

SOUTHERN SENATORS REBEL ON WAGE BILL

JAPAN TIGHTENS UP STRANGLE GRIP ON NORTH CHINA AREA

Invading Armies Virtually Surround Ancient Chinese City Of Peiping

TIENTSIN SHELLED BY THE ARTILLERY

Trying To Drive Chinese Defenders from That City; Residents Panic-Stricken; Some Concern Felt For Safety of Americans In Tungchow Area

Defends Mrs. F. D. R.



Radio income of Mrs. Franklin D. Roosevelt is not taxable, the treasury ruled, because Mrs. Roosevelt "received no income for herself and was no richer directly or indirectly for her labors."

Robert H. Jackson, above, assistant U. S. attorney general, told a joint congressional tax committee. A Philadelphia charity receives the entire amount directly from the broadcasting company after each broadcast.

—Central Press

(By The Associated Press.)

Japan tightened her grip on the North China province of Hopei, today by virtually surrounding the ancient capital of Peiping and driving toward complete control of Tientsin, commercial gateway.

Japanese artillery boomed continuously in Tientsin in an attempt to drive from the central railway station area and the Chinese city groups of die-hard Chinese machine-gunners.

Heavy weather kept Japanese planes from resuming their two day bombardment of scattered Chinese positions, but artillery systematically blasted at surviving Chinese opposition.

The heavy shelling increased panic among Chinese residents. Thousands of them tried to enter foreign concessions.

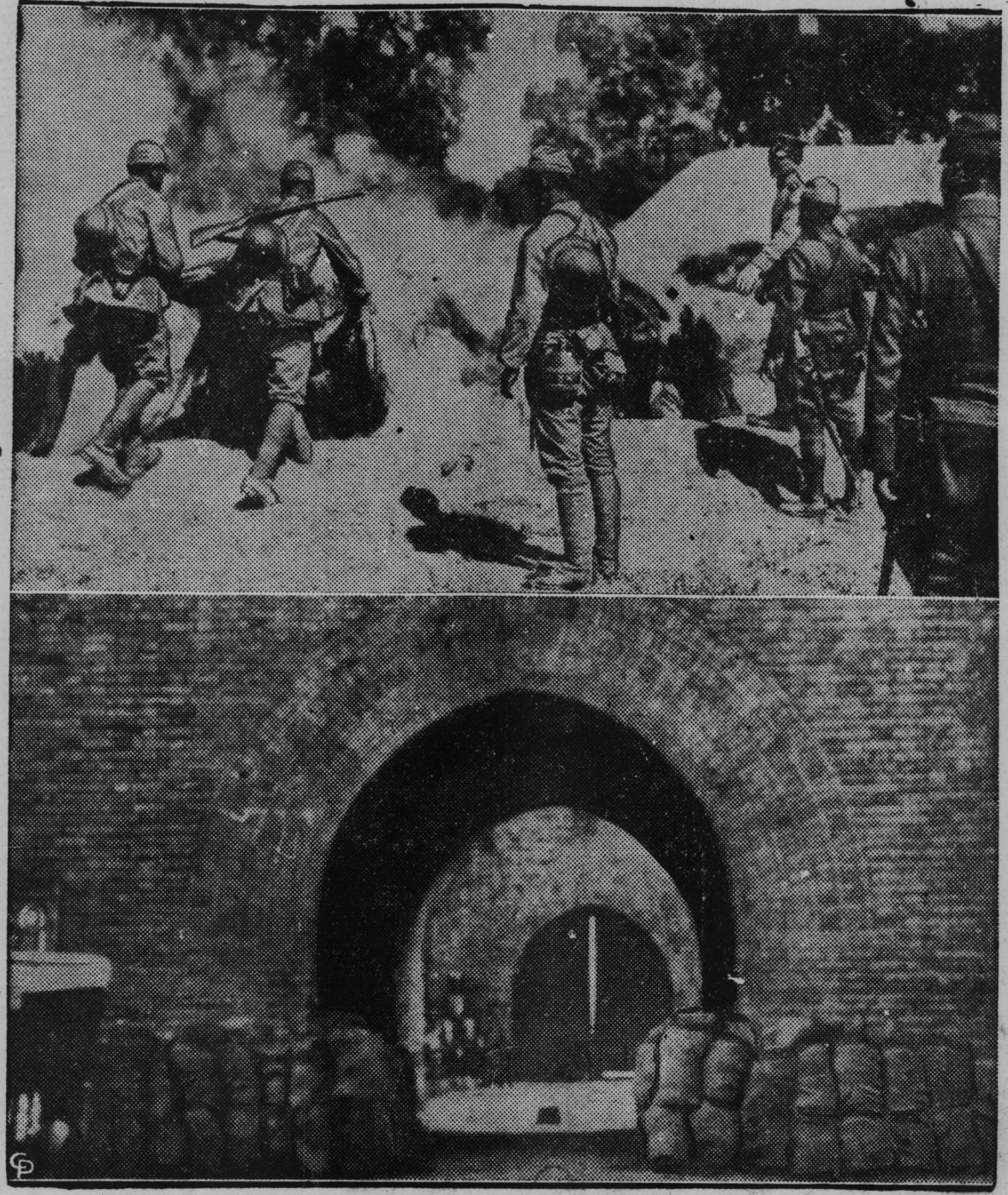
Northwest of Peiping, at Hsiyuan, 2,000 Japanese troops battled the 37th division of the 29th Chinese army. The only possible gap in the ring around the city came at Tungchow, 20 miles east.

Fate of the Tungchow Japanese garrison was in doubt, but reports indicated Japanese planes and machine guns routed Chinese gendarmes who attacked the post Thursday.

Some concern was felt for the safety of two Americans and in the Tungchow region—Henry S. Martin, of Boston, and James A. Hunter, of Peoria, Ill.

At Tokyo, General Sugiyama, minister of war, declared Japan must be ready to settle the crisis by direct military action. At the same time Foreign Minister Horita told Parliament the United States apparently did not intend to apply the neutrality law banning sales of munitions to warring nations.

Photos of Sino-Japanese Struggle in Peiping



Top, cremation of Japanese dead; below, sandbagged Peiping gate. These photos, first to reach the United States from Peiping, China, focal point in the new Sino-Japanese conflict, show Japanese soldiers cremating their battle dead at Fengtai headquarters near Peiping and a main gate to Peiping, barred and sandbagged by Chinese, as a second-line defense.

Teachers To Receive All Of Increase

Provision Made for 10 Percent Pay Boost and Increment Rights as Well

Violence In Belfast Has Fresh Flare

Belfast, Ireland, July 31 (AP)—Terrorists awakened Belfast with dynamite today in a fresh outbreak of the violence which greeted King George on his visit to northern Ireland three days ago.

Explosion of a land mine 50 yards from a police barracks in the west end and beating of a man by assailants who termed him "a spy and a police tout," sent officers on a house-to-house search for political extremists.

Both the city and the Ulster-Free

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20 Prct. Of Georgia Tobacco Sold In Two Days; Price 25c

Valdosta, Ga., July 31 (AP)—Tobacco growers of the Georgia-Florida bright leaf belt sold about one-fifth of the predicted 1937 yield at opening auctions that established an average price of 25 to 26 cents a pound on Thursday and Friday of this week.

The market closed firm for the week yesterday after two days of brisk sales. Unofficial total poundage was reported at about 7,000,000 pounds a day.

The Agricultural Economics bureau at Washington said opening prices "were about as expected," and reported main offerings consisted of good to choice quality primings and low to fair quality cutters. "Prices appeared to be satisfactory to growers and there were but few rejections," the bureau announced.

The opening compared in prices with last year's first week figure of slightly over 25 cents a pound.

More Jobs Being Made Over State

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, July 31.—Better employment conditions in industry and commerce are being shown almost daily in a request of employers in North Carolina for additional blanks for making their reports on the payment to individual employees during the first and second quarters of 1937, as compared with 1936, it was indicated today by Chairman Charles G. Powell, of the Unemployment Compensation Commission.

The division usually sends out blanks for these quarterly reports to the number reported by the employers for 1936, with additions for a moderate increase in the number of employees. In many instances the employers ask for additional blanks, indicating that they have had a more than moderate increase in the number of employees. This seems to reflect considerable improvement in business and industry in the recent months, Chairman Powell pointed out.

In this connection, Mr. Powell finds that occasionally an employer who had eight, nine or ten employees in 1936 and was thus brought under the Unemployment Compensation Act, has reduced his force to six or seven and thus thinks that he is no longer under

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AVERILL SUCCEEDS JOHN BASKERVILL

Afternoon Dailies Replace Man Who Has Served Them 11 Years

Daily Dispatch Bureau, In The Sir Walter Hotel, Raleigh, July 31.—As a result of the resignation of J. C. Baskervill as manager of the Raleigh bureau of the North Carolina Association of Afternoon Dailies, which post he has held for more than eleven years, and which he is now relinquishing to take up other work, Henry Averill, of Wilmington, has been selected to succeed him as manager of the Raleigh bureau. He will start his new duties Monday, August 2. Mr. Baskervill has consented to remain on during next week to assist Mr. Averill in learning

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Fair Price On Tobacco Predicted

College Station, Raleigh, July 31.—North Carolina tobacco growers may expect to receive a "moderately favorable" price for their offerings this fall, according to a report received by E. Y. Floyd of State College from the U. S. Bureau of Agricultural Economics.

The outlook for flue-cured weed is almost as favorable as that of last year, the report went on. The average price for this type of leaf in North Carolina last year was 22.4 cents a pound.

Though supplies of this country are expected to be larger than last year, increased domestic consumption is probable. Larger exports are also anticipated.

The report pointed out that an increased acreage of flue-cured tobacco in the Orient may decrease exports to those countries. However, prospects are good for increased shipments to European countries, especially to the

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Storms Due On Carolina Coast Areas

Forecast to Hit Cape Hatteras and Swirl Mightily About Virginia Capes

Washington, July 31 (AP)—The Weather Bureau today issued the following storm warnings:

Advisory 10:30 a. m.: Northeast storm warnings ordered north of Virginia capes to Sandy Hook, N. J., except upper Chesapeake Bay. Gulf disturbance that crossed Florida peninsula Thursday night centered 7:30 a. m., short distance south of Cape Hatteras, moving north-northeastward at least 20 miles an hour. Highest wind reported 32 miles an hour from southeast at Hatteras. Disturbance

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NORFOLK SOUTHERN TO REDUCE SERVICE

Belhaven, July 31 (AP)—Officials of the Norfolk Southern Railway announced today the branch line from Mackey's to Bishop's Cross would be discontinued under authority of an Interstate Commerce Commission order.



OUR WEATHER MAN

FOR NORTH CAROLINA. Partly cloudy tonight and Sunday, with scattered showers in extreme south portion Sunday.

WEEKLY WEATHER. South Atlantic States: Fair to partly cloudy, with occasional local showers over south and central portions of district entire week, and over extreme north portion middle and latter part of week. Temperatures mostly near or somewhat below normal.

Harrison, Connally Lead Bitter Fight On Roosevelt Bill

SENATOR LEWIS IN WARNING AGAINST NEUTRALITY PLAN

Says if Measure Complied With In Immediate Enforcement, War Would Be Quick

SAYS DEMANDS ARE BY IGNORANT ONES

Probed of Cotton Co-Ops Arranged; Governor Murphy Fades As Prospective Choice to Supreme Court; Arkansas Politics in Argument

Washington, July 31.—(AP)—Senator Lewis, Democrat, Illinois, said today the United States could be at war with China or Japan, or both, "within an hour" if it complied with demands for immediate enforcement of the neutrality law.

"Discussing the administration's policy about the Asiatic crisis, Lewis told the Senate:

"Those who are demanding that the United States enforce its neutrality law at once, fail to see that the amount we announce either one of the nations as the aggressor and declare both as being at war, our ships of trade delivering American goods in the Orient would be at once seized by China or Japan, or both, as bringing supplies to the enemy."

Meantime, at the Capitol a Senate inquiry committee appointed Colonel Lawrence Westbrook, former assistant war administrator, as special investigator for its inquiry into activities of the American Cotton Cooperative Association.

Elsewhere in the capital predictions that a Federal judge would be promoted to fill the Supreme Court

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Administration Leaders Say, However, Measure Will Pass on Vote This Afternoon

DEMOCRATIC SPLIT SEEN AS UNHEALED

Did Not Mend After Court Battle; Wage-Hour Bill Most Controversial Remaining as Bar to Adjournment of Current Session of the Congress

Washington, July 31 (AP)—The National Grange, a leading farm organization, joined some labor representatives today in seeking recommitment of the administration's wage-hour bill.

Senators said Fred Brenckman, legislative representative of the Grange had been urging them today to send the bill back to committee because of broad powers it would confer on a board to fix minimum wages and maximum hours.

By agreement the Senate was to vote at 3 p. m., eastern standard time, today, and the Grange's influence was swung at the eleventh hour against passage.

Although William Green, AF of L president, had come out for approval of the bill, some of the labor organization's representatives were still urging senators to sidetrack it.

Washington, July 31.—(AP)—Senators Harrison, Mississippi, and Connally, Texas, led a band of Southern Democrats today in an eleventh hour revolt against a major Roosevelt objective—wage and hour standards.

They were trying to sidetrack the issue for this session by sending the Black-Connery wage and hour bill back to the labor committee.

Administration leaders, however, predicted the measure would pass by

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CIRCUS ARTIST IS VICTIM OF WOUNDS

Mrs. Vera Bruce Codona, Trapeze Artist, Victim of Bullets from Divorced Husband

Long Beach, Cal., July 31.—(AP)—Mrs. Vera Bruce Codona, 32, famed circus trapeze artist who was wounded in a double shooting here late yesterday, died today, after operations and blood transfusions in the Seaside hospital here in an effort to save her life after she was shot three times, police said, by Alfredo Codona, her recently divorced husband and internationally known aerialist. She never regained consciousness.

Codona, the first circus star ever to die the triple somersault consistently, in a lawyer's office yesterday to discuss division of their property. The lawyer had stepped outside at Codona's request.

Sabotage Is Theory Over Burned Ship

Baltimore, Md., July 31.—(AP)—Captain Charles Brooks, master of the ill-fated liner City of Baltimore, reiterated to a Federal inquiry here today his belief the disastrous fire which destroyed the liner and cost two lives was started deliberately.

The captain blamed sabotage, he said, because he could not otherwise understand how the fire spread so quickly.

"Do you think any member of your crew would be guilty of sabotage?" J. F. Staley, Department of Justice attorney, and member of the inquiry board, asked.

"No, sir," the officer replied. "I can only state, however, that it is mysterious that a vessel the size of

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BARKLEY RESENTS ROOSEVELT'S MOVE

Doesn't Like to Be Dictated to by La Follette, As FDR Seems

By CHARLES P. STEWART, Central Press Columnist

Washington, July 31.—President Roosevelt's Democratic following in the Senate begins to show signs of a good bit of jealousy of the La Follette of Wisconsin—not only of "young Senator Bob," but "young Governor Phil" too.

It will be recalled that the President recently took both "young Bob" and "young Phil" on one of his week-end cruises down the Potomac. To be sure, Senator Alben W. Barkley of Kentucky, new administration leader in the upper congressional chamber, also was a member of the party.

However, it doesn't necessarily follow that the confab was altogether harmonious. Subsequent developments have led many politicians to surmise otherwise.

Barkley's Pronouncement.

Back from the cruise, "young Bob"

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Revolt With Rebel Armies Is Reported

Spanish Government Sources Tell of Conditions Existing With Insurgents

Hendaya, Franco-Spanish Frontier, July 31 (AP)—Spanish government sources asserted today revolt was spreading through the insurgent rear guard.

They declared discontent had mushroomed into open fighting with General Francisco Franco's forces on the southern coast.

The outbreaks were said to be similar to one the government previously reported within ancient Granada, another southern Spanish city, site of the famed Moorish Alhambra.

The Fabra (Spanish) News Agency,

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CUMBERLAND'S ABC PERSONNEL CHOSEN

Liquor Stores in Fayetteville and Elsewhere in County To Open September 1

Fayetteville, July 31.—(AP)—E. H. Foley, banker; Warren Tate, wholesale grocer, and W. Warren Horne, druggist, this morning were elected members of the Cumberland county ABC board to serve on a per diem basis, with Foley as chairman.

They are to appoint a full-time manager for the county stores and expect to have the ABC stores open by September 1.