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DAWES MAY HEAD RECONSTRUCTION BODY

Japanese Reply To American Note Is Attacked By Chinese

Impertinent to America and Insulting to China, Foreign Office Declares

SAYS JAPANESE WANT TO MASTER PACIFIC

Gives Reasons For Jap Assertion Regarding Importance of Welfare And Safety of Manchurian Area

Nanking, China, Jan. 19.—(AP)—Japan's reply to Secretary of State Stimson's recent note citing the nine-power treaty in connection with the Manchurian situation was called "impertinent to America and insulting to China" by a spokesman for the Chinese foreign office today. "The Japanese assertion that the welfare and safety of Manchuria are matters of extraordinary importance to Japan," the spokesman said, "is perfectly true because Manchuria as a source of raw material and a massive means to Japan's domination of China is indeed of extraordinary importance to Japan in her preparations for the eventual war which the Japanese general staff considers inevitable for the mastery of the Pacific ocean."

HOUSE WILL PROBE UTILITY HOLDINGS

Committee Authorized To Conduct Investigation Into Ownership

Washington, Jan. 19.—(AP)—The House today directed its Interstate Commerce committee to investigate public utility holdings and investment trust companies to determine their ownership and control.

The House Agriculture committee voted to join with the Senate committee in an investigation of the Farm Board.

The Senate Agriculture committee approved the nomination of Frank Evans, of Utah, Sam Thompson, of Illinois, and William F. Schilling, of Minnesota to the Farm board. Chairman McNary said the committee's approval of the nominations was virtually unanimous.

Another group of anti-prohibition congressmen went before a Senate committee today to advocate the Bingham 4-percent beer bill. Representative Diekstein, Democrat, New York, contended employment of the whole army "couldn't stop this thing going on today."

The House Judiciary committee set February 16 for consideration of the prohibition proposal submitted by the wet bloc.

Resolutions introduced by Representative Reck, of Pennsylvania, leader of Republican wets and Linthicum, of Maryland, leader of Democratic wets with the submission of the 18th amendment to the people through state convention. They proposed return of liquor control to the states except for federal jurisdiction over interstate shipments.

Roosevelt Sentiment In New York Is Not Large

Daily Dispatch Bureau. In the Sir Walter Hotel. BY J. C. BASKERVILLE.

Raleigh, Jan. 19.—A great many people in New York City, among them many big business men, do not believe that Governor Franklin D. Roosevelt of New York will be the next Democratic nominee for President, according to Carl Goerch, of Washington, N. C., who has just returned from a trip of several days to Manhattan. Neither do these New Yorkers believe that former Governor Alfred E. Smith will become a candidate for the Democratic nomination again, though they believe Smith will wield a powerful influence in the Democratic National Convention and have much to do with the selection of the nominee.

"A great many of the people I talked to in New York are inclined to feel that Smith will never consent to the nomination of Roosevelt and that he can and will block his nomination in the Democratic National Convention and thus make necessary the nomination of some compromise candidate," Goerch said. With the Democratic camp divided into two factions, such has been the case of Smith opposes the nomination of

WILL BE GIVEN BIG JOB



Charles G. Dawes.

Ambassador Charles G. Dawes, America's representative at the Court of St. James, at London, who has already signified his intention of giving up the post of ambassador to Great Britain, has been named by President Hoover to head the two

ARMS DELEGATION TO LEAVE WEDNESDAY

Members Receive Outline of Policies In Conference With Stimson

Washington, Jan. 19.—(AP)—America's delegation to the general disarmament conference will sail Wednesday under instructions to play a modest role at Geneva.

The members received an outline of policy in a final talk with Secretary Stimson. The House has smoothed their path by authorizing money for their expenses, a lump sum of \$450,000, to cover weeks and months of discussion and debate.

MURRAY STATEMENT STARTLES DRY BODY

Oklahoma Governor Says More Satisfactory Liquor Control Possible

Washington, Jan. 19.—(AP)—A startled Anti-Saloon League convention weighed today a surprised suggestion from Governor Murray, of Oklahoma, that a more satisfactory form of liquor control might be substituted for existing prohibition. "Recognized as a dry, the picturesque 'Alfalfa Bill' was given a prominent place on last night's program of the convention following close upon a stirring address by Bishop James Cannon, Jr., defending the prohibition part he and other southern churchmen had played in political campaigns and promising more of the same if necessary."

CHARLOTTE MAN IS DEAD AT MORGANTON

Morganton, Jan. 19.—(AP)—Alfred W. Brown, 54, real estate dealer of Charlotte, who has been under treatment at the State hospital here for nervous disorders was found strangled to death in his room today. He apparently had torn a sheet in two strips, fastened them about the hinges of the door and his neck and twisted them until he strangled himself.

BAD SITUATION MAY RESULT FROM JAPS INVASION OF CHINA

Official Chinese News Agency Declares Severance of Diplomatic Relations Near

MANY LEADERS HAVE REACHED DECISION

Foreign Minister Eugene Chen Latest Convert To Such A Stand—Crisis In East Is Now Imminent

Nanking, China, Jan. 19.—(AP)—The official Chinese news agency Kuomin announced tonight that the severance of diplomatic relations with Japan was imminent because of the Manchurian controversy. Foreign Minister Eugene Chen is the latest convert to such a stand, the agency said and additional Chinese leaders are rallying to his viewpoint the latest being the "Christian general," Fong Yu-Hsiang.

URGES GARDNER TO CUT ALL SALARIES

Governor Called On To Cut Wages of Officials To \$350 a Month

Raleigh, Jan. 19.—(AP)—William T. Harding, for 50 years associated with business and civic life of Raleigh, today sent an open letter to Governor O. Max Gardner, suggesting that all paid officials reduce their salaries to a \$350 per month level.

A person can live comparatively comfortably now on \$350 per month or should make adjustments to do so, Mr. Harding said, and low salaried employes should not be cut entirely off in order that a "few highly favored men may retain their positions at wartime salaries."

NEW PROGRAM FOR HAWAII DISCUSSED

Moves To Reorganize Honolulu Law Enforcement Agencies Taken Up

Honolulu, Jan. 19.—(AP)—With a rigorous five point program before it, the Hawaii legislature moved rapidly today to reorganize Honolulu's law enforcement agencies and strengthen the criminal laws. The legislators convened in special session yesterday, inaugurated two bills to make the police chief and prosecutor appointive instead of elective. The second reading of the bill today is in line with legislative leaders' efforts to push them through in five days, the fastest possible action.

SON OF GANDHI IS PLACED IN PRISON

Another Member of Family Of Indian Leader Placed Under Arrest

Bombay, India, Jan. 19.—(AP)—Another member of Mahatma Gandhi's family went to prison today when his youngest son, Ramdas, was arrested in the village of Haripura for engaging in Nationalist activities.

Nineteen prisoners, most of them women who were arrested for picketing outside the government mint today were tried, convicted and given six months in prison in the remarkable short time of 22 minutes. Three spectators who were arrested with them got similar sentences.

WEATHER

FOR NORTH CAROLINA. Fair tonight and Wednesday; warmer Wednesday; diminishing northerly winds, becoming variable Wednesday.

France Will Not Forego Rights To Reparations Of Germany, Laval Says

Statement Is Made As New Cabinet Is Presented to Chamber of Deputies Today

DOUBLE DUTY IS NOW FACED BY COUNTRY

No Cancellation Will Take Place Unless Corresponding Remission Is Made By Other Nations

Paris, France, Jan. 19.—(AP)—Premier Laval introducing his new cabinet to the chamber of deputies today said flatly that France will not forego her rights to reparations from Germany.

France faces a double duty he said, "the duty towards the generation which went through the war, to sacrifice nothing of what is due us without a corresponding remission of our own debts; and the duty to future generations, to subordinate all agreements to a just balance between conditions of production and existence."

MORE DISTURBANCES ARE SEEN IN SPAIN

Rioting, Burning And Labor Troubles Are Seen In Many Places

Madrid, Spain, Jan. 19.—(AP)—Rioting, burning and labor troubles in dozens of places in Spain in the last 24 hours were followed today by threats of a general strike next Monday.

In several sections of the country, city workers moved out upon the land and began to till it, the owners in most cases offering no protest. The workers declared they were plowing only enough to provide themselves with food.

The general strike reports, which could not be confirmed, said communists and syndicalists were organized for a concerted revolutionary attempt to implant "literal communism" in Spain.

LABOR ORGANIZERS TELL OF ATTACKS

Appear In Tennessee City to Complain of Being Clubbed In Kentucky

Knoxville, Tenn., Jan. 19.—(AP)—Joe Weber and Bill Duncan, National Miners Union organizers, missing since last Friday, came to Knoxville from Appalachia, Va., today and related a story of being arrested at Cumberland Gap, Tenn., taken by Harlan county officers to Lynch, Ky., and clubbed into insanity. Weber, a slender light haired man, who said he had been organizer for the National Miners Union at Wilkes Barre, Pa., displayed black and blue stripes across his back and a gash in his neck. He said he and Duncan, 44 year old Bell county miner, were arrested by Deputy Sheriff Hugh Rider, of Claiborne county, Tennessee, last Friday night.

EMPLOYMENT NOW SHOWING INCREASE

December Shows Gain Over November, Labor Department Says

Washington, Jan. 19.—(AP)—The Labor Department announced today that industrial employment increased almost one percent in December as compared with November. Compilation by the bureau of labor statistics from 49,841 establishments in fifteen major industrial groups showed 4,572,588 workers on payroll. This was seven-tenths percent more than in November. Payroll totals increased also.

Board Chairman



Eugene Meyer.

As chairman of the board of the two billion dollar Reconstruction Finance Corporation President Hoover today named Eugene Meyer, at present chairman of the Federal Reserve Board, Wall Street had expected him to get the office of president of the big concern, which has been offered to Charles G. Dawes.

INMATES OF PRISON CAMPS KEPT BUSY

Mild Weather Allows Convicts to be Worked on Roads Every Day

Raleigh, Jan. 19.—There are at present 4,281 prisoners in the State Highway Commission prison camps, of which 2,731 are Negroes, 4,281 white and 20 Indians, according to Sam Scott, superintendent of prison camps. Almost all of these 4,281 prisoners are at work every day on the roads of the State, either doing regular maintenance work or doing heavy maintenance work, such as ditching, new grading, clearing or topsoiling.

"Owing to the mild weather we have been having, we have had very little sickness in the various prison camps with the result that virtually all of the more than 4,000 prisoners in the highway camps have been at work every day and are being kept at work," said Mr. Scott. "The good weather has also made it possible to do more work than is usually possible during the winter months, although the recent heavy rains in many sections have greatly increased the amount of maintenance work necessary."

MAN WHO ATTACKED U. S. CONSUL PUNISHED

Addis Ababa, Abyssinia, Jan. 19.—(AP)—The Abyssinian government promised today to take drastic steps against several police officers who knocked down American Minister Addison E. Southard Sunday, including public punishment of the offenders.

State Employees Await Budget Cutting Moves

Daily Dispatch Bureau. In the Sir Walter Hotel. BY J. C. BASKERVILLE.

Raleigh, Jan. 19.—The conferences between the Budget Bureau, the Personnel Division and the various department heads are continuing while the 2,000 or more State employes here are becoming more and more uneasy as the official axe and pruning knife are being applied more and more relentlessly.

Quite a number employes have already received notice either that they will not be needed after the end of this month or that their salaries will be reduced, although neither the Budget Bureau nor the Personnel Division have as yet made any announcements or verified any reports. Unofficial reports are to the effect, however, that salaries in some departments are being reduced from 20 to 30 per cent and that some employes are being dismissed permanently. Some stenographers that formerly received \$100 a month have been cut to \$80 a month, it is understood. Several building custodians or exalted janitors, who in the past have done little more than sit in the lobbies of the buildings and smoke cigars while

HOOVER WANTS HIM AS HEAD OF GROUP TO HANDLE BIG JOB

Former Vice-President Reported As Likely To Accept Post With Corporation

WOULD HAVE TO GIVE UP GENEVA MEETING

Is Banker And Well Qualified To Direct Two Billion Dollar Corporation If Job Is Accepted

Washington, Jan. 19.—(AP)—President Hoover today announced Ambassador Dawes would retire as chairman of the American arms delegation to become president of the Reconstruction Finance Corporation and that Secretary Stimson would replace him at Geneva.

At the same time the president stated Eugene Meyer, governor of the Federal Reserve Board, would be chairman of the board of the proposed two billion dollar finance corporation.

Mr. Stimson will not sail with the remainder of the American delegation to the general arms conference coming next month at Geneva.

His place as chairman of the delegation at the opening session will be taken by Ambassador Hugh Gibson, one of the American delegates.

President Hoover said these sudden changes in plans were necessitated by the fact that unless Dawes were named to and accepted the position as head of the new corporation, he would sail from the United States tomorrow.

The president is keenly desirous to have the corporation start functioning immediately.

Washington, Jan. 19.—(AP)—President Hoover wants Charles G. Dawes to take over the leadership of the new Reconstruction Finance Corporation and the acceptance by Dawes of the post was believed in informed circles today to be likely.

This would mean that Dawes would have to give up the chairmanship of the American delegation to the forthcoming Geneva arms conference.

Dawes already has made known his intentions to resign as ambassador to Great Britain.

The former vice-president is a banker and well qualified for the job of directing the \$2,000,000,000 reconstruction corporation by which President Hoover and Congress hope to put the nation's business on a new footing.

Both Senate and House have approved the corporation legislation but the versions differ and an early conference is due to adjust the variances so President Hoover can get the bill.

MAN WHO ATTACKED U. S. CONSUL PUNISHED. Addis Ababa, Abyssinia, Jan. 19.—(AP)—The Abyssinian government promised today to take drastic steps against several police officers who knocked down American Minister Addison E. Southard Sunday, including public punishment of the offenders.

State Employees Await Budget Cutting Moves

their many assistant janitors were supposed to do the work, have been dropped and the effect gone out that there must be fewer janitors and that they must do more work.

Additional unofficial reports are to the effect that several State College professors have received notice that they will receive their salaries for only 11 months this year instead of 12 months and that several instructors have been cut off. It has already been indicated by Dr. E. C. Brooks, president of State College, that there will have to be very heavy curtailment in the various research projects with a corresponding curtailment in personnel.

The cutting of salaries is causing a great deal of talk and grumbling among the lesser employes, especially the women stenographers, few of whom have been making less than \$100 a month and many more than that, while working for the State. In fact, the minimum salary for inexperienced stenographers in many State departments used to be \$90 or \$100 a month, amounting on up to \$150 a month.

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