

CHINESE AND JAPS FIGHT TO STANDSTILL

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 regulation charges made by public utilities," he told his first press conference in his new capacity. Previously, he had declared radio was a public utility. McNinch, asserted his policy would be 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."

Pleads for China



Once more Mrs. 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, Mrs. Chiang said that 55,000 non-combatant men, women and children already had been killed in the undeclared war.

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."

Black Speech Might Mark End Of Controversy Over Ku Klux

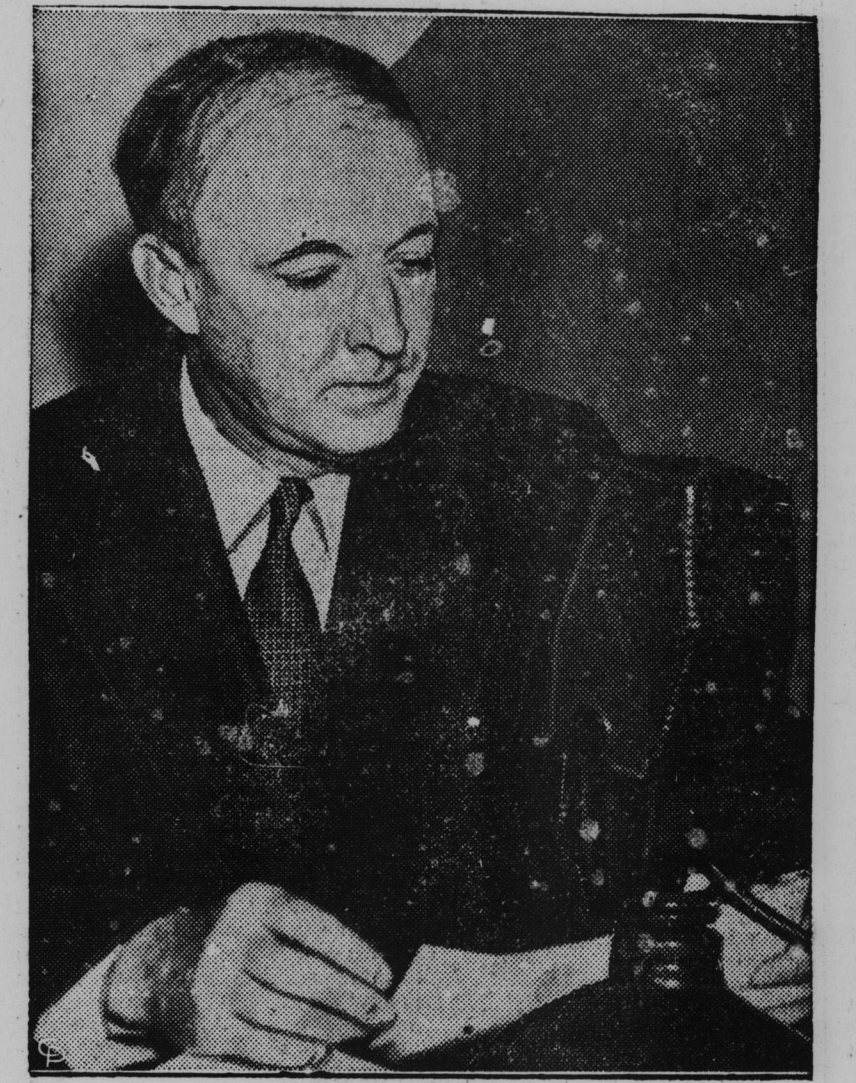
Men on Both Sides of Argument Inclined To Let Matter Drop; Others Unchanged

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, Montana: "A fine explanation. I think he satisfied the people generally." Representative Snell, Republican, New York House minority leader: "This is purely a Democratic row." Senator Tydings, Democrat, Maryland: "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 closed." Dr. Hiram Evans, imperial wizard of the Ku Klux Klan: "A very sincere speech. He'll make a great judge. I've been trying to tell folks that membership cards didn't mean a thing."

Black Admits Old Klan Membership



Hugo Black, former United States Senator and now associate 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 Klux Klan, but said he was not now and never expected to be again. Much bitter opposition to his appointment to the court has been stirred up as the result of the charges he held membership in the Klan. Indications today, following the address, were that the tendency was to drop the controversy as the new justice sits with the court for the first time next Monday when it convenes for the fall term.

Court Opens Momentous New Session

Many New Deal Cases Wait Ruling; Black Controversy Adds More Fuel

Washington, Oct. 2.—(AP)—The Supreme Court session beginning Monday is an important one on its merits, aside from the over-shadowing controversy on the fitness and eligibility of its freshman member, Hugo Black. More than 400 cases, some of them vitally affecting administration legislation, are on file. They include such important parts of President Roosevelt's program as the system of granting Federal aid for municipal power plants, the Home Owners' Loan Corporation, the Tennessee Valley Authority and the 1936 act broadening

SOUTHEAST OPENS FINAL QUARTER IN PROSPEROUS MOOD

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 increasing prosperity in the Southeast today as the year entered its fourth quarter. Reports to the Federal Reserve Bank of Richmond, Va., indicated a consistent gain throughout the entire first nine months of the year over the same period in 1936, its monthly bulletin 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 in 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 Carolina.

Farm Plan Elaborated By Wallace

Louisville, Ky., Oct. 2.—(AP)—Secretary of Agriculture Henry Wallace outlined an "all weather" program to assemble 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 in to the valleys of shortage and disaster."

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 Orleans 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-inch mark of the deluge in 1927.

Two Electrocuted At Weldon Fair By Crossed Up Wires

Weldon, Oct. 2.—(AP)—A short circuit caused by the blow-out of a transformer was blamed today for the electrocution of two men at Halifax county fair grounds last night. Officers identified the victims as Leonard Chamberlain of Olean, N. Y., Ferris wheel operator, where the tragedy occurred, and Ernest Tidwell, 21, of Roanoke Rapids. Marks on the bodies of the men indicated they received the shocks while standing against the metal chain in stalled to keep fair visitors from pressing too close to the riding device. Lights on the fair grounds and in this town were put out of commission by the short circuit. Tidwell's body was not found until sometime after Chamberlain was discovered unconscious on the ground. The Ferris wheel operator was rushed to a hospital at Roanoke Rapids but was dead before arrival there. A coroner's jury was empanelled to seek the cause of the mishap.

LIQUOR TAX YIELD UP TO EXPECTANCY

Moore Says Huge Increase in Revenue Was Not Being Looked For

Daily Dispatch Bureau, 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 cent. Beverage tax receipts for the month of September were \$132,517.08 as compared with the \$93,626.68 for September, 1936, an increase of \$38,890.40 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 per cent.

Five Workers In Sewer Killed by Air Lock Blast

Detroit, Mich. Oct. 2 (AP)—Five workmen were reported killed in a 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 scene. 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.

36 NEW G-MEN ARE AWARDED DIPLOMAS

All Have Completed 12-Weeks Course Under Federal Bureau of Investigation

COTTON DECLINES ON HEDGE SELLING

Futures Quotations 8 to 18 Lower at Close; Spot Quiet and Middling Is 8.45

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 Wyoming; Lundeen, of Minnesota, and Gillette, of Iowa. Representatives include Kerr, of North Carolina.

TALK VANDENBERG AS G. O. P. NOMINEE

Wheeler as Democratic Opponent Also Gossiped About Washington

WEATHER 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.

Arab Chiefs Taken From "Holy Land"

Jerusalem, Oct. 2.—(AP)—British warships were reported today to have spirited four high Arab leaders toward 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 point. The cruiser Sussex, which left Haifa at dawn with Dr. Khalidi and three others deported, returned later and it was believed the four had been transferred to another vessel that steamed directly to the island. At the same time, Jacob Hussein, leader of the Arab youth organization,

Russia Demanding Full Abandonment Of Spanish Accord

London, Oct. 2 (AP)—Great Britain 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. Diplomatic quarters reported the Soviet Union demanded abandonment of the entire Spanish non-intervention scheme in a note to Lord Plymouth, chairman of the 27-nation non-intervention group. The move would permit shipment of arms and volunteers to Spain. The note said the old non-intervention naval patrol ceased to be effective when France and British withdrew their warships—following similar action of Germany and Italy. Warships of the four powers had comprised the cordon around Spain to prevent shipments by water of volunteers and war materials.

CHINESE HOLD ON STUBBORNLY UPON LINES OF DEFENSE

Warships in Whangpoo River Blanket Chapei Area With Barrage of High Explosives

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 line, 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 districts. 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, giving them a complete sweep of the embattled district on Shanghai's north side. On the other fronts, in central and south China, Japanese war planes renewed their raids. A squadron of five planes bombed Lushui, about 30 miles southeast of Nanking. A Japanese 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 Kidnap Case Attempted

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 not a prank." Connelly said the man would be assured if he called again that the wires were not tapped and that he was free to contact the wife of the kidnapers' victim. Mrs. Ross was reported anxious to have police and Federal agents withdraw from the case in the hope her husband would reveal their terms.