

ROOSEVELT PREDICTS HIS PLACE IN HISTORY

U. S. JOINS BRITAIN AND FRANCE TO LIFT SIZES OF WARSHIPS

Limit of 45,000 Tons Agreed Upon as Only Basis for Accord Between The Three

BRITAIN DESIRED SMALLER MAXIMUM

Agreement Is Sequel to Decision of Three Powers To Abandon 36,000-Ton Limit In Treaty of 1936 Signed at London; In Keeping With Old Pact

Washington, June 30.—(AP)—Administration officials said today four battleships of 35,000 tons each, in addition to two already under construction, will be built before the United States avails itself of the new limit of 45,000 tons.

This was agreed on at a conference between President Roosevelt and Admiral William Leahy, chief of naval operations, last Friday.

London, June 30 (AP)—An agreement between the United States, Britain and France, setting the limits on battleships at 45,000 tons, with 16-inch guns, was announced in the House of Commons today.

The agreement, announced by Alfred Cooper, first lord of the Admiralty, was a sequel to the decision of the three powers to abandon the 35,000-ton limit of the London naval treaty of 1936.

This was made public March 31, in accordance with the escalator clause of the treaty invoked by the signatories because of reports that Japan was building mammoth men-o-war.

Cooper indicated the 45,000-ton limit was higher than Britain wanted to build up to, "but that is the lowest figure on which agreement could be reached," he said.

Pope Asks Japs Cease Air Raiding

Castel-Gandolfo, Italy, June 30.—(AP)—A Vatican news service said today Pope Pius had appealed to the Japanese government to "spare the civil population, in so far as possible in conducting aerial bombardments in China."

Representations were made through the apostolic delegate in Tokyo.

The news service said the Tokyo government had acknowledged receipt of the pope's communication, saying it would be treated "with consideration and deference."

In recent weeks, the pope also has appealed to General Franco, leader of insurgent Spain, to modify the character of his aerial bombardment.

12TH GRADE ROLLS CAUSE DISTURBANCE

School Commission Sees All Sorts of Involvements in Present Row

In the Sir Walter Hotel. Daily Dispatch Bureau.

Raleigh, June 30.—Some stir has been caused in various circles by refusal of the State School Commission to count the attendance of twelfth grade pupils in making allotment of teachers for next year; but officials there offer the rebuttal that such a course on their part is nothing more than equitable compliance with the State uniform eight-months State-supported school law.

Nobody wanted to be quoted directly on the subject, as there was a marked disinclination to enter into any argument, but the point was made that it would be just as logical (or illogical) to pay for an extra month of school in some localities out of State funds as to pay for an extra grade for which there is no provision in existing law.

It must be conceded, of course, that if the 1939 legislature acts to add a twelfth grade to North Carolina's school system, then attendance of twelfth graders would undoubtedly be counted in allotment of teachers.

At present there are only a very small number of school units with the additional grade in operation.—(Continued on Page Four.)

JAPS MENACED BY FURTHER FLOODS IN THE YANGTZE AREA

Campaign Apparently Stalled at Matowchen Boom, Sunken Barricade In Stream

CHINESE RECAPTURE DEFENSE POSITIONS

Japs Completely Silent on That, and Chinese Report Sowing of New Mines as Block to Invaders; Rains Fail to Halt Air Raids of Both

Shanghai, June 30.—(AP)—New rains swept the middle and lower Yangtze river valley today, increasing flood danger in the path of a Japanese offensive against Hankow, China's provisional capital.

The campaign apparently was stalled at the Matowchen boom, a sunken barricade in the Yangtze about 175 miles downstream from Hankow. Chinese reported today they had recaptured defense positions two miles east of the boom with reinforcements brought up to oppose Japanese efforts to blast an opening for war vessels.

Japanese were completely silent on their operations in that sector. Chinese reports also asserted new mines had been sown in the Yangtze between Matowchen and Kiukiang, 40 miles up-river.

Air forces of both nations continued to operate despite rains and fog. Chinese reported a Japanese bomber shot down in the Yangtze sector.

Chinese expressed belief Japanese might attempt to strike south of the river to cut the Canton-Hankow railroad, a main avenue of imported war supplies, at a point 250 miles southwest of Hankow.

45 Killed In Bombing By Rebels

Badelona, Spain, June 30 (AP)—A crushing insurgent air raid killed 45 and destroyed today into this workers' town five miles north of Barcelona, killing at least 45 persons.

For five minutes a fleet of ten planes roared over Badelona, thundering their cargoes into the closely-packed houses.

It was the heaviest raid in the Barcelona area since the three-day attack on the government capital in March, and the severest since Britain launched her plan for investigation of bombings of civilian centers in the Spanish war.

Four blocks of stone and stucco houses were ruined. Their walls were left standing, but their roofs were shattered, and their interiors wrecked. Dust-covered workers dug through the debris to bring out 45 bodies. Nearly 100 wounded were carried into Barcelona in a caravan of ambulances.

Attorney General Spurred Into Action Of His Own By Senate's Monopoly Inquiry

By CHARLES P. STEWART Central Press Columnist

Washington, June 30.—The anti-monopoly investigation has put a burr under the Justice Department's tail even before the quiz has begun.

The department, for a long time, has had a lot of anti-trust cases under consideration without doing much about any of them. Maybe it realized that there was little it could accomplish under the terms of the present Sherman law or maybe it lacked sufficient evidence to act on. However, it does not appear to have tried very hard, perhaps, for no other reason than pure official dilatoriness.

But it cannot afford to be caught with a big batch of such neglected business on hand now—not with that investigation beginning.

No "Whitewash." Most of the inquirers are administrationists, and as the administration is strongly anti-monopoly, undoubtedly they will do their best to do a thorough job. Their chairman, Senator Joseph C. O'Mahoney, is authority for the assurance that the affair will not be a witch hunt, but it will not be a whitewash, either.

On the oppositers probably will be as fair as possible, from creating an embarrassing situation for one of the administration's own depart-

Keep Hands Off!



Island of Hainan ... new trouble zone?

Both Britain and France have made known a warning to Japan to keep hands off the strategic Chinese island of Hainan, off the South China coast, revealing a pledge to act together to handle any "complications." Hainan, shown on the map above, is directly opposite northern French Indo-China, and lies close to the route between Hongkong and Singapore, Britain's Far Eastern strongholds.

EARTH SHOCK AND TYPHOON PRODUCE HORROR IN JAPAN

At Least 100 Persons Killed and 200 More Missing During Past Couple Of Days

WEATHER STATIONS SOUNDING WARNING

Most Liners and Freighters Remain at Docks; Tokyo and Yokohama Worst Hit of Any Great Cities; 150,000 Homes Flooded in 12-Inch Rain

Tokyo, June 30.—(AP)—A typhoon howled toward Japan's islands today in the wake of two days of horror in which at least 100 persons were killed and 200 others were missing.

The heaviest deluge of rain in Japan's recorded history, and by an earthquake which levelled homes and disrupted rail and wire communications.

The central meteorological institute warned all cities in southern Japan to be prepared for the tropical hurricane blowing northward across the China Sea. It said the winds would strike late this afternoon unless they were deflected. Most liners and larger freighters remained tied at their docks in Yokohama.

Most of the deaths were in Tokyo and Yokohama. In both cities landslides crumpled homes. A railroad tunnel collapsed near Tokyo and a mainline roadbed was washed away. Many rivers burst their banks, imperiling other homes beneath undermined cliffs.

More than 12 inches of rain fell, flooding 150,000 homes in Tokyo alone.

Snell to Retire



Representative Bertrand Snell ... quits after 24 years

Recurring ill health and desire to devote his attention to his personal affairs are listed as reasons for the retirement of Representative Bertrand Snell (R.) of New York, house minority leader. Snell has served 24 years in the house.

Dealings began to dwindle as quotations fell, and transfers amounted to only 2,500,000 shares. Top marks of fractions to three or more points were converted into losses at the close.

SAYS FUTURE WILL WRITE HIS BUDGETS AS BEING BALANCED

Survival of Value "For Our Population and for Our Way of Living" Is Forecast

HE SPEAKS BEFORE TEACHERS' MEETING

His Wife Introduces Him to Education Association Convention; Holds Up His "Good Neighbor" Policy as Model for Rest of the World

New York, June 30.—(AP)—President Roosevelt, gazing into the future, today predicted that history would say his "long range budget" had been balanced.

This calculation, the President declared, would be based on "survival values for our population and for our democratic way of living, balanced against what we have paid for them," in addition to the usual items of government income and outgo.

Addressing the teachers who comprise the National Education Association, Mr. Roosevelt also:

1. Spoke of countries where libraries have been burned, learned people exiled, universities dispersed and news, art and literature censored and having turned back the clock of civilization." He did so without naming any country.

2. Admonished this country to keep bright the fires of freedom and civil liberties, to redouble efforts to maintain a free press, and to provide a safe place for eternal truths.

3. Declared for state and local control of schools and their curricula, with the Federal government supplementing only the resources of the poorer communities.

4. Predicted that "the ultimate victory of tomorrow is with democracy, and through democracy with education, for no people can be kept eternally ignorant or eternally enslaved."

The President's speech to the teachers was his second at the New York World's Fair grounds this afternoon.

In his first address, at the laying of the cornerstone of the fair's Federal building, he held up the Western Hemisphere's "good neighbor" policy as a model for the rest of the world.

After that, he drove across the fair grounds to the education building, where his wife, a one-time teacher, introduced him.

The budget balancing remark was prefaced with a declaration that "the only real capital of a nation is its natural resources and its human beings."

"If we skimp on that capital, if we weaken the capacity of our human beings, then we shall go the way of all weak nations," said the President, adding that, judged by history's test, "I venture to say that the long-range budget of the present administration of our government as being in the black and not in the red."

ANOTHER FAST DAY FOR STOCK MARKET

Rise One of Fastest Flights in Years, But Profit Selling Reverses Upward Trend

New York, June 30.—(AP)—Stock market leaders shot upward in one of the fastest flights of the past several years during today's early proceedings, but subsequently suffered a profit-taking nose-dive. Ralls and utilities were inclined to contest the retreat. Brokerage offices were swamped with overnight buying demand from all parts of the country and abroad at the opening. Blocks of 1,000 to 15,000 shares changed hands in the wild dash and the ticker tape for more than an hour was as much as ten minute behind. Numerous new highs for the year or longer were posted before the relapse.

Dealings began to dwindle as quotations fell, and transfers amounted to only 2,500,000 shares. Top marks of fractions to three or more points were converted into losses at the close.

Table with stock market data including American Radiator, American Telephone, American Tob Co, Anaconda, Atlantic Coast Line, Atlantic Refining, Bendix Aviation, Bethlehem Steel, Chrysler, Columbia Gas & Elec, Commercial Solvents, Continental Oil Co, Curtiss Wright, DuPont, Electric Pow & Light, General Electric, General Motors, Liggett and Myers, Montgomery Ward & Co, Reynolds Tob B, Southern Railway, Standard Oil N J, U S Steel.

Use Market Cards To Regulate Sales 1938 Cotton Crop

In House Spotlight



Joseph W. Martin, Jr., Republican Representative from Massachusetts, is pictured above. He has been named as possible successor to the post of House minority leader to replace Representative Bertrand W. Snell, of New York, who is retiring from politics.

\$249,289 Is To Be Spent On Syphilis

Raleigh, June 30.—(AP)—Dr. Carl Reynolds, State health officer, reported today \$249,289 would be expended in 18 North Carolina counties in fighting syphilis in the fiscal year starting tomorrow.

The funds set aside by the counties and municipalities \$127,705 will be matched by \$121,584 from the Zachary Smith Reynolds Foundation fund, given by the State Board of Health for anti-syphilis work.

In some instances the communities have already had venereal disease clinics in operation, and they will receive credits for such funds set up in the new year. In most places, new funds are also being used to match the Reynolds money.

Buncombe county and Asheville will supply \$15,620 and receive the same amount of Reynolds money, Dr. Reynolds said. That will lead all counties.

The Reynolds fund allocation and total budget for other areas include: Cumberland, \$7,087 and \$14,174; Durham, \$9,654 and \$19,308; Edgecombe and Greene counties, \$4,900 and \$9,800; Orange, Person and Chatham counties, \$5,890 and \$11,780; Robeson, \$6,715 and \$13,430; Rocky Mount, \$2,903 and \$5,807; Wayne, \$5,300 and \$10,600.

SLIGHT RECESSION IN COTTON MARKET

New York, June 30.—(AP)—Cotton futures opened six to nine points up on higher cables, trade and foreign buying. October sold up from 8.79 to its previous high of 8.83, and was holding at the best shortly after the first half hour, when the list was five to eleven points net higher. October eased from 8.83 to 8.70, and at midday was 8.72, with the list net unchanged to one point lower.

Futures closed three to five points lower. Spot steady, middling 8.80.

Table with cotton market data including July, October, December, January, March, May.

WEATHER FOR NORTH CAROLINA.

Generally fair, slightly warmer in extreme southeast portion tonight; Friday partly cloudy.

Plan Will Be Followed Under Quota Provisions of New Federal Crop Control Law

HOPKINS PUNISHES WPA STRAW-BOSSES

Promises Swift Dealing With Any Proven Charge of Political Coercion, and Equally Prompt in Exposing Accusations from the Opposition

Washington, June 30.—(AP)—The AAA announced today it would use marketing cards to regulate sale of this year's cotton crop under marketing quota provisions of the new crop control law.

Quotas were approved by more than 92 percent of the cotton growers voting in the referendum March 12. The new cotton marketing season will open next month.

Under the control program, AAA officials expect to hold production and marketings of 1938-grown cotton below 18,000,000 bales, compared with about 18,750,000 bales produced last year. They estimated there is a surplus of about 13,000,000 bales of American cotton in domestic and world markets.

The quota for a farm that has overplanted its acreage allotment will be considered to be the normal production of the allotment until it is determined by the county AAA committee from ginning reports and other evidence that the actual production of the allotment is in excess of normal, AAA said.

Meantime, Harry Hopkins announced two WFA straw-bosses in Kentucky have been punished for playing politics. The work relief administrator, replying to recent charges of political coercion in the Kentucky WPA, said in a statement:

"We will deal swiftly and summarily with any proven charge of political coercion, but we will be equally prompt in exposing any accusations trumped up to serve the political ends of those who are opposed to this administration.

The War Department said local interests would be heard soon on proposals for flood control or other work on the Tar river, North Carolina. Local interests have proposed extending an authorized navigation channel from Hardee creek to Tarboro.

The PWA disclosed it was prepared to advance funds for construction of the \$30,000,000 Santee-Cooper power and navigation project in South Carolina as fast as they are needed.

DIES OF INJURIES INFLICTED BY CAR

Charlotte, June 30 (AP)—C. C. Garrison, 42-year-old Southern Railway employee, died in a hospital here today of injuries he suffered when an automobile struck him on a Charlotte street Sunday.

MARTIN MADE HEAD OF STOCK EXCHANGE

New York, June 30 (AP)—William Mc. Martin, 31-year-old chairman of the New York Stock Exchange, was chosen today as its first salaried president, the position which has been referred to in brokerage circles as "Wall Street's czar."

Schedules On Tobacco Being Made

White Sulphur Springs, W. Va., June 30 (AP)—About 300 tobacco men, heartened by excellent market prospects and good growing conditions, went into committee sessions today preparatory to formal meeting at the annual meeting of the Tobacco Association of the United States tomorrow.

President E. J. O'Brien, of Louisville, Ky., said the announcement of dates for tobacco marketings would be made tonight or Friday evening, since many members of the sales committee attended the funeral of T. M. Anderson, of the Export Leaf Tobacco Company, at Richmond, Va. The committee session is scheduled for tonight.