

JAPAN SEES BRIGHT PROSPECTS FOR PEACE

But Soviets Keeping Up Their Firing

Russians Announce Readiness for Peace if Japan Will Withdraw Troops

Tokyo, Aug. 5.—(AP)—A foreign office spokesman declared today "prospects are bright" for peaceful settlement of the Soviet-Japanese dispute over the Siberian-Manchoukiao border.

RUSSIA OFFERS PEACE IF JAPAN WILL STOP ATTACKS

Moscow, Aug. 5.—(AP)—Soviet Russia is ready to grant Japan peace on the frontier with Manchoukio if the

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Catawba To Vote Tomorrow on Plan For Liquor Store

Raleigh, Aug. 5.—(AP)—Voters of Catawba county will decide tomorrow whether their county shall be the first in the State west of Durham to establish county liquor stores.

Vicious Bear Escapes Zoo; Is Shot Dead

Pittsburgh, Pa., Aug. 5.—(AP)—A ferocious grizzly bear that broke from a steel-barred cage in the Highland Park zoo and spread terror through the residential district, was shot and killed near a reservoir in the park five hours after her escape today.

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New Tennessee Governor, Senator



Prentice Cooper and Thomas Stewart

Berry And Browning Are Defeated In Tennessee

Nashville, Tenn., Aug. 5.—(AP)—The Democratic faction headed by National Committeeman E. H. Crump and senior United States Senator K. D. McKellar won a smashing victory over Governor Gordon Browning and Junior Senator George Berry in Thursday's Statewide primary, incomplete returns showed today.

Governor Of Louisiana Is Aiding Strike

Hammond, La., Aug. 5.—(AP)—A strike at a box factory here, actively supported by Governor Richard Leche who protested against wages he said ranged from 12 to 15 cents an hour, spread today to another box factory a few miles north of Hammond.

SPIDER BITE FATAL TO GIRL IN WAYNE

Goldsboro, Aug. 5.—(AP)—Martha Lee McCullen, 17, of Newton Grove, died in a Goldsboro hospital today from what her family described as a spider bite.

First Death In Elections In Kentucky

Louisville, Ky., Aug. 5.—(AP)—Death in "bloody Breathitt" county today marked primary eve in Kentucky, where President Roosevelt's party leadership faces a nationally important test at the ballot box.

What Appears To Be Peace May Be Only An Illusion; War Threatens Everywhere

By CHARLES P. STEWART Central Press Columnist Washington, Aug. 5.—Of course every decent human being would be delighted to be convinced by recent London dispatches to the effect that efforts to rid the world of the chief threats against its peace really are gaining ground.

Border Belt Tobacco Prices Hold Firm At Estimated 27c

Warehousemen Continue To Chalk Up Record High Offerings, And Slightly Better Prices Than Opening Day Are Reported on Good Grades

Florence, S. C., Aug. 5.—(AP)—Prices prevailing at the opening of the Carolina 16 Border Belt tobacco markets yesterday held firm today as warehousemen continued to chalk up record high offerings.

Paul Dwyer Says He Planned Before Slaying To Leave

South Paris, Maine, Aug. 5.—(AP)—Under cross examination, Paul Dwyer, 19-year-old "killer," today testified he packed his bags the day before Dr. James Littlefield, elderly South Paris physician, was slain, a crime to which Dwyer previously confessed but which he now accuses former Deputy Sheriff Francis Carroll.

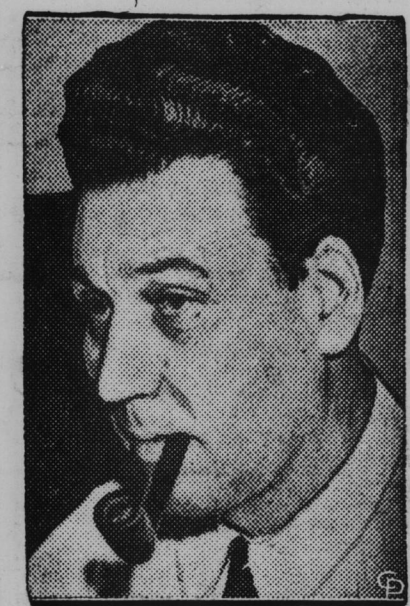
FEREBEE SETTING PACE IN CONTEST

Chicago, August 5.—(AP)—Maintaining a brisk pace and playing excellent golf over the Olympia field's lay-out, J. Smith Ferebee was away fast this morning in his attempt to play 144 holes between dawn and dark for a wager of \$2,500 and a half interest in a \$30,000 Virginia plantation.

Navy Closes Its Hunt For Clipper Ship

Manila, P. I., Aug. 5.—(AP)—The giant Hawaii Clipper and her 15 occupants were logged as victims of a mystery air disaster today by the United States Navy, which ordered searching vessels home from a fruitless hunt across 100,000 square miles of ocean and shore lines.

Invents 'Death Ray'



Major Arthur W. Marchant... claims invention of a powerful "death ray" so potent it can cut quarter-inch steel plate at 300 yards and without human or animal bodies is claimed by Major Arthur W. Marchant, construction engineer of Somerville, Mass.

Easterling Warns About Big Spending

Local Government Head Advises Cities and Towns Against Heavy Debts

Wrightsville Beach, Aug. 5.—(AP)—W. E. Easterling, secretary of the Local Government Commission, warned municipalities here today against "frantically grasping for Federal works projects without deliberate consideration."

High Point Faces Serious Shortage Of Water Supply

High Point, August 5.—(AP)—High Point faced today its second serious water shortage in a week, as the result of a break in a 24-inch water main early last night. Industrial operations are practically suspended, and water for domestic consumption has been greatly curtailed.

Cities' Fight For PWA Fund Is Uncertain

Daily Dispatch Bureau, In The Star Walter Hotel, Raleigh, Aug. 5.—As the North Carolina League of Municipalities considers the matter of pressing for authorization of revenue bond issues by local units so that cities and counties may seek PWA grants, there are growing indications that the strategy of advocates of such authorization may prolong the extra session of the General Assembly beyond the six-day minimum.

Blames C. I. O. in Steel Riots



Ralph E. Elser, sheriff of Mahoning County, Ohio, is pictured on the stand at the LaFollette Civil Liberties hearing in Washington, as he blamed the riots which marked the strike of "Little Steel" on Philip Murray, C. I. O. chairman.

Corrigan Is Given 'Hand' In New York

Big City Extends Atlantic Solo Flier One Of Its Greatest Welcomes

New York, August 5.—(AP)—Cool and breezy, young Douglas Corrigan rode triumphantly up lower Broadway today, grinning infectiously as the temperature rose and sweltering thousands cheered his progress.

GRANVILLE FARMER DECLARED SUICIDE

Oxford, August 5.—(AP)—John Munn, 56, prominent Granville county farmer, died at his home near here today of a gunshot wound which Coroner W. D. Bryan said was self-inflicted.

TWO ROAD PROJECTS SENT TO U. S. BOARD

Raleigh, Aug. 5.—(AP)—The highway commission announced today it had sent two projects to the Federal Roads Bureau for approval for the lettings set for August 30.

Outlook Much Brighter For Railroads As Income Increases To Save Them

By ROGER W. BABSON, Copyright 1938, Publishers Financial Bureau, Inc. Babson Park, Mass., Aug. 5.—The outlook for the railroads has brightened a lot in the last two months. In May, the entire industry was racing straight toward bankruptcy.

Fifteen Italian Navy Men Killed

Rome, Aug. 5.—(AP)—Fifteen Italian sailors were killed and 20 injured in a fire room explosion aboard the Italian cruiser Quarto in the port of Pollenza, island of Malloca, it was announced today.

Home Rule By Cities Urged By Johnson

Asheville, Aug. 5.—State Treasurer Charles M. Johnson today told municipal officers of North Carolina there should be submitted to the people a constitutional amendment conferring "home rule" on the State's municipalities and abolishing the great mass of "local" legislation enacted by every General Assembly.

Home Rule By Cities Urged By Johnson

The treasurer, who is chairman of a commission appointed by Governor Clyde R. Hoey to examine the question of local legislation, made the following specific recommendations: (1) Since the functions of a municipality are chiefly local, concerning only the inhabitants of the municipality as distinguished from the citizenry of the State as a whole, broad discretionary powers should be conferred upon municipalities.

Home Rule By Cities Urged By Johnson

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carloadings were down to 500,000 at the low point early in June. Now they are around 600,000. This jump is striking at the railroad's biggest basic problem, namely—the steady loss in traffic since 1929. If gross revenues could be pulled back to a reasonable level, most other problems would vanish. There is a possibility that the present rally in business will turn into a real prosperity period. If the current improvement we have already had in carloadings is maintained, carriers' revenues should be boosted \$100,000,000 annually.

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WEATHER

FOR NORTH CAROLINA. Partly cloudy, scattered thundershowers this afternoon or tonight and possibly near the coast Saturday.