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12 Large Utilities To Spend \$2 Billion In Next Two Years

Will Virtually Double Present Rate of Expenditures in Power Developments; John W. Hanes, Tar Heel, Becomes Second Man at Treasury

Washington, Oct. 28.—(AP)—A dozen big utility companies, joining hands with the Federal government in its national defense program disclosed today they would spend \$2,000,000,000 in the next two years to expand the output of electric power.

This amount, said Floyd Carlisle, of the Consolidated Edison Company of New York, would virtually double such present expenditures.

As the first step, the utilities announced definite commitment for enough factory orders to supply generating equipment capable of producing 1,000,000 kilowatts.

The commitments were given as a part of the administration's efforts to strengthen power facilities of the nation's strategic war material manufacturing centers.

Announcement of the program came from a session of the National Defense Power Committee, headed by Louis Johnson, assistant secretary of war, which has been making a survey of power needs since early this year.

Carlisle, acting as spokesman for the group of utility executives which met with the power committee, said "substantial" government financing was involved, but would not be in the form of grants.

Other developments: President Roosevelt said a Securities Commission report on the activities of Richard Whitney was very horrifying because it revealed practices which every one was trying to prevent.

In response to press conference questions, the President said that all concerned, including the Stock Exchange, were interested in preventing the recurrence of any of the practices in the Whitney case.

The President announced that John W. Hanes, now assistant secretary, had been made under secretary of the Treasury. Hanes came to the Treasury from the Securities Commission, on which he served as a commissioner.

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Woman Links Germans Into Big Spy Ring

New York, Oct. 28.—(AP)—An attractive woman witness at the German spy trial told a Federal court today of a meeting in Germany between Dr. L. T. Griebel, a fugitive from the espionage indictment, and Captain Lieutenant Erich Pfeiffer, of the intelligence service at Bremen, whom the government accuses of helping direct spy activities in this country.

The witness, Mrs. Kate M. Busch, who testified yesterday that two high officials of the German war ministry attempted to persuade her to open a Nazi propaganda salon in Washington, said Dr. Griebel introduced Pfeiffer to her as "Herr Spielman".

Captain Pfeiffer, one of the absent defendants, was linked earlier in the trial to German espionage activities by G. G. Rumrich, who pleaded guilty and turned state's evidence. Rumrich told of receiving a letter from "Herr Spielman", according to United States

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Placements In State Jobs Outrank U. S.

Daily Dispatch Bureau, In The Sir Walter Hotel. Raleigh, Oct. 28.—North Carolina's Employment Service did better, on the average, than did the service in the nation in the matter of placing applicants in regular employment during the past year, according to statistics released in the most recent issue of the North Carolina State Employment News.

Noted Arrival



Paul C. Van Zeeland, former premier of Belgium, is pictured arriving at New York to start a lecture tour of the United States.

Money Gone, Dayton, Ohio Ends School

Dayton, Ohio, Oct. 28.—(AP)—Thirty-four thousand boys and girls from kindergarten children, who didn't know what it was all about, to high school seniors worried about their high school diplomas, went to school today for the last time before a holiday which may last until the first of the year.

Parents and school officials admitted there was no way to prevent closing of schools after today's sessions because the city school treasury is empty, and there is, besides, a \$61,000 deficit.

Among older students, the reaction was one of dismay. Younger ones chanted, "No more pencils, no more books." Parents and police wondered how to keep them busy and off the streets of this industrial city of 216,000.

"There's a chance," said one student, "we will hire a tutor."

Chiang Says China Will Fight On; Sees Major Battle Soon

Hong Kong, China, Oct. 28.—(AP)—A Central News Agency (Chinese) dispatch from Chungking today said General Chiang Kai-Shek had declared China would fight on, and that "a decisive battle" between a united China and the Japanese armies would be fought west of the present area of the Japanese conquest.

The dispatch quoted a telegram sent by the Chinese leader, presumably from new headquarters somewhere west of fallen Hankow, to the people's central political council at Chungking, provisional capital.

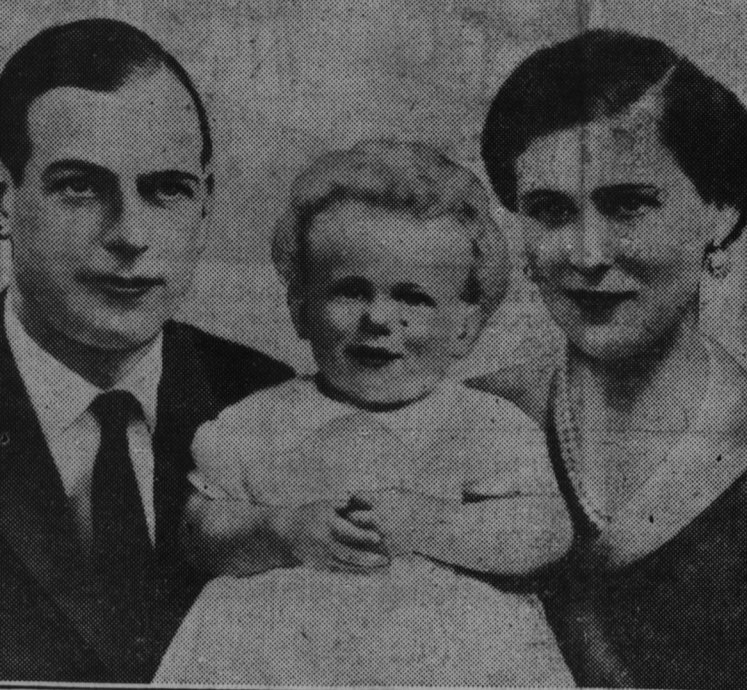
Bishop Penick Denounces Death Penalty In Speech

Raleigh, Oct. 28.—(AP)—The Rt. Rev. Edwin A. Penick, bishop of the Protestant, Episcopal Diocese of North Carolina, made a sharp and slashing attack on capital punishment today in an address to the North Carolina Bar, Inc.

Human Liberty Fading. President Frank Hogan, of the American Bar Association, warned the 500-odd lawyers here from all parts of the State that human liberty as "guaranteed under the bill of rights is being gradually whittled away."

At the closing session this afternoon, Fred Hutchins, of Winston-Salem, was expected to be advanced from the vice-presidency to succeed President Charles Rose, of Fayetteville, gossiped had it that George Green,

Fun-Loving Duke Is "Exiled"



The Duke of Kent, pictured above with his wife, the former Princess Marina, and their baby son, Prince Edward, has been "promoted" to the post of Governor-General of Australia, succeeding Lord Gowrie. The "promotion" is a form of exile for the fun-loving Duke, who is a favorite of his brother, the Duke of Windsor. Marina was when she heard the news. Both are extremely popular in London. (Central Press)

Babson Thinks Business Ready For New Advance; All Industries Gaining

By ROGER W. BABSON, Copyright 1938, Publishers Financial Bureau, Inc.

Babson Park, Mass., Oct. 28.—Business in the United States is surging ahead. There is no longer any doubt about the present recovery. Furthermore, this upswing is no mere flash in the pan. We are in the midst of a real forward drive that should exceed the 1937 highs in many lines. This is the most optimistic report I have been able to give readers in a long time.

Bailey Seeks U. S. Handouts In This State

Daily Dispatch Bureau, In The Sir Walter Hotel. Raleigh, Oct. 28.—Senator Josiah W. Bailey is preparing to work actively to secure "every possible penny" of Federal funds for North Carolina, the senior senator told your correspondent in announcing that he will really go to bat to secure approval of Wilmington's application for PWA loan and grant of \$1,600,000 for construction of publicly-owned terminals for the City-by-the-Sea.

"I didn't vote for expenditure of this money, but I do not feel inconsistent in asking for every penny it is possible to get for worthy North Carolina projects," he said.

"Suppose you took ten dollars away from me against my will," he added, "I'd be a fool not to try to get some or all of it back."

"That's the way with those PWA funds. We are going to have to pay back our share of Federal expenditures, so we ought to get our share of them while they're being spent."

He heartily endorsed the Wilmington port project, declaring that it would be of benefit not only to that city but to the State in general.

"There's no doubt you people can

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of Weldon, would be elected vice president. "Take care how you invoke God's word," the bishop warned the lawyers as he urged them to be more careful how they quote the Scriptures before juries. "Take care how you invoke God's word in support of any law."

"The eye for an eye, tooth for a tooth, life for a life, as carried in the Scriptures represents legislation of a semi-barbaric people. It belongs with slavery, plurality of wives and the killing of little children."

Governor Eby, presented by former Governor Ehringhaus, told the lawyers, "I believe in the lawyers of North Carolina. I believe the lawyers will be the salvation of the nation in its public thinking."

Break With Left Wingers Is Complete

French Premier Daladier Says If Parliament Objects, He Will Go to People

Marseilles, France, Oct. 28.—(AP)—Premier Daladier completed his break with the communist party today and warned Parliament that if it failed to approve reforms the government contemplates, he would carry the issue direct to the voters.

At his request, the committee on general policy of the Radical Socialist party approved a resolution, to be submitted to the party congress here Saturday, saying the communist party "has excluded itself" from the peoples' front of Radical Socialists, socialists and communists.

(In Paris, meanwhile, a Foreign Office spokesman disclosed that France and Germany were considering a declaration renouncing war between them, similar to the agreement signed by Adolf Hitler and Prime Minister Chamberlain at Munich.)

(Presumably, such a declaration would be incorporated in a French-German understanding forecast by Daladier in his keynote address to the party congress yesterday.)

The resolution, approved by the party general policy committee, proposed eventual recourse to an election if financial and economic reforms the government has in mind are not approved by Parliament. In its reference to communists the resolution said the communist party had deserted the peoples' front by voting against the government's demand for full powers and through "the hostile attitude of its leaders."

Storm Warning Issued For Coast, Hatteras to North

Washington, Oct. 28.—(AP)—The Weather Bureau said today a disturbance of moderate intensity off the Delaware coast will result in strong winds this afternoon and tonight from Cape Hatteras, N. C., to Block Island, R. I.

It issued the following storm warning: "Advisory, 10:30 a. m. disturbance of moderate intensity central about 200 miles off the Delaware coast. Strong north winds this afternoon and tonight south of Block Island to the Virginia Capes and fresh to strong north-west winds south of Virginia Capes to Hatteras."

RICH SQUARE ROAD PAVING DISCUSSED

Raleigh, Oct. 28.—(AP)—Mayor Charles Myers and City Attorney D. D. Strickland, of Rich Square, conferred with W. Vance Baise, chief highway engineer, this morning regarding tearing up parts of Route 258 and 305 in Rich Square in connection with laying water and sewer lines.

Leaf Exports Up, But Quotas Will Be Less

Washington, Oct. 28.—(AP)—Leaf tobacco exports from the United States during the first nine months of the year were 297,655,396 pounds, the highest in the last three years. Their value was estimated by the Commerce Department at \$92,821,662.

Exports of leaf in the first nine months of 1937 were 258,377,073 pounds valued at \$71,345,398, while for the 1936 period 268,114,763 pounds valued at \$76,567,015 were sent out of this country.

Exports of manufactured tobacco products up to October 1, 1938, were valued at \$10,983,854, compared with \$10,405,281 for the first nine months of 1937.

The 1938 exports of leaf included: 222,469,283 pounds of bright flue-cured, 8,758,745 pounds of burley; 37,728,287 pounds of Kentucky-Tennessee dark-fired, 5,886,442 pounds of dark Virginia.

An outstanding gain of 884,810 pounds in imports of American tobacco at Bremen, Germany, was recorded in September. Imports for the month were 1,047,750 pounds, compared with 163,340 in August, 1938.

AAA officials indicated the 1939 flue cured tobacco acreage allotments under the soil conservation program probably would be smaller than this year's 872,000 acres. They said it would be "logical" to reduce allotted acreage a little because this year's estimated production of 812,000,000 pounds exceeded the marketing quota of 748,000,000 pounds.

Japan Warns France To Stop Furnishing Supplies To China

Commands Tommies



Major General Robert Hadden Haining (above) is commander of all British troops in Palestine. He is very busy these days, fighting Britain's undeclared war in the near East against the Arabs.

"Might Be Compelled To Take Measures" if It Is Continued, Tokyo Advises Paris; France Denies Materials Sent In Through French Indo-China

Tokyo, Oct. 28.—(AP)—A foreign office statement said today Premier Prince Konohe had warned France that Japan "might be compelled to take measures" if the French continue to supply China with arms.

It was believed this meant possible Japanese occupation of Hainan island, just off the south China coast, one of the points of the French sphere of influence, and a strategic dagger aimed at the heart of the vast French Oriental possessions.

Y. Sugimura, Japanese ambassador to Paris, protested in Paris and, the statement today said, Premier Konohe told French Ambassador Charles Henry that Japan was "gravely concerned with a possible developments in the situation."

Officials remained silent on the United States note, disclosed yesterday, demanding maintenance of the open door in occupied parts of China but the influential newspaper Asahi said the Tokyo government considered such insistence "unsuitable."

The large independent-liberal newspaper asserted a new situation existed in the Far East, because of Japan's advances in China, and predicted that Japan would attempt to induce the United States to accept this thesis.

The foreign office statement on Franco-Japanese relations said Premier Konohe had reminded Ambassador Henry that France some months ago had proposed voluntarily to halt the flow of munitions through Indo-China. But, the premier said, France failed to do this, and twice

Czechs Grant Rail Corridor For Germany

Berlin, Oct. 28.—(AP)—Germany and Czechoslovakia, it was disclosed today, have signed an agreement whereby Germany is granted a "railway corridor" across Czechoslovakia from Silesia to Austria, without passport of customs control.

This will shorten the railway distance between northeastern Germany and southeastern Germany, which almost enclose dwindling Czechoslovakia, by 360 miles. This service will begin October 31 when international railway traffic across Czechoslovakia from more than 50 border points will be resumed for the first time since the Czechoslovaks interrupted service during the September war scare.

Passenger and freight trains will be run through the "corridor" such as German trains now cross the Pomerania district of East Prussia. They will not halt on Czechoslovak soil.

Czechs Near Accord With Hungarians

Budapest Accepts Proposal of Prague on Cession of Large Territory

Budapest, Hungary, Oct. 28.—(AP)—Hungary and Czechoslovakia appeared today to be on the way to a peaceful settlement of their longstanding, often threatening territorial disputes.

The Budapest government, in a new note last night, accepted the Czechoslovak offer to cede to Hungary about 3,860 square miles of land with predominantly Hungarian populations.

Hungary also agreed that military experts should meet immediately to organize Czech evacuation and Hungarian occupation of the areas, and that a German-Italian arbitration commission should deal with eight disputed districts.

Czechoslovakia has demanded that the mediators settle the entire dispute and fix a time for the occupation of the whole area demanded by Hungary.

Diplomatic circles believe, however that this would be no major obstacle, because German and Italian mediators would be likely to permit Hungary to occupy the undisputed regions as soon as the committee were formed.

Some Routed from Beds Before Dawn To Be Returned To Their Own Country

Berlin, Oct. 28.—(AP)—Authoritative informants said today that the Nazi government already had sent several thousand Polish Jews living in Germany back into Poland following a nationwide round-up.

In Berlin alone several hundred Polish Jews were routed from their beds in early morning raids, semi-officially explained as intended to forestall application of a new Polish law that might deprive thousands of Jews in Germany of Polish citizenship.

The German government estimated that 150,000 residents of Germany are Polish citizens. According to a Polish law, coming into effect October 30, all these by that date must have their passports re-validated by Polish consulates.

Jewish circles estimated that the law applied to between 4,000 and 6,000 Jews in Germany.

Failure to obtain such re-validation will mean that the passport holder never again can enter Poland. The Polish Embassy in Berlin immediately consulted authorities regarding the raids. Polish authorities explained that the new Polish law requires examination of all cases of Poles living abroad to determine to what extent they still should be considered Polish citizens.

Only men were held. Hundreds of Jewish women lined up outside two Berlin police barracks hoping to see their relatives. The women were permitted to leave battered suitcases, blankets, food and cigarettes for the prisoners, but were not allowed to see them.

Halifax Negro Only 22 Dies In Gas Cell

Raleigh, Oct. 28.—(AP)—Claude Bowser, Jr., 22-year-old Halifax county Negro, died by gas at State's Prison today for the murder February 22 of a Negro girl.

Warden H. H. Wilson said Bowser did not deny killing the girl, Lizzie Bowser, his sweetheart, by cutting her throat, but contended he had no recollection of the crime, as he was drunk.

The Negro was the 211th person put to death in the electrocution and gas chamber here since 1910. He was the 39th victim of gas and the 169th Negro executed.

Bowser entered the death chamber at 10:33 a. m. After telling the warden, "Yes, I'm going home to my Lord," when asked if he had a final word to say. The gas was switched on at 10:35. Gas was administered 11 minutes, 20 seconds, before Dr. Felda Hightower, the prison physician, pronounced the man dead.

There were no Halifax county witnesses, but Sheriff M. Page and J. R. Floyd, of Lumberton, watched the execution.

WEATHER FOR NORTH CAROLINA

Partly cloudy in south and unsettled in northeast portions; probably light rain near north coast tonight and Saturday; continued cool.