## 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.

The highway request for 1939-40 was \$30,254,814, and for 1940-41 it was \$30, 645.728, both representing substantial increases over approximations for the current biennium

Directly for State highway maintenance, \$4,000,000 was requested for the first year and \$4,200,000 for the second, compared with \$3,500,000 yearly now appropriated. Instead of \$500,000 yearly for retreatment, \$1,300,000 a year was asked. For county road maintenance and construction, \$7,-500,000 yearly was asked for betterment of State and county roads.

The request for State road con-struction funds, \$3,200,000 yearly was down \$600,000, and the funde for city streets was put at the same level,

\$500,000 yearly.

Interest, bond reduction, sinking fund payments and other obligations will take more than \$8,000,000 yearly.

#### 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.

At the same time, Alfred P. Sloan, Jr., chairman, said salary cuts made last winter would be

The increase in employment, it was said, was in connection with expansion and production of 1939

"Sloan said the reception given new cars convinced General Motors officials that "the trend of customer buying, when retail deliveries of new cars can be made to customers in volume, will be found to be substantially improved over that existing during the past few months. Therefore, the cor-poration feels satisfied in increasing its current production schedules by revising upward the plans made last summer, as well as in readjusting its general operating program to a higher level in

Industries

All Manufacturing ...... 533

Cotton Mills ..... 218

Hosiery, Knitting ..... 62

Silk, Rayon ..... 8

Furniture ...... 28

Non-Manufacturing ...... 59

Retail Establishments ...... 199

Wholesale Houses ...... 127

Raleigh, Oct. 18.—All lines of employment except wholesale houses

showed improvement in number of em

ployes, 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

Retail trade establishments showed

the greatest increase in number of

employes over August, jumping 10.3 per cent to 3,863 in the 199 reporting

concerns. Non-manufacturing industries pressed closely with an increase of 10 per cent to 16,583. Average week-

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. Churchill called upon America to stand by Great Britain "before it is too late" to halt the aggression of the dictator.

## Governor Is Anxious To Unload Road

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

In the Sir Walter Hotel, Daily Dispatch Burean. 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 splotched with red ink.

He hasn't divulged identity of the groups, beyond saying they are com-posed of "eastern interests," nor has Some months ago some private group—quite possibly one of those now in the picture-seemed sincerely interested in buying the road but backed off when it was learned from an attorney general's ruling that the State

(Continued on Page Three.)

**Employment And Payrolls** 

Go Higher In September;

Retail Houses Take Lead

SEPTEMBER EMPLOYMENT IN N. C.

No. Reporting No. Employed

Daily Dispatch Bureau, In the Sir Walter Hotel.

16,583

per cent to \$16.52.

Pay Roll Wkly Payroll

\$1,725,345

34.939

76,506

192,354

273,869

34.908

54,907

cases, the average retail employe making \$14.21 per week in September, 6.5

per cent less than the previous month. In the non-manufacturing industries

average weekly earnings were off 5.1

More than half the total establish-

With 218 cotton mills reporting, to

nents reporting were cotton mills.

\$14.99

14.21

#### posed of "eastern interests," nor has he given any inkling of their propositions. It's a foregone conclusion in the minds of most observers that the governor would be tickled pink to accept any lease proposal backed by a group of sufficient financial strength to be held responsible for On Canton's **Huge Forts** carrying out terms of the agreement. Negotiations with these private in-terests also revives possibility that the legislature will be asked at its 1939 session to give the governor and State power to sell the Old Mullet.

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

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 contrel payments, and the largest, \$112,140.04, went to the King ranch, Kleberg county, Texas.

\$112,140.04, went to the King ranch, Kleberg county, Texas.

The checks came out of the \$500,-000, 00 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.

Japs Drive

east today across flat terrain toward lefense of Canton, whose water ap-

fortifications, they will enable warnips to fight a way into the south

A vicious land attack on the strong-hold cappeared imminent as the columns pushed on after capturing Cheungmuktau, 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-

(Continued on Page Three.)

### Reserves Are Dismissed By German Army

dent 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 Well 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 Euope to the verge of war, now were being dismissed daily.

Germany moved gradually to reduce the more than 1,000,000 men she was stimated to have had under arms in in which he compared the wage dispute to the price which producers rethe tense days before the four-power

tal employes moved up over August three-tenths of one percent, with aver-(Continued on Page Three.) (Continued on Page Three.)

## 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 o default on their federal corn loans decision which may make Uncle lam the greatest corn owner in the

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

With prices lowest in almost five ears, some farmers have turned their grain over to the government. Corn under scal in cribs averaged 48.5 cents per bushel. The Chicago marset price is around 44 cents, while on the farm corn is selling from 33 to 38

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.

#### Spy Activity Here Brings New Problem



a formidable fight will be made in the interred. next Congress for organization. Indeed Representative Mar-

there are certain objections to the establishment of such a body of counriddle it has been for six years. ter-spyers as the President and the Texas representative hint at.

One is that the tales we hear of any sort of effective foreign espion-age in this country are the bunk. If ed and examined by local business there were enough of it to endanger us our army and navy departments western Maryland city. They were assuredly would at least suspect it. Al. B Wester, for twenty years bus-Contrariwise, their respective officialdoms give stories of it the laugh Hong Kong, Oct. 18.— (AP) — A They agree that there are agents in and Sam K. Leonard, superintendent trong Japanese column drove southoverseas governments, but all their the Bocca Tigris forts, the capture of best opinion is to the effect that these McCoin has worked since soon after hich would deal a sharp blow to the agents get their dope from published her husband's disappearance. They reports, available to anyone at 25 to oroaches they guard.

If the invaders can eliminate those ed that, perhaps, their old world em ployers should prosecute them for obtaining pay by false pretenses—sell-

(Continued on Page Three.)

earings yesterday with a statement

ceive for eggs.

It is well, he said, for the producer as well.

**Expect Rail Board** 

To Ask Compromise

On Wages Dispute

posed 15 percent rail wage cut. ens regain their health.

#### 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. (Central Press)

# IS NOT R.S. M'CO

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 den-

tal X-Ray of McCoin's, which was taken three months By CHARLES P. 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

Dr. M. H. Cohen, Hagerstown dentist, accompanied the chances are that the police to the cemetery where the skeleton was dis-

creation of a far- M'COIN DISAPPEARANCE CONTINUES AS MYSTERY Information received here this aft ernoon that the skeleton found near tin Dies already has Martinsburg, W. Va., last week "pos promised to intro- itively" was not that of the long miss duce the necessary ing R. S. McCoin, Henderson lawyelegislation. I don't and business man and former Students think Dies generally senator, apparently put an end defiis taken very seriously, but presidential backing probably will introduce
some ginger into his plan. However,

> The skeleton found near Martinsburg, and reported to local police by Hagerstown Md., authorities, was buried but was exhumed to be viewmen who left here yesterday for the inest associate of McCoin's, and Thomas G. Horner, intimate friend, and Sam K. Leonard, superintendent School at Rocky Mount, where Mrs. were back home late this afternoon after comparing dental records and X-ray pictures of McCoin's with the

The skeleton was located near (Continued on Page Three.)

Some hearers inferred that Judge

Representatives of the rail brother-

based entirely on "ability to pay," but on humanitarian and economic factors

#### **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

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 parley 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 Aotel Raleigh, Oct. 18.-The adult driv ing 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 con-Washington, Oct, 18.—(AP)—Persons close to President Roosevelt's for his eggs, but if his chickens befact-finding board predicted today it would recommend a compromise of his efforts to helping the chickference with Safety Director Ronald

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

(Continued on Page Three)

#### Board Chairman Walter P. Stacy, hief justice of the North Carolina upreme Court, closed three weeks of the chairman indicated the board would consider the workers' conten-tion that rail wages should not be

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

## Communist's Chief Tried To Ruin AFL

Testimony Is Stalin Ordered Destruction of Labor Body and Fostered Sitdown Strikes; Germany Switched from Military to Industry Sec-

New York, Oct. 18.—(AP)—The government's star spy case witness, Guen-ther 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 infor-

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 informa-tion, 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 Hofman to face trial alone

man 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

(Continued on Page Three.)

#### Gov. Hoey To Review March At Ft. Bragg

Fort Bragg, Oct. 18.—(AP)—A line of 5,300 soldiers, 600 vehicles and 400 horses will parade by Governor Hoey's reviewing stand tomorrow in a climatic conclusion of a week of war games that tested the nation's best air, defense.

The big procession is scheduled to begin at 6:45 p. m. It also will cap a brief entertainment program given by the army in token of its appreciation of the cooperation of North Carolinians during the maneuvers. It is regarded in some circles as the largest display of military might in the

In the reviewing stand with the governor will be Brigadier General William Bryden, commander of Fort Bragg, and other notables, military and civilian. Tomorrow's exercises will begin

during the morning, with a demonstration by a unit of the 29th Infantry, Fort Benning, Ga., of the effectiveness of infantry against attack-

## Guards Are Doubled In Jerusalem

Attack On Modern City by Arab Rebels Feared 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

Columns of British armored cars and truckloads of police patroled 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 be came so critical shortly before mid-

(Continued on Page Three.)