

JAPAN AND RUSSIA MOBILIZING FOR WAR

Huge Appropriations Bills Quickly Passed In Congress After Fiscal Year Is Over

ARMY SUPPLY BILL PASSES, PROVIDING FOR \$415,000,000

Interior Department's \$135,000,000 Measure Also Passes Short While Before

CCC, RAILWAY BOARD ALSO PROVIDED FOR

Non-Military Appropriations of War Department Passed for \$247,000,000; Flood Control Given Huge Slice of Money Made Available

Washington, July 1.—(AP)—Congress virtually completed action today on two major appropriation bills left pending when the fiscal year ended last midnight.

A House-Senate deadlock was broken when the Senate agreed to a conference report on the \$415,000,000 army appropriation bill, and sent it to the White House without the appropriations for the War Department's non-military activities. It had approved a few minutes earlier a conference report on the Interior Department appropriations bill carrying \$135,000,000. The House was expected to approve that report during the day.

The Senate also completed congressional action on a \$449,930,000 appropriation bill for the CCC, the Railroad Retirement Board and other agencies which were not included in the regular supply bills. This measure was forwarded quickly to the White House.

Approval also was given by the Senate to a measure continuing until July 15 former appropriations for the Interior and War Departments which will permit them to operate until President Roosevelt signs the two appropriations bills.

Later the Senate passed and sent

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2 Suspects Being Held In Killings

Food, Cal., July 1.—(AP)—Two men, one the scion of a prominent Los Angeles family, the other a transient ex-convict, were held today in connection with the brutal kidnap-murder of three young girls.

The ex-convict, Luther Daw, was charged with suspicion of murder after he was identified as the man who played with the three victims before they disappeared last Saturday. Officials withheld the name of the other chief suspect.

Captain William Penfrase, of the

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Oaths Given To Winborne And Barnhill

Two New State Supreme Court Justices Assume Duties at State Capital

Raleigh, July 1.—(AP)—Maurice V. Barnhill, of Rocky Mount, and J. Wallace Winborne, of Marion, became associate justices of the North Carolina Supreme Court in a history-making ceremony today as the court membership increased from five to seven.

Judge Barnhill, veteran of more than a dozen years on the superior court bench, took his oath first and

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In Wedding-of-the-Season



Pictured at the tea house adjoining the gardens of Owl's Nest, the estate of Mr. and Mrs. Eugene du Pont at Greenville, Del., are Ethel du Pont and Franklin D. Roosevelt, Jr., prior to their wedding, June 30th. (Central Press.)

Business In Past Year Better Than 1929, Boost In State Income Shows

Income Tax Totals Set New All-Time Record for State, Amounting to \$11,013,081; Virtually All Lines of Business Show Improvement in Profits

Daily Dispatch Bureau, in the Sir Walter Hotel, By J. G. BASKERVILLE
Raleigh, July 1.—Business conditions during the fiscal year which ended at midnight last night than for the corresponding period ending June 30, 1929, judging from the State income tax collections this past fiscal year, amounting to \$11,013,081, Commissioner of Revenue A. J. Maxwell said today, in commenting on the total collections just released by the department of revenue. Total general fund collections this past fiscal year amounted to \$37,089,925 as compared with collections last year of \$28,755,425, an increase of \$8,334,500 from the same taxes and under the same revenue act—an increase of 28.98 per cent.

Highway fund collection showed an increase of 14.34 per cent over collections during the 1935-36 fiscal year, with receipts of \$31,401,000 this past year as compared with \$27,194,885 for the previous year—an increase of \$4,206,115.

The increase in the collections for both funds was \$12,234,015 greater this past fiscal year than during the year ending June 30, 1936, the final figures of the Department of Revenue show, with a total of \$68,184,327 collected from general and highway fund

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MAN ARRESTED FOR THREATENING FDR

Morton Wainwright, 72 of Winthrop, Mass., Faces Arraignment on Those Charges

Boston, July 1.—(AP)—Federal officers today arrested Horton Wainwright, 72, of Winthrop, and charged him with writing threatening letters to President Roosevelt. Texts of the letters were not divulged, although officers said they threatened death to the President.

The arrest was made by Alonzo Rice, a secret service agent. The letters were written over a 16-month period, authorities said.

Wainwright formerly was a deputy United States marshal at Seattle, Wash. His arraignment was set for later in the day.

FAGAN QUITS BANK JOB; AYRES NAMED

New Bern, July 1 (AP)—Fred Ayres of Washington, N. C., was appointed receiver of the Bank of New Bern and four other national banks in this section today succeeding Frank F. Fagan, resigned.

ROOSEVELT DIDN'T LIKE EARLE BLAST

President Prefers To Do Own Announcing About Any Third Term

By CHARLES P. STEWART
Central Press Columnist
Washington, July 1.—President Roosevelt, they say (it isn't verifiable, but it sounds mighty probable), was not a bit pleased by Gov. George H. Earle's nomination of F. D. R. for a third term in the White House.

F. D. R. may or may not want another term, but it is quite understandable that he greatly objects to have a boom started for him at this juncture. In fact, he cannot possibly desire to be the first third-term. Still, perhaps he can be drafted. But there is a deal of difference between being "boomed" and being "drafted."

A Difficult Position.
If boomed, away in advance of 1940, the impression cannot but be given that he is the inspiration of the boom. That would mean that he must ac-

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300,000 SOLDIERS OF SOVIETS PUT ON AMUR RIVER FRONT

Border of Japanese Puppet State of Manchoukou May Be Scene of Far East War

SOVIET WITHDRAWAL DEMANDED BY JAPAN

Tokyo Cabinet Decides Only Evacuation of Russian Fighters and Gunboats From Amur River Area Can Effect Peace; Ready for Any Eventuality

Tokyo, July 1 (AP)—Japanese reports said tonight five more Soviet gunboats had appeared today at Sunufu island in the Amur river, where an alleged Soviet "invasion" has led to an armed clash between the Russian river craft and Japanese-Manchoukou border artillery.

Earlier in the day Emperor Hirohito called upon high defense heads for the facts in the Russo-Japanese crisis after a Japanese cabinet decision that only the immediate withdrawal of Soviet fighters and gunboats from the disputed Amur river borderlands could effect a peaceful settlement.

In an uneasy atmosphere of official silence indicating a ban on dispatches from the trouble zone that lies between Soviet Siberia and Japanese-sponsored Manchoukou, the armies of the so-called puppet state were announced to be prepared for any eventuality.

From both sides of the frontier came reports of massed troops movements following a naval-artillery burst of violence—some newspaper divisions said the Soviets had mobilized 300,000 men in 18 divisions of their vast Far Eastern red army, supported by planes, armored cars and tanks.

HIGHWAY PERSONNEL IN DISTRICT NAMED

Commissioner T. B. Ward Appoints Markham District Engineer; Others Are Selected

Wilson, July 1 (AP)—State Highway Commissioner T. B. Ward announced today that E. Markham, division engineer, would be in charge of the fourth division, which has established headquarters here. W. H. Rogers, Jr. was named his assistant.

The division has been divided into three districts. Raleigh has been designated headquarters for Wake, Franklin and Vance counties. J. W. Taylor is district engineer.

F. M. Edgerton will be district engineer in charge of Wayne and Johnston counties, with headquarters at Goldsboro. Nashville is headquarters for Nash and Wilson counties, and T. D. Grantham is engineer in charge.

Parsons Case Note Dropped At Lillington

Dunn July 1 (AP)—Sheriff W. E. Salmon, of Harnett county, announced today he was investigating a note dropped from a speeding car and apparently purporting to be a message from Mrs. Alice McDonnell Parsons, of Long Island, who disappeared May 9.

Salmon said the note, obviously hastily scrawled, read: "I'm being held near Raleigh." It was signed "Mrs. Parsons."

A. H. Phelps, filling station operator near Lillington, told Salmon it was dropped from an automobile as it dashed swiftly by his station.

The sheriff notified the Department of Justice, who he said was also making an investigation.

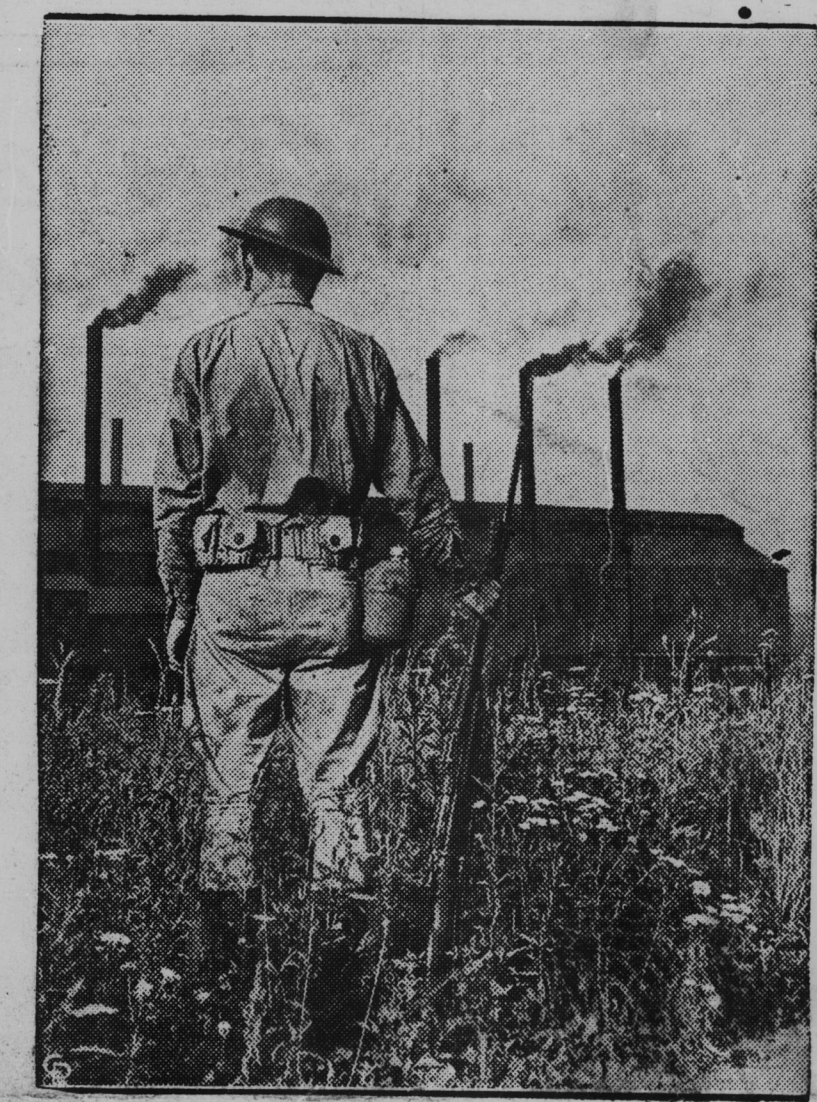
A kidnaping theory was advanced to account for Mrs. Parsons' disappearance after officers found a note demanding ransom. No clue to her whereabouts has been reported since she dropped from sight.



OUR WEATHER MAN
FOR NORTH CAROLINA. Generally fair tonight and Friday, with moderate temperature. 15045

Tri-Power Money Agreement To Remain, Morgenthau Says, Despite Affairs In France

STEEL STACKS SMOKING AGAIN



Trooper on guard as stacks smoke Tall stacks of some steel mills affected by C. I. O. strike are smoking again as many workers return to jobs under militia protection. This photo was taken at a plant of the Youngstown Sheet & Tube company, Youngstown, O. —Central Press

Union Chief Is Put Under \$50,000 Bail

Gus Hall Surrenders To Police; Inland Plants In Chicago Open on Truce

Warren, Ohio, July 1.—(AP)—Gus Hall, Warren-Niles district CIO organizer, surrendered to police today on a charge of unlawful possession of explosive devices in connection with disorders in the steel strike.

Hall, who was accompanied by Lee Pressman, CIO general counsel, waived preliminary examination before municipal Judge Ralph Speaks, and was bound to the grand jury under \$50,000 bond. Pressman said he could not say whether bond would be given.

Sidney Watkins, 29, arrested yesterday, was arraigned on the same

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GOLDSBORO MAN IS PAROLE SUPERVISOR

Raleigh, July 1.—(AP)—Parole Commissioner Edwin Gill announced today appointment of W. Dorich Langston of Goldsboro as parole supervisor.

RENTAL FEES FOR SCHOOLS ARE SET

Figure Varies in Several Counties; Also Fixed for Supplementary Reader Texts

Raleigh, July 1.—(AP)—The State Textbook Commission, handling the free distribution of basic texts to elementary school pupils and rentals to high school students, set rental fees at \$2.50 a year for high school pupils of Wake, Johnston, Harnett, Moore, Carteret, Hyde, Brunswick and Lee counties today.

Books for use in both the free and rental systems are being distributed throughout the State. A rental fee of 60 cents a year was set for supplementary readers it was estimated. Some 30 counties would use, with a fee of 50 to 70 cents for three readers under another plan and a fee of \$1 to \$1.40 for rental of ten readers under a third system.

Amelia Ready For Long Water Dash

Oakland, Cal., July 1.—(AP)—George Palmer Putnam announced that his flying wife, Amelia Earhart, would take off at 4:30 p. m. (eastern standard time) today on the hazardous 2,570-mile flight from Lae, New Guinea, on her flight around the world.

Putnam said she possibly would complete the hop in 19 hours.

TRIO ARE HELD IN CREMATION DEATH

Kinsmen Charged With Slaying of Machinist at Burgaw Year Ago

Burgaw, July 1 (AP)—Three kinsmen were held without privilege of bond today after a magistrate's court bound them over to the grand jury on a charge of murdering Paul Krochmalny, Toledo, Ohio, machinist and cremating his body in a furnace on their farm.

Solicitor John Burney said the trio, Pete Krochmalny, his son, Paul, and Irwin Williams, Pete's son-in-law, would be brought to trial here July 19.

At the preliminary hearing Nick Zaravio, a St. Helena farmer, testified he saw Pete and young Paul Krochmalny burn the body of the elder Paul, Pete's brother, in the furnace of a dairy sterilizer the night of April 4, 1936, while Williams stood guard with a rifle.

WOLTZ WILL HELP DIRECT SALES TAX

Gastonia Man Named to Revenue Department Post by Commissioner A. J. Maxwell

Raleigh, July 1.—(AP)—Revenue Commissioner A. J. Maxwell announced this afternoon appointment of A. E. Woltz, of Gastonia, as assistant director of the sales tax division and selection of nine new division inspectors and eight new junior auditors.

New inspectors to join seven now working include: William David Fuller, of Wood.
New junior auditors, who will devote their work mainly to enforcement of the revised sales tax law and its levy on building materials, include Milton Lee Dale, of New Bern.

U. S., BRITAIN AND FRANCE CONTINUING THEIR COOPERATION

Morgenthau Calls Reporters To Announce Policy of United States In Crisis

STABILIZATION NOW THEIR CHIEF GOAL

To Buy and Sell Currency to Prevent Sharp Fluctuations In International Exchange; Morgenthau In Constant Touch With Two Constants

Washington, July 1.—(AP)—Secretary Morgenthau announced today the tri-power monetary agreement would be continued despite the financial crisis in France.

Calling reporters to an early morning press conference, the Treasury secretary made public a communication to Georges Bonnet, France finance minister, saying this country "looks forward to a continuation of close cooperation between our treasuries under the tripartite declaration."

The monetary understanding, effected last September between Great Britain, France and the United States pledges participating nations to use stabilization funds to prevent sharp fluctuations in international exchange. The stabilization funds buy and sell currency to raise or lower its value and maintain steady money relationships.

Morgenthau said he had been in constant touch with British and French financial authorities during the French crisis.

Morgenthau told reporters there had been "no changes in any technical arrangements under the agreement."

This statement indicated participating nations would continue to permit the free movement of gold between their central banks and stabilization funds.

TOBACCO MEN PLAN OPENING SCHEDULE

Association Meets at Old Point Comfort To Arrange for Coming Selling Season

Old Point Comfort, Va., July 1.—(AP)—Committees of the Tobacco Association of the United States assembled here today to prepare their reports for action of the 37th annual convention of about 250 delegates representing tobacco interests in all parts of the country.

The sales committee will announce opening dates for markets in the various belts tomorrow morning, following the address of E. J. O'Brien, Jr., of Louisville, Ky., president of the association.

Problems of the tobacco industry will be discussed by a number of government representatives tomorrow. Among them will be C. E. Gage, of Washington, senior marketing specialist of the Department of Agriculture, and J. C. Lanier, of Greenville, N. C., formerly connected with the tobacco division of the AAA.

Mussolini's Paper Hits 2 Nations

(By The Associated Press.)
Italian Premier Benito Mussolini's newspaper, Il Popolo d'Italia, of Milan accused Great Britain and France today of violating the Spanish non-intervention agreement.

An editorial regarded by some observers as from the pen of Il Duce himself, declared Great Britain had supplied the Spanish Valencia government with arms and men, and that big recruiting stations for war volunteers were operated in France.

British officials showed but scant interest in the latest of Italian attacks on British policy.

Instead, Britain looked to Rome and Berlin for suggestions to rebuild

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