FIVE CENTS COPY

Situation Declared More

Acute Than At Any Time

Since Fight at Marco

Polo Bridge

AND SOLDIERS KILLED

Planes Strafe Fleeing

Troops After Bombings;

Langfang Heavily Damag-

ed; Japanese Leader

Warns of "Drastic" Puni-

tive Campaign in Uutima-

(By The Associated Press.)

Japenese planes blasted barracks of

the 38th Chinese army division and Lieut. General Katsuki, commander

of the Japanese army in North China,

The situation apparently was more

acute than at any time since July 7 when Japanese and Chinese troops clashed at the Marco Palace bridge.

west of Peiping. General Katsuki

warned the Japanese had drawn up

all available strength for a "drastic

punitive campaign" if recaltraint Chi-

nese 37th divisinn troops are not removed in fulfilling the ultimatum from the embattled Peiping area by

General Sung Chech-Yuag, North

Chinese commander and chairman of

the Hopeh-Chahar political council,

was reported without confirmation to

Chinese troops fled from their bar-racks, midway on the Peiping-Teint-sin railroad during the aerial attack and were strafed by the Japanese

Agency said the Chinese forces were

town. The battle, one of the blood-

iest in the intermittent fighting be-

tween Japanese and Chinese over eco-nomic domination of the north China

province of Hopeh and Chahar, shat-

tered a week's truce between local

Chinese and Japanese military autho-

COTTON CONTINUES
TO DRIFT DOWWARD

New York, July 26 (AP)-Cotton fu-

tures opened today barely steady down

four to ten points under foreign and

hedge selling there were few contrac-

tive developments over the week-end.

losses of 13 to 20 points during the first half hour on indifferent demands.

September eased to 10.83 and was at the low at midday with prices 25 to 31

July 11.90

October 11.14

December 11.03

January 11.06

March 11.10

points net lower.

Initial declines were extended to net

northwes

on the brink of war.

noon Wednesday.

in "full rout"

have ordered to "resist."

issued another ultimatum.

North China tettered again today

HUNDREDS CHINESE

STRIKE VIOLENCE

Police and Pickets Battle About Gate of Republic Steel Corporation Plant

SOME 1,500 STRIKERS BATTLE 100 OFFICERS

One Man Critically Injured When Run Down by Automobile; Strikers and Sympathizers March on City Hall in Protest to Police Action in Strike

Cleveland, July 26.—(AP) -Steel strikers violence broke out anew today. At least 20 persons were hurt in rioting at Republic Steel Corporation. Corringan-McKinney plant at Cleveland; eleven were arrested. Clashes occurred when police broke

through CIO picket lines. Tom Clowacki, 51, picket, suffered critical injuries when he was run down by a car containing four men trying to enter the plant. Two police

Some 1,500 strikers and sympathiz ers, witnesses said, massed around one of the approaches to the plant's

main entrance. Around 100 officers, many on horses and motorcycles, tried to clear a path. At first only boos and cat calls came from the crowds, but as more cars carrying more non-strikers passed through the lines, rocks flew

from the strikers, police said. Melees which followed mounted Patrolman Rowley Oker was hit in the back of the head. He remounted and charged the crowd of 300 on the sidewalk, withnesses said, bringing his night stick down on a strikers head, Maticiga Mames, 35, and col-

lapsed after the blow. After the violence, first here since Republic reopened its Cleveland plant on July 6, strikers marched on city hall in protests against police action. The ranks swelled and the milling crowd was estimated at 5,000.

LEWIS ASSAILED AT

State Federation Speaker Declares CIO "Defunct" and Tactics Bad

Salisbury, July 26 (AP)—Holt Ross, of Atlanta, associate director of the southern division of the American Federation of Labor declared the CIO rival labor group "had been defunct and its leaders discredited" today at the opening of the 31st annual convention of the states' federation.

Ross said the "leadership of John Lewis, CIO head, was likely to result in a severe setback to all organized

Unless CIO ceases contract violation, illegal sitdown strikes and autocrafts domination of workers and driving pickets to slaughter, to fear congress, at the unresistence of outraged public opinion will pass legislation to government labor organization that they will be rendered impotent and no feal value to workers."

Convention delegates of more than 100 unions were welcomed here by civic officials

in the gathering.

Dooling Dies LITTLE ADVANCE FOR LEADING STOCKS Of Stroke In New York

Leader Succumbs Bonds did better and around 900,000 shares. Sometime

New York, July 26 .- (AP)-James Dooling, Tammany Hall chieftain. died of a stroke today at his home at Belle Harbor, Queens. Dooling, 44, had been in ill health

for months. He was stricken last winter and had had numerous lesser strokes in recent months. The brief announce ment of his death at his home said he died at 7:30 a. m., this morning.

His family was with him when he said the died at 7:30 a. m., this morning.

His family was with him when he said the died at 7:30 a. m., this morning.

Southern Railway. Southern Railway 34 His family was with him when he

Continued on Page Five.)

Boy, 16, Inventor, Takes Army Plane, Cracks Up

to Scottsboro Boys

raised the roof of Pennsylvania Sta-

welcome to four bewildered Negroes

freed in the latest chapter of the

when hundreds of cheering, shoving

Negroes stormed heavy police lines to

shout a lusty salutation to the dusky

quartet and their chief defense con-

sul, Samuel Leibowitz as they arrived

shouts of the perspiring masses as

ged through the crowd by police to

companions receiving sentences rang-

for an alleged mass attack on two

Tells of Debt She Owed

One of Defendants Be-

fore Here Husband

Was Slain

Burgaw, July 26 (AP)-Mrs. Anna

Krocrmalny testified today she had

been in debt to Pete Krochmalny, one

of the three men charged with killing

her husband, Paul, but had borrowed

money and paid off the indebtedness since Paul disappeared last year.

Pete, his son, Paul and his son-in-

aw, Erwin Williams, alleged by the

State to have slain the elder Paul,

the brother of Pete and designated

Mrs. Krochmalny said she had owed

her brother \$700 and as security he

with borrowed money, the State intro-

duced records from the office of the

through the trial as Old Paul.

Scottsboro rape case.

maze of traffic.





Julius Balmut in detention

Because he was working on an invention to improve flying and wanted to fly to Washington with it to show to the secretary of war, a 16-year-old Cleveland boy, Julius Balmut, took an army biplane from an Ohio National Guard hangar at Cleveland

Wreckage of plane that Julius borrowed

municipal airport. But he did not get far. He cracked up trying to take off. He escaped injury but wrecked the ship he was in and ran into another. Repairs will cost \$20,000. The boy was held by juvenile detention authorities.

Harlem In Welcome To

New York Mayor One of Country's Brainest Men; Pro-New Deal

By CHARLES P. STEWART Central Press Columnist
Washington, July 26.—Editor William Allen White, in his Emporia

(Kan.) Gazette, recently nominated Mayor Fiorella H. La Guardia of New York for the leadership of a resuscitat ed Republican party. This is another suggestion that just

isn't logical.

Mayor La Guardia has plenty of excellent qualities. He is one of the brainiest public men in the country. He is a human dynamo. He is a radical of an exceedingly rational type. His record in congress was a brilliant one and it generally is agreed that he has given New York City a first rate administration.

He consists of the stuff that leaders are made of. But he could not possibly be the kind of leader that the G. O. P. needs from the South.

at this juncture. He's Pro-New Deal.

The G. O. P. has got to be an anti-New Deal party. If it is a pro-New Deal it simply is not a separate alignment. Not being a separate alignment it could have no place, at its head, for separate leader. Now, La Guardia is, in effect,

(Continued on Page Eight.)

SMALL BOY FALLS FROM AUTO, DIES were goggled eyed at the welcome.

New Bern, July 26 (AP)-Injuries he received when he fell from his father's car Sunday afternoon proved fatal to Bill Dix, six year old son of W. T. Sanderlin, prominent local lumberman. The accident occurred near Mayesville.

A car door which he was leaning against came open while his father Federation officers said they failed to indentify any CIO representatives in the gathering.

against came was reportedly driving 50 miles per was reportedly driving 50 miles per hour and precitpated the boy to the pavement. The Sanderlins were returning from a family reunion.

New York, July 26 (AP)—Leading stocks found difficulty in extending their advance in today's market. While a number of specialties forged ahead, the main steel, utilities motors and rails mingled back away under profit selling.

Early losses to a point or more were Tammany Hall's cut down moderately near the fourth hour but volume was small.

Bonds did better and transfers were American Aadiator 22 1-2 Atlantic Coast Line 53 Atlantic Refining 30 Bendix Aviation 21 5-8 clerk of court.

money.

4 Negroes Group Consideringa Feasbility of Justice Depart-Swarming Negroes ment Gathers in Raleigh

Shout Lusty Wel-Raleigh, July 26 (AP)—Two members of the committee considering the feasibility of creating a state Departcome in New York ment of Justice, today conferred with Governor Hoey and Attorney General A. F. Seawell.

Major L. P. McLendon, of Greensboro, expressed the opinion without New York, July 26.—(AP)—What enlarging on it the state could create ent constitution if "a liberal interpretion today in shouting a thunderous

tation" was given basic law. The legislature authorized submis sion to voters in 1938, which would permit such a department. Several elbowed and half mauled spectators were trampled underfoot

McLendon and McLean, of Lumberton, were the only members of the commission here, though a meeting had been called. Absent were Clayton Grant, of Wilmington, Don Gilliam of Tarboro and Lyle Jones of Asheville.

EARL C. TOLSON, 55 "Hurran for Mr. Leibowitz," "Hur-**DECLARED SUICIDE** rah for the Scutsborn boys," were the

the attorney and four youths alighted New Bern, July 26 (AP)—Earl C. from the train and were all but drag-Tolson, 55 died at his Swansboro home Sunday morning of a bullet wound in his heart, said by Onslow county corcars who carried theri through a oner Timmons Jones, to have been The Negro youths, freed at Decatur, Ala., Saturday, in one of 11 self inflicted. Members of the family found him dying in a second floor trials which resulted in five of their bedroom, after hearing a shot about 7 o'clock. No reason was given for ing from 20 years to the death penalty the act and no inquest was held. Tolson was a brother of former Mayor white girls on a freight train in 1931, H. G. Tolson, of this city, and was prominent in his county.

INSURGENTS GAIN IN MADRID DRIVE

Government Troops Retreating Before Powerful Trusts of Franco's Men

(By The Associated Press) Government Spanish army retreated on two fronts today in the face of powerful insurgent attacks.

The front west of Madrid shifted to Villa Neuva De La Canada after General Jose and Maija's government forces were driven from Brunete yesterday by a withering insurgent at-

Both sides have massed more men (Continued on Page Eight.)



FOR NORTH CAROLINA. Generally fair tonight and Tues day, preceded by local thunder-showers on the coast this afternoon or early tonight; somewhat cooler tonight.

DISTILLERS HAVE TROUBLE PUTTING LIQUOR DRY AREAS

Increased Vigilance of Federal State Authorities Make Shipments Difficult

TRUCKERS USE FAKE S. C. DEALERS NAMES

Federal Authorities Stopping and Holding Up All Shipments to N. C. Not Showing Bona Fide Dealer in Adjacent Wet States; Trucks Used Here Within State.

Daily Dispatch Bureau. In the Sir Welter Hotel. Raleigh, July 26.—Distillers in general are having more and more trouble in delivering liquor to bootleggers in so-called "dry" counties in North Carolina as a result of increased activity by the Federal government and by the State Liquor Control Board, it was learned here today. One company has been having so much trouble in making deliveries of liquor to its "dealers" in and around Burlington that it is understood to have offered a South Carolina dealer a "bonus" of 50 cents a case for the privilege of making out its invoices to this South Carolina dealer, although the shipments were to be made to Burlington and other points in Alamance county

with some possibly destined for Greensboro and Guilford county. "It has been reliably reported to us that several distillers who have been making large sales to bootleggers in the State are having more and more trouble in making deliveries recently due to increased vigilance on the part of the Federal government with regard to all liquor shipments into dry states or dry counties and because of the regulations adopted by the State liquor control board, prohibiting any shipments of liquor by truck to any of the legal liquor stores in counties having liquor control." Chairman Cut-lar Moore of the State Liquor Control Board said today. "For the Federal government is stopping and holding all trucks transporting

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PEANUTS, POTATOES IN NEW FARM BILL

Washington, July 26 (AP)—Repre-centatives of North Carolina and Virginia began drafting tentative provisions today to include potatoes and peanuts in the new farm legislation

POSSE SEEKS SIX

Four of Ten Who Made Break at Bryson City Taken After Chase

Bryson City. July 26 (AP)—A posse with blood hounds searched Soco mountain today for six of ten convicts who escaped from a State prison camp near here Saturday night. Officers captured four of the men after a 12 mile chase over a mountain

The men taken were Wade Loftin, sentenced in Davidson county, Zeb Honsucker, sentenced in Mecklenburg C. E. Smith, sentenced in Robeson county and D. S. Spivey, sentenced in Lee county.

Daily Dispatch Bureau, In The Sir Walter Hotel,

"birthday party" celebrating the 350th Governor Hoey said.

Raleigh, July 26.—Governor Clyde

R. Hoey continues to be enthusiastic

about his visit to Roanoke Island's

anniversary of the founding of the

first colony on the American con-

tinent and of the birth of Virginia

Dare and took "time out" today to

tell this correspondent about some of

the things which impressed him most

during his visit to Manteo and Roa-

"Every person in North Carolina should visit Roanoke Island this sum-

by Paul Green and acted by a splen-

noke Island last week.

Hoey Enthusiastic Over

Visit To Roanoke Island

mer see Old Fort Raleigh as it has on the shore as it slopes down to the

been restored with replicas of the old waters of Roanoke Sound, while the

buildings and especially see and hear stage itself is built out over the sound.

Bombing Of Chinese Barracks By Japs Brings War Closer

New Diplomatic Post



James C. Dunn (above), former head of the division of foreign affairs in the State Department at Washington, is chief of the newly created "political relations department" designed to take over some of Secretary Hull's important duties.

(Central Press)

Congress Debates On Wage, Hours

Court Bill Expected Hundreds of Chinese and soldiers were said to have been killed at this Shortly From Sub- spot and the town Langfang heavily damaged. Doemi (Japanese) News Committee for Consideration

Washington, July 26 (AP)--Congressional leaders arranged today immediate considerations for the wage and hour bills and the first step in winding up the session.

A bill by Senator McCarran, Democrat, Nevada, to limit length of freight trains was at the top of the calendar.
Majority leader Barkley, (D. Ky.) said however, if it was not disposed of by late afternoon, he would have it laid aside for the labor standard measure.

The rest of the legislative scheduled which the administration wants congress to enact before going home, was not disclosed

Congressional leaders conferred this

(Continued on Page Eight.)

AMERICAN DOUBLE PLAYERS WINNERS

Wimbledon, July 26 (AP)-Overcoming surprising stubborn resistance Don Budge and Gene Mako whipped C. R. D. Tuckey and F. H. D. Wilde in the doubles today 6-3, 7-5, 7-9, 12-10 and gave the United States a 2 to 1 lead over Great Britain in the Davis Cup challenge match rounds with two more singles matches to be played. With one point advantage, American supporters are confident that Budge will whip "Bunny" Austin in the se ries tomorrow for the clinching point even if Parker bows to Edgar Hare in

did cast of professional and amateur actors, called 'The Lost Colony," and

built around the thrilling story of the

colony which landed on Roanoke Is-

land in 1587 and then disappeared,"

tic situations as it unfolds the breath

less and fast-moving story of the

group of adverturers who founded the

'Lost Colony,' but the setting of the

natural amphitheater and of the stage

have ever seen," Governor Hoey

said. "The audience site on seats built

Continued on Page Five.)

"Not only is the play full of drama

Roosevelt To Come To Celebration

President Plans To Attend 350th Anniversary Celebration On Coast

Washington, July 26 (AP)-The White House announced today President Roosevelt, if possible, will attend a historical celebration at Roanoke Island, North Carolina, August 18. The occasion marks the 350th anniversary of Virginia Dare, the first white child born in the United States. White House aides said the president would participate in the celebra-

out over the water, where the play is such that it will permit his absence presented, is one of the most striking from Washington at that time. Tentative plans had been made for

the Chief Executive to go to Elizabeth City by train, thence to Roanoke Island by a Coast Guard Cutter. On his return, he will motor to Norfolk, Va., the great play being presented in connection with the celebration, written and board the Presidential Yacht, Patomac, in the Navyyard there and return to Washington.

tion if the congressional situation is