CHINESE HOLD ON

STUBBORNLY UPON

Warships in Whangpoo Riv-

er Blanket Chapei Area

Explosives

LINES OF DEFENSE

JAPS FIGHT TO STAND

McNinch Will Seek Power To Regulate Charges For Radio

New Communications Chairman Considers Radio in Field of Public Utilities

POLICY TO REMAIN OPEN AT ALL TIMES

Will Be No Covering Up of Anything; Treasury Deficit for Quarter Is \$273,823,-482: Cotton Classed So Far Is Of Inferior Quality

Washington, Oct. 2 (AP)-Frank McNinch, of Charlotte, N. C., new chairman of the communications commission, indicated today he would seek legislation to bring radio rates under commission regulation.

"I question the wisdom of any policy which would leave free from regulations charges made by public utilities," he told his first press conference in his new capacity. Previously, he had declared radio was a public

McNinch, asserted his policy would be one open at all times to the public. There will be no covering up of anything by me," he said. "I care not how far or high up it goes."

"My own conscience and judgment shall be my only guide. I shall do what I can to prevent or break up any trafficking, if any, in broadcast

In response to a question, he said in his opinion there had not been "covering up" in the commission in the past. Other Washington developments: The Treasury reported its deficit for the first three months of the fiscal year was \$273,823,482.

Government experts said the first two months of this season, was inferior to that classed during the same period last season. The Bureau of Agricultural Economics reported cotton classed to September 30 New Session was lower in grade and a little shorter in staple than the corresponding period last year. It said 64 percent of compared with 73 percent last season. Spotted grades constituted 20 percent of all cotton for the first two months this season, as against 16 percent last

Farm Plan By Wallace

retary of Agriculture Henry Wallace outlined an "all weather" program to assembled thousands of farmers from Kentucky, Tennessee and Indiana here today.

Introduced by Judge Robert Bingham, of Louisville, United States ambassador to Great Britain, Wallace urged farmers to adopt a six-point program which he said, in the words of President Roosevelt was intended "to level the peaks of over-supply into the valleys of shortage and dis-

Principles and recommendations, Wallace said covered at a February meeting of farm leaders, were: 1. That agriculture has a right to a

fair share of the national income. 2. That consumer as well as farmer interests should be safeguarded through an ever-normal granary;

Pleads for China



Mme. Chiang Kai-Shek

Once more Mme. Chiang Kai-Shek, American-educated wife of the Chinese dictator, has broadcast-an appeal to the world to halt Japan's war machine with economic sanctions. Speaking over the radio, Mme. Kai-Shek said that 55,000 non-combatant men, women and children already had been killed in the undeclared

-Central Press

Court Opens Government experts said cotton from this year's crop, classed during Momentous

with middling and better in grade Many New Deal Cases Wait Ruling; Black Controversy Adds More Fuel

Washington, Oct. 2 .- (AP)-The Suoreme Court session beginning Monday is an important one on its merits, Elaborated aside from the over-shadowing controversy on the fitness and eligibility of its freshman member, Hugo Black. More than 400 cases, some of them as the year entered its fourth quartitally affecting administration legister.

lation, are on file. They include such important parts of President Roosevelt's program as the system of granting Federal aid for municipal power Louisville, Ky., Oct. 2.—(AP)—Sec- plants, the Home Owners' Loan Cor- same period in 1936, its monthly bulporation, the Tennessee Valley Authority and the 1936 act broadening

(Confinued on Page Eight.)

NEW ORLEANS HAS DELUGE OF RAINS

Two Storms in Gulf Produce Condition That Brings 12 Inches in Twenty Hours

New Orleans, La., Oct. 2 (AP)-Two storms in the Gulf of Mexico off the gulf coast today brought to New Oreans a tropical deluge of rain of more than 12 1-2 inches in 20 hours. The area of the disturbance extended from Florida to Texas.

The rain, still continued here at noon, was the second heaviest on record for New Orleans, and was nearing the 14-inches mark of the deluge in 1927.

3. That conservation of the soil is

(Continued on Page Four.)

Il wo Electrocuted At Weldon Fair By Crossed Up Wires

Weldon, Oct. 2.—(AP)—A short cir-stalled to keep fair visitors from press cuit caused by the blow-out of a transformer was blamed today for the elecLights on the fair grounds and in
Lights on the fair grounds and in former was blamed today for the electrocution of two men at Halifax coun-

21, of Roanoke Rapids. Marks on the bodies of the men instanding against the metal chain in
Standing against the metal chain in
Standing against the metal chain in
Standing against the metal chain in-

this town were put out of commission by the short circuit. Tidwell's ty fair grounds last night. Officers identified the victims as Leonard Chamberlain of Olean, N. Y., after Chamberlain was discovered unferris Ferris wheel operator, where the conscious on the ground. The Ferris tragedy tragedy occurred, and Ernest Tidwell, wheel operator was rushed to a hospital at Roanoke Rapids but was dead before arrival there.

Light on Lindy



Dr. Alexis Carrel, famous scientist, is pictured on his arrival in New York from Europe. He emphatically denied that Col. Charles A. Lindbergh intends to become a British citizen. Dr. Carrel and the flier have long been associated in scientific research, and together perfected the famous "mechanical heart."

(Central Press)

Retail Trade Gains, Agriculture Has Good Season and Bank Debits Go Higher

FIRST NINE MONTHS GAIN CONSISTENTLY

Richmond Reserve Bank Reports Conditions Good In Territory; Tobacco Is Bringing Good Prices; Revenue Collections In State Climb

Charlotte, Oct. 2.—(AP)—Gains in retail trade, a good agricultural season, mounting postal receipts and bank debits told a story of increasf its freshman member, Hugo Black. ing prosperity in the Southeast today

> Reports to the Federal Reserve Bank of Richmond, Va., indicated a consistent gain throughout the entire first nine months of the year over the

> letin said. A good agricultural season also brought prospects of higher income to the farmer. Georgia tobacco growers this year sold nearly 80,000,000 pounds for \$15,570,000, an average

> price of 19.58 cents. The tobacco season is about over n South Carolina and relatively high prices were reported. The same held true of the eastern and Middle North Carolina belts, where the great bulk of the nation's cigarette-type tobacco is produced.

The old belt markets in North Car-(Continued on Page Four.)

Moore Says Huge Increase in Revenue Was Not Being Looked For

Daily Dispatch Bureau, In the Sir Walter Hotel. Raleigh, Oct. 2.—The September beverage tax yield was up to expectations of Cutlar Moore, liquor board chairman, despite reports that hard liquor sales were not netting the State as much in the way of tax revenue as it was logical to expect in view of the increased sales tax of seven per

Beverage tax receipts for the month of September were \$132,517.08 as compared with the \$93,623.66 for September, 1936, an increase of \$38,893.42 or approximately 40 per cent. Receipts for the first quarter of the current fiscal year were \$397,998.78 against \$273,423.19 for the corresponding period of the last fiscal year, an increase which slightly in excess of 40

(Continued on Page Eight.)

Black Speech Might Mark End Of Controversy Over Ku Klux

Men on Both Sides of Argument Inclined To Let Matter Drop; Others Unchanged

ROOSEVELT STILL REFUSES COMMENT

President Gets Full Facts and Now Knows His Appointment to High Tribunal Was Member of Klan; Glass Still Thinks Appointment Was Unfit

(By The Associated Press.) Comments on the speech of Justice Hugo Black indicated today some men on both sides of the controversy are ready to call a halt to the argument. Others, however, who felt strongly one way or the other about his fitness for the bench, said they have not changed their views.

Some of the statements follow: Senator Borah, Republican, Idaho: 'Justice Black will take his seat on Monday. I hope the subject of the klan will be dropped.' Senator Wheeler, Democrat, Mon-

ana: "A fine explanation. I think he satisfied the people generally." ntative Snell, Republican, New York, House minority leader: "This is purely a Democratic row." Senator Tydings, Democrat, Mary-

land: "I voted against Black's confirmation. I have nothing to add or subtract from that position. John Lewis, CIO head: "Powerful and straightforward."

Senator Connally, Democrat, Texas 'It seems to me the incident is

Dr. Hiram Evans, imperial wizard of the Ku Klux Klan: "A very sincered been trying to tell folks that membership cards didn't mean a thing." Senator Glass, Democrat, Virginia "I didn't think the appointment was convince every right-thinking Amer ican citizen fo his honesty of purpose and sincerity."

ROOSEVELT SAYS NOTHING ABOUT BLACK'S STATEMENT Aboard Roosevelt Train, Enroute to Grand Coulee Dam, Oct. 2.—(AP)— President Roosevelt was fully acquaint

(Continued on Page Four.)

Five Workers In Sewer Killed by Air Lock Blast

Detroit, Mich. Oct. 2 (AP)-Five workmen were reported killed in new interceptor sewer here this afternoon when hydraulic pressure

destroyed an air lock. Reports to police said 30 other men were trapped underground. Physicians were summoned to the

A workman on the project said a huge shield was being pushed through clay when sand was struck, five feet from a completed part of the sewer.

AWARDED DIPLOMAS All Have Completed 12-Weeks Course

36 NEW G-MEN ARE

Under Federal Bureau of Investigation

Washington, Oct. 2.— (AP) -The Federal Bureau of Investigation awarded diplomas today to 36 law enforcement officers who have completed the 12-weeks course of the FBI

National Police Academy. The officers received special train ing in subjects ranging from police work to target practice. The FBI declined to make public their names, but marked that the G. O. P. has not any said the law enforcement agencies represented at this session of the academy included: Roanoke, Va., police department and Wilson, N. C., police department.

COTTON DECLINES ON HEDGE SELLING

Futures Quotations 8 to 18 Lower as Close; Spot Quiet and Mid-dling Is 8.45

New York, Oct. 2.—(AP)—Cotton futures opened barely steady, 7 to 12 points lower on active overnight hedge selling and liquidation. December mov ed between 8.21 and 8.19 and the list shortly after the first half hour was five to 12 points net lower. Futures closed steady 8 to 18 points lower. Spot quiet, middling 8.45.

8.18 December 8.11 July 8.27

Black Admits Old Klan Membership



Hugo Black, former United States Senator and now associate speech. He'll make a great judge. I've Justice of the Supreme Court, spoke to the nation on the radio last night and admitted he was at one time a member of the Ku battled district on Shanghai's north Klux Klan, but said he was not now and never expected to be again. Much bitter opposition to his appointment to the court a fit one, and I don't think so now." has been stirred up as the result of the charges he held member-Senator Reynolds, Democrat, North ship in the klan. Indications today, following the address, were planes bombed Liushi, about 30 miles Carolina: "His frank statement should that the tendency was to drop the controversy as the new justice dispatch reported the capture of a sits with the court for the first time next Monday when it convenes for the fall term.

Arab Chiefs

ers Spirited by Brit-

ish to Island In In-

Jerusalem, Oct. 2.—(AP)—British

warships were reported today to have

spirited four high Arab leaders to-

ward Seychelles island in the Indian

ocean, after a secret transfer at sea,

while motorized troops and police kept

the Holy Land quiet at machine gun

(Continued on Page Eight.)

steamed directly to the island.

dian Ocean

Kerr With Group On Hawaii Visit

Los Angeles, Cal., Oct. 2.—(AP)-Seventeen United States senators and representatives headed for Hawaii today to study the territory's fitness for statehood. Expense of the 26-day junket is being paid by the Hawaiian legislature. In the senatorial group are: Tydings, of Maryland; Burke, of Nebraska; King, of Utah; Connally of Texas; O'Mahoney, of Wyom-ing; Lundeen, of Minnesota, and Gillette, of Iowa.

Representatives include Kerr, of North Carolina.

ponent Also Gossiped **About Washington**

By CHARLES P. STEWART

Central Press Columnist Washington, Oct. 2.—Senator Arthur H. Vandenberg of Michigan is a good bit talked of, as we know, as 1940's best Republican presidential bet. Indeed, it quite frequently is reone else who would do at all. Senator Burton K. Wheeler of Montana is increasingly talked of as Vandenberg's Democratic opponent. It would not be an altogether illogi-

cal set-up.

Liberals Control Democrats The Democrats have fallen into the habit of being our radical party, or our ultra-liberal one, at least. Of

(Continued on Page Four.)

FOR NORTH CAROLINA. Mostly cloudy tonight and Sunday, possibly occasional mists or light rain in south and central portions; cooler in extreme north portion Sunday.

WEEKLY WEATHER. South Atlantic States: Showers beginning of week and possibly again near the close; scattered showers in Florida all of week; cool over north portion at be-ginning; otherwise temperature

With Barrage of High 200 JAPS ARE DEAD IN CLOSE FIGHTING U. S. Marines on Edge of Heavy Fighting in Their Sector and Complete New Row of Machine Gun Nests; Jap War Planes Renew Raids Elsewhere

Shanghai, Oct. 2 (AP)-Chinese and Japanese troops fought each other to a standstill today in the fifth day of battle of Shanghai's north station, where the Chinese defense line is anchored only a stone's throw from the foreign settlement.

While Japanese warships in the Whangpoo river blanketed the area with a barrage of shells, planes dropped demolition bombs on Chapei and several burned, blackened areas formerly in Shanghai's foreign district. At nightfall, the Chinese were still stubbornly holding the Pantheon theatre, despite a series of Japanese thrusts to dislodge them.

The heavy fighting in the Chapei district resulted in the destruction of one of Shanghai's gayest white light

Chinese commanders declared 200 Japanese were killed in close quarters fighting around the north station. The sixth U. S. Marines, also on the edge of heavy fighting in their sector

along the Soochow creek, completed a new row of machine gun nests, giv-On the other fronts, in central and

south China, Japanese war planes renewed their raids. A squadron of five dispatch reported the capture of a point on the Pukow railroad, carrying the Japanese campaign in north China into Shantung province for the

Contact In **Taken From** "Holy Land" Kidnap Case Attempted Four Trouble-Mak-

Chicago, Oct 2 (AP)-A telephone call from a gruff-voiced man was regarded today by investigators as a possible attempt by the kidnapers of wealthy Charles Ross to start negotiations for a ransom. The call was received at the Ross home shortly after the arrival in Chicago of Earl Connelly, investigator for the Federal Bureau of Investigation. Connelly was informed the man said:
"Take this down. This is Bob of New York. We have Ross but the

Federal agents have the wires tapped

and we cannot make contact. This is

point. The cruiser Sussex, which left not a prank." Connelly said the man would be as-Haifa at dawn with Dr. Khalidi and sured if he called again that the wires three others deported, returned later were not tapped and that he was and it was believed the four had been Wheeler as Democratic Op- transferred to another vessel that free to contact the wife of the kidnapers' victim.

Mrs. Ross was reported anxious to

At the same time, Jacob Hussein leader of the Arab youth organization, have police and Federal agents withdraw from the case in the hope her husband would reveal their terms.

Russia Demanding Full Abandonment Of Spanish Accord

London, Oct. 2 (AP)-Great Bri- tervention in Spain." tain and France today sought a showdown with Italy on the Spanish question, despite a Soviet maneuver apparently designed to force their hand and anger Rome.

Soviet Union demanded abandonment of the entire Spanish non-intervention scheme in a note to Lord Plymouth, chairman of the 27-nation nonintervention group. The move would permit shipment of arms and volun- tive when France and British with-

eers to Spain. Paris and London went ahead with action of Germany and Italy. plans for a three-party conference by

Despite pessimistic reports from Rome, British and French were hopeful Premier Mussolini would accept the invitation.

Diplomats said the Russian move

should form the basis for further Rus-Diplomatic quarters reported the sia negotiations to obtain greater equality of opportunity to help the leftist-inclined republican government of the war-torn nation.

The note said the old non-intervention naval patrol ceased to be effecdrew their warships-following similar

Warships of the four powers had inviting Italy to participate in an "at- comprised the cordon around Spain tempt to deal promptly and effective-ly with issues relating to foreign in-unteers and war materials.