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Japs Suffer Defeat Near Canton

Chinese Officials Declare That Series of Japanese Defeats Has Resulted in Virtual Encirclement of Canton.

Chinese officials declared today that a series of Japanese defeats in Kwangtung province resulted in virtual encirclement of Canton, chief city of the province, by advancing Chinese troops.

Officials asserted that Japanese forces occupying Canton were being surrounded and that the Japanese were being driven from one of their main bases of operations in the province.

It was stated that since the Japanese had retreated from Yungchiang station on the Canton-Kowloon railway, the invaders had been driven back more than 50 miles.

The Japanese campaign in Canton and since then has been their extensive operations in China.

Helsinki Fights Off Planes

N. C. Congressmen Seeking Government Aid In Weed Crisis

Cooley And Warren Discuss Situation With Wallace And Hutson; Cooley Says "Economic Weapons" Could Be Used Against Britain.

Washington, Jan. 19.—(AP)—Two Congressmen from the tobacco belt sought assurances from Secretary Wallace today that the Agriculture Department would make every possible effort to hold the United Kingdom as a market for American tobacco.

Representatives Cooley and Warren, democrats of North Carolina, met with Wallace and J. B. Hutson, assistant agricultural adjustment administrator, that they were concerned over reports that the British government had placed an embargo on imports of American tobacco and was turning to Turkey for supplies.

Commenting upon the British action with newsmen, Cooley suggested the possible use of economic weapons to retain the market.

"The United States has economic weapons it could use against the British," he said, "but I don't know if the State Department would want to use them."

Cooley and Warren said they planned to discuss the situation with Secretary Hull as soon as a conference could be arranged.

Great Britain normally is the largest foreign market for American flue cured tobacco.

The Congressmen said that loss of the British market even for one or two years would result in the accumulation of heavy surpluses and a possible collapse in price.

In the conference with Wallace and Hutson the Congressmen suggested that the government make an effort to get British buyers to take action on the 1940 crop to the extent of their normal purchases. These buyers now have about 175,000,000 pounds of 1939 grown tobacco stored in this country under option and loan advanced by the Commodity Credit Corporation.



Thomas H. Cullen

In Spotlight

Control of the powerful House Ways and Means committee will pass into the hands of Rep. Thomas H. Cullen, of Brooklyn, N. Y., if the Democrats retain their House majority next year. He would succeed Rep. Robert L. Doughton, 76, of North Carolina, who has announced he plans to retire at conclusion of the current session.

(Central Press)

Air Raid On Nazi Bases Is Reported

Reports From Denmark of Raids in North Sea Are Not Confirmed; British Tanker Sunk By Submarine; Crew Is Lost.

London, Jan. 19.—(AP)—Advice to the effect that the royal air force had struck again at German north sea bases reached London today—25 years to the day since the first German zeppelin bombed the North Sea to bomb England in the World War.

However, the air ministry said it had no information to confirm dispatches from Tonder, Denmark, indicating that raids were carried out last night against the German seaplane base, the island of Sylt and possibly the naval base of Helgoland.

Unofficial but authoritative sources indicated that no royal air force planes were over Sylt yesterday.

Meanwhile in maritime warfare a German submarine was blamed for the loss of a British tanker Inverclyde, 9,456 tons, which went down in flames off the southwest English coast Tuesday. The entire crew of 45 or 46 was believed to have perished.

(At least 773 lives and 318 ships of an aggregate tonnage of 1,127,355 are known to have been lost by belligerents and neutrals in the war at sea.)

Apparently linked with Britain's economic war efforts was a decision announced last night to suspend imports of American surplus cotton under a cotton-rubber barter deal.

On the home front Scotland yard sabotage squads delved into the cause of explosions which took five lives and injured 30 persons yesterday at a London war plant.

The suspension of cotton shipments applies only to that cotton to be traded under the barter agreement and does not affect regular commercial orders.

Where 2 Died in Jersey Blast



Terrific explosion of three tons of nitroglycerin near Gibbstown, N. J., at duPont plant, caused the death of two men, and left this 18-foot crater. The building was completely blown to bits by the detonation heard almost 50 miles away. Note how widely buildings are separated in interest of safety.

Reds Start Retreat In Salla Area

Cold, Hunger And Finnish Skiers Harass Russian Forces Protecting Retreat of 40,000 Men From Important Sector.

Helsinki, Jan. 19.—(AP)—The Finns tonight reported capture of a few enemy positions northeast of Lake Ladoga and the wiping out of a Russian detachment of five officers and 50 men near Ilomantsi.

The high command also announced that Swedish volunteer airmen had taken part with the Finns during the past week.

The army's announcement covering yesterday's events said that a battle had been raging around Markajarvi where Finns were reported to have caught up with the 40,000 Russians in retreat above the Arctic circle.

Two Negroes Executed At State Prison

Jan. 19.—(AP)—The State executed two Negro men convicted of murder today, setting a new record for the number of men executed in 17 minutes before Charles W. Rogers, 26, of Durham, was pronounced dead.

Earlier Glenn Maxwell, 35, was convicted in Allegheny county of the killing of Charlie Shepherd, a white man, in about the same time of 12 1/2 minutes.

The longest previous administration was at central prison here was 20 seconds, to Milford Wayne county in February.

Maxwell was convicted of the killing of a white man, he confessed. Officials said, that he participated in the death row slaying of a white man, a death row guard, in 1937.

Glenn Shepherd, of Sparta, a white man, was the man Maxwell killed. F. Shepherd of Furches, a half-breed, witnessed the execution. R. Shepherd commented: "I think Maxwell got what he deserved."

Over \$16,000,000 Spent On Industrial Construction In State During 1939

Daily Dispatch Bureau, In the Sir Walter Hotel.

Jan. 19.—More than \$16,000,000 was spent on industrial construction in North Carolina in 1939, according to 219 new industrial plants established in the state, it was reported today by Director R. Anderson of the Department of Commerce and Development.

A significant thing with this construction and the industrial development in North Carolina is that industry is going forward with great confidence in the face of the European economic crisis, he quoted Anderson, industrial engineer.

Anderson said the figures for the 1939 construction were 99 were estimated, while 129 were additions to existing plants. These figures show a slight decrease from the 123 plants set up in 1938.

The total increase over the 78 plants in existing plants in 1938.

The construction costs for the two years were estimated by Mr. Anderson to be about the same figure, but the 1939 plants and additions will cost the state's payroll total by about \$13,000,000 annually, compared with a \$12,000,000 boost in 1938.

The two years North Carolina's industrial plants have increased at

least \$25,000,000 a year by reason of establishment of new industrial plants.

The construction figure for 1939 does not include operating capital, cost of machinery or equipment, Anderson said. It is believed that if these items had been included the resultant total would have gone far beyond \$16,000,000; but figures were not available.

Hosiery mills, for the second straight year, led the list both in number of new mills and in additions to existing plants. There were 25 new plants and 49 additions. Five of the new mills represented an investment of \$100,000 each, while the amount invested in additions to existing mills was also high, one addition alone representing an expenditure of \$300,000 while several others went beyond \$100,000.

No industrial plant turning out products valued at less than \$5,000 annually was included in the tabulation of Mr. Anderson.

Of the 91 new plants no less than 47 were in the textile classification, with 25 hosiery, 19 cotton yarns and goods, eight dyeing and finish plants, and two knit goods plants. Of the other 43 new plants, 12 were in the food processing field, ten in the mines, quarries and minerals category, and the others scattered through several classifications.

Of the 129 additions, 113 were in the textile field (49 hosiery, 36 cotton yard and goods, 15 silk and rayon, and other 11 additions, four were in the food products class, two in furniture and other were not quite as many new industries locating in the state in 1939 as in 1938, the difference in number of new plants was more than offset by the large increase in number of new additions to existing plants. Additions reflect the confidence of a business man or a corporation in its already going business and show confidence that it is going to grow and prosper."

Maxwell Urges Diversified Farming

Fayetteville, Jan. 19.—(AP)—Revenue Commissioner A. J. Maxwell urged the Kiwanians, "is that we do not have primary and dependable markets for diversified products."

The Commissioner of Revenue suggested this "possible resource for stimulating" markets for farm products.

"Many years ago the state levied a tax of 25 cents per bale on cotton to provide funds for building cotton storage warehouses. The tax was long ago repealed. We have all the warehouses there is demand for and there is a surplus of \$700,000 in the fund. It can't be returned to the farmers who paid it, for their identity is unknown.

"The state owes the obligation to see that this fund is used for purposes that best serve the interests of the farmers who paid it. How could it be used to serve them better than to stimulate markets for their diversified products?"

Finnish Loan Is Expected

Washington, Jan. 19.—(AP)—Senator Brown, Democrat, Michigan, said today that a modified plan for a loan to Finland was being worked out by experts of the Reconstruction Finance Corporation.

Although Brown declined to disclose details, he reported after a conference with Jesse Jones, federal loan administrator, that a draft of a new bill would be completed by Monday.

"I think we will work out something that will be satisfactory," he said.

The Michigan senator spoke of a measure to grant a \$50,000,000 unrestricted loan to Finland. Indications were that the modified bill largely would follow the course outlined by the President to Vice-President Garner and Speaker Bankhead last week when he suggested that Congress increase the capitalization of the Export-Import Bank so that funds to purchase non-military supplies could be advanced to the Finns.

Some senators predicted that a loan of not more than \$30,000,000 would be requested in the new legislation.

Forest Program Indorsed By F. R.

Washington, Jan. 19.—(AP)—Development of community-owned forests was advocated today by President Roosevelt as a method of producing timber and fuel supplies, reducing local taxes and providing additional playgrounds.

The chief executive's views were expressed in a foreword to a forest service publication, "Telling of progress in establishing the community forest idea."

"I am glad to indorse the forest service program to establish and maintain more community forests," wrote the president. "Community forests are an old and popularly accepted part of forest conservation. They have helped for many years to reduce local taxes by yielding profitable timber crops. They have also provided other benefits such as watershed protection, outdoor recreation, shelter for bird and beast, and permanent jobs through the sustained production of cordwood, posts, telephone poles, railroad ties, Christmas trees and logs for timber."

Browder Is Again Named By Witness

New York, Jan. 19.—(AP)—Former vice-president of the International Workers Order, a communist organization, testified today at the trial of Earle Browder that after witnessing a passport application for one "George Morris" he later "realized that Morris actually was Browder."

The witness was George Powers, whose name appears on Morris' 1927 passport applications as the man who identified Morris.

In preparing to close its case the government sought to link Browder through Powers' testimony to a second allegedly fraudulent passport.

The prosecution through the testimony of Nicholas Dozenberg, erstwhile communist who pleaded guilty to similar charges, sought to show yesterday that Browder obtained a passport in Dozenberg's name in 1921.

Death Seems Near For Senator Borah

"There Is Not A Chance", Senator Barkley Reports After Call On Wife Of Idaho Senator, Critically Ill Since Tuesday.

Washington, Jan. 19.—(AP)—Death seemed a question of "minutes and hours" today for Senator William E. Borah of Idaho.

Senator Barkley of Kentucky sadly brought that word after a call on the wife of his Republican colleague.

"There is not a chance," said Barkley.

An hour before, Borah's office had said he was "falling rapidly." Dean of the Senate, Borah has been in virtually continuous coma since a cerebral hemorrhage Tuesday.

No Relief From Cold Promised

(By The Associated Press.)

Unrelenting Arctic blasts decreased another day of sub-zero chill for the middle west today and beat down the mercury everywhere except the gulf states.

The bitter cold which swept in from the Canadian northwest had advanced from the Rockies to the Appalachian region.

Little relief was forecast before next week. Grain dealers feared damage to winter wheat and rye. Livestock, fruit and vegetables were periled by snow, ice, and sub-freezing temperatures.

Transportation facilities in Chicago were strained as thousands of motorists took to the roads and trains. Nine persons were injured there last night when two elevated trains collided. The lowest temperatures in many years were predicted for most of the south tonight.

Planting Of Full Cotton Quotas Urged

Daily Dispatch Bureau, In the Sir Walter Hotel.

Raleigh, Jan. 19.—North Carolina farmers are being urged by the State Department of Agriculture to plant their full cotton quota for this season, despite the trend of all agricultural experts in the so-called "cash" crops to a more diversified program of agriculture.

D. S. Coltrane, assistant to the commissioner, today pointed out that there will be a bigger demand for quality cotton and a certain decrease in tobacco acreage.

"There were about 299,000 acres in cotton allotments that were not used last year according to the state AAA office," he commented. "Under the AAA contract, there were some counties that lost as much as 1,000 acres in allotments and losses will continue in other counties if growers fail to plant this season."

"It has been demonstrated that cotton can be grown economically in North Carolina," he continued, citing the fact that Cleveland, Lincoln and Hoke counties average more than a bale to the acre.

"Much of the success of cotton-growing in the State depends upon the proper use of fertilizer, following approved methods of boll weevil

(Continued on Page Five)

No Bandwagon In Race For Governorship

Daily Dispatch Bureau, In the Sir Walter Hotel.

Raleigh, Jan. 19.—Answer to the failure of this gubernatorial campaign in North Carolina to crystallize to the point where heads can be distinguished from tails lies in the simple fact that the state officials and, as a natural consequence, employees have not yet been able to identify any particular campaign vehicle as the real bandwagon they are looking for.

Once they have become oriented and can tell when one is being driven by a real "machine," there's going to be quite a simplification of the whole thing, and perhaps the writers and political prospects will be able to come through with a few guaranteed tips right straight from the feedbox.

As things may stand it would be really sad, if it was not so thoroughly ludicrous, to watch the frantic, almost pathetic, efforts of the "boys" to find out what's going on.

The man who made the crack was joking, because he's one of the few division heads who is an independent as a hog on ice, but the whole viewpoint was summed up by the director who told your reporter "Hell, you just want to know who's going to be governor, I've got to know."

If and when Governor Clyde Hoey Max Gardner and the rest of the "machine" get round to passing out the word—be it ever so quietly—things will take an entirely different

(Continued on Page Five)

Cotton Lower At Opening

New York, Jan. 19.—(AP)—Cotton futures opened 10 to 12 points lower today. The market at mid-morning showed losses of six to nine points. The list was off four to five points. March (old) 11.02; May 10.75; December 9.41.

Weather

FOR NORTH CAROLINA. Fair to partly cloudy preceded by snow or freezing rain this afternoon. Much colder, below freezing to the east. Cold wave in the east and central portions tonight; Saturday fair.