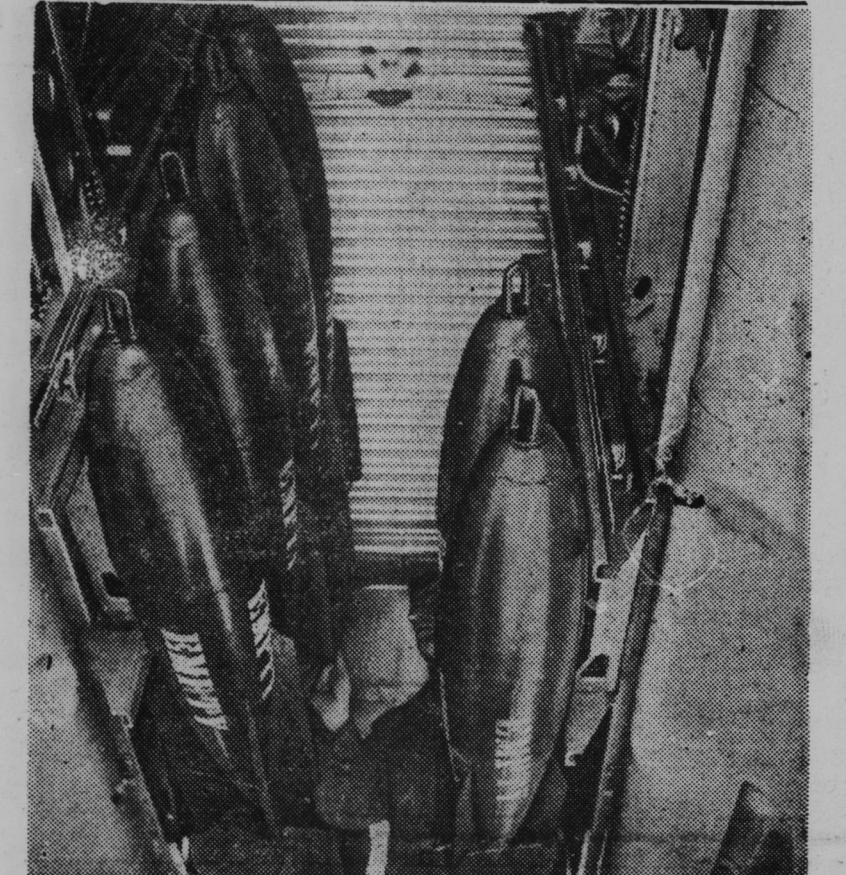
Two Youths Are Held In Girl's Death

Officers Investigating Mysterious Fatality in Home at Rocky Mount

Rocky Mount, May 14.—(AP)—Two local youths were jailed here today while police investigated a mysterious shooting here late last night which claimed the life of a 16-year-old girl. The girl, Ethel Davis, died in an ambulance enroute to a hospital shortly after police had been summoned to the home of her aunt, Mrs. Pearl Davis, where the shooting occurred. Continuing until Tuesday a hearing started last night, Nash County Coroner M. C. Gully announced that

Mussolini Voices Defiance Against American Policies In Fiery Address At Genoa

"Presents" for the "Enemy"



The crew of a big U. S. Army bomber is shown at Mitchell Field, N. Y., loading a deadly cargo of bombs in the "bomb bay" just before the take-off in the great Eastern air maneuvers. Bombers of this type flew 400 miles out to sea to theoretically destroy "enemy" aircraft carriers. (Central Press)

Austrian Tobacco To Cut U. S. Sales

Washington, May 14 (AP)—The Department of Agriculture received word from representatives in Berlin today that Germany plans to reduce imports of American tobacco by encouraging Austrian farmers to grow the product. Heretofore, there has been no commercial production of tobacco in Austria. "The new plan to grow tobacco domestically is intended to reduce foreign exchange, to increase self-sufficiency and to provide increased employment and income for the small farmers, especially in the vineyard regions, where it is claimed that both climate and soil are satisfactory for production of medium quality leaf," the department said. Foreign trade experts said it was possible Austrian production would take away the market for nearly 1,000,000 pounds of American tobacco annually.

JUDGESHIP RACES COMING INTO OPEN

Dignity of Such Contests Being Thrown Somewhat to Wind in Cases

Daily Dispatch Bureau. In the Sir Walter Hotel, broken. May 14—Underneath the surface there are probably no more bitterly fought political battles in progress than those involving more than half a score posts on North Carolina's court benches; but outwardly there is a certain amount of dignity which prevents these contests from flaring openly in the daily prints. Only in the first district, where Solicitor Herbert Leary is attempting to unseat Governor Hoey-appointed Judge C. E. Everett has the fighting broken over into the front pages of the press and into the advertising columns as well. There Mr. Leary has been making a house to house canvass in real candor. As the campaign opened he was generally conceded the edge over Judge Thompson, but latest reports indicate that the Leary claims he was "slighted" in the appointment he was rebuffed by his opposition's showing that Leary has been on the public payroll for a dozen years and

Baptists To Give Aid To Temperance

Convention in Richmond Sees "Rising Tide" of Prohibition Growing

Richmond, Va., May 14.—(AP)—By an overwhelming voice vote, the Southern Baptist Convention today rejected resolutions for study of the "fellowship of churches" suggested at the inter-denominational gathering at Utrecht, Holland.

NEW CABINET FOR BELGIUM FORMED

Attempts Begun To Solve Nation's Budgetary and Finance Trouble

NEGROES, INDIANS TO BE SEPARATED

State Highway and Public Works Commission Meets Complaints from Robeson County

DICTATOR NATIONS TO STAND AS UNIT

Will March Together to the End, Il Duce Says In Answering Recent Speeches

PREPAREDNESS URGED

Declares Totalitarian States Must Forever Be Ready For Emergency; Refers to Speeches "Across Ocean"

Genoa, May 14 (AP)—President Benito Mussolini, hitting back at what Italy regarded as anti-Fascist bias in the U. S., pledged the totalitarian states would "become a bloc and march together to the end" in connection with a doctrinal war by the so-called democracy.

Mussolini's thinly veiled but unmistakably thrust at "speeches across the ocean," and "reflected the Italian government's growing irritations over remarks made recently by Secretary Harry Woodring of the United States and various other Americans. Woodring, in a speech May 5, warned dictators of control nations that democratic countries might get enough of their provocations and resort to war. Other things regarded as entering into the Italian attitude were statements by Secretary Harold Ickes, a congressional move to have Italy named among the violated Kellogg-Briand pact, and the state department's failure to recognize sovereignty of Ethiopia. The Ethiopia matter has for several months blocked several commercial agreements between U. S. and Italy. Il Duce, who arrived here this morning, aboard a battleship, said in a speech devoted to international affairs, Italy wants peace. "But," he asserted "we must be ready with all our forces to defend it, especially when we hear speeches—even from across the ocean—on which we must reflect."

ANTI-NEW DEALERS NOT SO CONFIDENT

More Worried Than They Were Over Coming Congressional Primaries

By CHARLES P. STEWART
Central Press Columnist
Washington, May 14.—Anti-New Dealers (Democrats and Republicans both) are considerably more worried than they were concerning coming congressional primaries, not to mention next November's elections. Before the primary contests began anti-New Dealerism was confident of its ability to renominate and re-elect nearly all "antis" now on Capitol Hill and to beat, for renomination or reelection, a considerable number of Rooseveltian legislators. They scarcely expected to win a clean-cut victory but they did count on material gains for their side. Since the 100 per cent New Dealer, Senator Claude Pepper, was so overwhelmingly renominated in Florida, however, the "antis" contingent has been far less cocky than it was. Florida "Explained." To be sure, the "antis" explain the Florida result in various ways, intended to imply that it was not as significant as it seemed. They also mention that South Dakota's primary outcome can be anti-New Dealerishly interpreted. So it can but it cannot be so interpreted nearly as emphatically as the Pepper triumph obviously was "pro."

WEATHER FOR NORTH CAROLINA

Cloudy, slightly warmer in interior of east portion tonight; Sunday generally fair. WEEKLY WEATHER South Atlantic States: Few widely scattered showers in south and central Florida entire week; remainder of district otherwise generally fair; temperature near normal.

To Be Contact Man?



John T. Hanes ... Wall Street liberal

Behind the Roosevelt administration's efforts to persuade John T. Hanes, Wall Street liberal, to move from the Securities and Exchange commission to an assistant secretaryship of the treasury, is seen a move to make Hanes the outstanding contact man between the administration and business. Hanes was responsible for the recent statement signed by 16 businessmen, industrialists and bankers offering a pledge of continuous consultation and co-operation with the government to overcome problems of the business world. —Central Press

GERMANY LODGES PROTEST AGAINST ARREST IN BRAZIL

Six German Citizens Held In Abortive Uprising Wednesday Merely As Individuals

VIGOROUS ANSWER IS GIVEN BY RIO

Vargas Government Replies They Are Not Charged With Being Foreign Agents; Vargas Had Said They Had "Foreign Help" In Plots, However

Rio de Janeiro, May 14.—(AP)—The German government protested today to Brazil against the arrest of six German citizens as suspects in the abortive fascist uprising Wednesday against President Vargas.

NEW ARREST MADE FROM MAIL THEFT

Asheville, May 14.—(AP)—Federal officers announced here today that Rufus Costner, of Knoxville, Tenn., had been arrested and brought to Asheville to face indictments charging him with concealing a part of the \$105,000 stolen from a mail truck in Charlotte late in 1933 by members of the Chicago Touhy gang. Marshal Charles Price said Costner was a brother of Isaac Costner, one of three men now serving long terms in Alcatraz prison for the robbery. The others are Basil Banghart and Ludwig Schmidt. A fourth accused of participating in the daring hold-up, Charles Connors, was found shot to

Embarrassment To This Country Seen In Mexican Action

Blocks Helium Bid



Secretary Harold L. Ickes ... bars deal with Germany

Germany apparently loses out in her bid for American helium as Secretary of the Interior Harold L. Ickes, critic of Nazism and Fascism, sticks to his refusal to permit exports of the gas and President Roosevelt assumes a hands-off attitude. Ickes is shown leaving the White House following a conference on the question. —Central Press

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May Delay Settlement of American Claims for Expropriation of Oil Properties

STRONG ECONOMIC MOVE BY BRITAIN

Mexican Legation In London Is Closed and British Offices in Mexico to Close Soon; Britain Says Mexico Has Been Partial In Paying U. S.

Washington, May 14 (AP)—Informal persons represented State Department officials today as disturbed by Mexico's break diplomatic relations with Great Britain and concerned lest it cause this country embarrassment.

The possibility of any such step as a British naval demonstration in Mexican waters was remote, but persons close to the department expressed the opinion it would make more difficult and possibly delay American claims for expropriated oil properties.

MEXICAN LEGATION CLOSED BY MINISTER AT LONDON

London, May 14 (AP)—Mexico formally severed diplomatic relations with Great Britain today in protest against Britain's brusque demands for payment of past civil war damage claims. The Mexican Minister Primo Michel called at the foreign office for half an hour to communicate Mexico's decision to withdraw her diplomatic envoy from London. A British note demanding payment on an installment of an old payment.

Officers Of State T.P.A. Are Chosen

Hickory, May 14.—(AP)—Fayetteville was chosen as the meeting place for 1938 and R. B. Davis of Pilot Mountain, was unanimously elected president of the North Carolina division, Travelers' Protective Association, at the closing session of its annual convention here today. Next year's meeting will be sometime in May, but the definite date was not fixed. Greensboro, Wilmington and Wilson were other cities bidding for the convention. Other officers elected were O. E. Wilson, of High Point, first vice-president; J. M. Baily, of Henderson, second vice-president; W. E. Beck, of Durham, third vice-president; J. M. Fitzgerald, of Wilson, fourth vice-president, and J. E. Gilliard, of Wilmington, fifth vice-president. Five directors were named for two years. Five directors had been elected last year to serve two years.

Group Will Fight Large Works Fund

Republicans and Conservative Democrats Will Not Object to Relief

Washington, May 14 (AP)—A group of Republicans and conservative Democrats in the senate said today they would try to eliminate all funds from public works for the \$3,154,000 spending-legend program recommended by President Roosevelt. This would reduce it by about one-half. Members of the group, led by Senator Byrd, Democrat, Virginia said they would support appropriation for the WPA and other direct relief agencies, but would oppose any "pump