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JAPAN AND CHINA READY TO DISCUSS PEACE

Balanced Budget Would Take Two Billions Of Government Securities Off The Owners

HUGE SUM LIKELY TO BE PUT IN FOR APPLYING ON DEBT

Social Security and Railroad Retirement Funds Would Be Used For Purpose

SECURITY PAYMENT IS ALREADY LARGER

$218,780,088 Paid to Aged Needy Out of Total of $252,439,399; Roosevelt Turns from Budget Plans To Receive Delegation Urging Peace

Hyde Park, N. Y., Oct. 30.—(AP)—President Roosevelt turned briefly today from work on the budget to a conference on peace.

He arranged to see a delegation from the People's Mandate for Peace organization. Dr. Mary Woolley, former president of Mount Holyoke College, is head of the group, which is touring the Americas to argue against war.

A balanced budget probably would send the owners of $2,000,000,000,000 in tax-free government securities searching for new fields of investment, fiscal authorities said, meantime, at Washington. They said a substantial sum, perhaps $400,000,000 to $600,000,000, may be included in the 1938 budget for paying off existing debts.

This, plus operation of financial provisions of the social security and railroad retirement acts, would liquidate about $2,000,000,000 of Federal obligations now in the hands of the public.

Other capital developments:

The Social Security board said of $252,439,399.45 of public assistance grants to states from February 1, 1936, to October 26, 1937, the aged

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Feared Dark, Grave is Lighted

In life, Albert L. Parmeter, Jr., feared darkness. In death, his devoted mother pays touching tribute to the boy's memory by keeping a light constantly over his grave in the York, Me., cemetery. The lantern is kept in a little glass house over the grave, and Mrs. Parmeter has never permitted it to go out. Heat from the lamp has transformed the little shrine into a hothouse, where flowers grow when it is cold outside.
(Central Press)

British Leaders Aroused By The Slump In Religion

Church More Active in Social Work and in Greater Loyalty to Jesus and His Teachings Only Solution, Babson Says Englishmen Believe

BY ROGER W. BABSON,
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Bristol, England, Oct. 30.—I have been here for a week attending the great annual meetings of certain of the "Free Churches" of England and Wales. Frankly, the Protestant churches over here are in a slump even greater than they are in the United States and Canada. They are losing the young people, church attendance is constantly declining: and gifts to missions are rapidly falling off. This sad condition, however, is causing a few of the church leaders to wake up and try to ascertain what is causing the trouble and what can be done about it.

At these meetings, these more progressive leaders urged four things which mean taking religion seriously instead of playing at it:

(a) Return to religious instruction in the homes.

(b) A re-emphasis on conversion or "being born again."

(c) Keeping our churches open all the week with many more, but much shorter services.

(d) Helping people economically through the co-operative and other social movements.

Of all the different church denominations in Great Britain, I believe that the Baptists are making the most progress; the Methodists come second; with the Catholics third in growth. The Church of England is undergoing a "renaissance"; but it has a long way to go when one considers its prestige and property. Surely, neither wealth nor great cathedrals alone can make an effective

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More Room Needed For The Insane

Next General Assembly To Be Asked for Additional Hospital in State

Raleigh, Oct. 30.—(AP)—Need for additional facilities to care for the feebleminded and insane may result in consideration by the next General Assembly of recommendations for a second training school and another State hospital.

Dr. Wallace Nygard, institutions and corrections director of the State Board of Charities and Public Welfare Board, made that prediction today in an institutions report.

He said the governor's commission for the study of the care of the insane and mental defectives had estimated in their work 1,700 feeble-minded white children and 700 feeble-minded Negro children "who need longtime State institutional care and treatment."

"The governor's commission report," Nygard said, "points out that all but seven states in the Union have provided more institutional State hospital provision per population than North Carolina."

The commission's recommendation of additional facilities may be considered, he added, to alleviate these conditions."

"It is thought that there is a possibility of serving both whites and Negroes in each of these recommended institutions by having two distinctly separate divisions under the same management," he said.

Nygard said 44 county jails were confining 115 insane persons on September 30. Of that number, 16 were under 25 years of age.

County jails, on the same date, held 143 children under 16 years of age. A total of 18,781 persons was confined in penal, correctional and charitable institutions.

CHERRY'S CHANCES WOULD BE BRIGHT

Some Think He Would Make Better Race Than Reynolds or Hancock

Daily Dispatch Bureau,
In the Sir Walter Hotel.

Raleigh, Oct. 30.—Admitting their favorite has given them scant aid and comfort and that he has held out no assurance that he will enter the race, boosters of State Chairman and House Speaker R. Gregg Cherry, of Gaston, for the United States Senate, can give all and sundry at least half a dozen logical enough reasons why he could beat both incumbent Bob Reynolds and would-be Senator Frank Hancock.

First off, it is pointed out that Reynolds and Hancock "overlap" in their economic views and political records. The groups which might normally be expected to support the one have just as much reason to support the other.

For example, ardent anti-prohibitionists would unquestionably back Reynolds against an avowed dry, but they would have the same inclination toward Hancock.

Again, violent New Dealers would rally to Reynolds against an Old Guardsman, but the Hancock record is just as persuasive in the same direction.

On the other hand the Cherry can-

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ITALY HAS HANDS FULL IN ETHIOPIA

Mussolini Must Divide Strength Between New Colony and Spain

By CHARLES P. STEWART
Central Press Columnist

Washington, Oct. 30.—In the early days of Mussolini's campaign in Ethiopia the Overseas Writers in Washington entertained at one of their weekly luncheon as guest who knows that part of Africa very well as not many Americans do.

At the luncheon's conclusion and after the visitor had made his speech, a luncheoneer who wanted a little fuller enlightenment put this question to the visitor.

"Do you believe the Italians really will succeed in effecting that grab?"

To which the guest replied:

"If they do it will serve 'em jolly well right."

An Expensive Mouthful.

At the present juncture Washington diplomacy strongly inclines to the opinion that Italy is in process of being served "jolly well right."

With the Spanish situation urgently calling for Italian digestion, an unassimilated Ethiopia, from all indications, still is sticking choking in the Fascist craw.

Ethiopia has been gobbled, to be

(Continued on Page Six.)

REVENUE OF STATE $5,158,151 DURING MONTH OF OCTOBER

Up from $4,447,231 in This Month Last Year, Commissioner Maxwell Announces

YEAR SO FAR LAGS UNDER 1936 TOTAL

Heavy Inheritance Tax Payments Last Year Accounted for Excess; Motor Vehicle Receipts Over Five Percent Higher; Franchise Taxes Climb

Raleigh, Oct. 30.—(AP)—The State's revenue collections this month totalled $5,158,151.12, as compared with $4,447,231.15 in October, 1936, Revenue Commissioner A. J. Maxwell reported today.

However, receipts so far this fiscal year have amounted to $21,328,657.20, whereas by the same time last year $23,245,172.11 had been realized. Payment of large amounts of inheritance taxes at the beginning of the last fiscal year was said to account for this 8.24 percent difference.

The motor vehicle division reported October collections of $2,264,[illegible] 5.17 percent increase over last October. Gasoline tax receipts rose to $2,040,159.44 this month.

Franchise tax collections were up from $926,479.72 in October, 1936, to $1,450,543.04 this month, and sales tax collections up to $992,345.28.

Beverage tax returns also were up. The revenue division reported October collections showed a 26.06 percent increase.

Boy Saved Alive From Sandbank In All-Night Battle

Chelmsford, Mass., Oct. 30—(AP) — Rescuers early today freed Manuel Camacho, 19, of Lowell, from a sandbank in which he had been buried up to his neck for 12 hours.

Almost unconscious at the end he was taken to a hospital for treatment to his crushed legs. More than 100 policemen, firemen and others worked through the night under flood lights to free the lad.

For most of the 12 hours he remained conscious, guiding his rescuers and asking only for cigarettes. Frequent drinks of whisky stimulated his resistance. Late last night Rev. Walter Quinlaw, pastor of St. Mary's church, administered last rites of the Catholic church.

Thos. Mooney Again Denied His Liberty

San Francisco, Cal., Oct. 30 (AP)—The California Supreme Court today denied Thomas Mooney's plea for freedom on a writ of habeas corpus. The decision was five to one against the 1916 parade bomber, with Justice William Langdon dissenting.

In announcing the opinion, Chief Justice William Waste stated the court "has concluded that Mooney failed to establish by substantial credible evidence that his conviction was the result of perjury on the part of prosecution witnesses."

The chief justice said Mooney also failed to show that "the prosecuting officers caused or suffered to be introduced at his trial any testimony which they knew or had any reason to believe was false or that they were guilty of suppressing or preventing the introduction of any evidence which, had it been given, would have been favorable to the defendant at his trial.

Mooney, serving a life sentence in prison, has steadfastly asserted his innocence, contending he was convicted by perjured testimony.

WEATHER

FOR NORTH CAROLINA.
Fair to partly cloudy tonight and Sunday; slightly warmer in south portion tonight; cooler Sunday and Sunday night.

WEEKLY WEATHER.
South Atlantic States: Generally fair weather, except shower period about middle of week; cool at beginning; warmer middle of week and colder again at close.

LOST BATTALION IS LAYING ARMS ASIDE READY FOR FLEEING

Famous Chinese Fighters at Shanghai Yield for Protection of Foreigners There

JAPANESE CIRCLE ON THREE SIDES

Steady, Methodical Bombardment by Artillery from 100 Yards Range Beats Upon Chinese Defenses; 40 Americans and Others Abandon Region

Shanghai, Oct. 31 (AP)—(Sunday)—China's "lost battalion' early today successfully ran the gauntlet of heavy Japanese fire to with draw into the safety of the international concession behind American and British defense lines.

Shanghai, Oct. 30 (AP)—British police reported tonight China's famous "lost battalion" in devastated Chapei was laying down its arms and soon would come into the international settlement for sanctuary.

The reported decision of the battalion to abandon its stand against the surrounding Japanese was said to be the result of urgings of foreign consuls general, who tried to end a situation considered dangerous to the international areas.

It was feared the settlement would be gravely endangered if the battalion continued to defy its enemies.

The battalion had held out in a warehouse-fortress near the settlement boundary since the general Chinese retreat from Chapei Wednesday.

Earlier tonight the Japanese, who surrounded the fortress on three sides had begun a steady, methodical artillery bombardment of the beleagured stronghold.

With four 75 million guns mounted 100 yards away, Japanese artillery slowly fired shells in an attempt to batter a hole in the rear of the warehouse through which a hand-to-hand charge would be possible.

The Japanese shells were being fired directly toward the international settlement, but the closeness of the guns, to their target made it impossible that stray shots would hit the nearby foreign areas.

About 40 Americans and many other foreigners already had evacuated the Hunjao area.

W. GRIMES HAYWOOD QUITS STATE POST

Dr. B. W. Kilgore Will Succeed Department of Agriculture Official on Monday

Raleigh, Oct. 30 (AP)—W. Grimes Haywood resigned today as head of the fertilizer testing division of the Department of Agriculture, effective November 1.

Agriculture Commissioner Kerr Scott said Dr. B. W. Kilbore, State chemist, would take over Haywood's duties.

Haywood had been connected with the Agriculture Department since 1898.

JOHNSTON ELECTRIC LINES ARE FINISHED

Raleigh, Oct. 30 (AP)—The Carolina Power and Light Company announced today it had completed the 325 miles of power lines it had contracted to build in Johnston county in a compromise agreement with the directors of the Johnston County Electric Membership Corporation.

Over 1,000 Drowned In Syria Flood

Damascus, Syria, Oct. 30.—(AP)—More than 1,000 persons were drowned in floods northwest of Damascus yesterday, authorities announced today. Ten thousand persons were made homeless and several villages were destroyed.

Greatest loses were suffered in the region from Damascus 35 miles northeast toward Aleppo, Palmyra and Bagdad.

Five hundred persons were listed missing in Dmeir on the Aleppo road. In another place 100 houses were destroyed and 70 bodies had been recovered there.

Relief workers picked up 100 bodies near Kalamoun. A truck carrying 20 persons was engulfed and all were drowned.

French troops and police rushed medical supplies into the devastated region.

Chinese Defender

General Ku Chu-Tung

Behind the smiling face of this young man is the agile brain that has directed Chinese resistance to the mighty Japanese war machine in the Shanghai area. He is General Ku Chu-Tung, commander-in-chief of the Shanghai-Woosung and Chekiang garrison. Despite his brilliant leadership, the Chinese forces were routed and forced to retreat from the Chapei sector.
—Central Press

FRANCE BATTLING MOROCCAN RISING

Foreign Totalitarian Power Blamed for Trouble in African Colony

Casablanca, French Morocco, Oct. 30 (AP)—French colonial troops and Moroccan courts joined forces today in an attempt to quell native nationalist uprisings for which officials blamed agents of a "foreign totalitarian power."

Firm military and judicial measures were taken to nip what officials declared was a plot to overthrow the French protectorate and set up an independent Arab kingdom.

Heavy troop patrols were established on the Algerian frontier to prevent Arab nationalist agitators from fleeing Morocco. The frontier was practically closed to all except foreigners.

Soldiers mounted a strong guard around the strife centers, especially in an area where the native quarter was described as "rampant with nationalism." French military planes helped patrol the trouble zone.

Troops and police combined made nearly 1,000 arrests yesterday and were busy last evening breaking up demonstrations which in many cases developed into bitter street fights.

Here native judges sentenced 60 persons to prison for participation in riots Wednesday at Port Lyautey, in which four persons were killed and nine wounded.

COLUMBIA MAN NEW KIWANIS PRESIDENT

Ames Haltiwanger Elected as Charlotte Meeting Ends; Meet Next in Spartanburg

Charlotte, Oct. 30 (AP)—The Carolinas Kiwanis district elected Ames Haltiwanger, Columbia, S. C., district governor, and selected Spartanburg for the 1938 meeting place at the final session here today of its seventeenth annual convention.

Haltiwanger will succeed Dr. Joseph Seiver, of Hendersonville.

Elected new lieutenant governors were: James R. Nance, Lumberton, and Scoops Enloe, Ahoskie, and others.

PROGRAM OF GRANGE WILL BE PRESENTED

Harry Caldwell, New State Master, Will Tell National Convention About It

Raleigh, Oct. 30.—(AP)—H. B. Caldwell, State Grange master, announced today W. W. Andrews, of Goldsboro, had been elected chairman of the Grange executive committee. Caldwell said the committee met yesterday in Winston-Salem and authorized a State wide Grange deputy conference in mid-December.

Caldwell and his wife will attend the National Grange convention in Harrisburg, Pa., next month as delegates from the State organization and present the farm program adopted in Winston-Salem this week.

TERMS FAR APART FOR TWO NATIONS TO GET TOGETHER

Japan Stands To Lose Most by Continuing War, Already in Deeper Than Planned

JAPANESE NAVY IS LUKEWARM ON DRIVE

Japs' Accumulation of War Stores Being Expanded and Will Be Still Further Reduced by Long Campaign; Advantage in Oil Decidedly With China

Paris, Oct. 30 (AP)—Highly qualified spokesmen of Japan and China have revealed to The Associated Press their countries are ready to discuss peace. That was the hopeful element today in the Chinese-Japanese conflict, although the positions of the two countries on terms for ending their undeclared war were shown to be widely separated.

However, international circles thought peace talk could at least start in the Brussels peace conference to open November 3.

Investigation disclosed the following factors aiding prospects for peace:

1. Japan has been dragged farther into the war than she anticipated, especially in the Shanghai region.

2. The Japanese navy is reliably reported to have frowned on the present venture in China.

3. Japan's accumulations of war stores are being expended and will still be further reduced by the long, even if unsuccessful, defensive campaign China can wage. This would make Japan more vulnerable to possible attack by Soviet Russia.

4. Japan realizes she cannot conquer and occupy all of China, if she wants to.

5. Oil will play a big role in the Chinese-Japanese conflict. It is understood China still has oil stocks and continues to procure petroleum from abroad. Japan realizes that posses-

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SLAYER-ROBBER IN CLEVELAND SEIZED

Frank Byrd Captured in His Home Without Shot Being Fired; Brother Is Hunted

Cleveland, Ohio, Oct. 30.—(AP)—Federal agents scratched Frank Byrd, convicted slayer and bank robber, from their list of "wanted men" today and turned to hunt his younger brother, Charles, only member of the Byrd brothers gang, escaped from the Cuyahoga county jail over a month ago, still at large.

Frank Byrd and his wife, Sylvia, also a fugitive, were trapped in a bulletless capture late last night as they drove up to the home of Mrs. Byrd's mother, Mrs. Anna Seiber, in suburban Mayfield Heights, and walked into the house. Sheriff Martin O'Donnell said he had been informed by his men the capture had been made by deputies, and Federal men arrived after the capture.

The sheriff said his deputies were in the house as Byrd's wife walked in, and a member of the family was instructed to go out and tell Frank the coast was clear. Frank then came in and was captured, O'Donnell said.

Insurgents Halt Attack By Loyalists

Government Claims Repulse of Rebels Elsewhere With Heavy Casualties

Hendaye, Franco-Spanish Frontier, Oct. 30.—(AP)—A terse insurgent communique reported today a Spanish government attack in the Cuesta de la Reina sector, about 20 miles from Madrid, had been beaten off.

The communique cited progress in Asturian "clean-up" operations, but said nothing of importance was happening on other fronts.

The usual government reports were not received at the French frontier today, but earlier the communique announced an insurgent surprise attack northeast of Madrid repulsed yesterday at great cost to the insurgents.

(This front was the scene of a great

(Continued on Page Six.)