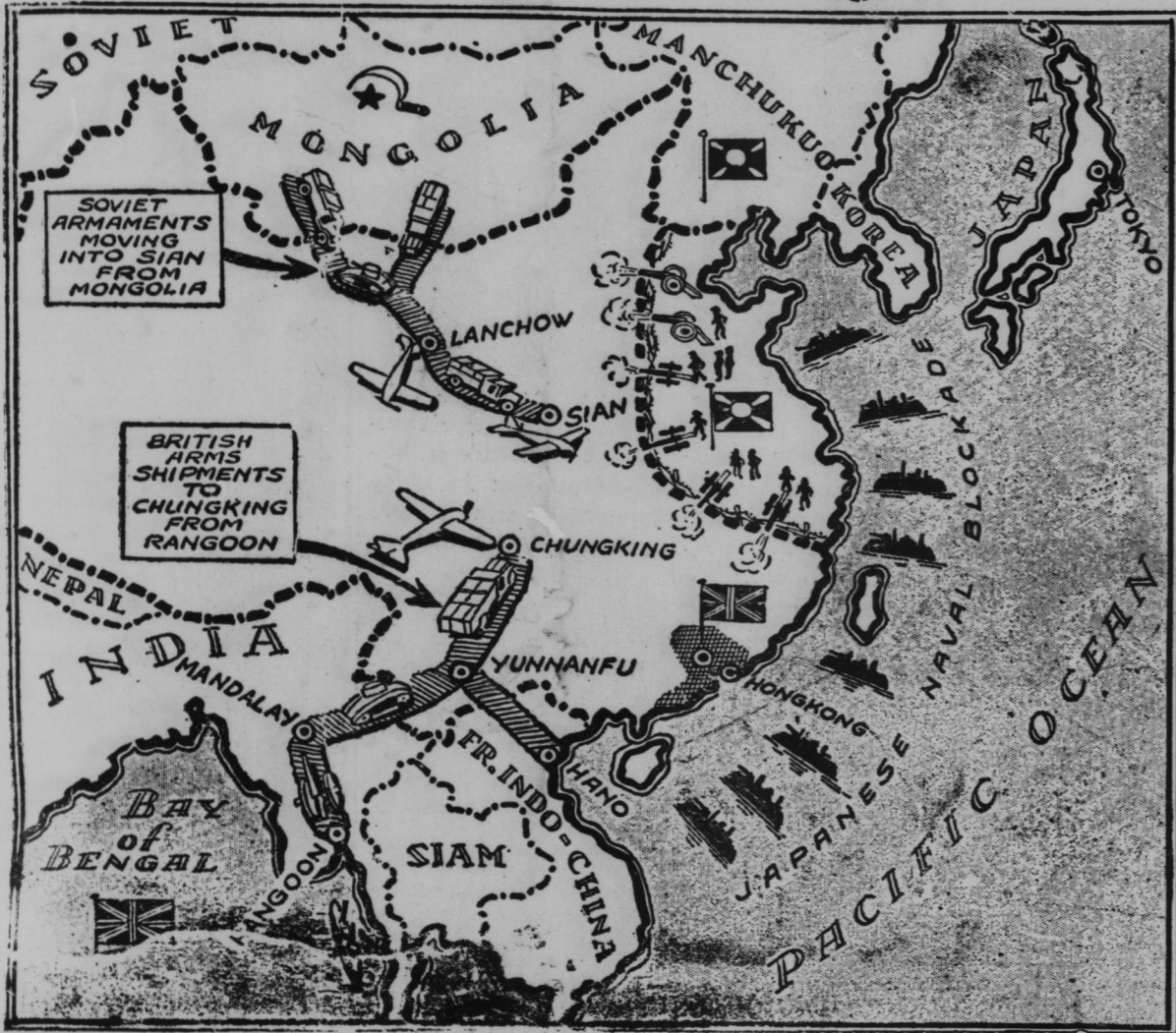


WORLD CONFERENCE ON COTTON PLANNED

How Democracies Are Aiding China



Hard-pressed China now is beginning to receive aid—indirectly—as this map shows. England and the United States in recent months have made available \$50,000,000 in credits for supplies. British arms shipments are made possible again over a new road from Yunnanfu to Chungking, connecting with through rail and motor routes from Rangoon on the Bay of Bengal. And supplies from the Soviet Union are coming to Siam on a road rebuilt for motor traffic from the part of Mongolia controlled by the Soviet. This road has two forks into Mongolia.

French Cabinet Debates Aid To Spanish Loyalist Forces As Populace Demands Action

Barcelona Is Cheered By Rebel Halt

Insurgents Claim New Successes, However; Bonnet Tells Ministers Nation Must Stick With Britain and Britain Won't Help Loyalist Group

Paris, Jan. 18.—(AP)—The French cabinet, under steadily increasing demands for aid to government Spain, debated the problem for two and a half hours today. No decision was announced.

Foreign Minister Bonnet, who held the floor throughout, was understood to have maintained that France must keep in the good graces of Great Britain by adhering closely to the policy of non-intervention.

The campaign continued in Parliament and the press, however, for aid to Barcelona to counteract Italian support for Insurgent General Franco. One section of the cabinet itself was understood to be swinging around to this view.

The executive committee of the General Confederation of Labor, representing French labor, voted to join socialist and communists in trying to get the government to send military help to the Spanish republic. Confederation officials were instructed "to take all measures or join any movement to obtain effective and immediate assistance for republican Spain."

The customary mention of unanimous approval by the ministers for policies presented was omitted from the communiqué issued after the cabinet met, in the palace of President Lebrun's residence.

A clarification was expected to (Continued on Page Two.)

MRS. W. W. FULLER DIES IN NEW YORK

Widow of Former American Tobacco Company Counsel Was Native of Fayetteville

Fayetteville, Jan. 18.—(AP)—Relative here were informed today of the death in Briarcliff, N. Y., of Mrs. W. W. Fuller, widow of the general counsel of The American Tobacco Company, who was a native of Fayetteville.

She was the former Miss Annie Staples, of Greensboro. Funeral services will be held in Briarcliff tomorrow.

Survivors include a son, T. S. Fuller and four daughters, Mrs. Janet Fuller, Mrs. Margaret Hereford, and Mrs. William David, all of Briarcliff, and Mrs. N. S. Hurd, of Pinehurst.

FUNERAL SERVICES SET FOR HOME ON THURSDAY

Briarcliff, N. Y., Jan. 18.—(AP)—Mrs. Annie Fuller, widow of the late W. W. Fuller, died here yesterday. Funeral services will be held at the home at 3:30 tomorrow, and interment will be private.

New Tax Bill Provides Maxwell Chance To Hound Every Citizen In State

teenth of the month after his purchase; and failure to do so would have made him guilty of a misdemeanor for which a \$300 fine would have been the minimum punishment. As amended, the buyer is not required to file a report unless required to do so by the Department of Revenue.

Of course, the provision is aimed at heavy purchases out of the State or which no sales tax is paid; but so far as your correspondent has been advised there is still nothing in this (Continued on Page Four)

U.S. Anxious To Dispose Of Holdings

No Decisions Reached at White House Conference; Government Has Nearly \$500 Millions Tied Up In Cotton; Warplane Capacity of Nation Revealed

Washington, Jan. 18.—(AP)—Secretary Wallace said today the administration was considering an international conference on how to dispose of surplus cotton stocks. Wallace and Senator Bankhead, Democrat, Alabama, had just discussed with President Roosevelt what they termed a "very serious" problem relating to the South's principal crop.

They said no decisions were reached, but that a conference of cotton-growing nations was under consideration to deal with this crop, as has been done at international gatherings on wheat.

U. S. Holds 11,900,000 Bales. Before going to the White House, Bankhead said senators from cotton growing states had agreed that the first problem was "finding what we can do with loan cotton."

The government now has nearly \$500,000,000 invested in loans on some 11,900,000 bales, enough to supply domestic and foreign demands for American cotton without growing any new crop this year. The loans were made as part of an administration effort to keep prices up by holding surplus cotton off the market.

Associated Gas Defiant. Meanwhile, the Associated Gas & Electric System served notice on the Federal Power Commission that it would not submit its records or permit officers to testify on the reasonableness of their charges until and unless ordered to do so by the Supreme Court. The commission has issued subpoenas calling for both the records and testimony by the company's officers in an effort to determine whether the 14 service companies in the far-flung Pennsylvania utilities domain were operating inconsistently with the public welfare.

No books or records were in evidence as the long-heralded investigation got under way and the first witness, C. A. Dougherty, defiantly re-

(Continued on Page Six.)

Train Airmen To Beat Off U. S. Invaders

St. Louis, Mo., Jan. 18.—(AP)—The largest civilian aviation association in the United States, with a membership containing such names as Colonel Charles A. Lindbergh, Howard Hughes and Orville Wright, today threw its influence behind the government's program for national air defense.

By fostering air education, the expansion of private flying, and the establishment of a pilot reserve composed of civilians who have been taught to handle the controls of war planes, the National Aeronautic Association planned to help put the nation on a potential war footing.

For three days, the organization, which closed its annual convention last night, said government officials and military experts, warned of the possibility of armed European aggression in the Western Hemisphere.

Warnings Of Coast Storm Are Issued

Washington, Jan. 18.—(AP)—The Weather Bureau said today strong northeast winds, "probably reaching gale force," were in prospect from Delaware breakwater to Nantuxet. By tonight, the bureau said, the blow will extend even further north. It issued this storm warning: "Northeast storm warnings ordered 10 a. m., north of Sandy Hook, N. J., to Eastport, Maine, and changed to northeast storm warnings Sandy Hook to Delaware breakwater, and changed to small craft warnings south of breakwater to Cape Hatteras. Disturbance of wide extent central over upper Ohio valley with a secondary developing over eastern North-

(Continued on Page Two.)

Legislature Makes Ready For Fight On Sales Tax

Liggett & Myers Earnings Hold Up

New York, Jan. 18.—(AP)—Liggett & Myers Tobacco Company reported today for the year ended December 31 net profits of \$20,560,884, equal to \$6.08 a share on the common stock, compared with \$21,375,569, or \$6.34 a share in the previous year.

Directors declared the regular quarterly dividend of a dollar a share on the common and "B" shares, payable March 1 to stock of record February 14. Net sales for the year were given as \$237,764,156, compared with \$242,448,565 in 1937.

Exemption of Unemployment Office Employees from Merit Tests Voted by House After Senate Passes Measure; Agriculture Sub-Committee Is Named

Raleigh, Jan. 18.—(AP)—The legislature prepared today for the first real fight against the three percent sales tax as the North Carolina Fair Tax Association appeared before the joint finance committee.

Routine sessions were held by both branches at noon, with 21 new bills coming. This afternoon the joint appropriations committee will continue hearing requests from State agencies for more money than the budget commission recommended.

Exemptions from Exams

The House Unemployment Compensation Committee reported favorably a bill passed by the Senate to exempt employees with six months service from taking merit examinations Saturday to hold their jobs, with the Unemployment Compensation Commission. It was put on the House calendar and will come up for vote tomorrow under normal procedure.

A public hearing for February 1 was ordered on the Roper bill to abolish capital punishment.

Both divisions got proposals to rewrite the laws providing compensation to law enforcement officers injured in line of duty and for benefits to estates of those killed. A voluntary retirement fund would be set up for all officers who made regular contributions for twenty years.

Damage to Oyster Beds

Both divisions received proposals that the State, through its Utilities Commission, enter into contracts with the government to bear the costs up to \$5,000 of any damage done to oyster beds in the New river, due to dredging by the army.

Study Farm Problems

Chairman Clark, of the Senate Agriculture Committee, appointed Senators Council, of Columbus; Barentine, of Wake; Cogburn, of Haywood; Eagles, of Wilson; Bruton, of

OLDEST MASON IN THIS STATE DEAR

Wilson, Jan. 18.—(AP)—Barney Pearson, 85, Nash county farmer who lived near Bailey, died here today of a stroke. He was said to be the oldest Mason in point of service in North Carolina. He was initiated into the now defunct Hatcher lodge of Wilson county April 20, 1875.

The funeral will be held tomorrow. Surviving are the widow, two sons, and four daughters, including Mrs. Pauline Bragg, of Durham, and Miss Millie Pearson, of Avon Park, Fla.

Granville Negro To Die On Friday

Raleigh, Jan. 18.—(AP)—King Solomon Stovall, 24-year-old convict Granville county Negro murderer, will be North Carolina's first victim of legal execution in 1939, dying Friday in the gas chamber.

Governor Hoey has decided not to intervene in behalf of the man convicted of murdering R. E. Moore, elderly store-keeper, April 15, 1938, as Moore was going home from the store, Paroles Commissioner Edwin Gill said today.

Moore, described in a petition as "one of the best citizens" of Oxford, was hit in the base of the head with a stick and robbed. He died the next day. Stovall lost an appeal to the Supreme Court. Gill said he understood \$37 was secured in the robbery.

Officers obtained a confession from the Negro, Gill said, which the court held was voluntary.

Legislators Study Vote Reforms Soon

Raleigh, Jan. 18.—(AP)—Committee consideration of proposed reforms in North Carolina's election laws will get under way around next Wednesday, Representatives Williams, of Onslow, and Morphew, of Graham, chairmen of the legislative committees on elections laws, said today.

Advance predictions that election law changes would be made one of the major tasks of the present assembly have been borne out and already eight bills to amend voting (Continued on Page Five)

Compromise On Diverting Funds Likely

Daily Dispatch Bureau, In the Sir Walter Hotel.

Raleigh, Jan. 18.—There are hints and suggestions, none too reliably confirmed, that a compromise will eventually be worked out in the diversion of highway funds wrangle which started out as one of the General Assembly's hottest fights, but which will likely simmer for a bit in view of the smashing victory of administration pro-diversion forces in first tests of strength.

These hints are that the current General Assembly will give its stamp of approval to continuation of the present policy of transferring some \$2,000,000 to \$2,500,000 annually from highway to general funds, when the latter become depleted—this approval to be conditioned upon submission to the people of a constitutional amendment prohibiting diversion altogether—the vote to come in the November elections of 1940.

All of which sounds like a bit of face-saving for the failure of anti-diversionists to make a better showing than they did in the preliminary rounds in the House Monday night and the Senate Tuesday. In each case administrationists easily removed the so-called Umstead-Stone good roads bill from friendly road committee and shunted it to finance, where it can be smothered quietly to death, or brought out and publicly executed just as administrationists choose.

Administration leaders profess to have heard nothing whatever of any compromise hints, and responsible anti-diversion heads will not admit any specific knowledge of such a proposal.

At all events—compromise or no (Continued on Page Two.)