

AMERICANS FACING NEW DANGERS IN CHINA

France And Britain Seek Annihilation Of Submarine Attackers

NINE-POWER BODY AT GENEVA HEARS DRAMATIC SCHEME

Dirigibles, Airplanes and
War Craft Would Be
Utilized in Mediter-
ranean Area

SPAIN LAYS UPON ITALY ALL BLAME

Charged With Inciting Sub-
marine Piracy In Sea
Lanes; Underwater Craft
in High Seas Zone Would
Be Subject To Destruction
Without Warning

Geneva, Sept. 10.—(AP)—France
and Great Britain laid before a nine-
power conference today a dramatic
plan for automatic annihilation of
any undersea craft lurking on the
Mediterranean high sea route.

Experts of the two powers complet-
ed this formula, which embraces also
the use of dirigibles, airplanes and
war craft, to safeguard merchant
shipping, while the League of Nations
Council, in a brief session, formally
placed on its agenda a Spanish govern-
ment charge that Italy is to blame
for piratical attacks on ships in the
inland sea.

The Council session preceded the
meeting of the nine nations at Nyon,
near here—a momentous session de-
signed to find security for neutral
ships in the Mediterranean, with or
without the help of Italy and Ger-
many, both absent today.

Yvon Delbos, the French foreign
minister, was chosen to open the
Nyon session and get it quickly down
to practical work. A swift technical
study, perhaps led by Britain's first
sea lord of the Admiralty, Baron
Chatfield, was in order.

The preliminary plan of the British
and French experts would divide the
Mediterranean into territorial waters
and high seas. But along the Mediter-
ranean sea route all craft found under
water would be regarded automati-
cally as "piratical," to be open to im-
mediate attack by warships of a nine-
power international fleet.

British and French men of war
would be the bulwarks of this anti-
pirate armada. Planes and dirigibles
(Continued on Page Three.)

Judge Wants Soldiers On Marion Case

Marion, Sept. 10 (AP)—Superior
Court Judge Felix Alley said today he
had refused to withdraw his request
to Governor Hoey for National Guards
men at the trial next Monday of Mann
Smith, Negro, charged with criminal-
ly attacking a 12-year-old white girl.

Alley requested the troops Tues-
day after a white man, booked by
Sheriff Grady Nichols as Frank And-
erson, walked into the court room and
slugged Smith with an iron pipe as he
sat in the prisoner's dock during selec-
tion of a jury. A mistrial resulted.

The judge said a group of Marion
citizens had asked him to withdraw
the request, contending the troops
were not needed. Alley said he denied
the request, because he "held sole
responsibility" for order and protec-
tion of the defendant.

Sees Old Time Merchant As 'Vanishing American'

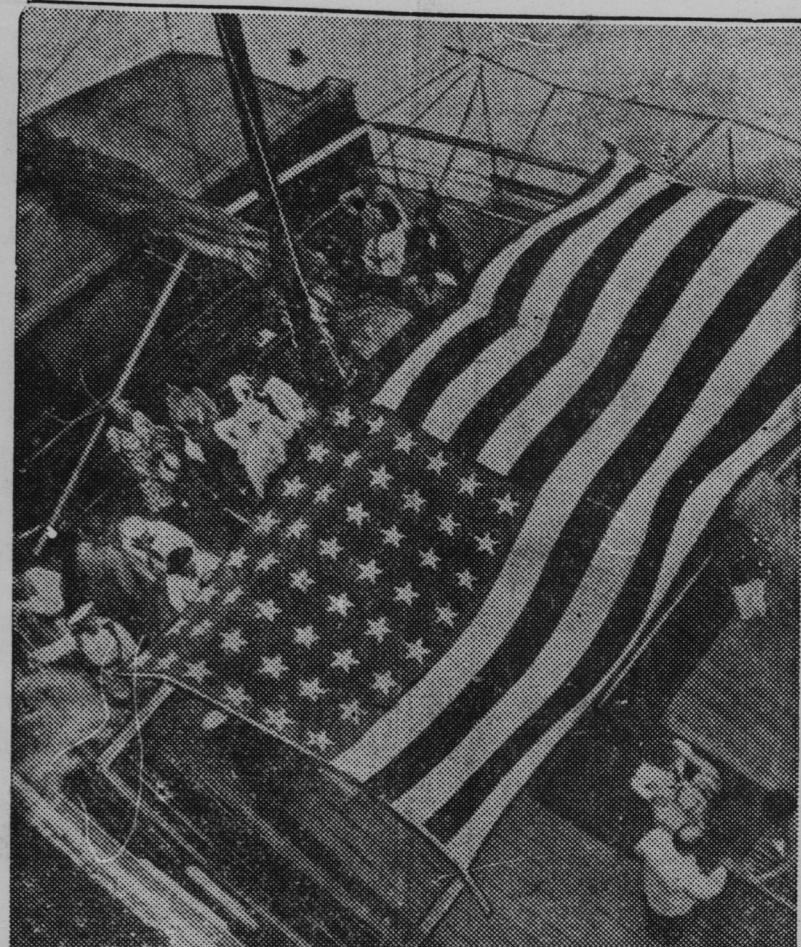
Chains Have Crowded Him Out, Says Babson, and
Have Not Furnished 'Backbone of Community Cit-
izens Instead; But Chains Bring Big Benefits

By ROGER W. BABSON,
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Financial Bureau, Inc.

Gloucester, Mass., Sept. 10.—When
I was a boy here in Gloucester, every
store was owned by an independent
Gloucester man. He was active in the
civic, religious and social interests of
the city. Gradually the chain store
stores have been creeping in. Today
most of the local merchants have been
erased from the retail field. Now
Gloucester's Main Street has become
a chain of chain stores.

I regret the passing of so many in-
dependent retailers. I realize, how-
ever, that no phenomenon is involved
in the success of the chains. They are
a distributing invention, just as
the modern loom is a manufacturing
invention. It is as foolish to try to

Old Glory Protects Refugees



With a huge American flag as identification, this Dollar Line tender
steams on the Whangpoo River, carrying American refugees to the
President Jefferson, waiting in the harbor to take them to safe haven.
American marines aboard the tender add further protection.

(Central Press)

SCHOOL ROADS IN BEST OF CONDITION

More Money Spent on Them
Than in Any Previous
Year Except 1936

In the Sir Walter Hotel,
Daily Dispatch Bureau.

Raleigh, Sept. 10.—The roads over
which North Carolina's school buses
will operate more than twenty million
miles between now and the end of the
current school term are in the best
condition of their history, in the op-
inion of Frank Dunlap, chairman of
the State Highway Commission.

"Of course, I do not mean to say
that there will be no roads closed to
buses at any time this winter," said
Mr. Dunlap. "That would be too much
to say, but I do believe that the roads,
particularly the country and second-
ary roads over which the buses will

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OXFORD CCC CAMP TO BE ABANDONED

One of Those Listed for Discontinu-
ance, Despite Appeal by Ox-
ford Citizens

Washington, Sept. 10 (AP)—The
CCC announced today 45 CCC camps
would be operated in North Carolina
during the quarter beginning October
1, seven less than in the current
quarter.

Eight of the present camps will be
abandoned, but the program calls for
opening of a new one to be located in
McDowell county.

Camps to be abandoned include a
soil conservation camp at Oxford, in
Granville county. A delegation from
the county was here this week to pro-
test the proposed closing.

Other camps to close include one
at Maysville, Jones county, in Croatan
National Forest.

Young Party Group Holds Quiet Meet

Hoey and Ward
Laud Democratic
Record; Arch Allen
To Be President

Winston-Salem, Sept. 10.—(AP)—
With harmony prevailing, and amidst
a spirit of celebration of victories
won, North Carolina's Young Demo-
crats here today heard speakers paint
vivid pictures of what they termed
successful and beneficial government
by Democrats.

Hundreds of delegates from all
parts of the State arrived last night,
and business was the order of the day
after a morning tour of tobacco fac-
tories.

D. L. Ward, of New Bern, mem-
ber of the legislature from Craven coun-
ty, and secretary of the Democratic
State Executive Committee, sounded
the keynote with a challenge to the
Young Democrats to "read the record
of the past and present of the State's
progress and the party's service to the
people—and pledge anew your al-
legiance to our party, which has done
as much for us."

The party's leader in the State,
Governor Clyde Hoey, climaxed the
day with an exhortation to carry on
the work of the Democratic party.

The chief executive outlined "North
Carolina's record of progress" in em-
erging from the financial depression,
and traced accomplishments of his
administration.

"Young Democrats can find much
of which to be proud in the history of
America's triumphs over the depres-
sion and mastery of problems chal-
lenging the very existence of demo-
cratic principles," he said. "No state
gives the citizens more for every tax
dollar than does North Carolina."

Last night John Caffey, of Greens-

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REA APPEAL TO BE VERY COMPLICATED

Johnston Rural Electrifica-
tion Case on Its Way to
Supreme Court

Daily Dispatch Bureau.

In the Sir Walter Hotel,
Sept. 10.—As counsel for the
various principals in the tri-par-
tite Johnston County Rural Electrifi-
cation row prepare to press their
appeals to the Supreme Court it be-
comes more and more evident that
this higher tribunal hearing is likely
to be a really complicated affair.

To the lay mind this may seem
strange in view of the fact that the
issues can be very simply defined as:
(1) The plaintiffs (three Johnston
county farmers fronting for the Fed-

(Continued on Page Three.)

DUKE POWER GOES TO SUPREME COURT FOR SECOND TIME

Appeal Noted From Circuit
Court Which Upheld
Greenwood Power
Fund Grants

NEUTRALITY WOULD BE COSTLIER TO U. S.

Washington Hesitates To
Invoke Enactment of Re-
cent Congress; Justice De-
partment Reveals Nazi
Probe in United States Is
Already Under Way

Washington, Sept. 10.—(AP)—The
Duke Power Company appealed to the
Supreme Court today for the sec-
ond time in an effort to prevent the
Federal Public Works Administration
from making loans and grants to
publicly-owned hydro-electric plants.

It asked the tribunal to review a
decision by the fourth circuit court of
appeals sustaining a \$2,852,000 PWA
loan and grant to Greenwood county,
S. C., for an electric plant at Buzzard
Roost. The court already has agreed
to review similar litigation brought
by the Alabama Power Company and
the Iowa City Light & Power Com-
pany to stop the government from
supplying money for projects in those
two states.

Arguments in the latter cases prob-
ably will be heard next month. If the
court consents to review the Duke
Power case, it likely will be argued
with the others.

Neutrality Would Be Costly.
Meantime, government officials said
any future application of the neutral-
ity act might seriously restrict export
of such things as cotton, wheat, scrap
iron and automobiles, as well as em-
bargo shipments of arms and am-
munition. This is a possibility under
the President's discretionary powers, they said.

Immediately upon invocation of the
neutrality act by the President, it
would become unlawful to export
arms, ammunition and implements of
war to either of the belligerents. A
similar prohibition would become ef-
fective against the extension of loans
or credits to either side in the con-
flict.

Nazi Probe Under Way.
Elsewhere in Washington a dis-

(Continued on Page Three.)

ART INSTITUTES OF TEACHERS PLANNED

Highsmith Announces 18 Such Schools
Over State During Septem-
ber and October

Raleigh, Sept. 10.—(AP)—Eighteen
art institutes for public school teach-
ers will be held in various North Car-
olina municipalities from September
13 to October 2, Henry Highsmith, di-
rector of the division of instructional
service of the State Department of
Public Instruction, said today.

The institutes, designed to give
teachers additional training in art and
instruction, and to "promote an art
for every child" program, will be held
in the following cities.

Greenville, Sept. 14; Rocky Mount,
Sept. 15; Goldsboro, Sept. 16; New
Bern, Sept. 17; Lumberton, October 2.
Other cities will have such institutes
also.

Government Line Broken Near Gijon

Hendaye, Franco-Spanish Border,
Sept. 10 (AP)—Insurgents reported to-
day they had smashed government
resistance in the high Europa moun-
tain section, bulwark of the Gijon de-
fense, after a 15-hour battle.

The defense line broke and fled in
furious hand-to-hand fighting along
mountain trails more than 1,000 feet
above the sea. Five government planes
were shot down.

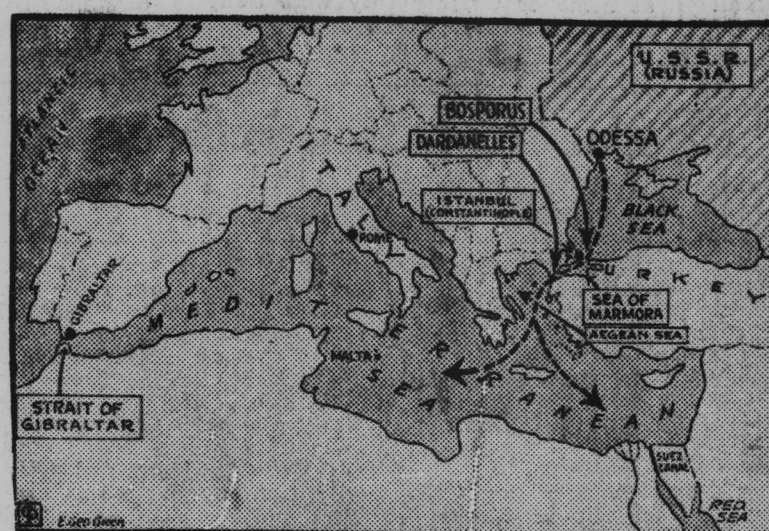
Insurgent commanders said they
had confidential reports a Russian gen-
eral, Torrez was sent from Valencia
to organize the defenses of Gijon, last
government-held port in the Spanish
northwest.

Most of the resistance to the insur-
gents' westward drive was made by
the Austrians, deemed the fiercest
fighters in the government's ranks.

WEATHER FOR NORTH CAROLINA.

Partly cloudy; showers in north
central portion Saturday; warmer
tonight except on the coast.

RUSSIA'S FLEET "BOTTLED"

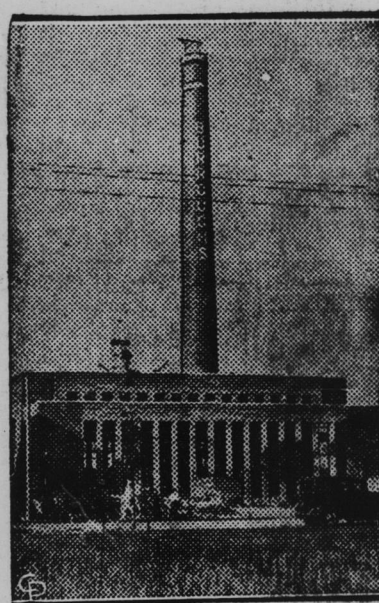


Map showing "Bottle-Neck"

This map indicates why the Soviet Union is vitally interested in
a "free" Mediterranean. Russian vessels from her Black sea ports
have no other means of reaching the Atlantic except via this tur-
bulent route to and through the Mediterranean. And if the Medi-
terranean is blocked or is infested by submarines, the vessels of the
Soviet Union are bottled up.

Reform In Civil Service Discussed By President

Unusual Accident



Fatal smokestack

For weeks Hilda Williams, 20-
year-old Plymouth, Mich., wait-
ress, had pleaded with Michael
Schlemmer, a construction fore-
man, to take her to the top of the
240-foot smokestack at the new
plant of the Rorbaugh Adding
Machine Co., in Plymouth, "to
see the view." Schlemmer con-
sented and no sooner had Hilda
"seen the view" than she missed
her footing, fell down the stack
and was killed instantly. To add
to the tragedy, Schlemmer was so
nervous-wrecked over Miss Wil-
liams' plunge, he fell out of a
bucket while descending, dying of
his injuries.

—Central Press

BILL PAYNE SEEN IN SOUTH CAROLINA

Officers Start Hunt; Myster-
ious Pair Hold Up Rocky
Mount Man

Hemingway, S. C., Sept. 10.—(AP)—
Officers of this section were on the
alert today after Bill Payne, North
Carolina prison farm fugitive, was re-
ported seen driving through here late
yesterday in a blue sedan bearing
North Carolina license plates.

Police Chief Walter Phillips said two
Hemingway residents reported they
saw Payne, accompanied by a woman,
drive into a filling station, and then
continue toward Florence.

They recognized him, they told
Phillips, from his pictures. Chief Mc-
Laurin Burch, at Florence, was noti-
fied and his men were instructed to
be on the lookout. There was a report
at Florence Payne was hiding near
Loris.

ROCKY MOUNT MAN ROBBED

BY MYSTERIOUS COUPLE
Rocky Mount, Sept. 10.—(AP)—Leon
Epstein, well known clothing mer-
chant here, picked out a picture of
Eddie Cobb, escaped convict, from
police records this morning as most
nearly resembling one of two white
men who held up and robbed him last
night.

The men forced him into their car.

(Continued on Page Three.)

JAP WAR MACHINE STRIKES FOE BUT CHINESE HOLD ON

New Assault Finds Natives
in Virtually Same Strong
Positions as at
Outset

JAP SHELL FALLS IN MARINE SECTOR

Shrapnel Sprays Interna-
tional Settlement and
Many Civilians Are Inj-
ured; Chinese Communists in
North Taking Field Against
Invaders

Shanghai, Sept. 10 (AP)—Japan's
streamlined war machine struck at
stubborn Chinese defenders on all
fronts today, placing Americans and
other foreigners in serious danger
from the spreading hostilities.

The new assault found China's ar-
mies holding virtually the same po-
sitions as when Shanghai warfare start-
ed August 13.

United States Marines guarding the
northern boundary of the international
settlement were endangered when a
Japanese shell fragment plowed into
the heart of the barracks.

Shrapnel sprayed the same settle-
ment causing a number of civil-
ian casualties.

High explosives rained down on the
Whangpoo, Shanghai's outlet to the
Yangtze. One projectile narrowly mis-
sed a British destroyer. Another whiz-
zed over the French flagship anchored
across from Shanghai at Pootung.

Japan carried the warfare to south
China ports with a bombardment of
Swatow. Americans there took re-
fuge in the United States gunboat
Ashville.

The first of 1,200 American war re-
fugees left Hankow for Canton, with
a prayer that their train would not
be bombed.

On the northern front powerful Chi-
nese communist armies of General

(Continued on Page Three.)

Soviet Hint Of Reprisal Upon Italy

Geneva, Sept. 10.—(AP)—Soviet
Russia's foreign commissar warn-
ed, a nine-nation Mediterranean
conference today that his country
"must and will take its own
measures" against submarine
pirates in that sea. This was in-
terpreted as a threat of reprisal
against Italy.

In an impassioned address not long
after the nine powers met to adopt
a collective means of stopping attacks
on neutral vessels, Maxim Litvinoff,
of the Soviet Union, cried:

"The Soviet government cannot al-
low any one to destroy its state prop-
erty!"

He linked these words with a thin-
ly-veiled accusation of Italy as a
"pirate government."

Every one, he said, knew whom he
was talking about.

Then Litvinoff brought in the
open his warning that Russia will act

(Continued on Page Three.)

How Family Budget Goes In This Section Shown

Franklinton, Louisburg, Wake Forest, Spring Hope,
Nashville and Elm City Included in Survey of Costs
On Operating Homes In Area

Washington, Sept. 10.—(AP)—An
Agriculture Department Home Eco-
nomics Bureau survey disclosed today
about two-thirds of the income of
white families in southeastern state
towns goes to defray expenses of the
"big three" of the family budget,
food, clothing and shelter.

The report was based on a survey
of 1935-36 living costs of 2,145 native
white families in 33 southeastern
towns. North Carolina towns were
Whitakers, Franklinton, Louisburg,
Nashville, Spring Hope, Wake Forest,
Zebulon and Elm City.

The bureau said a majority of the
families reported at least two-thirds
of their income went for food, cloth-
ing and expenses incident to run-
ning the house. This proportion de-
creased as incomes increased.

(Continued on Page Six.)