

FEDERAL DEFICIT TO HIT 1 1-4 BILLIONS

Bill Payne And Wash Turner Admit Parts In Many Crimes Since Escape At Caledonia

DETECTIVES GRILL PAIR DESPERADOES THROUGHOUT NIGHT

Taken by G-Men Monday Evening Without Shot on Sanford's Main Business Street

TAKEN QUICKLY TO CHARLOTTE OFFICE

Whether They Will Be Held To Face Federal Charges or Turned Over to North Carolina on Murder Count Not Certain; Game Is Up For Pair

Charlotte, Jan. 4.—(AP)—Government agents announced today Bill Payne and Wash Turner, North Carolina's most hunted desperadoes, who were captured without a struggle late yesterday at Sanford, had admitted participation in numerous crimes since they escaped from Caledonia Prison Farm in February.

Surrounded by heavily armed officers, Payne and Turner were questioned all last night by Federal Bureau of Investigation men, under the leadership of Edward Scheidt, special agent in charge of the Charlotte office, about various bank robberies, hold-ups, kidnappings and slayings. Details of any of the admissions by the men were not revealed, however.

Whether the men would be held to face federal charges or would be turned over to authorities of Buncombe county in which they are under murder indictments for the slaying of a highway patrolman last August remained undetermined today.

GAME UP FOR PAYNE AND WASH TURNER IN CAPTURE

Charlotte, Jan. 4.—(AP)—The game was up today for Bill Payne and Wash Turner, North Carolina desperadoes.

Continued on Page Two.

FT. BRAGG PRIVATE DEAD IN CAVE-IN

Two Others Injured When Clay Pit Walls Crash Upon Them, But Are Rescued

Fayetteville, Jan. 4 (AP)—John Mack Gaines, 39, Fort Bragg private, was crushed to death yesterday when the walls of a clay pit collapsed on the detail with which he was working.

Two other soldiers, Francis B. Roof and Norman E. Stallings, were covered by the clay, but were rescued. They suffered broken bones and were taken to the post hospital.

Missing Girl Elopes From Home, Is Wed

Ford Company Personnel Chief at Detroit and Officers Were Alarmed

Detroit, Mich., Jan. 4 (AP)—Captain Donald Leonard, of the State police, announced this afternoon Gertrude Bennett, 18-year-old daughter of Harry Bennett, Ford Motor Company personnel director and Russell Hughes, were married at 6 p. m. yesterday in Auburn, Ind.

Captain Leonard said he learned of the marriage from County Clerk Carl Walters at Auburn, but said, however, the couple had not been found.

Japanese Infantry Cuts Into Chinese Holy Land

Invaders Promise Full Protection for Tomb of Confucius and Temple Nearby; Native City Taken by Japs; Steady Progress Made in Shantung

Shanghai, Jan. 4.—(AP)—Japanese infantry columns today drove deep into the "holy land of China", central Shantung province, and reported capture of cities more than 50 miles south of Tsinan, the already-occupied provincial capital.

Domel (Japanese) News Agency, in a dispatch to Tokyo, said the Japanese vanguard had captured Chefu, 70 miles south of Tsinan, where Confucius, China's greatest sage, was born in 550 B. C.

(The Japanese army said it would accord full protection to the tomb of Confucius at Chefu, to the great Confucius temple there and to the present Duke of Kung, 77th literal descendant of the sage, now chief ritualist of his temple.)

A Japanese military spokesman, reporting "steady progress" for the march through Shantung, said one Japanese column had seized a city on the Tientsin-Pukow railway, 50 miles below Tsinan, another fort, and, advancing west of the railway, was said to have taken another city, also about 50 miles south of Tsinan.

Suchow is the main objective of the Japanese armies driving southward through Shantung, and also another force advancing northward above Nanjing. Its capture would give the Japanese all the trunk railway linking Peking and Tientsin, with Nanjing and Shanghai.

Chinese admitted they had suffered 5,000 casualties in fierce fighting for control of the Shantung railway, but declared Japanese losses also were heavy.

Some folk profess to think so, but it looks doubtful.

War certainly would be of short duration, if American, British and French naval forces could be combined against Nippon. And, of course, they would have the co-operation of such sea strength as Holland could muster; likewise Russia support over land. Not to mention China.

But how about Germany and Italy? Sounds Dangerous.

The idea is that: The United States, without butting into Oriental waters, should draw an anti-Japanese line longitudinally across the Pacific, not far east of Hawaii, including the closing of the Panama canal against the mikado, which would be easy enough, militarily speaking, though it probably would involve the sinking of some Japanese

(Continued on Page Two).

STOCKS GAIN BUT VOLUME IS SMALL

Buyers Few But Persistent And Many Issues Show Extensive Advances in Sales

New York, Jan. 4.—(AP)—Buyers were few but persistent in today's stock market, and favored steels, aircrafts, motors and specialties were lifted fractions to more than three points. The advance was negotiated on relatively small volume, the ticker tape frequently being at a standstill.

Profit realizing was absorbed without much trouble, and leaders were not far under best levels near the fourth hour. Many corporation bonds improved, but United States government were inclined to give ground.

American Radiator 12 1-4 American Telephone 145 7-8 American Tob B 67 Anaconda 22 5-8 Atlantic Coast Line 20 3-8 Bendix Aviation 12 Bethlehem Steel 61 Chrysler 49 1-2 Columbia Gas & Elec Co 8 1-4 Commercial 8 1-2 Continental Oil Co 9 Curtiss Wright 4 5-8 DpPont 11 1-2 Electric Pow & Light 42 1-4 General Electric 31 1-2 General Motors 92 1-2 Liggett & Myers B 21 3-4 Montgomery Ward & Co 31 3-4 Reynolds Tob B 44 7-8 Southern Railway 11 3-4 Standard Oil N J 47 1-8 U S Steel 56 1-2

TERUEL BATTLE OF GUERILLA WARFARE

Snow Checks Mass Offensives of 200,000 Troops In Civil War

Hondaya, Franco-Spanish Frontier, Jan. 4.—(AP)—Beleaguered insurgents and Spanish government troops fought today through the ice-crusted streets of Teruel, in guerilla warfare that may determine the tide of the civil conflict.

Snow checked mass offensives by the 200,000 troops of the two armies on the front encircling Teruel, and shot grounded airplanes and bogged motorized units in the mountainous terrain.

Within the city itself, however, there was the crackle of rifle fire and fighting at close range. Both sides claimed control of the provincial capital. It appeared the insurgents held the advantage, but an earlier announcement of complete domination of the front was not borne out.

One band of insurgents lashed at the Madrid-Barcelona enemy from a church in the shambles of a nearby cemetery, dynamited last week by government troops. A Barcelona government communique said the church was captured.

On the snow-swept fronts outside the city, first aid corps struggled to bring in wounded of the past day's fighting to shelter. Hundreds of frozen bodies were said to have been left on the icy battlefields.

N. C. SLAYER BEING PURSUED IN NORTH

Massachusetts Authorities Cooperate With Tar Heel Officer in Hunt There

Woburn, Mass., Jan. 4 (AP)—State detectives and police and three Massachusetts State police cooperated today with an official from North Carolina in the hunt for the slayer of J. E. Carraway, filling station owner, robbed and slain in Moore county August 6.

Captain John Stokes, of the Massachusetts State Police, who assigned three detectives to work with Deputy H. H. Griumb, said clues in Griumb's possession led to Woburn in neighboring communities in Wilmington and Reading. "None of the investigators would reveal the nature of the evidence.

WILL LIMIT FIBRE PUT IN DAIRY FEED

Raleigh, Jan. 4 (AP)—Feed manufacturers and experts agreed today that the fibre content of dairy feed sold in North Carolina should be limited to 16 percent and voted so to recommend to the State Board of Agriculture tomorrow.

FAYETTEVILLE BOY DECLARED SUICIDE

Fayetteville, Jan. 4 (AP)—James G. Carver, 17, of Near Fayetteville, was found shot to death behind the barn at his father's home today. Nearby lay a shotgun. Coroner W. C. Davis listed the case as suicide.

WEATHER FOR NORTH CAROLINA

Generally fair tonight and Wednesday; no decided change in temperature.

Army's Newest Bug Has a Deadly Bite



Pictured above is the carrier designed and built by Capt. Robert G. Howie, of the United States Army. It carries a machine gun and a crew of two, attains a speed of 28 miles an hour. One of the outstanding features of the carrier is its practical invisibility, even on flat terrain with little vegetation.

FASCIST NATIONS CLAIM ROOSEVELT MESSAGE HOSTILE

It Furthered Creation of State of Permanent International Enmity, Rome Feels

POLITICAL HATREDS FANNED, GAYDA SAYS

Mussolini's Spokesman Writes Plainly; Foreign Office Official At Berlin Says Message Will Hinder, Rather Than Promote, Peace of World

Rome, Jan. 4.—(AP)—Virginia Gayda, authoritative Fascist editor, declared today President Roosevelt's congressional messages had furthered creation of a state of permanent international hostility.

Gayda, whose writings often reflect the official Italian viewpoint in an editorial in his paper, said: "President Roosevelt insists upon dividing the world into two parts, the democracies and the authoritarian regimes, and upon creating between one and the other a state of permanent differences and hostility, contradicting those principles of conciliation and collaboration which he claimed for his policy."

Gayda asserted the authoritarian regimes had appealed vainly for a peaceful solution of their problems, but these appeals had been rejected by the democracies.

(President Roosevelt said world peace was "most safe" in the hands of democratic representative governments, and said the American people had faith in the eventual return of democracy to "those nations which today know it not."

(In Berlin, a foreign office spokesman said the Roosevelt message would hinder, rather than promote, peace.)

Stockholders S. C. Firm Are Held Liable

Charlotte, Jan. 4 (AP)—The fourth United States Circuit Court of Appeals held today stockholders of the Peoples Investment Corporation, a South Carolina holding company, were liable to payment under the State's bank stockholders' assessment law of their proportionate share of the corporation's stock in the closed Peoples State Bank of South Carolina.

The case, which came before the court on appeal from the Eastern District of South Carolina, was reversed and remanded for further proceedings. The opinion was by Judge Morris Soper, of Baltimore.

It was handed down with 45 others at the opening of today's session of the court.

The suit was instituted by Joseph Nettles, receiver of stockholders' liability of the Peoples State Bank, to obtain a ruling that stockholders of the Peoples Investment Corporation, among whom is Bernard Baruch, New York financier, were the true holders of 74,000 shares of \$10 par value in the closed bank, and were liable to pay.

(Continued on Page Two).

A. & N. C. Road's Profit Is Wiped Out By Wreck

President Crowell Says November Business Showed Big Gain Over November, 1936; Net Income in Eleven Months \$16,175, Far Under 1936 Period

Raleigh, Jan. 4.—(AP)—President H. P. Crowell, of the Atlantic & North Carolina Railroad, reported to Governor Hoy today that the line's revenues in November totalled \$44,074.61, an increase of \$16,472.90, or 59.7 percent, over November, 1936, but a wreck caused a net loss for the month. The State owns controlling stock in the railroad corporation.

Detrimental of a freight train in November caused damage to cars and loss of freight estimated at \$4,000, Crowell said, and "entirely consumed anticipated profits of approximately \$2,500, and as a result thereof the operations for November reflect a net loss, after fixed charges of \$1,449.60.

The November loss compared with a profit in November, 1936.

In eleven months of 1937 the railroad had a net income of \$16,175.26, compared with \$42,993.01 for the same period in 1936.

Crowell said one boat loaded scrap iron at Morehead City ports in December, and two more boats were ready to load as December ended. Another boat is due in January, he said.

The outlook, Crowell concluded, "justifies us in feeling that business in January will show a decided improvement."

FOUR DAY TOBACCO COURSE JAN. 25-28

Leading Authorities To Instruct Growers in Latest Farm Methods

College Station, Raleigh, Jan. 4.—A four-day tobacco short course for North Carolina farmers will be held at State College, January 25-28, it was announced today.

The course is designed to give growers information on the latest developments in growing and marketing tobacco, said Dan M. Paul, director of agricultural short courses.

Leading authorities will lecture on cultural practices, insect and disease control, and marketing, and on Wednesday and Thursday afternoon the farmers will be given practice in grading leaf.

Discussions of the tobacco outlook for 1938 and of the agricultural conservation program for this year will be given a prominent part on the program, Paul added.

A \$1 registration fee will be charged. Otherwise the short course will be free to all growers and other tobacco men who wish to attend. Meals and rooms will be available at a small charge.

ALABAMA PICKING NEW U. S. SENATOR

Heflin, Trying Comeback, Opposed by Congressman and "Dirt Farmer"

Birmingham, Ala., Jan. 4.—(AP)—Alabama voted today on three candidates seeking to succeed Justice Hugo Black in the United States Senate, following a campaign in which the wages and hours bill played a prominent part.

The candidates are former Senator Thomas Heflin, 66 years old, now attempting a political comeback; Lister Hill, for 15 years a representative in Congress; and Charles W. Williams, a political newcomer, who terms himself a "dirt farmer."

Black, before resigning to accept appointment to the Supreme Court, introduced the wages and hours bill. Heflin and Williams opposed the bill in their campaign speeches, while Hill spoke in its favor.

Mrs. Dixie Graves, wife of Governor Bibb Graves, now serving in the Senate under an interim appointment, will resign in favor of the successful candidate in today's primary.

Governor Graves, who named his wife with the understanding she would resign, said he would appoint the successful nominee "as soon as he is officially known." A general election later would thus be avoided.

CHURCH FOLK WILL MEET AT RALEIGH

Interdenominational Convocation Jan. 18-20 To Be Significant

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, Jan. 4.—Raleigh will be host to the annual North Carolina convocation of churches here January 18 to 20.

The convocation is sponsored by the North Carolina Council of Churches and will be held in the Edenton Street Methodist church.

More than twenty nationally known speakers are on the program with as

(Continued on Page Two).

PRESIDENT LIKELY TO REVISE FIGURE ON 1938 SHORTAGE

1939 Fiscal Year Budget To Be Sent To Congress Tomorrow By Mr. Roosevelt

BILLION DOLLARS DEFICIT PROBABLE

Treasury Receipts Last Six Months \$3,176,213,515, Over Billion Dollars Above Last Half 1936, But Expenditures in Period Were \$3,821,282,285

Washington, Jan. 4.—(AP)—Amid predictions that President Roosevelt would revise his deficit estimate for this fiscal year upward to \$1,250,000,000, the Treasury announced today the deficit for the first half of the year reached \$645,068,770.

Mr. Roosevelt expects to send to Congress tomorrow his budget for the fiscal year 1939, which begins next July 1. Informed officials forecast the budget would propose a \$1,000,000,000 deficit.

To this they added another prediction, that Mr. Roosevelt would change his estimate of this year's budget deficit from \$895,245,000 to \$1,250,000,000.

The Treasury reported in the six months to December 31 it took in \$3,176,213,515, compared with \$2,158,305,452 in the similar period last year. Expenditures in the six months totalled \$3,821,282,285. Emergency expenditures including relief, declined more than \$600,000,000, but some emergency activities transferred to regular accounts were reflected in increased general expenditures.

Message Approved. Meantime, White House officials said reaction to the President's message to Congress asking the cooperation of business in correcting economic evils had been "more spontaneous and more favorable" than on any of his previous messages.

Stephen Early, a secretary, said telegrams and telephone calls began when the President returned to the White House and continued through the night. He added there was just one telegram that appeared unfavorable.

Other developments: A Labor Department official testified some firms which tried to combat unemployment by spreading work in 1929 "are not attempting to spread the work today."

Appearing as the first witness before a special Senate unemployment committee, Isador Lubin, commissioner of labor statistics, said he did not know "whether or not this change was deliberate."

FURTHER ADVANCES IN COTTON MARKET

Prices 8 to 12 Points Up at Midday After Fluctuations in Earlier Forenoon

New York, Jan. 4.—(AP)—Cotton futures opened two points higher to one lower, with steady Liverpool cables offset by liquidation and hedge selling. Shortly after the first half hour, March had advanced from 8.23 to 8.33, and the list was five to eight points net higher. March sold up to 8.38 and ruled within a point of the best at midday, when prices were eight to 12 points net higher.

State Fish Dealers To Unite Soon

Raleigh, Jan. 4.—(AP)—The possibilities of organizing commercial fish dealers of the State to secure a more orderly marketing of their products occupied the Board of Conservation and Development here today.

The committee discussed the matter with Stanley J. Osborne, vice-president of the fish merchandising firm, Atlantic Coast Fisheries Company of New York.

It was voted Bruce Etheridge, director of conservation, and Captain John Nelson, commissioner of fisheries, should confer with the attorney general to ascertain what authority the board has in regulating dressing and transportation of fish.

A meeting of leading fish shippers of the State will be called soon, Etheridge said, and recommendations will be made by the committee to the full board of conservation.