

GERMANS SOUGHT DATA ON U. S. INDUSTRY

Heavy Boost In Highway Fund Sought

\$2,000,000 Additional Asked Yearly To Standardize Obsolete Roads in State; Nearly All Items of Its Budget Are Hiked in Requests

Raleigh, Oct. 18.—(AP)—The highway and public works commission asked the Advisory Budget Commission today to recommend that the 1939 legislature appropriate \$2,000,000 yearly in a new fund for the 1939-41 to standardize obsolete highways.

Motors Will Call 35,000 And Hike Pay

New York, Oct. 18.—(AP)—The General Motors Corporation announced today it would re-employ 35,000 additional workers within the next two weeks.

Employment And Payrolls Go Higher In September; Retail Houses Take Lead

Table with 5 columns: Industries, No. Reporting, No. Employed, Pay Roll, Average Weekly Payroll. Rows include Manufacturing, Cotton Mills, Hosiery, etc.

Raleigh, Oct. 18.—All lines of employment except wholesale houses showed improvement in number of employees, amount of weekly pay rolls and average weekly earnings by workers, according to figures from the North Carolina Department of Labor, representing reports from 918 business establishments in all lines.

As Churchill Urged U. S. Aid



Winston Churchill, former First Lord of the Admiralty, is pictured in this picture, radioed from London to New York, as he broadcast a direct reply to allegations made by Chancellor Hitler that Churchill had as his aim the start of another war.

Governor Is Anxious To Unload Road

Hoey Turning to Private Interests for A. & N. C.; Southern May Withdraw

Raleigh, Oct. 18.—Governor Clyde R. Hoey has turned to private groups in his efforts to unload operation of the State-owned Atlantic and North Carolina Railroad and its ledgers sploshed with red ink.

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Farmers To Default On Corn Loans

Thousands Ponder Giving Grain to Government Rather Than Renew Loans

Chicago, Oct. 18.—(AP)—Thousands of farmers pondered today a decision to default on their federal corn loans, a decision which may make Uncle Sam the greatest corn owner in the world.

Throughout the country, farmers whose loans on almost 48,000,000 bushels are due November 1, debated the advantage of defaulting and giving their corn to the government, or renewing the loans.

With prices lowest in almost five years, some farmers have turned their grain over to the government. Corn under seal in cribs averaged 48.5 cents per bushel. The Chicago market price is around 44 cents, while on the farm corn is selling from 35 to 38 cents.

Statisticians estimated the volume of grain on which government loans have been made has current market value of about \$7,500,000 less than the total of the loan. Agriculture Adjustment Administration officials have voiced the belief that most farmers would renew loans at 57 cents a bushel, but they have set up headquarters here to direct the flow of corn delivered to the Commodity Credit Corporation.

Tar Heel Farmers Paid Huge Chunks

Washington, Oct. 18.—(AP)—The Agricultural Adjustment Administration listed today the names of 141 farmers and farming concerns whom it gave benefit payments of \$10,000 or more between December, 1937, and June 30. All the payments were for cooperating with crop control payments, and the largest, \$12,140.94, went to the King ranch, Kieberg county, Texas.

The checks came out of the \$500,000,000 soil conservation fund appropriated by Congress. Payments listed included: North Carolina: W. J. Long, of Graysburg, \$10,129; T. E. Ransom, Jackson, \$11,285; W. S. Clark & Sons, incorporated, of Tarboro, \$13,801; and John F. McNair, Inc., of Laurinburg, \$10,728.

Spy Activity Here Brings New Problem

By CHARLES F. STEWART Central Press Columnist

Washington, Oct. 18.—Now that President Roosevelt has put the seal of his approval upon the proposed campaign against foreign spying in the United States the chances are that a formidable fight will be made in the next Congress for creation of a far-flung anti-espionage organization. Indeed Representative Martin Dies already has promised to introduce the necessary legislation. "I don't think Dies generally is taken very seriously, but presidential backing probably will introduce some ginger into his plan. However, there are certain objections to the establishment of such a body of counter-spyers as the President and the Texas representative hint at.

One is that the tales we hear of any sort of effective foreign espionage in this country are the bunk. If there were enough of it to endanger our army and navy departments assuredly would at least suspect it. Contrariwise, their respective officials don't give stories of it the laugh. They agree that there are agents in our midst who sell information to overseas governments, but all their best opinion is to the effect that these agents get their dope from published reports, available to anyone at 25 to 50 cents per pamphlet. It is conceded that, perhaps, their old world employers should prosecute them for obtaining pay by false pretenses—sell-

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Japs Drive On Canton's Huge Forts

Capture of These Defenses Would Deal Sharp Blow to City; Fresh Thousands of Chinese Marshalled to Resist Invaders; U. S. Interests Threatened

Hong Kong, Oct. 18.—(AP)—A strong Japanese column drove southeast today across flat terrain toward the Bocca Tigris forts, the capture of which would deal a sharp blow to the defense of Canton, whose water approaches they guard.

If the invaders can eliminate those fortifications, they will enable warships to fight a way into the south China metropolis.

A vicious land attack on the stronghold appeared imminent as the columns pushed on after capturing Cheungmuktai, midway between Hong Kong and Canton, on the vital Canton-Kowloon railway. With an estimated 3,000 miles of Kwantung province conquered in less than a week, the Japanese intensified ef-

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Reserves Are Dismissed By German Army

Berlin, Oct. 18.—The foreign office spokesman said today Germany's army reserves, marshalled by the hundreds of thousands six weeks before the Czechoslovak crisis brought Europe to the verge of war, now were being dismissed daily.

Germany moved gradually to reduce the more than 1,000,000 men she was estimated to have had under arms in the tense days before the four-power

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Legionnaires and Nazis Clash



American Legion members of Post No. 41, Syracuse, N. Y., are pictured in fighting moods as they attempted to break up a meeting of the German-American Bund in Syracuse. Edward C. Schall, newly-elected commander of the post led the Legionnaires, who had warned that the meeting would be disrupted if the Nazis gathered.

Communist's Chief Tried To Ruin AFL

Testimony Is Stalin Ordered Destruction of Labor Body and Fostered Sit-down Strikes; Germany Switched from Military to Industry Secrecy

New York, Oct. 18.—(AP)—The government's star spy case witness, Guenter Gustav Rumrich, army deserter who turned secret agent, told Judge John Knox and a Federal court jury today that Nazi Germany's interests shifted from American military secrets late in 1937 to industrial information.

He was so informed by two of the agents with whom he had contacts, Rumrich testified. One of those, he said, he knew only as "Wiegand," and the other was "Schmidt". "Wiegand," he said, first apprised him of Germany's shifting interests from military to industrial information, particularly that kind which had to do with American re-armament. "Schmidt" later asked him if he knew of the new orders, he said.

"He said this change of orders was due to an agreement between some one in Washington and some one in Berlin," explained Rumrich, who pleaded guilty at the start of his trial, leaving three co-defendants, Erich Glaser, Otto Voss and Johanna Hoffman to face trial alone.

"He did not say who these parties were, but said it was a shame the order had been put into effect," Rumrich said. "Schmidt" asked me if I knew any one employed in either the Bethlehem Steel plant or the DuPont plant. I said, 'No,' but I would do my best to get in contact with some one. He said some of the letters in his possession were for some one in

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HAGERSTOWN BODY IS NOT R. S. M'COIN'S

Hagerstown, Md., Oct. 18.—(AP)—Police said today the skeleton found near Martinsburg, W. Va., was "positively not" that of R. S. McCoin, former North Carolina state senator, who disappeared in 1932.

"We examined the skull and compared it with a dental X-Ray of McCoin's, which was taken three months before he disappeared," said Captain Carl McCleary. "We found the X-ray did not agree with the teeth arrangement of the skull. It is positively not the man we want."

Dr. M. H. Cohen, Hagerstown dentist, accompanied the police to the cemetery where the skeleton was discovered.

M'COIN DISAPPEARANCE CONTINUES AS MYSTERY

Information received here this afternoon that the skeleton found near Martinsburg, W. Va., last week "positively" was not that of the long missing R. S. McCoin, Henderson lawyer and business man and former State senator, apparently put an end definitely to this newest turn in the case. The mystery that has persisted since McCoin dropped from sight on a business trip to Richmond three days before Christmas 1932, remains the riddle it has been for six years.

The skeleton found near Martinsburg, and reported to local police by Hagerstown Md., authorities, was buried but was exhumed to be viewed and examined by local business men who left yesterday for the western Maryland city. They were the associate of McCoin's, and Thomas G. Horner, intimate friend, and Sam K. Leonard, superintendent of the Eastern Carolina Training School at Rocky Mount, where Mrs. McCoin has worked since soon after her husband's disappearance. They were back home late this afternoon after comparing dental records and X-ray pictures of McCoin's with the skeleton.

The skeleton was located near a

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Election And Budget Given Time By FDR

Hyde Park, N. Y., Oct. 18.—(AP)—Democratic party prospects in the pivotal states of New York and Illinois and the federal budget engaged the attention of President Roosevelt today.

Governor Henry Horner, of Illinois, was due here for a conference, while Governor Herbert Lehman, of New York, seeking re-election for a fourth term, was listed for a luncheon party at the summer White House.

Late in the day Mr. Roosevelt arranged to see Secretary Morgenthau to go over preliminary budget estimates, due for another jump next year, in view of the administration's extensive plans for further rearmament. The President had announced he was unable to forecast the new budget plans until a re-study of defense plans is completed.

Auto Driving Schools Will Be Expanded

Daily Dispatch Bureau, In The Sir Walter Hotel. Raleigh, Oct. 18.—The auto driving education program, operated in cooperation by the WPA and the Highway Safety Division of the State Department of Revenue, will be expanded to approximately a dozen schools just as rapidly as possible, Lieutenant T. A. Early, in charge of the schools, said today after a conference with Safety Director Ronald Hocutt.

At least two schools will be opened within the next two weeks, Lieutenant Early said, with Wilmington and

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Expect Rail Board To Ask Compromise On Wages Dispute

Washington, Oct. 18.—(AP)—Persons close to President Roosevelt's fact-finding board predicted today it would recommend a compromise of the proposed 15 percent rail wage cut.

The board, appointed by the President in an effort to avert a threatened strike in the railroad industry, began work on a report which must be completed by October 27.

Board Chairman Walter P. Stacy, chief justice of the North Carolina Supreme Court, closed three weeks of hearings yesterday with a statement in which he compared the wage dispute to the price which producers receive for eggs.

It is well, he said, for the producer

WEATHER

FOR NORTH CAROLINA. Generally fair tonight and Wednesday, except unsettled in the mountains Wednesday.

Guards Are Doubled In Jerusalem

Attack On Modern City by Arab Rebels Fared in Uprising of Natives

Jerusalem, Oct. 18.—(AP)—British troops doubled guard strength today lest Arab rebels attack the modern district of Jerusalem after a night of terrorist bombings in the old section of the city.

Columns of British armored cars and truckloads of police patrolled streets outside the old city's walls. The new city, grown up since 1858, lies chiefly to the northwest of the ancient citadel.

The situation in the old city became so critical shortly before mid-

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