

NEW RELIEF FUNDS SHARPLY INCREASED

FORTY DIVISIONS OF CHINESE BOTTLED UP IN SUCHOW SECTION

160,000 Soldiers Withdraw Any Chance of Escape, Japanese Commander Declares

SIZE OF JAPANESE VICTORY UNCERTAIN

Magnitude Not Yet Apparent, General Asserts; Terrible Casualties Claimed For Leaderless Chinese Hordes; Americans Are In Danger Zones

Japanese Army Headquarters, South of Suchow, May 20.—(AP)—The general commanding the Japanese armies which advanced from the south to capture the strategic Suchow center, said tonight that forty Chinese divisions were surrounded in the Suchow area without a chance to escape.

He said most of these troops were provisional levies which averaged roughly 4,000 men to a division, and were inside Japanese lines enclosing an area of about 25 miles by 15 miles. The general said the magnitude of Japan's victory at Suchow, nerve center of China's central front resistance, was not yet generally apparent. The Japanese commander said the huge Chinese forces around Suchow were breaking up into leaderless disorder and suffering terrible casualties under steady merciless attacks by the Japanese air corps.

Other officers of the Japanese command said the fall of Suchow by no means marked the final phase of the ten-months-old war.

Americans known to be in Suchow include Dr. A. A. McFayden, of Morganton, N. C.; Dr. Paul White, of Hertford, N. C.; was at Kweichow. Mr. and Mrs. Wilfred McLaughlin, of Wadesboro, N. C., were in Haichow.

Mills Work 85.7 Percent Of Capacity

Washington, May 20.—(AP)—The Census Bureau reported today that the cotton spinning industry operated during April at 85.7 percent of capacity on a single shift basis, compared with 101.1 percent during March this year, and 146.7 percent during April last year.

Spinning spindles in place April 30 totaled 26,539,440, of which 21,786,054 were active at some time during the month, compared with 26,524,914 and 22,288,098 for March this year.

Spinning spindles in place April 30 in cotton growing states totaled 18,816,872, of which 16,428,336 were active at some time during the month, compared with 18,793,508 and 16,790,022 for March this year.

Active spindle hours and the average per spindle in place for April in North Carolina was 1,231,308,699 and 203.

REYNOLDS REMAINS 'MASTER SHOWMAN'

Takes Advantage of Every Break To Get Publicity He Desires

Daily Dispatch Bureau. In the Sir Walter Hotel. Raleigh, May 20.—Senator Robert R. Reynolds, for all the newly donned dignity of campaign methods, is still the same old showman, yesterday's Democratic State Convention revealed.

That convention was run with a very laudable intention not to give any candidate a "break"; to maintain perfectly the balance of impartiality as between rivals within the Democratic party.

Whereupon "Euncombe Bob" immediately showed that he needs no breaks made for him—he'll make them for himself.

Here's how he did it and how he made it clear that under the surface of senatorial dignity, he's still the same old Bob when it comes to claiming the spotlight.

State Chairman Gregg Cherry, on the rostrum at the auditorium, had completed the routine matters of opening the convention and was in the act of introducing Congressman Lindsey Warren, the keynoter. On the

Sells Half a City



The Marquess of Bute (above) is reported to have sold half the city of Cardiff, Wales, for a price of \$100,000,000. The transaction included a large part of the city's docks, 20,000 houses, 1,000 shops, several theatres and extensive agricultural lands, including a number of villages. The purchaser wasn't revealed. The Marquess' family is one of the greatest land owners in the British Isles.

(Central Press)

Hostilities Threatening For Mexico

Cedillo Takes His 20,000 Rebel Soldiers Into Hills For Guerrilla War

San Luis Potosi, Mexico, May 20.—(AP)—Saturnino Cedillo spread his peasant army into the hills today to prepare for guerrilla warfare with the army of President Lázaro Cardenas.

He would not start it, but he was ready with arms to repel "all aggression," said Cedillo, 45-year-old Mexican Indian, former army general, rightist political opponent of Cardenas, and for 20 years the dominant power of San Luis Potosi.

Cedillo was plotting rebellion, charged Cardenas, 42-year-old radical leader of the nation's program of socialization of "Mexico for Mexicans," which was exemplified on March 18 by government expropriation of foreign-owned oil properties. Their dispute was that the right and left, and many feared that if fighting began, it might spread through the nation and make of Mexico another Spain.

Cedillo fixed his number at 18,000 to 20,000. Cardenas, invading San Luis to establish calm, had 10,000 troops in the state.

Small Stockholders Need To Wake Up To Practices

Know Virtually Nothing About Corporations' Management, Yet They Furnish S inews of War for Its Success; Visit General Offices, Babson Advises

BY ROGER W. BABSON, Copyright 1938, Publishers Financial Bureau, Inc.

Babson Park, Mass., May 20.—The average small stockholder is a sucker. He puts his money into the securities of companies about which he knows little or nothing. The information he receives is vague, incomplete and meaningless. He has practically no voice in the company's affairs. Decisions are concentrated in the hands of an inside group of officials, bankers and lawyers. Small stockholders need a union which would take its place beside the management's "lunch-club" and Labor Local No. 102. These stockholders should make their influence felt.

One of the major faults of the railroads today is absentee ownership.

Banker and lawyer managements have run many roads into the ash heap. Stupid handling of labor problems has raised havoc with the carriers. Few of these directors would handle their own money as they have handled their stockholders' funds. The same is true of the directors of utility, motor, movie, food and other mammoth concerns. We growl about graft in public places; but do the net results thereof exceed the huge salaries which have been paid in private places?

Few Bouquets For Stockholders. We used to hear a lot about how this and that "captain of industry" built his company. We saluted Mr. So-and-So because his company was

FRANCE LAYS UPON MUSSOLINI BURDEN OF NEGOTIATIONS

If Talks Are Resumed For Franco-Italian Accord, They Must Be Begun By Italy

BRITISH SUPPORT IS GIVEN FRANCE

Non-Intervention Committee Called To Meet In London In Effort To Settle Quarrel; Withdrawal of Foreigners From Spain Is One Angle

Paris, May 20.—(AP)—France, relying on her close alliance with Britain, has put the question of a friendship pact with Italy squarely up to Premier Mussolini.

Political informants made it clear that negotiations, deadlocked since May 11, will have to be reopened by Italy.

France seemed to have found the formula she hoped would checkmate Italian efforts to use the Spanish civil war as an excuse to break France's alliance with either Britain or Russia. France's acceptance of a British plan for ending intervention in the Spanish war assured her of Britain's support. Should Mussolini refuse to negotiate a friendship agreement with France on that basis, Britain could not hold France responsible.

In London, Great Britain called a meeting of the non-intervention committee for May 26 in an effort to settle the French-Italian quarrel. Britain hopes to expedite the procedure by which France would close the Pyrenees frontier temporarily while a non-intervention commission arranges for withdrawal of foreign fighters from Spain.

In this way it is hoped the way will be smoothed for a French-Italian friendship agreement.

MISS SUTTON AGAIN OFFERS TESTIMONY

Gives Evidence as to Summonses in Ouster Against Sheriff of Pitt County

Greenville, May 20.—(AP)—Miss Doris Sutton, of Kinston, assistant clerk of Lenior County Superior Court, testified again today in the ouster proceedings against Sheriff S. A. Whitehurst as to certain summonses issued through her office and allegedly served by the Pitt sheriff.

The petition for removal of the sheriff on various charges of maladministration include charges he failed to turn over certain fees to the county.

Miss Sutton testified last week and was recalled to give further information.

J. F. Harrington, Pitt County Superior Court clerk, then took the stand for the third time to testify regarding bills of court costs. The petitioners, commissioners of Pitt county, contend the sheriff failed to collect court costs or else failed to turn the collections over to the county.

It was indicated that Harrington would testify the remainder of the day, and Judge G. V. Cowper said a recess would then be taken until Monday.

WEATHER FOR NORTH CAROLINA. Generally fair tonight and Saturday; continued warm.

A PICTURE THAT WILL GO INTO THE HISTORY BOOKS



Hitler and Mussolini . . . their best photograph?

One of the best photographs ever taken of the German and Italian dictators together shows Fuehrer Adolf Hitler and Premier Benito Mussolini in Florence, after Hitler's visit to Rome. This picture is virtually certain to be seen some day in the history books.

Southern Senators Seeking Withdrawal Low WPA Scale

Want Wage Differentials Removed if Nationwide Minimum Wage Standard Passes

HOUSE ON MONDAY DEBATES MEASURE

Hopkins Paints Gloomy Picture of Relief Situation, Declaring More Money Will Be Needed for Industrial Areas; Predicts 3,000,000 on Rolls

Washington, May 20.—(AP)—Southern senators demanded elimination today of regional differentials in WPA pay in the event Congress enacts a nationwide minimum wage.

Many southern legislators have criticized the wage-hour bill, which the House will debate Monday, because it does not provide a lower wage scale for the South. The WPA, they pointed out, has a generally lower rate for that area.

Their informal discussion of an amendment to standardize WPA pay schedules, if the House bill passes, came as a Senate appropriations subcommittee gathered to approve the \$3,000,000 relief and public works bill. The subcommittee meeting followed a statement by Harry Hopkins, WPA administrator, that there was an immediate need to increase WPA rolls in all large industrial cities.

"We are going to have a serious relief problem in the near future," Hopkins said, explaining that many persons who lost their jobs a few weeks or months ago have exhausted their resources.

Federal works relief rolls now list 2,600,000 persons. The administrator said that number soon would reach 2,800,000 and possibly 3,000,000. The Chicago and Cleveland areas, he added, might require some additional aid because State relief funds have been exhausted.

TVA DIRECTORS TO BE HEARD THURSDAY

Deposed Chairman Morgan and Present Officials Morgan and Lilienthal Called

Washington, May 20.—(AP)—The Tennessee Valley Authority investigation committee announced today it would hear testimony by Harcourt A. Morgan and David Lilienthal, TVA directors, at a public meeting next Thursday.

The announcement was made by W. O. Hefferman, secretary of the joint congressional committee who said Dr. Dr. Arthur E. Morgan, ousted chairman of the TVA, had been invited to appear next Wednesday.

The committee secretary said acceptance from the two directors already had been received. The committee also has directed that Dr. Arthur E. Morgan be given access to TVA records in the presence of persons selected by the agency's present directors and in the presence of an employee of the congressional committee.

Immediate Construction Of 12 Navy Ships Urged

Washington, May 20.—(AP)—Chairman Vinson, Democrat, Georgia, of the House Naval Committee, apparently with administration support, advocated today an immediate appropriation for 12 ships, a dirigible and a mosquito fleet, authorized by the billion dollar naval expansion act. The vessels included two light cruisers and a 20,000-ton aircraft carrier. The other nine are auxiliary ships, the category in which the navy is most deficient.

HOEY AT TOP OF POPULARITY HEAP

State Convention Outdoes Itself In Heaping Applause on Governor

Daily Dispatch Bureau. In the Sir Walter Hotel. Raleigh, May 20.—If there were a "thermometer" designed to measure the intensity and spontaneity of applause, an observer equipped with one and attending yesterday's Democratic State Convention would be able to give figures proving that Governor Clyde R. Hoey is easily "tops" in popularity with the nearly 3,000 Democrats attending the convention.

Even without such an instrument there could be no doubt of the high regard in which the affable, democratic (starting both "d" and "d") chief executive is held by the people of his State.

First proof came when the governor

(Continued on Page Three.)

War Vets Prevail In Their Demands For Pension Hike

Washington, May 20.—(AP)—War veterans made a successful plea to a Senate subcommittee today for a liberalization of pensions for totally and permanently disabled former service men.

They asked a finance subcommittee to approve a measure already passed by the House increasing the minimum monthly pension for non-service connected disabled veterans from \$30 to \$40 and shifting qualifications from an average to an individual basis. The subcommittee approved the legislation immediately.

Millard Rice, spokesman for the Veterans of Foreign Wars, said the government could well afford the additional \$5,000,000 annual cost of the pension increase of 43,000 totally disabled veterans in view of its proposed new \$5,000,000,000 lending-spending program.

POLICY ON MEXICO IS NEW DEALERISH

Washington, May 20.—Many folk evidently are puzzled by the State Department's acquiescence in Mexico's nationalization of foreign oil properties south of the Rio Grande. "Suppose," one of my acquaintances remarked to me the other day, "some foreign company acquired an acreage of Oklahoma or Texas oil land. So long as that company paid its taxes and complied with our laws generally, how could Uncle Sam find a valid excuse for confiscating its holding? For that matter, how could Uncle Sam find an excuse for expropriating a similar domestic owner?"

Mexican Oil Seizures "Could Not Happen Here" Now, Maybe Later

By CHARLES P. STEWART Central Press Columnist

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"Suppose," one of my acquaintances remarked to me the other day, "some foreign company acquired an acreage of Oklahoma or Texas oil land. So long as that company paid its taxes and complied with our laws generally, how could Uncle Sam find a valid excuse for confiscating its holding? For that matter, how could Uncle Sam find an excuse for expropriating a similar domestic owner?"

Sure enough, Uncle Sam could not. But the United States and Mexico are different.

The State Department is strictly according to international Hoyle in its

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JURY IS ACCEPTED FOR HARLAN TRIAL

Coal Operators, Peace Officers and Corporations Accused in Behalf of Miners

London, Ky., May 20.—(AP)—A jury of eight farmers, two country storekeepers, a bookkeeper and a carpenter was accepted by both government and defense today for the trial of Harlan county coal operators, peace officers and corporations charged with conspiracy to deprive miners of labor organization rights.

Before the 12 regular jurors were sworn in, the government dismissed charges against one corporation and one company official, bringing the number of executives on trial to 22. Also accused as conspirators are 22 former or present Harlan law officers.

\$175 MILLIONS BE ADDED TO OUTLAYS NEXT FISCAL YEAR

Provision Made for Additional Month To Give New Congress Time to Vote More

ROOSEVELT ALSO ASKS MORE MONEY

Wants Additional \$92,000,000 To Replenish Commodity Credit Corporation Cash; Government Holds Over 7,000,000 Bales of Cotton for Loans

Washington, May 20.—(AP)—A Senate appropriation subcommittee decided tentatively today to increase from \$1,250,000,000 to \$1,425,000,000 the works relief appropriation in the administration spending-lending bill.

Chairman Adams, Democrat, Colorado, said the increase would finance the WPA for eight months instead of seven.

The House voted \$1,250,000,000 to carry on work relief from July 1 to next February 1. Adams told reporters the subcommittee thought it desirable to provide funds for an additional month, in order that the next session of Congress would have more time in which to make a supplemental WPA appropriation.

Adams said that the committee had reached the tentative decision to increase WPA funds in a preliminary survey of the relief bill this morning. He added that final decisions on this and other points would be made when the bill is formally reported to the full appropriations committee.

ANOTHER BIG FUND ASKED BY PRESIDENT ROOSEVELT

Washington, May 20.—(AP)—President Roosevelt asked Congress today for \$92,000,000 "to provide for the restoration of the capital impairment of the Commodities Credit Corporation."

The corporation needs the money.

(Continued on Page Four.)

Will Allow Seaboard to Drop Train

Raleigh, May 20 (AP)—Utilities Commissioner Stanley Winborne took under consideration today the petition of the Seaboard Air Line railway to discontinue its North Carolina operation of a motor train between Raleigh and Richmond, Va.

Winborne indicated he would grant the request. The discontinuance was opposed by the Rose stores of Henderson on grounds removal of the train would delay its deliveries into the Valley section of Virginia by about 24 hours, as compared with present schedules.

The railroad contended it had a loss of \$25,000 last year operating the train, and that on its entire system it had \$5,000,000 of meeting requirements in 1937.

Rail Unions Talk Strike If Pay Cut

General Stoppage of Trains Threatened If Wages Are Slashed July 1

Washington, May 20.—(AP)—Railroad labor unions added a threat of a nationwide strike today to efforts of administration senators to prevent rail lines from putting a 15 percent wage cut into effect July 1.

The Railway Labor Executives Association, charging in a statement that the roads had "double crossed" their employees, asserted a strike would be the "only ultimate result" if the railroads pressed their \$250,000,000 wage reduction program. Senate opposition to the cut crystallized in withdrawal of a committee-approved bill to make more liberal Re-

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