

JAPAN WILL SEND MISSION TO CHINA ON U. S. COMPLAINT

Will Investigate Washington's Alleged Interference With Rights of Americans

TO HASTEN RETURN OF MISSIONARIES

Business People To Be Permitted To Resume Operations, Tokyo Advises; Japanese Planes Spread Trail of Destruction in Many Towns and Villages

Washington, June 2.—(AP)—Japan agreed today to meet almost all demands for restitution of American property in China and for the right of unhindered return of Americans to their posts there.

The State Department, on the basis of a telegram from the American consul general at Shanghai announced that the Japanese restored to the American Southern Baptist Mission yesterday their high school properties in the Chapel district of Shanghai.

The Japanese military authorities have agreed to the return of American missionaries to Nanking and have issued ten passes for this purpose.

Tokyo, June 2.—(AP)—Japan assured the United States today that a commission would be dispatched immediately to China to investigate what Washington had protested as interference with American rights in Japanese-occupied territory.

The commission would include a colonel, representing the army staff, and two foreign office officials. The director of the American section of the foreign office saw Yosizawa, who announced the inquiry, and promised to expedite return of American missionaries and business men to their posts.

Eugene Dooman, counsellor of the United States Embassy, conferred with Yosizawa after delivery of

(Continued on Page Four.)

LILY PONS MARRIES ANDRE KOSTALANETZ

Norwalk, Conn., June 2 (AP)—Lily Pons, French opera star, and Andre Kostalanetz, orchestra leader were married at her Silvermine home here today shortly after getting their wedding license. Miss Pons gave her age as 33. Kostalanetz said he was 36.

STATE INSTITUTIONS HAVE 19,582 INMATES

Approximately Half Confined in State Prison and in Various Prison Camps

Raleigh, June 2.—There were 19,582 inmates of State penal, charitable and correctional institutions on May 1, according to a report made public today by Dr. J. Wallace Nygaard, director of the division of institutions and corrections of the State Board of Charities and Public Welfare.

By far the largest number, 9,728, were confined to the Central Prison and the various prison camps of the State. There were 7,290 mental patients as follows: State Hospital at Morganton, 2,262; State Hospital at Raleigh, 2,228; State Hospital at Goldsboro, 2,094, and Caswell Training School, 698.

A total of 936 juvenile delinquents were in five state institutions for that type of offender; there were 1,542 physical defectives, and four Confederate veterans and 42 widows of Confederate soldiers were in the two homes maintained for such persons.

SCOTT TO DEMAND MARKET FACILITIES

Says Farmers Need To Know How To Dispose of Crops When Made

Raleigh, June 2.—When the 1939 General Assembly meets, the North Carolina Department of Agriculture plans to bring to its attention the vital importance of working out a coordinated, well-balanced program of improving the services rendered farmers in marketing their crops.

Commissioner W. Kerr Scott told this bureau's representative today. "President Roosevelt says that a third of the nation is ill-clothed and a third of the nation is ill-fed, and yet North Carolina must call upon the Federal Surplus Commodity Corporation virtually every month to obtain help needed on chaotic, badly demoralized markets," said Mr. Scott in stressing the pressing importance of the subject.

"The challenge to North Carolina agricultural planning is the fact that of \$19,000,000 spent annually for farm

(Continued on Page Three.)

BRITAIN PREPARING PEACE PROPOSAL IN SPANISH CIVIL WAR

Learning to Walk



Still a bit unsteady, Gloria Barton nevertheless smiles happily as her anxious mother watches her take a few steps. Last summer, Gloria, who lives at Port Richmond, Staten Island, N. Y., was stricken with infantile paralysis. After a long siege in an "iron lung" Gloria, now 9 years old, is learning to walk without crutch or braces.

(Central Press)

Hancock Has \$40,000 Gift, Insurgent Gossip Says

Story Not Vouched for but Comes from Responsible Source in State

Daily Dispatch Bureau, In The Sir Walker Hotel.

Raleigh, June 2.—After jogging along like an old family Dobbin for weeks and weeks, the senatorial campaign, in its last stages, is beginning to show signs of animation and spirit—what with numerous charges and countercharges, rumors and counter-rumors.

Latest "right from the feed box" story to reach this correspondent, who passes it on only for whatever it may or may not be worth and without guarantee, is that Frank Hancock has received a \$40,000 campaign contribution—which accounts for the many Hancock advertisements appearing in the public prints all of a sudden and which will account for the activities of hundreds of ward heelers, come voting day.

In connection with the gift story, the name of a prominent and tobacco-chewing citizen of Mecklenburg

(Continued on Page Four.)

MCMULLAN SEEKS TO AID STATE WORKERS

Asks Tar Heel Congressmen To Oppose Bill for Collecting Income Tax From Them

Raleigh, June 2 (AP)—Attorney General Harry McMullan wrote the members of the North Carolina commission delegation today asking them to support a bill to prohibit collection of Federal income taxes on State and local public employees for salaries back to 1926.

McMullan said Senator Lonergan, Democrat, Connecticut, had introduced such a measure. McMullan had been informed that the New York Port Authority case of the way open for the Treasury to levy income taxes on State employees, heretofore regarded as exempted for all years back to 1936. The bill proposed would permit such levies only after May 23, 1938.

(Continued on Page Three.)

Non-Intervention Committee Urged To Speed Up Plan for Withdrawing Foreigners

SEEK SAFEGUARD TO EUROPEAN PEACE

Russia Withdraws Opposition Provided Adequate Sea Patrol Is Arranged; German and Italian Aid Has Been Reaching Franco From Sea Routes

NAVY ASKS MORE MONEY. London, June 2.—(AP)—The British Admiralty, simultaneously with renewed moves by Prime Minister Chamberlain to mediate the Spanish civil war and Czechoslovak Sudeten difficulties, today issued a \$12,052,000 supplementary naval estimate.

The estimate boosted the original \$18,535,000 naval estimate for 1938 and will be used to start this year's schedule of new naval construction.

London, June 2.—(AP)—Great Britain urged the non-intervention subcommittee to greater speed today on the proposal for withdrawing foreign troops from Spain hoping to pave the way quickly for a truce in the Spanish civil war.

Prime Minister Chamberlain was reported to have ordered fresh diplomatic activity by Britain's repre-

(Continued on Page Four.)

MORE INDICTMENTS NEAR IN NEW YORK

Financial District Hears Dewey Is Not Through With Investment Trust Scandals

New York, June 2.—(AP)—Financial circles today were stirred by reports there would be further indictments in District Attorney Thomas Dewey's investigation of a ring which he charged pyramided \$5 into control of \$16,000,000.

Six indictments were announced yesterday by the district attorney, who denounced the alleged looting of seven investment trusts by the group as "the biggest financial steal in years."

Insurgent Drive Now Is Slower

Hendaye, France, June 2.—(AP)—The insurgent power drive against the Tercel highway appears to be stalling again before increasing government resistance. In many sections of the mountainous front, which guards the highway to the coast, government counter-offensives in the last two days have recaptured territories lost to General Franco's forces.

Insurgents who previously claimed they had taken Mora de Eublos reported today they had forced entry, but that government defenders were still holding to its center, with bitter fighting centering on the outskirts.

With government resistance, the insurgents said they were advancing slowly on two wings of the central front.

Much of the government resistance was attributed to its revised air corps.

"Good Neighbor" Program Scores In Latin-America

Even Bitterest Critics of Roosevelt Can Find No Fault With His Attitude Toward Central and South America; Trips to Lat in Nations Get Results

By CHARLES P. STEWART

Central Press Columnist Washington, June 2.—When President Roosevelt leaves the White House in 1941 or 1945 or whenever he does, he can point backward to one accomplishment that not even his bitterest critic can find fault with.

His administration is solidifying the Americas, North, South and Central, in admirable fashion.

Uncle Sam was not overly popular from the Rio Grande to Cape Horn at the time of "F. D.'s" first inauguration. President Hoover did, indeed, try hard to improve Pan American relations but he had rather a cold personality to appeal to our southern neighbors. They were appreciative of his obviously kindly feeling toward them but they did not wax enthusiastic.

President Roosevelt's tone has ex-

Fights Auto Firms



James R. Fleming

U. S. District Attorney James R. Fleming of South Bend, Ind., who obtained the federal indictments against three large automobile companies, charging them with conspiracy to violate the Sherman anti-trust law, says that separate trials for the three firms—General Motors Corp., Ford Motor Co. and Chrysler Corp.—will begin in October. The indictments, charging conspiracy to promote monopoly by coercing dealers to finance car sales through the companies' own firms, include Alfred P. Sloan, Jr., Edsel Ford and Walter P. Chrysler. Fleming ordered the 60 persons indicted to make their pleas within two or three weeks or face arrest.

HOOVER DIRECTING HUNT FOR KIDNAPED CHILD IN FLORIDA

Head G-Man Arrives from Washington and Takes Charge of Search for Abductors

BOATS AND DIVERS COVERING LOWLANDS

Parents of Five-Year-Old James Cash Secluded in Home, Stricken With Grief; Federal Men Trying To Track Down Man Who Took \$10,000 Ransom

Princeton, Fla., June 2.—(AP)—Edgar Hoover, chief of the Federal Bureau of Investigation, took charge of the James B. Cash, Jr., kidnaping case today while small boats and divers augmented a huge posse combing this area in the rain for a trace of the five-year-old victim. Arriving at Miami from Washington, Hoover hastened immediately to the F. B. I. office, where agents have been questioning several suspects for

(Continued on Page Four.)

PITT YOUTH FREED IN AUTO FATALITY

Tyree Stokes, 19, Absolved of Death of Thomas A. Etheridge, 25, in Collision

Greenville, June 2.—(AP)—A coroner's jury exonerated Tyree Stokes, 19, of Grimesland, today after holding an inquest into the death of Thomas A. Etheridge, Jr., 25, in an automobile-motorcycle collision near Grimesland last night.

Etheridge was coming from Washington to Greenville on his motorcycle when the collision occurred. He was manager of a dry cleaning establishment here.

Funeral services will be held tomorrow.

Wisconsin Judge Assesses 13 Companies and 11 Officials \$385,000

Madison, Wis., June 2 (AP)—Federal Judge Patrick Stone today assessed fines of \$360,000 and \$25,000 costs against 13 major oil companies and eleven of their officials on charges of illegally fixing the margin of profits for independent wholesale gasoline jobbers in the Midwest.

The judge accepted the defendant's pleas of nolo contendere by which they were willing to accept penalties without standing trial.

Eight other companies and a like number of officials who refused to enter nolo contendere pleas will go on trial in Madison September 26.

In the case of each company and individual whose pleas were accepted the court imposed a fine of \$15,000. The costs of \$25,000 are to be split among the defendants.

The companies entering pleas were the Socony Vacuum Oil Company, Inc., Wadhams Oil Company, Stand-

(Continued on Page Four.)

WEATHER FOR NORTH CAROLINA.

Cloudy, thundershowers this afternoon and tonight; slightly warmer in central portion tonight; Friday partly cloudy, possibly thunder showers near coast.

(Continued on Page Five.)

Barkley Declares Roosevelt Not To Allot Utility Money If Firms Sell Out Holdings

VICTIM OF FLORIDA KIDNAPING



Princeton, Fla.—James Bailey Cash, Jr., 5-year-old victim of kidnapers here, is shown in a recent photograph. While his mother was helping her husband lock the store, "Skeegie," as he was called by his parents, was snatched by kidnapers Saturday night. A \$10,000 ransom demanded by the kidnapers was paid by the father, but "Skeegie" was not returned. Wednesday the frantic father was scouring the countryside seeking his son.

Heavy Fines Imposed For Oil Concerns

Madison, Wis., June 2 (AP)—Federal Judge Patrick Stone today assessed fines of \$360,000 and \$25,000 costs against 13 major oil companies and eleven of their officials on charges of illegally fixing the margin of profits for independent wholesale gasoline jobbers in the Midwest.

The judge accepted the defendant's pleas of nolo contendere by which they were willing to accept penalties without standing trial.

Eight other companies and a like number of officials who refused to enter nolo contendere pleas will go on trial in Madison September 26.

In the case of each company and individual whose pleas were accepted the court imposed a fine of \$15,000. The costs of \$25,000 are to be split among the defendants.

The companies entering pleas were the Socony Vacuum Oil Company, Inc., Wadhams Oil Company, Stand-

(Continued on Page Four.)

WEATHER FOR NORTH CAROLINA.

Cloudy, thundershowers this afternoon and tonight; slightly warmer in central portion tonight; Friday partly cloudy, possibly thunder showers near coast.

(Continued on Page Five.)

STATEMENT GIVEN DURING DEBATE ON WPA RESTRICTIONS

Seek Elimination of Ban on Loans for Concerns To Compete With Private Firms

MORGENTHAU URGES ROOSEVELT POWER

Urged Unlimited Authority To President in Spending Huge Relief Fund; Treasury Will Need No Borrowing June 15, Treasury Secretary Says

Washington, June 2.—(AP)—Majority Leader Barkley told the Senate today President Roosevelt does not want to use public funds to build public utility plants competing with privately owned systems until private utilities have been given an opportunity to sell their holdings at a "reasonable price."

Barkley's statement came during Senate debate on a proposal to forbid the use of PWA funds for constructing plants which would compete with privately-owned systems.

The restriction was recommended by the Senate Appropriations Committee as an amendment to the administration's \$3,000,000,000 lending-aid measure.

If the restriction of PWA allotments is eliminated, Barkley asserted he was "authorized to say" that the President would not allocate funds for building public systems unless municipalities have in good faith made an offer to purchase existing private plants.

Earlier Secretary Morgenthau said Congress should give the President virtually unlimited authority to determine how funds should be spent in the new relief public works program.

Meanwhile, Commissioner George Payne, of the Communications Commission, charging that the commission has been "susceptible to outside pressure," asked the House Rules Committee to authorize a congressional investigation of the radio industry.

"Some of the lawyers who practice before the commission," Payne said, "have become arrogant and are in the habit of commanding, rather than asking or pleading. Their influence and pressure are altogether too great."

Other developments included: Secretary Morgenthau announced

(Continued on Page Three.)

THINKS LEVINE LAD DECAPITATED FIRST

Westchester Medical Examiner Convinced He Was Dead When Thrown Into Sound

New Rochelle, N. Y., June 2 (AP)—Revising an original police theory, Dr. Amos Squire, Westchester county medical examiner, said today he was convinced the kidnapers decapitated 12-year-old Peter Levine before dumping his body into Long Island Sound.

Dr. Squires said a check of 1,200 drowning cases had failed to disclose a single incident in which a head had become detached from a body by natural causes after immersion of only three months.

Police and Federal agents, still without a tangible clue as to the identity of the slayer, continued dragging waters of the sound near the place where the boy's wire-bound torso drifted ashore last Sunday.

Pittsburgh's Bread Supply Is Threatened

Pittsburgh, Pa., June 2.—(AP)—Bread supply became a problem today for several hundred thousand families in the Pittsburgh district as the ovens of 35 major baking companies cooled because of a strike of 1,400 truck drivers.

Also idle were 2,400 inside employees and leaders of the American Federation of Labor bakery truck drivers union, predicted they would join the drivers in the sympathy walkout.

Fighting broke out and two men were hurt as 58 trucking companies formed picket lines on main highways to prevent freight movements by seven firms which signed a union contract. Cab windows on a truck bear-

(Continued on Page Five.)