

CHAMBERLAIN DISAVOWS IDEA OF ARMS RACE

Tells Commons Britain Has No Desire To Match Weapons With Reich

Declares English Efforts Are Intended For Defense In Future

[Special Dispatch to The Sun] London, Nov. 1.—Britain does not want an arms race with Germany or any other country, Prime Minister Neville Chamberlain told the House of Commons today as Parliament reassembled to debate the consequences of the Munich peace. But Britain must arm to defend her position in the future, Mr. Chamberlain said, insisting that at Munich he had no choice except between war and peace.

Pressed hard by his critics in the Labor and Liberal parties, the Prime Minister defended the terms of the Munich agreement which dismembered Czechoslovakia and upset the Anglo-French balance of power in Europe. He refused to concede that Munich meant a great defeat for Britain. He denied indignantly that Britain was decadent and helpless to protect her own interests. He made it clear that he proposes to continue working in harmony, such as it is, with Chancellor Adolf Hitler, Premier Benito Mussolini and Premier Edouard Daladier.

Voices Hope For Arms Limitation The Prime Minister, who returned from Germany proclaiming "peace in our time," today voiced the hope for arms limitation and eventually arms abolition—but not in his time. At the age of 69 he does not expect to live long enough for such a miracle. What he does wish to live to see is completion of Britain's mammoth five-year arms expansion program, now in its third year and lagging seriously behind schedule.

Mr. Chamberlain professed inability to understand why in the last month there had been widespread comment at home and abroad as to a seeming inconsistency in that the Prime Minister brought at Munich home from Munich and immediately stepped up the arms program. He thought Britain was as much entitled to arm as any other country.

Must Be On Equal Footing "We have no aggressive intentions against Germany or any other country," he said. "Our sole concern is to see that this country and her imperial communications are safe and that we shall not be so weak relative to other countries that we cannot enter into discussions on an equal footing."

"Nothing is further from our intentions than to enter a new arms race."

Laborites laughed as Mr. Chamberlain lamented that the world had forgotten the declaration he and Hitler had signed at Munich recording their belief and desire that their two peoples should never go to war again.

Sees Chance For New Era Of Peace "I myself feel in that declaration, if suitably followed up, lies the seed of a new era of peace," Mr. Chamberlain continued. "When I signed it I meant what was in it. I am convinced that Herr Hitler meant it when he signed it."

Although Mr. Chamberlain did not say so, it is understood he intends to "follow up" this declaration, by opening discussions with Hitler as to a return of some of the German colonies which the Reich lost in the World War.

Intermediary for these discussions, Oswald Pirow, the South African Defense Minister, arrived in London tonight. He was welcomed by the Colonial and Dominions Secretary, Malcolm MacDonald, and by diplomatic representatives of Portugal and the Netherlands. From London, Pirow will proceed to Germany to consult Hitler. He also may call at Brussels and Amsterdam.

Does Not Mention Colonies Prime Minister Chamberlain was careful not to mention colonies to the Commons, but he did say: "It is our firm determination that there shall be no sitting still and waiting for peace. We must take active and positive steps to that end."

"Too often delays have taken place in the past. We should not wait until the crisis becomes acute, but we should try and consolidate the good will of the four powers at Munich and endeavor to restore European confidence by the removal of fear and suspicion."

Asserting that the ultimate aim of his Government was to improve the standard of living of the people, Mr. Chamberlain said:

Practical Abolition Ultimate Goal "It is difficult to reconcile that with the continued piling up of armaments. What we aim at is a limitation of armaments by agreement—unilateral disarmament will not help anybody—and in the end their practical abolition."

"That is looking far ahead," added the Prime Minister, his dry, thin voice.

(Continued on Page 9, Column 4)

Editorial

The gubernatorial campaign has now progressed to the point where it is possible to take the full measure of the opposing candidates. Governor Nice has discussed his own record and given some idea, but not much, of his plans for the future. Mr. O'Connor has likewise discussed the record of the past four years and pledged himself to specific reforms in State management. Let us first look at Mr. Nice as he has disclosed himself these past few weeks.

If we had known nothing of the man before the campaign began, if we had not had four years of proof of his amiable incompetency, his activities and public statements during his various tours of the State would have taught us all that is necessary. Mr. Nice cannot think things through. He cannot report correctly the activities of his own administration. He cannot quote his opponent without garbling his words. He can hardly quote himself without getting his ideas mixed up.

First of all, there is the important matter of relief and the taxation which it necessarily implies. Governor Nice knows that the relief need cannot be met without taxation, and probably harsh taxation. He knew it four years ago when he appointed a commission headed by William J. Casey to prepare a program. That program was presented, but Mr. Nice proceeded to forget it. Its realism was too distasteful to him. Since then he has given many different explanations as to why he ignored the report, but ignore it he did.

He called upon Mr. Casey again, about two years later, to form another commission and prepare another report. The commission was formed, the studies made, the report prepared. Again Mr. Nice found the result unpalatable and again he shirked the job of organizing public opinion and forcing this program on some other through the Legislature. Now, his administration nearing its end, he has appointed still another commission—Mr. Casey, twice burnt, refused to serve on No. 3—and again Governor Nice promises to adopt the report that he hopes to get from it as the basis of his tax program.

Mr. Nice has proven, in nearly every speech he has made, that he does not know the fiscal condition into which his lack of courage has brought the State. He says constantly that the State's credit is better than it has ever been. The truth is that the State's credit, for the first time in many years, is given a rating which warns investors that it is not first-rate. And the specific reason for this lowered rating—we quote from a letter written by Moody's Investors Service to the Treasurer of Maryland—is that "while deficit funding operations may be necessary at certain times, the continued practice is unfortunate in its implications." This criticism is based, not upon the fact that, in an emergency, the previous administration borrowed a small sum for current expenses, but upon the fact that Governor Nice, the chief fiscal officer of the State, has accepted emergency financing as normal financing and borrowed and diverted no less than \$28,441,397 in order to make his false claim of a balanced budget. Such recklessness is unparalleled in this State.

It is a commentary upon the mental processes of Governor Nice that with this record staring him in the face, he boasts that during his administration some \$15,000,000 worth of State bonds have been paid off. He overlooks, or at least hopes the people will overlook, the plain fact that these bonds are met and paid off automatically and that if he tried to interfere with the automatic process he would be impeached, at the very least.

Before Mr. Nice took office, he promised specifically that in such matters as the Public Service Commission, the Police departments, state and city; the Conservation Department, the State Roads Commission and the magistrates, to mention a few, he would make appointments based solely on fitness and without regard to politics. He then appointed J. Purdon Wright, an active and inadmirable politician, to be head of the State police, William P. Lawson to be head of the city police, O. E. Weller to be chairman of the Public Service Commission, Robert F. Duer to be chairman of the Conservation Commission and Dr. Homer E. Tabor to be chairman of the State Roads Commission. He appointed a whole host of petty politicians of the cheaper sort to the vari-

Italo-Reich Arbiters To Decide Hungarian Claims In 5 Hours

Conference To Allow Budapest And Prague Delegates 180 Minutes To Present Their Views

[By The Associated Press] Vienna, Nov. 1.—An official announcement tonight said an agreement in the Czechoslovak-Hungarian territorial negotiations could be expected at 6 P. M. (12 noon, E.S.T.) tomorrow. The announced program for arbitration of the border differences by which Hungary hopes to reclaim the purely Magyar portions of Czechoslovakia, as well as some mixed sections, gave the disputants just three hours to present their views.

Hungary and Czechoslovakia will begin exposition of their arguments at 11 A. M.

Arbiters Then To Confer After a luncheon, the German and Italian Foreign Ministers, Joachim von Ribbentrop and Count Galeazzo Ciano, will confer until 4 P. M.

The announcement said their decision could be expected two hours later.

The signing of an agreement was scheduled after the session of Ciano and von Ribbentrop, as both Hungary and Czechoslovakia asked Germany and Italy, two of the four powers represented in the Munich accord, to arbitrate the dispute and agreed to accept their decision.

Hungary Hard Hit After War Post-war frontier revisions cut Hungary from a nation of approximately 109,000 square miles to about 35,000 square miles.

Of this ceded territory Czechoslovakia got 24,300 square miles, with some 3,500,000 inhabitants.

Since Germany's triumphant drive to partition Czechoslovakia, Hungary insistently has demanded a large slice of the territory lost to Czechoslovakia. During negotiations she was understood to be demanding 8,000 square miles, but Czechoslovakia agreed to cede only those sections unquestionably Hungarian in population, some 3,800 square miles, without arbitration.

To Revise Trianon Treaty Hungarian and Czechoslovak representatives came to Vienna tonight bearing colored maps and complicated data for the Foreign Ministers of Germany and Italy.

The German viewpoint on the eve of the negotiations was that the Trianon treaty of 1920, in which the victorious World War Allies sharply curtailed the size of Hungary, must be revised even as Germany has revised the Treaty of Versailles. This was with the qualification that the Hungarians must be given only territory inhabited by Magyars.

With racial nationalism as the foundation for a settlement of the Slovak-Hungarian dispute, Germany was represented as hoping thus to lay the groundwork for peaceful development of the Danubian region.

The German view was that this can be carried through swiftly on the

F. B. I. REVEALS HOUSING PLANS TO BE ENLARGED BY ROOSEVELT

Hoover Says Gang Burned Body Of One Victim In New York

Two Others Freed On Ransom—Four Suspects In Custody

[By The Associated Press] New York, Nov. 1.—The kidnapping of a suburban business man and the cremation of his body in New York, and the hitherto unknown abductions of two Brooklyn men ransomed for a total of \$14,900 were announced tonight by J. Edgar Hoover, Federal Bureau of Investigation chief.

He said four men were under arrest and that "certain ones had confessed."

Hoover said the body of Arthur Fried, executive of a sand and gravel company in nearby White Plains, who disappeared last December 4, had been destroyed.

Those kidnapped and ransomed without their disappearances being made public were Benjamin Farber, 32, and Norman Miller, 39, both of Brooklyn.

Body Burned In Gang Hideout The prisoners were identified by Hoover as Joseph F. Saccoda, Demetrius Gula, William Jacknis and John Virga.

Fried's body, the F. B. I. chief said, was burned in a New York city gang hideout.

Hoover said that Farber, a coal dealer, was kidnapped April 18, 1938, as he stood in front of a National City Bank branch in Brooklyn. Ransom of \$1,900 was paid to the abductors, he added.

Miller is the son of Charles Miller, head of a stevedoring company in the Brooklyn produce market. He disappeared July 24, 1938, and \$13,000 was paid for his return.

One Now In Sing Sing Jacknis, Gula and Virga, all of Brooklyn or New York city, were taken into custody over the week-end. Saccoda is in Sing Sing Prison for parole violation, Hoover said.

He added the men were suspected in two other kidnappings and three holdups, but refused to name the victims in these cases.

The place in Westchester county where Fried, 32 years old, was seized, is not far from the scene of the unsolved kidnapping of Peter Levine, 32, who disappeared from New Rochelle last February 24 and whose headless body was found washed ashore near by on Long Island Sound on May 29.

Intended To Seize Brother "This gang had intended to kidnap Fried's brother, Hugo, but they made a mistake," Hoover said. "They got a car and forced Arthur to a curb while he was driving to his mother's home."

"Gula got out of the car and drove Fried's car a few blocks. Fried was put into Gula's car, which Saccoda had been driving. They took Fried to 240 East Nineteenth street (New York city), where Joseph Saccoda had an apartment."

"Fried was compelled to write to his brothers and sisters stating that a ransom of \$200,000 was demanded. The ransom was never paid."

Although thirty-four telephone calls were made between December 4 and January 3 to obtain the money, Hoover continued, no actual contact was made until January 3. Hugo was told to throw the ransom from a mezzanine-floor exit of a New York theater to the street, but did not because he wanted more identification.

"But Arthur Fried had been dead these many weeks," Hoover said. "He

(Continued on Page 8, Column 6)

AMENDMENT ACTION HINTED BY WAGNER

Senator Makes Implied Promise In Speech Before Brooklyn A. F. Of L. Group

[By The Associated Press] New York, Nov. 1.—An American Federation of Labor mass meeting in Brooklyn tonight received an implied promise from Senator Robert F. Wagner that he would seek amendment of the Labor Relations Act bearing his name whenever it seemed necessary.

The Senator, seeking reelection, told the A. F. of L. unionists, several of whose leaders have attacked the Wagner act:

"Now I have a very simple answer on the question of amendments to the Labor act. More than a quarter of a century ago, I sponsored the New York State workmen's compensation law. It put New York in the lead among progressive States. And New York has stayed in the lead, because the workmen's compensation law and other similar laws have been amended and perfected as the years rolled by."

Green Indorses Wagner In Senate Race In N. Y. [Washington Bureau of The Sun] Washington, Nov. 1.—Senator Robert F. Wagner, campaigning for reelection in New York, today was given the personal endorsement of William Green, president of the American Federation of Labor, who said he was

(Continued on Page 8, Column 4)

HOUSING PLANS TO BE ENLARGED BY ROOSEVELT

Final Phase Of Program Will Care For Those With Medium Pocketbooks

Step To Be Delayed Until Financing Method Can Be Developed

By J. FRED ESSARY Washington, Nov. 1.—One further step was considered and tentatively approved at a White House conference today to round out the Government's housing program.

This would meet the requirements of persons or families with medium pocketbooks. Other classes have been accommodated in earlier projects of the New Deal regime.

The President made the announcement late today that this final plan had been taken up and examined. It will be held in abeyance until a satisfactory method of financing it can be developed.

Place For Small Investors One such method, it was added, would be recourse to a great reservoir of capital in the hands of small investors who now have no ready place to put their money.

Four phases of the housing program to which effect has been given were recalled today by Mr. Roosevelt in connection with the proposed fifth phase. These four are:

Home Owners' Loan Corporation, which has expended millions of dollars to save mortgaged properties for their owners.

Federal Housing Administration, which has financed other thousands of home owners in building dwellings at approximately \$10 a room a month.

Slum clearance, which has been extended to practically all the larger American cities.

The United States Housing Administration, which is building for people who can only afford to pay less than \$5 a room a month.

\$5 To \$10 Month Rental The problem now is to supply the needs of tenants whose income will allow for rentals between \$5 and \$10 a room a month. That was described today as the gap which it is necessary to fill if the housing program is to fit all classes of people.

It was to consider this need in time for possible action at the next session of Congress that the President today summoned a group of his advisers on housing matters. In the group were:

HENRY MORGENTHAU, Jr., Secretary of the Treasury.

JOHN HAYNES, Under Secretary of the Treasury.

STEWART McDONALD, Federal Housing Administrator.

G. B. LAMBERT, adviser to the Housing Administration.

A. H. FERGUSON, general counsel FHA.

JOHN M. DIERCKX, financial adviser, FHA.

Favors Bond Issue Various schemes were presented for raising the money to pay for housing of the new class. One such scheme contemplates a subsidy through tax exemption. Already there is what is known as the Lambert plan, which provides for partial exemption.

The President himself seemed inclined toward an offering of bonds to small investors, bonds that would pay from three per cent. to four per cent. and afford an investment as safe as any that could well be imagined.

He pointed out that there is an enormous pool of money in the hands of people with a thousand or so dollars to invest, which cannot be tapped by brokers or by investment bankers.

Many thousands of people with money of that sort will no longer deal

(Continued on Page 2, Column 8)

SEABISCUIT TOPS ADMIRAL BY THREE LENGTHS BEFORE PIMLICO CROWD OF 40,000

Sets Track Record And Shows Superior Speed And Courage Over Mile-And-Three-Sixteenths Route

Rises To Second Place In Turf Earnings, With Total Of \$340,000—Rice Says Victor Is Gamest That Ever Raced In U. S.

By GRANTLAND RICE A little horse with the heart of a lion and the flying feet of a gazelle yesterday proved his place as the gamest thoroughbred that ever reared over an American track.

In one of the greatest match races ever run in the ancient history of the turf, the valiant Seabiscuit not only conquered the great War Admiral but, beyond this, he ran the beaten son of Man o' War into the dirt and dust of Pimlico.

Breaks Pimlico Track Record

Head and head under the last far turn, Seabiscuit, ably ridden by George Woolf, beat War Admiral by a full three lengths down the last furlong with a dazzling burst of speed that not only cracked the heart of the Admiral but, in addition, broke the track record, set by Pompoon. Seabiscuit took a fifth of a second from the track record, which he now holds at 1.56 3-5.

The drama and the melodrama of this match race, held before a record crowd keyed to the highest tension I ever have seen in sport, set an all-time mark.

No Emotional Outburst At Post

You must get the picture from the start to absorb the thrill of this perfect autumn day over a perfect track. As the two thoroughbreds paraded to the post there was no emotional outburst. The big crowd was too full of tension, the type of tension that locks the human throat.

You looked at the odds flashed upon the mutual board—War Admiral 1 to 4, Seabiscuit 2 to 1. Even those backing War Admiral, the great majority of the crowd, felt their pity for the son of Hard Tack and Swing On, who had come along the hard way and had churned up the dust of almost every track from the Great Lakes to the Gulf, from the Atlantic to Pacific.

After two false walking starts, they were off. But it wasn't the fast-flying War Admiral who took the lead. It was Seabiscuit, taking the whip from Woolf, who got the jump. It was Seabiscuit who had a full length lead as they passed the first furlong. The Admiral's supporters were dazed as the 'Biscuit not only held this lead, but increased it to two lengths before they passed the first quarter.

Admiral Moves Up

The 'Biscuit was moving along as smoothly as a Southern breeze. And then the first roar of the big crowd swept over Maryland. The Admiral was moving up. Strike by strike, Man o' War's favorite offspring was closing up the open gap. You could hear the roar from thousands of throats—"Here he comes—here he comes!"

And the Admiral was under full steam. He cut away a length. He cut away another length as they came to the half-mile post—and now they were running head and head. The Admiral looked Seabiscuit in the eye at the three-quarters—but Seabiscuit never got the look. He was too busy running, with his shorter, faster stride.

For almost a half mile they ran as one horse, painted against the green, red and orange foliage of a Maryland countryside. They were neck and neck—head and head—nose and nose.

Seabiscuit Refuses To Quit

The great Admiral had thrown his challenge. You could see that he expected Seabiscuit to quit and curl up. But Seabiscuit has never been that brand of horse. I had seen him before in two \$100,000 races at Santa Anita, boxed out, knocked to his knees, taking the worst of all the racing luck—almost everything except facing a firing squad or a machine-gun nest—and yet, through all this barrage of trouble, Seabiscuit was always there, challenging at the wire. I saw him run the fastest half-mile ever run at Santa Anita last March, when he had to do it in his pursuit of Stagehand.

So, when War Admiral moved up on even terms, and 40,000 throats poured out their tribute to the Admiral, I still knew that the 'Biscuit would be alongside at the finish. The 'Biscuit had come up the hard way. That happens to be the only way worth while. The Admiral had only known the softer years—the softer type of competition. He had never

(Continued on Page 15, Column 5)

Grid Star Quits Dartmouth To Go With "Legion Of God"

Gates, Blocking Back, Torn Between Temptation Of Football And Call Of Cult, Chooses Latter

[By The Associated Press] Boston, Nov. 1.—Dean Lloyd K. Neidlinger, of Dartmouth, tonight announced that Harrington K. (Heavily) Gates, Dartmouth's star blocking back, had suddenly resigned from college to enter a religious cult.

Gates, a letter man, reported for football this year only last Wednesday, but scintillated in the Big Green's victory over Yale last Saturday.

The cult was named by the dean as "The Legion of God," with headquarters at Amherst, N. H., not far from Manchester, N. H. A spokesman for the college asserted that Gates, when seen at the headquarters, was dressed in dirty overalls and a ragged coat, and appeared to have passed through a period of "severe mental stress."

The football star was described by this same spokesman as apparently normal and happy when dining last Sunday with his football teammates, with much of his conversation directed toward Dartmouth's coming game

against Cornell. He suddenly left the college four hours later.

A written statement, signed by Dean Neidlinger, said in part: "I understand that he has given up football because the aggressive character of the game has been interpreted as contrary to the tenets of his faith.

"He seemed convinced that he should complete his college course, but was uncertain that he could remain in college and resist the temptation of football. . . . Since we cannot keep him, we have no alternative other than the acceptance of his resignation if he does not return shortly."

A star on last year's team, when blocking back, he cleared a path for his mates through an unbeaten season. Gates returned to college this fall, but kept away from the football field until last Wednesday. Let into the Yale game despite lack of practice, he was credited by many with turning the tide of the battle early in the game. He played in parts of three periods.