

ROOSEVELT SEES REDUCED DEFICIT FOR FISCAL YEAR

With Largest Peace-Time Revenue in History, Shortage Will Be About 2 Billions

DROUGHT NEED MAY HIKE RELIEF TOTAL

But Even That Won't Be More Than \$500,000,000, President's Forecast States; Present Fiscal Year's Receipts Estimated at \$5,655,839,000 Sum

Washington, Sept. 2.—(AP)—Predicting a new peak in the government's peace-time income, President Roosevelt's revised budget summary today forecast a \$2,097,000,000 deficit for the current fiscal year.

This figure, fixed in a re-check of earlier budget estimates late yesterday, compared with \$4,764,000,000 last year; \$3,575,000,000 in 1935 and \$3,989,000,000 in 1934.

The President's relief estimates had both favorable and unfavorable aspects. Although saying that unemployed are steadily being absorbed into industry, he balanced this with assertions that "substantial" expenditures would be necessary for drought relief and that it will be several months before it can be determined whether work relief rolls can be cut sufficiently to bring them within the limit of present available funds.

Even should additional appropriations be found necessary, however, Mr. Roosevelt said, these would total less than \$500,000,000.

Estimating receipts at \$5,655,839,000 for the year ending next June 30, the chief executive pointed out this was a net increase of \$12,000,000 over his original budget estimates last January, despite \$683,000,000 of unexpected losses in revenue through invalidation of special taxes under the agricultural adjustment act and other causes.

SUPPORT ASKED OF LOSING CANDIDATES

McDonald and Graham Managers Both Pledge Fight for Ticket

Raleigh, Sept. 2 (AP)—State Democratic headquarters today requested all candidates who lost in the recent primaries to work for the election in November of the party's nominees.

J. Wallace Winborne, State chairman, said he expected Dr. Ralph W. McDonald, Sandy Graham and John A. McRae, defeated in the gubernatorial race, to fight side by side for the party with the nominee, Clyde R. Hoey.

W. L. Lumpkin, manager of the McDonald campaign, and National Committeeman A. D. Folger, who managed the Graham fight, both visited Chairman Winborne this morning and tendered their services.

New Venire Needed For Legion Jury

First Panel of 92 To Be Exhausted Before Testimony Is Ready To Begin

Detroit, Mich., Sept. 2.—(AP)—A second panel of 100 veniremen was summoned in circuit court today as selection of a jury to try ten men charged with the Black Legion execution of Charles A. Poole, went slowly forward.

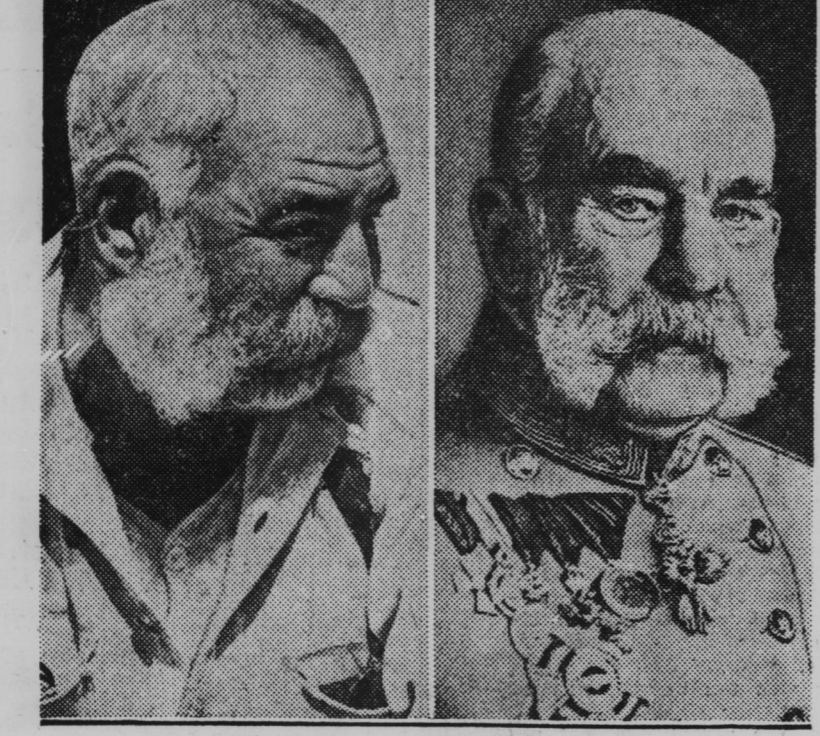
The new panel was called when it appeared the first panel of 92 would be exhausted before a jury was obtained.

Administrative officials in adjoining Oakland county, where 86 public officials and employees were named by Circuit Judge George E. Hartwick as having joined the Black Legion, perused his grand jury report today to determine whether the cult members should lose their positions.

Governor Frank D. Fitzgerald said he would recommend dismissal of any of the 35 State employees named in the report who were found to be active members of the secret order. Two more Detroiters of 21 indicted for arson by the grand jury in an alleged Black Legion plot to burn a Communist camp were arrested here.

East Carolina Tobacco Well Above 1935 In Price Ranges

Sourdough or Sovereign?



"Lucky" Blackiet (left), prospector who offered the latest clue as to the whereabouts of Judge Grater, is now the center of a mystery of his own, on the strength of his resemblance to Emperor Franz Joseph of Austro-Hungary (right). A deputy sheriff is convinced that Blackiet is the missing Archduke Johann of Tuscany, who disappeared years ago. The missing Crown Prince is the same age as the grizzled prospector. He became next in line for the Austrian throne when his brother, Rudolph, was found dead in a hunting lodge. (Central Press)

Japan Surpasses U. S. And Great Britain In Submarine Strength

London, Sept. 2 (AP)—Japan, in a formal note today, announced it intended to retain 15,598 tons of submarines in excess of the United States and Great Britain.

Under the treaty, British, the United States and Japan are allowed 52,700 tons of submarines each.

REBUILD ROAD IN NANTAHALA GORGE

Approval Given to Project For Relocation of Scenic Route

Raleigh, Sept. 2.—Plans for relocating and rebuilding a portion of Highway No. 19, formerly No. 10, which now runs along the Nantahala river through the Nantahala Gorge, have been approved as a result of an agreement reached with the Nantahala Power Company under which it will pay part of the cost of building the new strip of highway which will be about 10 miles in length.

CONSTRUCTION ON PARKWAY STARTED

Blue Ridge Highway In Mt. Mitchell Vicinity Getting Under Way

Raleigh, Sept. 2.—The actual construction of 17.6 miles of the Blue Ridge Parkway is now assured in the Mt. Mitchell section as a result of the action of the National Park Service in awarding the contract for a second sector of 7.2 miles from Big Laurel Gap to Balsam Gap and the announcement that bids would soon be called for on a third link of seven miles extending from Balsam Gap to Bee Tree Gap.

Ehringhaus Will Delay Naming Of Noble Successor

Raleigh, Sept. 2.—(AP)—Governor Ehringhaus said today it would probably be some days before he would name a successor to Dr. M. C. S. Noble, Jr., who late yesterday resigned as assistant revenue commissioner.

MISS JAMIESON TO REPRESENT STATE

Raleigh, Sept. 2.—(AP)—Governor Ehringhaus designated Miss Margaret Jamieson, of Oxford, to be "Princess North Carolina" at the National Tobacco Festival in South Boston, Va., on September 10-10.

Greenville Sold 978,176 Pounds for \$22.66, Compared With \$17.17 Last Year

WILSON AVERAGE IS UP BY FOUR CENTS

Robersonville Reports \$25.93, Farmville \$23.79, With Kinston Estimated at 22 to 25 Cents for First Day's Sale; Heavy Offerings Handled

Raleigh, Sept. 2 (AP)—The second day of tobacco sales brought lighter offerings on some New Bright Belt market today after opening prices yesterday, higher than last year, pleased growers.

Sales supervisors at Goldsboro said 132,066 pounds were sold there yesterday at \$22.87 per hundred, compared with 186,542 pounds on the opening day last year at \$18.57.

At Rocky Mount 791,120 pounds were sold yesterday at \$24.10 per hundred. Upwards of 500,000 pounds were on the warehouse floors today.

Official tabulations on the Wilson market disclosed today 984,972 pounds were sold yesterday at an average price of \$23.56 netting receipts of \$232,076.84.

At Smithfield 75,126 pounds were sold this morning at an average of \$25.16 per hundred, farmers getting \$18,901.70.

Raleigh, Sept. 2.—(AP)—Opening day prices several cents a pound higher than those prevailing last year cheered New Bright Belt tobacco growers today.

Sales at all the 14 markets had not been tabulated today, but available figures from yesterday's sales indicated a price average well above 20 cents.

George L. Wainwright, sales supervisor at Wilson, estimated sales in the ten warehouses there at 1,000,000.

DEMAND PERSISTS FOR FALL BUYING

Corporate Tax May Not Be Levied if Landon Wins; Rails Pick Up

By LESLIE RICHEL, Central Press Staff Writer
 RETAIL MEN, interviewed at their counters, say they seldom have seen such a persistent, and increasing demand for goods.

This autumn and winter promise to break all records—especially in luxury goods.

"People already are buying for Christmas," one man at a jewelry counter in the highest-priced store in a city said.

"A few years ago they waited till the last minute—or did not buy at all. 'Fear has disappeared.'"

Trials of Black Legionnaires, beginning August 31, in Detroit, are not relished by some.

The Black Legionnaires are supposed to be ready to impart a great deal of information, tying up with politicians and a few others in the public eye.

There has been a rumor, for example, that the State radio system as a means of reducing highway accidents and crime in North Carolina.

Lung Yields Tooth



Little Elizabeth James, 8 (above), of Toronto, Canada, is recovering after the extraction of a tooth from her lung in Philadelphia. Physicians in Toronto tried unsuccessfully to remove it, but the Philadelphia bronchoscopic took it out as easily as a dentist pulls one. (Central Press)

ROOSEVELT, LONDON MEET AT DROUGHT PARLEY TOMORROW

President and His Rival for Office Next Four Years Face Each Other in Iowa

WATER CONSERVING IS LONDON'S PLAN

Was Urged by Him in 1934 Drought; Memorable Conference To Be In Des Moines With Half Dozen Other Governors in Attendance on Gathering

Washington, Sept. 2.—(AP)—Precipitating a Roosevelt-Landon meeting on ground termed non-political by both a search for answers to the "worst drought" in climatological history again will center national interest tomorrow.

The great dry spell of 1936, officially labeled the "worst" by the Weather Bureau in August, but since alleviated in some sections by rain, will bring the President, the Republican presidential nominee and six other governors to a Des Moines conference table.

A total of 1,092 counties in 23 states on the Federal emergency list. A sun-burned corn crop officially estimated at more than 800,000,000 bushels under that or last year.

An army of farmers, reported at more than 116,000 by WPA, working on emergency relief projects.

An initial expenditure of around \$15,000,000 by three drought relief agencies with tens of millions more in prospect.

President Roosevelt, heading eastward from Salt Lake City for the parley, had with him the report of his special drought committee, drawn after a tour through the heart of the drought land.

The committee recommended, among other things, the construction of thousands of small dams, the removal of sub-marginal lands from commercial production, soil conserving practices, such as re-grassing, flood irrigation, long-term credit for farmers and crop insurance.

Governor Landon, preparing at

along for the State radio system as a means of reducing highway accidents and crime in North Carolina.

REBELS' ARTILLERY OPENS NEW ATTACK ON IRUN DEFENSES

Second Ickes Tragedy



Wilmarth Ickes informed by a physician he was suffering from tuberculosis, Wilmarth Ickes, stepson of the interior secretary, shot and killed himself in the secretary's home at Winnetka, Ill., a Chicago suburb. Wilmarth was the son of the late Mrs. Harold L. Ickes and Prof. James Westfall Thompson, now a professor at the University of California. Mrs. Ickes was killed last year in an automobile accident in New Mexico. (Central Press)

Heavy Guns Swung Into Action by Both Sides in Continuing Battle in the North

MADRID LOYALISTS DEFY AIR RAIDERS

Socialist "Strong Man" Declares Fascist Rebels Have Lost Confidence and That "War Is Now Stationary"; Government Forces To Attack Oviedo

(By The Associated Press.)
 Fascist rebels hurled artillery fire anew today against embattled defenders of Irún, pushed to a last single line of defense while 100,000 government militiamen shouted defiance at rebel air raiders from the streets of Madrid.

The militiamen at Madrid marching through streets bombarded almost daily since last Friday night, raised clenched fists at the rebel salute in graphic defiance of the rebel threat.

The battle for Irún renewed with lifting of a fog. Machine gunners loosed relentless fire. Heavy artillery was swung into play by both sides.

Government militiamen, holding the Bay of Biscay city near the French border, were cheered by news that a new airframe at nearby San Sebastian was being rushed to completion as a base for Madrid's war planes.

Only the fog, government leaders said, frustrated a "final" assault on the long-besieged rebel city of Oviedo in the northern part of the country.

In Madrid, where the government said anti-aircraft guns and plane detectors had thus far balked important success for rebel air raiders, officials announced victorious sorties by government planes on several insurgent strongholds.

Indalecio Prieto, Socialist "strong man", declared the Fascist rebels had lost confidence and "the war is now stationary."

COUGHLIN TARGET OF VATICAN PAPER FOR FDR ATTACKS

Criticism, However, Neither Official Nor Even Semi-Official, Prelates Assert

DETROIT PRIEST IS FREE TO CONTINUE

Denial Is Made That Pope Pius Approved Completely Activities of Coughlin; But Paper's Criticism Does Not Mean Vatican Wholly Disapproves

Vatican City, Sept. 2 (AP)—The Osservatore Romano, authoritative Vatican organ, today publicly criticized Father Charles E. Coughlin's recent speech assailing President Roosevelt as "a liar and a betrayer."

Prelates, however, said Coughlin was free to continue his political activities, provided he does not denounce public authority.

The Osservatore Romano editorially, which prelates said was not to be considered official or semi-official, stated:

"In some American newspapers it has been said that when Bishop Gallagher (Bishop Michael J. Gallagher of Detroit) was in Rome he was given to understand the holy see approved completely the activities of Father Coughlin."

"That is not true. Bishop Gallagher knows very well what was said to him on that matter."

"It is extremely notable that an orator offends when he inveighs against persons who represent supreme social authority, with the evident danger of disturbing the respect due the authorities themselves by the people."

2 Columbus Girls Given Farm Terms

Whiteville, Sept. 2.—(AP)—Grace and Glenn Fowler, sisters in their teens, who were reported victims of a night riding band some months ago, pleaded guilty to charges of prostitution today and were sentenced to indeterminate periods in the women's farm colony near Kinston.

Another sister, Karoly, who also said she was flogged, was ordered to appear in juvenile court on a similar charge. She is under 16.

The Columbus county grand jury examined two score witnesses last week in an investigation of the alleged activities of the night riding band, but adjourned without returning any indictments.

Rebels Take Iron Suburbs In Mad Dash

Diplomats Seek End Of Civil War To Avoid General European Warfare

(By The Associated Press)
 Determined waves of rebel troops stormed and captured government trenches outside of Irún today, gaining a clear path to the suburbs of that besieged northern Spanish city.

But at Madrid the Socialist government announced its fliers had found and destroyed a secret airframe from which the Fascist rebels have been conducting aerial raids on the capital.

At Hendaye, France, Daniel Garcia Mansilla, the Argentine ambassador to the Spanish capital, said tonight foreign diplomats accredited to Madrid will appeal for a cessation of hostilities in Spain.

OUR WEATHER MAN

 FOR NORTH CAROLINA.
 Mostly cloudy, showers in west portion tonight and in north and west portions Thursday.