

NORTH CAROLINA'S ENLARGED COURT IN ITS FIRST SESSION

Barnhill and Winborne Sit With Tribunal for First Time Since Appointments

HEARING OF CASES IS ALREADY BEGUN

Murder Convictions of Two Beaufort Negroes Among First Arguments; Attorney General Seawell Opposes Appeals; Stacy Leads Judges to Seats

Raleigh, Aug. 31.—(AP)—North Carolina's seven-member Supreme Court sat for its first hearing today. A moment later W. B. Rodman, of Washington, made the first appearance before the enlarged court, moving that the appeal in the case of Eureka Lumber Company vs. Rudolph Selby, be dismissed because of failure of Selby's counsel to file briefs as required by the court rules. Sam Blount, of Washington, then argued the case of William (Pete) Bell and Sam Rodman, Jr., Beaufort county Negroes, convicted of the murder of Heber Roberson. Blount and his associate in the case, LeRoy Scott, contended their clients were at most guilty only of a killing during a gambling argument. Attorney General A. F. Seawell appeared for the State, contending there was ample evidence Roberson was murdered after an argument with Bell and Rodman over some furniture. The court, as is customary, took the case under advisement, with an opinion to be rendered later. It then proceeded to hear arguments in other cases from the first judicial district, with 19 listed. Promptly at 10 o'clock, with only the usual opening ceremonies, Chief Justice W. P. Stacy walked to his seat. Behind him came Associate Justices Clarkson, Connor, Schenck, Devin, Barnhill and Winborne. Justices Barnhill and Winborne are new members of the court appointed by Governor Hoey under a 1936 constitutional amendment and a 1937 law.

Simple Rites Held for Andrew Mellon



The 1,800-pound bronze casket with the remains of Andrew W. Mellon, industrialist and former Secretary of the Treasury, is being carried by fourteen pallbearers from East Liberty Presbyterian Church, Pittsburgh, Pa., where simple rites were held. Services were conducted by Dr. Stuart Nye Hutchinson, pastor of the church, which was built by the late financier at a cost of three million dollars. (Central Press)

N.C. Revenue Off Sharply This August

Nearly Million Dollars Under Last August; Blamed on Change in Law

Raleigh, Aug. 31.—(AP)—North Carolina's revenue receipts during August dropped \$995,096.22 under the same month last year, but sales tax income went up and the decrease was due to a change in the law, said Revenue Commissioner A. J. Maxwell today. The general fund brought in \$2,936,744.53 this month, compared with \$4,075,713.53 in August, 1936. For two months the general fund totalled \$6,411,677.96, a drop from the \$9,978,321.16 collected in the similar period last year. The motor vehicle division listed a (Continued on Page Four.)

COTTON DECLINES UNDER LOAN PLAN

Table with 3 columns: Month, Open, Close. Rows for October, December, January, March, May, July.

Publishing Office In Ohio Wrecked In Explosion And Fire

Belle Center, Ohio, Aug. 31.—(AP)—A bomb explosion and fire today wrecked the publishing plant of E. J. Manahan, who prints under contract the American Examiner, Inc., a crusading weekly newspaper. Sheriff Charles Bewley said he found in the wreckage of the building six flashlight batteries wired together and they apparently had been used to set off a charge of high explosives. Manahan at first said he believed an accumulation of gas might have caused the explosion but after viewing the wreckage said he was convinced it was the work of bombers. He estimated damage at about \$15,000, with \$4,500 covered by insurance. Manahan declined to say with whom he held his contract to print the Examiner, a paper which was founded by Grover Fleming. Fleming now is serving an indeterminate sentence up to five years in the London, Ohio, prison farm on a charge of circulating obscene literature. The sheriff said the paper published special editions for various cities in Ohio and the Middle West, each edition "crusading" against alleged "vice conditions." Andy Bold, reporter, said he believed a bomb was thrown into the plant. The reporter also said he was working in an upstairs office when he heard an auto drive up to the side of the building and heard the breaking of glass as if an object had been thrown through a window. He heard a man say, "Well, that will do the job," he reported. The explosion followed.

Tar Heel Flying Cadet Is Missing

Grapeland, Texas, Aug. 31.—(AP)—Fifteen low-flying army planes searched fields and forests over a wide area in central and east Texas today, seeking Cadet Guy Walwin Edgerton, 24, missing since a storm last night disrupted a formation flight from Shreveport, La., to San Antonio. A burned out flare was all that searchers on the ground could find near here after a number of persons reported seeing a descending streak of fire which they believed to be an airplane falling in flames. Edgerton's home is Kenly, N. C. Shreveport, La., Aug. 31.—(AP) Formations of fighting planes were sent from Barksdale field today in search of Flying Cadet Guy Edgerton, of Kelly Field, San Antonio, who failed to report yesterday after a student flight of 13 planes ran into bad weather. Cadet Edgerton, who enlisted from Kenly, N. C., was believed to be in some remote area where telephone communication is not available. Government reports said Franco's men had been driven from their mountain position, about 20 miles south of Zaragoza. The fall of Belchite, these advisers said, was imminent. While the insurgent communique gave no details of the fracture of the government line, it was believed to have referred to the front north of Zaragoza and not the Belchite sector. Government sources themselves admitted the counter-thrust had forced "our troops to return to their bases after the arrival of reinforcements."

ROOSEVELT STILL IDOL WITH MASSES

Has Slipped Some But Not As Much As Republicans Would Prefer

By CHARLES P. STEWART, Central Press Columnist. Washington, Aug. 31.—Postmaster General James A. Farley undoubtedly really means what he says when he pooch-pooches Republican National Chairman John D. M. Hamilton's assertion that President Roosevelt has "slipped aplenty" with the rank and file of the country's voters since his re-election last year. Farley is not merely bluffing. And I think a majority of the Democratic leaders honestly agree with him. I suspect that many a Republican strategist also inclines to agree with Farley more than with Hamilton. In fact, I asked one of them, with an important job in the G. O. P. organization, and he answered, "Off the record, I believe that Roosevelt has (Continued on Page Three.)"

Union Organizers At Madison Plead Law's Protection

Greensboro, Aug. 31.—(AP)—Seeking protection against alleged threats of union opponents who last Tuesday reportedly threatened to run organizers out of Madison, Miss. Dovie Atkins, local organizer of the International Ladies Garment Workers Union, today announced she had notified officers at Madison another meeting of workers of the Gem Dandy Garter Company would be held Wednesday afternoon at 4 o'clock. Organization of the workers of the company has been under way about two months and a majority of the approximately 220 workers are members of the union, Miss. Atkins said. Last Tuesday, John Martin, of Atlanta, southern director of the I. L. G. W. U., and Miss Atkins reported they were warned by a number of men alleged to be non-union workers of the plant to get out of town immediately when they arrived to hold a meeting, which was later called off to prevent possible violence.

Franco Army Breaks Over Enemy Lines

Government Communique Admits Retirement in Zaragoza Bitter Fighting

Hendaye, Basco-Spanish Frontier, Aug. 31.—(AP)—General Francisco Franco's Aragon forces have broken through the Spanish Zaragoza front an insurgent communique said today. Fighting raged both north and south of Zaragoza. To the south strong government units have made smashing attacks to drive a wedge through Franco's long Aragon salient and shear off the lower end from which an insurgent army for weeks has menaced the vital Madrid-Valencia highway. Government reports said Franco's men had been driven from their mountain position, about 20 miles south of Zaragoza. The fall of Belchite, these advisers said, was imminent. While the insurgent communique gave no details of the fracture of the government line, it was believed to have referred to the front north of Zaragoza and not the Belchite sector. Government sources themselves admitted the counter-thrust had forced "our troops to return to their bases after the arrival of reinforcements."

ALLEN IS CLAIMING DEMOCRAT VICTORY

Raleigh Man Will Beat Mae Oliver at Winston Meet, Is Claim

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, Aug. 31.—Arch T. Allen, young Raleigh attorney and one of Wake's representatives in the General Assembly, will receive 525 of the approximately 600 votes to be cast for president of the North Carolina Young Democratic Club at its Winston-Salem convention next week, it was predicted today by Tom Banks, another Raleigh lawyer who has been active in Mr. Allen's behalf. "Maybe she will," Mr. Banks smilingly remarked when asked, "Will Mae carry Maine and Vermont?" after he had made his sweeping victory claim. The questioner was referring to Miss Mae Oliver, of Sanford, active candidate for the post also sought by Mr. Allen. The Allen forces have been conducting an intensive drive on all sectors of the Young Democratic political (Continued on Page Two.)

OUR WEATHER MAN FOR NORTH CAROLINA. Partly cloudy tonight and Wednesday; possibly scattered showers in south portion.

Port Of Shanghai Is Closed By American Authorities To All U. S. Ships Except Navy

CHINA ANNOUNCES FULL RESTORATION FOR LINER ATTACK

Prompt Action in Advising Washington of Regrets and Offer To Pay Pleasing. GOVERNMENT HEAD MUCH INTERESTED. Chinese Chief Took Special Pains To Look After Incident Personally; Airplane Bomber To Be Court-martialed; Two Ambassadors Advise of Action.

Washington, Aug. 31.—(AP)—The Chinese government proposed to the United States government today full financial and moral redress for the bombing yesterday of the Dollar liner President Hoover. Secretary Hull said profound regrets of the Chinese government and its offer to compensate was made through Ambassador Neilsen Johnson at Nanking and Dr. C. T. Wang, ambassador to China, who called upon Hull this morning. Asked at his press conference if China's apology and statement were satisfactory to this government, Hull said he was merely relating what had happened so far. He declined further comment. Hull added, however, the United States deeply appreciated the promptness with which China accepted the responsibility for the shelling of the liner and its accompanying apology. The head of the Chinese government, Mr. Hull said, "took special interest" in all matters of the incident and promised the pilot of the Chinese airplane which attacked the Hoover would be court-martialed and severely punished.

Many Prison Changes Are To Be Made

Raleigh, Aug. 31.—(AP)—Robert Grady Johnson, who tomorrow will become prison director for the Highway and Public Works Commission, said today he expected to announce a number of personnel changes at once. "I may be able to give them out by tomorrow," he said. Oscar Pitts, who has been acting director of the penal division, will become superintendent of prisoners. Rumors practically substantiated by Governor Hoey have it that Hugh Wilson will succeed Warden H. H. Honeycutt at State's Prison here, with John Bray, a district prison supervisor, becoming deputy warden, and Honeycutt being made prison disciplinarian.

PRISON INDUSTRIES TO BE MIGHTY FEW

Cost Would Be Prohibitive, Johnson Says After Junkets Elsewhere

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, Aug. 31.—It is extremely doubtful that North Carolina's State Prison will be the scene of any considerable number of industries. Returning from a visit to the Federal penitentiary at Atlanta, the Tennessee State Prison at Nashville and the Virginia Penitentiary at Richmond Robert Grady Johnson, who tomorrow will officially begin his duties as director of the penal division, said that it costs approximately \$1,000 per proposed worker to set up any industry; a fact which he said makes him very dubious of the prospects of establishing anything new at State's Prison here. "If I had about a million and a half, like they had in Tennessee, to start industries, I could start something that would make money for the State; but I would also start something that would put a lot of private industries out of business," Mr. Johnson said. Mr. Johnson will make a report—perhaps this week—to the special sub-committee from the highway department recently named to study the (Continued on Page Three.)

Donates Blood



H. A. Thompson. This U. S. marine, H. A. Thompson of Mountain View, Cal., donated blood to Sir Hugu Knatchbull Hugessen, British ambassador to China, who was wounded seriously while being driven from Nanking to Shanghai.

C. & O. ACQUISITION OF TWO RAILROADS IS GIVEN APPROVAL

New York, Chicago & St. Louis and Erie Would Be Obtained By Stock Purchase

COTTON LOANS ARE READY BY SEPT. 15. Up to Nine Cents Per Pound To Be Loaned in Effort To Peg Prices for Crop; Cotton Brokers Think Loan Program "Conservative" and Helpful.

PALESTINE DISORDERS INCREASING

Washington, Aug. 31.—(AP)—An Interstate Commerce Commission examiner recommended today approval of acquisition by the Chesapeake & Ohio railway company of control of the New York, Chicago & St. Louis railroad company and the Erie Railroad Company. The examiner, Ralph Molster, declared the transaction would be in harmony with and in furtherance of the commission's plan for the consolidation of railway properties. Under the plan, the C. & O. proposes to take over from the Virginia Transportation Corporation a "wholly-owned subsidiary," 25,000 shares of the New York, Chicago and St. Louis Company railroad common stock, and 150,000 of Erie first preferred, 60,195 of Erie second preferred and 769,800 of Erie common stock. Cotton Loans Ready Sept. 15. Meantime, in the capital Secretary Wallace gave the starting signal for the government's 1937 program of "cotton loans" and notified growers that their loans "will be ready not later than September 15." Participation in the loan subsidy arrangement, designed to bolster prices on this year's large production, will be limited to growers who agree (Continued on Page Three.)

SECOND SHELLING BY AIR IN 2 DAYS UPON MERCY SHIP

Italian Steamer, Loaded With Chinese Refugees, Bombed But No Damage Done. CHIANG CALLS FOR FOREIGN PROTESTS. Asks Outside Intervention To Halt Japanese Land Grab of Chinese Territory; Chinese Officials Admit Blame and Offer Amends for Bombing.

CHOLERA!

Shanghai, Aug. 31.—(AP)—Cholera broke out tonight in Shanghai's French concession, where most of the city's Americans live. Shanghai, Aug. 31.—(AP)—United States authorities closed the port of Shanghai today to all American ships except naval vessels while the second air attack on a mercy ship in two days increased the peril to civilian life at sea and in Chinese waters. An air bomber of unknown identity power-dived and bombed the Italian-operated steamer Lung Shan, thronged with Chinese refugees. It created mad panic, but caused no damage. The ship was bombed near Wootung, north of Shanghai, where the Whangpoo and the Yangtze rivers flow together for the city's only water way, and only avenue of escape to the sea. General Chiang Kai-Shek, virtual civil and military commander of wartime China, in effect demanded immediate foreign intervention to end the hostilities. Chiang warned at Nanking "Japanese aggression" to establish "a continental empire for herself is a threat (Continued on Page Three.)"

FIVE DEAD, 20 HURT WHEN BUS AND CAR CRASH IN INDIANA

Goshen, Ind., Aug. 31.—(AP)—At least five persons were reported to have been killed five miles north of here today in the crash of a heavily-loaded transport (Greyhound) bus and a sedan. Twenty injured were brought to hospitals here and at least 15 others were reported to have been taken to nearby cities. Three of the dead were identified as A. G. Carpenter, of Iowa City, Iowa; Mrs. James Kelleher, of Albany, N. Y., and Raymond J. Ruskin, of St. Louis. Carpenter and Mrs. Kelleher were passengers and Busin was bus attendant. The accident occurred at the intersection of roads 20 and 15. Witnesses said the sedan drove onto the main highway and crashed into the bus. The vehicle overturned and came to a stop on its top. The sedan was demolished and the bus was badly damaged. There were about 40 passengers on the bus. The occupants of the sedan were unknown. A card was found in it, however, bearing the name "Allison Bishopric Manufacturing Company, Cincinnati, Ohio." It had other license plates. The driver of the bus was Lee Calahan, 32, of Toledo. The bus was bound from Chicago to Cleveland. Ambulances from Goshen and Elkhart were rushed to the scene and the dead and injured were hurried to hospitals, making immediate identification difficult.