

MORGENTHAU DEFENDS BAN ON GOLD CLAUSE SUITS

TREASURY'S HEAD SAYS GOVERNMENT BONDS WILL HOLD

Closing of Courts to Such Litigation Won't Hurt Federal Credit, He Declares

ANOTHER THREAT TO NEW DEAL IS SEEN

Federal Condemnation of Land for Low-Cost Housing Projects Barred by Court Ruling in Ohio; Utility Lobby Probe Draws More House Testimony

Washington July 15 (AP)—The legislation which President Roosevelt wants to protect the government from damage suits growing out of nullification of the gold payment clause in its contracts was defended today by Secretary Morgenthau.

He said in a letter to Chairman Fletcher, of the Senate Banking Committee, that the administration proposal to close the courts against such suits should have no noticeable effect on the government's credit or prices of securities.

A formidable legal threat arose, meanwhile, to another New Deal policy—public construction of low-cost housing.

Secretary Ickes acknowledged that a decision by the circuit court of appeals at Cincinnati barring Federal condemnation of land for such purposes would restrict the housing program which FWA has under way in many cities.

He said, however, it would be continued "within the limits set by the decision."

Lobbying for and against the utility holding company bill continued to engage the attention of congressional investigators. Nine House members asked to testify before the House Rules Committee regarding the charge of Representative Brewster, Republican, of Maine, that Thomas Corcoran, R. F. C. attorney, told Brewster that the Passamaquoddy tidal harnessing project in Maine would be stopped if he did not vote for abolition of some

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Chinese Man and Woman Nabbed in Chicago Slaying

Rockford, Ill., July 15.—(AP)—A Chinese man and a white woman were in custody here today on suspicion of being Harry Jung, Chicago laundryman, and his wife, Mrs. Evelyn Smith, sought in connection with the butcher murder of Ervin Lang Chicago grocery clerk.

The two were seen driving through Rockford last night by a Rockford policeman, who notified detectives. A detective squad set out in pursuit and overtook the car on a highway north of the city.

Taken to the Rockford police station, the occupants of the car, police said, denied they were Jung and Mrs. Smith and gave Madison, Wis., addresses. Their car, a recent model (LaSalle) convertible coupe, bore Wisconsin license plates.

Two Prison Camp Guards Get Liberty

Motions for Acquittal of Other Three Are Argued in Mecklenburg Court

Charlotte, July 15 (AP)—Verdicts of acquittal for two of the five former prison camp officials charged with mistreating two Negro prisoners were directed by Judge Wilson Warlick today when the State closed its case.

Judge Warlick ruled the State had not introduced evidence sufficient to warrant jury deliberation of the charges against T. M. Gordon and J. W. Eudy, former camp guards.

Motions for directed verdicts of acquittal for the other defendants, Henry Little, former convict camp boss, Dr.

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ISLANDS FEUD STIRS WHITE HOUSE



President Roosevelt was expected to act in the bitter political feud between Secretary of the Interior Harold Ickes and Senator Millard Tydings of Maryland as a result of the senate investigation of administration in the Virgin islands, West Indian possession of the United States, by Gov. Paul M. Pearson. The break was precipitated by Ickes who charged Tydings, chairman of the inquiry, had "white-washed" Federal Judge T. Webber Wilson who had accused the governor of meddling with his federal position. The islands are indicated on the map, with Ickes (1), Tydings (2), Wilson (3), and Pearson (4).

Whole Of U. S. To See Moon Eclipse Early In Evening

New York, July 15 (AP)—The entire United States has the main street tonight for a total eclipse of the moon, the first for the whole country since 1927.

No one will have to stay up all night and most folks won't have to be up even late to see this eclipse.

The curving edge of the earth's black shadow will cut into the

sides of the moon at 10:12 p. m., eastern standard time. It will take the moon 7 minutes to pass completely into a black cone, the earth's shadow. From the earth this will be seen as the earth's shadow, a round disc, far bigger than the moon, moving across the moon until it is completely engulfed. At 11:09 p. m., it will remain covered for an hour and 41 minutes.

Mississippi Mob Hangs 2 Negroes

Columbus, Miss., July 15.—(AP)—Two Negroes identified as Bert Moore and Sooley Morton were lynched today eight miles from Columbus by a mob of infuriated white citizens.

The victims of the lynchings were accused of two attempted attacks on white women in this section during the past few weeks. They were taken from the sheriff while he was seeking to spirit them away from Columbus to Aberdeen and were hanged to a tree behind a church on a country road.

FAYETTEVILLE MAN HELD FOR ASSAULT

15-Year-Old Girl Brings an Accusation Against Bill McFadden

Fayetteville, July 15.—(AP)—Bill McFadden was held in jail here today without bond following charges of criminal assault lodged against him last night by Dorothy Hudson, 15.

The girl said that McFadden, a truck driver for a construction company, met her at a cafe last night and was accompanying her home. She said that as they passed an alley he suddenly dragged her into it, took her to an adjacent corn field and there assaulted her.

Then, she said, he took her to the home of one of his relatives, told her to wash and said he would get her some clean clothes. The girl said she jumped out a window and went home. McFadden made no statement when officers placed him in jail.

20 PRCT. INCREASE FOR ALL TEACHERS AN IMPOSSIBILITY

Martin Says It Can't Be Done Under Present Increment and Advancement Schedules

SOME ENTITLED TO 44 PRCT. ADVANCES

Moreover, There Will Be 200 More Teachers This Year Than Last and They Have Got to Be Paid; School Commission Executive Illustrates Problem

Raleigh, July 15 (AP)—The State School Commission will have about \$16,545,950 to allot for teachers' salaries this year, compared with \$13,500,000 paid in salaries last year but even with the \$300,000 additional, each teacher probably will not get a 20 per cent increase, LeRoy Martin, Secretary, reiterated.

Martin pointed out that a teacher with eight years of experience and a B grade certificate, who raised her certificate to A grade this summer, will be entitled to a total of 44 per cent salary increase under the present increment and advancement schedules, if her old salary was raised 20 per cent.

"There just isn't enough money available to give each teacher a 20 per cent increase if increment and certificate advancement are to be allowed on the same basis as now in effect," Martin said; "or, to put it another way, there isn't enough money to give

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Rigid Probe Into Netherlands Plane Crash Is Ordered

Amsterdam, July 15.—(AP)—Authorities ordered a rigid investigation today into the Sunday tragedy in which six persons were killed in an airplane crash.

State Fisheries Boat Which Sank Will Be Raised

Manteo, July 15.—(AP)—The fisheries commission boat John A. Nelson lay today with its bow on a shoal and its stern submerged in 15 feet of water in Ocracoke channel. The boat sank at Ocracoke yesterday and eleven persons aboard were removed by coast guardsmen. The rescued were taken in a coast guard life boat to Atlantic, N. C.

Efforts are expected to be made immediately to raise the boat.

First Paralysis Death Occurs in Greensboro City

Greensboro, July 15 (AP)—Greensboro's first death from infantile paralysis was reported today when Marvin Wright Ferrell, Jr., seven-year-old son of Mr. and Mrs. Marvin Wright Ferrell, died of the disease.

Asheville Man Is To Head Veterans From Spanish War

Hickory, July 15.—(AP)—L. L. Merchant, of Asheville, senior vice commander of the North Carolina Department, United Spanish War Veterans, is slated for elevation to the commandship when officers are elected at the closing session of the 12th annual encampment here tomorrow morning.

Merchant's nomination at the afternoon session today was said to be a formality.

Mrs. Alice Sink of Greensboro, it was said, will likely be nominated for president of the woman's auxiliary. She is now vice-president.

Purvis Quits Post



Melvin H. Purvis

Desiring to enter private business, Melvin H. Purvis, well-known chief of the department of justice forces in Chicago, has submitted his resignation to his Washington headquarters. Purvis, who is only 32, gained nationwide attention when he tracked down the notorious John Dillinger and his gang and Charles (Pretty Boy) Floyd, southwest outlaw.

BELFAST STREETS GUARDED TO AVOID FRESH OUTBREAKS

Five Deaths and 74 Persons Wounded As Toll of Disturbances In Past Few Days

LITTLE GIRL SHOT BY SNIPER SUNDAY

Brought Down by Gunman Behind Chimney While She Was Playing In Street; Search for Arms Is Pressed as Police Seek To Avoid More Bloodshed

Belfast, Ireland, July 15 (AP)—Steel helmeted troopers, with fixed bayonets patrolled the streets today alert for any new outbreaks of the disturbances which resulted in five deaths and the wounding of 74 persons.

Comparative quiet prevailed during the early hours after a series of religious riots, originating with last Friday's celebration by the protesting Orangemen of the 25th anniversary of the battle of the Boyne.

The latest casualty was seven-year-old Kathleen Stewart, who was shot down by a sniper from a chimney pot last night while she was playing on a street. She was taken to a hospital with a bullet in her shoulder.

A search for arms was pressed today. Police took elaborate precautions to prevent further bloodshed during the funeral of two of Friday's victims.

WEATHER FOR NORTH CAROLINA.

Showers tonight and probably on the coast Tuesday morning; generally fair in interior Tuesday; slightly warmer on the coast Tuesday.

Good Business For Fall Seen By Hood

State Bank Commissioner J. C. Baskervill, in a report to the legislature today, predicted that the banking business for the fall would be good.

From March, 1934, to March, 1935, the total bank assets of 148 State banks and 44 national banks increased \$81,785,148, while demand deposits in 181 State banks and 57 branches increased \$44,917,977. The increase in State banks and savings in these same State banks amounted to \$58,570,558, a comparison of the statements shows. While the increase from

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TWO NEW DIVISIONS ARE MOBILIZED BY PREMIER MUSSOLINI

One Is Regular Army Outfit and Other Is New Creation of Blackshirt Militia

ORDERS BUILDING OF 10 NEW SUBMARINES

Il Duce's Publicity Bureau Ascribes Feverish Army of Italy to "Accelerated Military Preparations" By Ethiopia in East African Controversy

Rome, July 15 (AP)—With war between Italy and Ethiopia increasingly regarded as inevitable, Premier Benito Mussolini today ordered the mobilization of another regular army division and creation of another division of blackshirts militia.

Il Duce also ordered the immediate construction of ten new submarines.

An official communication, which announced the new preparations for possible hostilities in East Africa, said: "The accelerated rhythm of military preparations by Ethiopia forces us to proceed with additional measures of military character."

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Tells of Kidnaping



George Weyerhaeuser

Though he failed to identify Mrs. Margaret Waley as one of his kidnapers, nine-year-old George Weyerhaeuser told a dramatic story of his abduction as he testified at the trial of Mrs. Waley in federal court at Tacoma, Wash. The boy, who was hurried to and from the courtroom by his father, is pictured leaving court.

SCHOOLS TO AWAIT PASSING OF 'POLIO'

Summer Terms, Mostly in West, to Be Delayed for Several Weeks

In the St. Walter Hotel, Daily Dispatch Bureau, BY J. C. BASKERVILL. Raleigh, July 15.—It would be exceedingly unwise for the schools which are scheduled to open between now and August to open until the present infantile paralysis epidemic is definitely under control and on the down grade, according to both the health and school authorities here. The fact that there has been a definite decrease in the number of new cases of infantile paralysis during the past week is attributed by Dr.

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Greene County Is Moving to Open up Its Liquor Store

Snow Hill, July 15.—(AP)—Judge J. Paul Frizzle, having modified his original injunction permitting Greene county to open liquor control stores, the board of county commissioners was scheduled to meet here at 4 o'clock this afternoon to complete details. The commissioners were expected to name a Greene county liquor control committee this afternoon.

THREE NEW STATE PARKS UNDER WAY

Two of Them Have Been Received as Donations for Development

In the St. Walter Hotel, Daily Dispatch Bureau, BY J. C. BASKERVILL. Raleigh, July 15.—Development of three new State parks, two of which are being received as donations from individuals and communities and the third previously under State ownership, is scheduled to get under way within the next few weeks, State Treasurer J. S. Holmes announced today. The development work will be carried under the emergency conservation work program supervised by the

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