

BRITAIN, FRANCE TO FIGHT U-BOATS ALONE

South China U. S. Consulates Ordered Closed As Speedily As Americans Can Be Moved

TWO CITIES NAMED ALREADY SHELLED BY JAP AIRPLANES

Consulates May Stay Open if Situation Changes for Better, Ambassador Advises

McGRADY QUILTS AS TROUBLE SHOOTER

Resigns Government Job To Go With Radio Corporation; Oxford Delegation Protests Removal of CCC Camp, Which Has Been Aiding Farmers

Washington, Sept. 7.—(AP)—The American government today ordered its consuls at Amoy and Foochow, in south China, to close their offices and proceed to places of safety as soon as they have done all possible to evacuate Americans in their districts. Amoy and Foochow have been bombed by Japanese airmen several times, State Department officials said. Ambassador Nelson Johnson advised the department he issued instructions to the consuls as a matter of precaution. The order was qualified to the extent the consulates were not to be closed if the situation changes definitely for the better before American citizens are withdrawn. McGrady Resigns. Meantime the resignation of Edward F. McGrady, assistant secretary of labor was announced at the summer White House at Hyde Park, N. Y. It is understood McGrady would become director of labor relations for the Radio Corporation of America. In his letter of resignation McGrady said his new employer, whom he did not name, had "cordially agreed that whenever you feel need

Jap Drive Brought To Dead Standstill By Chinese Forces

Lion's Man in China



R. G. Howe, British statesman, is shown leaving England by flying boat for Shanghai to take over the post of Ambassador from Great Britain in China, replacing Sir Hugh Knatchbull-Hugessen, seriously wounded by machine gun bullets. (Central Press)

Fierce Nipponese Effort To Batter Down Natives' Resistance Is Failure So Far

AMERICANS CABLE HOT NOTE TO HULL

Vigorous Protest Against Roosevelt Warning That United States Nationals Remain in China at Own Risk; U. S. Transport Nearing Shanghai

Shanghai, Sept. 7.—(AP)—Roaring flames across all northwestern Shanghai lighted the path tonight of a fierce Japanese effort to batter down the Chinese resistance that has brought their Shanghai offensive to a standstill. Naval and heavy artillery guns roared in the Yangtze, Poo, Chapel, Kiangwan and North Station districts, laying down blankets of shell-fire in an advance of tremendous sunset attacks on the Chinese front lines. Fires spread across the whole area. The Commercial Press Building, rebuilt after the 1932 Sino-Japanese hostilities, was reduced to ashes again after it was struck by three Japanese bombs. With the peril to American and other foreign residents drawing closer to the fighting ringing the international settlement, the American Chamber of Commerce of Shanghai protested against President Roosevelt's warning that United States citizens remain in China at their own risk. The note, addressed to Secretary of State Hull, expressed "resentment of American missionaries and business men, and urged greater protection of them and their interests." It was disclosed, meanwhile, the

Enfield Man Is Robbed By 3 Gangsters

Cash Register With \$125, All Cigarettes and Tankful of Gas Taken

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CHILDREN THOUGHT DEAD ARE LOCATED

Found Safely After Man Confesses He Killed Philadelphia Babies

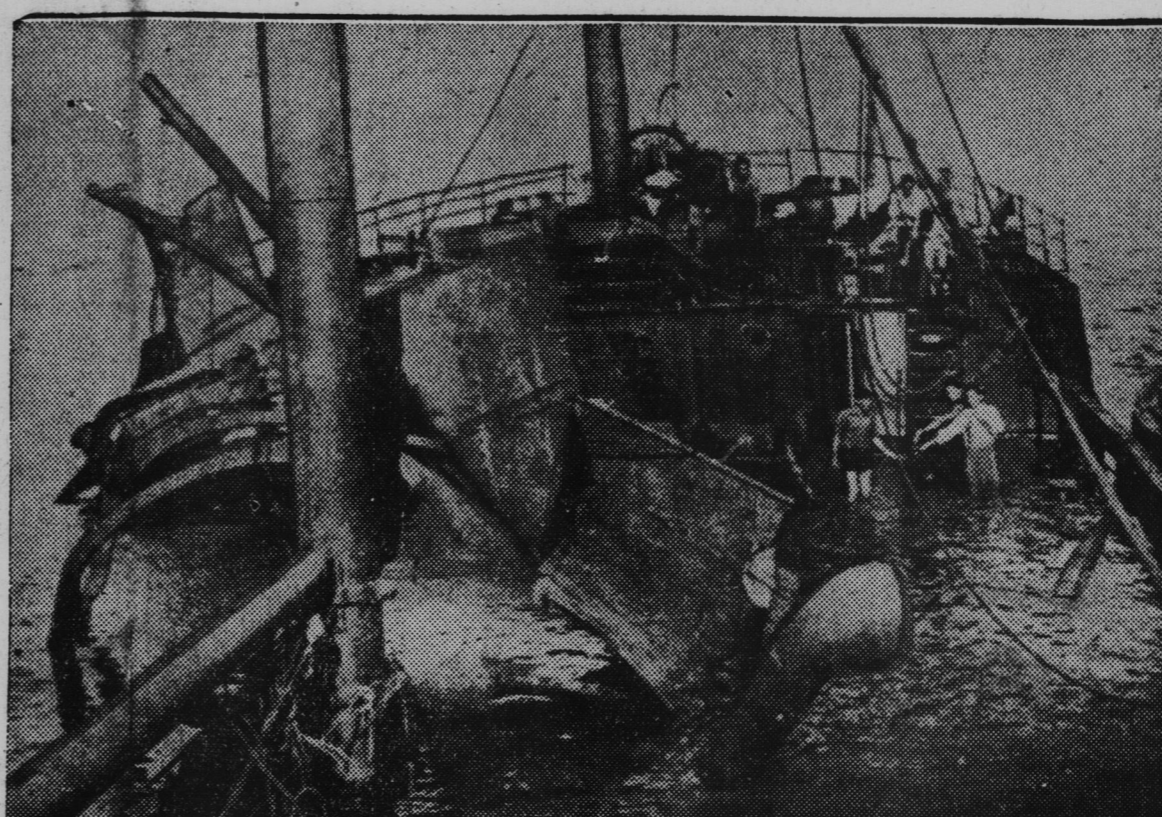
Philadelphia, Pa., Sept. 7 (AP)—After a man had told police that he caused their deaths, Helen Whelby, 6, and her brother, Frank, Jr., 3, missing more than 24 hours, were found alive today near their home by their uncle, William Dillon. The children appeared unharmed. Dr. John Turner, police surgeon, examined them and said they had been attacked. They told police they had stayed with a woman who said she needed children. They spent the night in her

Accused Negro Rapist Slugged Over Head At McDowell County Trial

Marion, Sept. 7 (AP)—A white man crept up behind Mann Smith, Negro youth, in superior court and struck him on the head with an iron pipe today while a jury was being selected for Smith's trial on a charge of criminally assaulting a 12-year-old white girl. The man, who Sheriff Grady Nichols said was Frank Anderson, a Marion plumber, was taken into custody by deputies and jailed. Judge Judge Felix Alley, commenting on the outbreak, said he would see the Negro got "a fair trial" if "it requires all the troops of North Carolina."

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British, French, Russians Search for Sub



Below, map indicates where recent raids by submarines have taken place and dates and distances, to indicate one sub could not have done all the attacking; top, the Spanish ship Armuru, carrying food, is beached near the Dardanelles after being torpedoed by a submarine. Angered by attacks on their shipping in areas indicated on the above map, Great Britain, France, Russia sent warships to sink offending submarines without a trace—so that their nationality would not become known and cause international complications and a possible war. Spokesmen for the nations said that Gen. Francisco Franco, Spanish Fascist leader, had only one submarine and that it was impossible for it to cover such a wide area. Italy, in the meantime, indignantly denied implications that the submarines were hers. The photo at the top shows the Spanish ship Armuru, carrying food to the Loyalist forces, beached on Tendos island, near the Dardanelles, in a sinking condition, after being torpedoed by a mysterious submarine. More than 20 ships have been attacked, chiefly in the Mediterranean. Russian ships have been the chief victims.

DECLINING TRADE BALANCE NOT BAD

Won't Hurt United States To Be on Import Side Now and Then

By CHARLES P. STEWART
Central Press Columnist
Washington, Sept. 7.—Because it appears on paper that the United States of late, has been importing more goods than it exports, a deal of worrying is being done throughout the land. We always have considered ours an exporting country. Our theory has been that we were getting the better of the remainder of the world, by selling abroad more than we bought from there. We called this a balance of trade in our favor. The nations that it was against did not seem to mind it, but it pleased us. Now that the tide appears to have turned the other way we are greatly upset. The popular inclination evidently is to blame Secretary of State Cordell Hull's reciprocal customs treaties with an increasingly lengthened list of other powers. Must Balance. As a matter of fact, international trade always balances. Manifestly, it must. It consists simply in a swapping of goods, or their equivalent (or their equivalent; don't forget that) between countries. If one country persistently has the advantage over another country it is obvious that the latter country ultimately will be completely cleaned out, and no longer worth while for the former country to continue trading with. Of course no two countries swap exactly 50-50. But triangularly, or poly-angularly, the swapping levels out. Readjustment Now. Trade balances generally are reck-

SALE AT FAIRMONT AT ALL-TIME HIGH

Fairmont, Sept. 7.—(AP)—Sales on the tobacco market here broke all records yesterday when 1,600,042 pounds sold for an average of \$25.05. Basket after basket of wrappers brought as high as \$51, Supervisor C. B. Stafford reported.

Germany Is Ready To Help Italy And Japan, Hitler Says

Prepared To Unite "Against Communist Confusion" In East and West, Fuehrer Says

TALKS AT MEETING OF NAZI CONGRESS
Japanese and Italian Ambassadors and One from China Present for Address, Heard by 46,000 Nazis at Nurnberg; Demands Return of Colonies

Nurnberg, Germany, Sept. 7.—(AP)—Adolf Hitler stressed Nazi German solidarity with both Japan and Italy today "against communist confusion" in east and west. His annual proclamation, read to the Nazi congress by Adolf Wagner, Bavarian Nazi leader, also made an emphatic reiteration of Germany's demand for return of her war-lost colonies, and called the attitude of other powers toward this demand "incomprehensible." Both the Japanese and Italian ambassadors were in the crowd of 46,000 which heard Hitler's statement that Germany "would stand by both Japan and Italy in a defensive fight against communism." It was as if they were hearing Der Fuehrer's own voice, because Wagner, who read the proclamation, often is called Hitler's "vocal double." The Chinese ambassador, also present, in red and gold-draped clothing, was Luitpold Hall. Der Fuehrer listened to his own

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OXFORD FARM AGENT TO STATE COLLEGE
Oxford, Sept. 7.—(AP)—Dan M. Paul resigned as Granville county farm agent today to become director of State College agricultural courses.

RUSSIA AWAITING CONFERENCE MOVE IN ITALIAN CRISIS

Moscow Says Italy Has Begun Game in Mediterranean Holding "Terrible" Fate

RUSSIAN DEMANDS SNUBBED IN ROME

Moscow Accuses Italy of Sinking Two Soviet Ships in Mediterranean; Britain and France To Use Own Navies To Protect Shipping Lanes

Rome, Sept. 7 (AP)—Italy, accused by Soviet Russia of Mediterranean piracy, may attend a conference on the question in Switzerland Friday, "rather than satisfy Russia" by staying away. Political and diplomatic sources said tonight this course might be followed because Fascists believed the Soviet accusation and protest—angrily rejected by Rome—was a maneuver to get Italy in bad with Great Britain, France and other powers which are to be represented Friday.

London, Sept. 7.—(AP)—Great Britain and France decided today their navies were "strong enough to stop Mediterranean piracy" without any help and determined to go ahead with the conference on the matter with or without Italy's participation. The decision was disclosed authoritatively, after Soviet Russia had protested to Italy and had been angrily rebuffed on charges that Italian "pirate" submarines were responsible for the sinking of two Soviet freighters in the sea lanes off Spain. Informed British sources made it plain the Italian-Soviet trouble "does not change the situation at all." This view apparently was communicated quickly to Italy. The feeling here was Italy, despite

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BANK COMMISSION GROUP TAKES OATH

Three New Members To Sit With Board After Being Sworn In Before Hoy Tomorrow
Raleigh, Sept. 7.—(AP)—Gurney Hood, State bank commissioner, said today three new members of the State Advisory Bank Commission would take their oaths of office tomorrow in the office of Governor Hoy. R. E. Kerr, of Charlotte; H. D. Bateman, of Wilson, and Gordon Gray of Winston-Salem, are the new members, to serve with State Treasurer Charles Johnson and Attorney General A. A. F. Seawell. The commission then, Hood said, will hold its quarterly meeting and act on proposed changes in rules and regulations recently recommended by bankers of the State.

Government Troops Make Big Advance

City Captured from Rebels and Smash Goes on; Rebels Win Elsewhere

Henaye, Franco-Spanish Border, Sept. 7.—(AP)—One column of the Spanish government army which captured Belchite in fierce fighting on the Aragon front, was reported today to have advanced 12 miles beyond the devastated town. This column was trying to cut communications between the insurgent stronghold of Zaragoza, in northeast Spain, and its southern-most outpost of Teruel. Other government troops proceeded to consolidate gains around the town. Belchite was in ruins from 32 consecutive bombardments before its insurgent defenders lost it. The government said 80 wounded insurgents found in the town's hospital were given the same treatment as government soldiers and were evacuated to the rear. On the northwest an insurgent coastal force was within 20 miles of Gijon, Biscayan seaport, and the last important stronghold that government forces still retain in Oviedo province.

M'LONDON TO TELL OF JUSTICE PLANS

Municipal League To Hear Discussion on Proposed New Department
Daily Dispatch Bureau, In The Sir Walter Hotel.
Raleigh, Sept. 7.—Major L. P. McLondon, Greensboro, will explain to municipal officials from North Carolina cities today which has been gathered by the commission to study the feasibility of setting up a State Department of Justice. The Guilford lawyer, chairman of the group named by Governor Clyde R. Hoey, has accepted the invitation

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