

ENGLAND, GERMANY TAKE HAND IN SPAIN

CONVICT THREE OF BLACK LEGION MEN ON MINOR CHARGE

Three of Six Arraigned for Trial Freed of All Charges Against Them

MEN WERE GUILTY OF FALSE IMPRISONMENT

Defendants Were Accused of Taking Robert Penland to Black Legion Meeting and Flogging Him While Tied to Tree for Not Attending Meeting

Detroit, Aug. 7.—(AP)—Three of six men charged at the first Black Legion trial with kidnaping and flogging a fellow member, were convicted by Judge Joseph A. Moynihan of false imprisonment. The other three defendants were freed of all charges. The convicted were Thomas F. Cox, a mill hand, Earl Angstadt, and Frederick A. Gulley.

The statute governing false imprisonment, the reduced charge on which the men were convicted, provides for a fine of \$2,500 or five years imprisonment or both.

Woman Convicted Attempting to Kill Engineer Husband

Milton, Fla., Aug. 7 (AP)—Mrs. Mary Vann, 40, was convicted today of being "accessory before the fact in a conspiracy to commit murder" by hiring two Negroes to attempt to wreck the railroad train on which her 60-year-old husband was engineer.

COTTON LAST YEAR WORTH A BILLION

Withdrawal of Government From Market Hailed as Outstanding Feature

New Orleans, La., Aug. 7.—(AP)—Government withdrawal from active participation in the cotton market was hailed by the New Orleans Cotton Exchange as the "most encouraging feature" of the past season.

In studying the year ended July 1, 1936, the annual review issued by Henry Plauche, secretary, cited the liquidation of the producers pool and sales of loan cotton as a definite indication of intent on the part of the government to "go out of the cotton business."

The report showed the South received a billion dollars for last season's crop, the best year since the 1929-30 season.

Value of cotton and cotton seed gold during the year was estimated at \$331,756,291. Government benefit payments

(Continued on Page Three.)

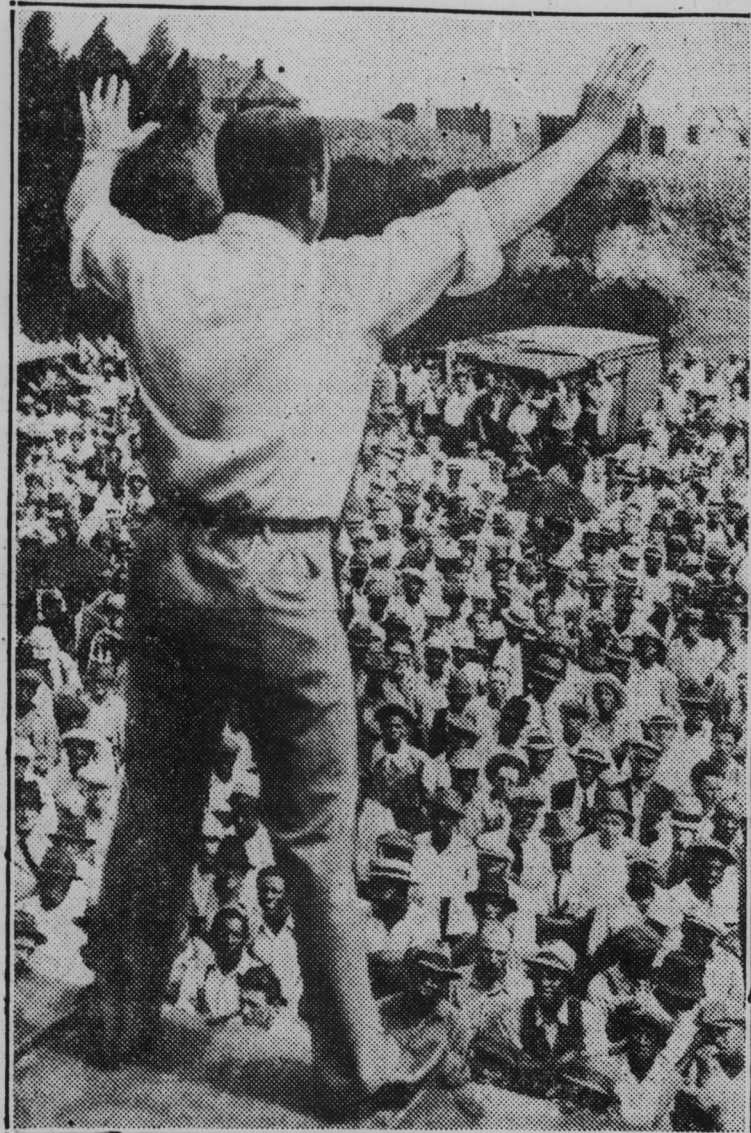
Railroads Showing Signs Of Definite Improvement

For First Time Since Recovery Set in, Carriers Are Getting Back on Feet; Facing Many Obstacles and Old-Time Levels May Never Return

BY ROGER W. BABSON, Copyright 1936, Publishers Financial Bureau, Inc.

Babson Park, Mass., Aug. 7.—When all is said and done the volume of traffic determines whether the railroad will operate in red or black ink. For the first time since recovery set in, the rails are showing definite signs of getting back on their feet.

WPA Workers Drop Their Tools



Five thousand WPA workers engaged on the municipal airport project at Philadelphia, elected to lay down their tools until differences over wages scales were ironed out. An official of the WPA is shown urging the men to return to their jobs. They turned a deaf ear to his entreaties.

REVOLT IN SPAIN MAY CONTINUE LONG

Terrain Lends Self to Type of Warfare Being Waged in Civil Strife

MAY EMBROIL EUROPE

British Worried Over Whole Affair; Fear Cueta May Be Given Mussolini for His Aid in Insurrection

By CHARLES P. STEWART

Central Press Staff Writer Washington, Aug. 7.—The longer Spain's civil strife lasts the stronger is the probability that it will precipitate a general European conflict.

And prospects are that it will continue indefinitely. One side or the other may appear to have won, but guerrilla warfare will go on. The opposing forces are almost evenly balanced and, at bushwhacking, the Spaniards are among the best fighters in the world. Their terrain lends itself to that kind of a campaign, too. They were too much for Napoleon for example. Not that they could defeat him in a formal battle, but they sniped at Napoleon's troops and routed them.

Behind every rock in the country, which is superlatively strewn with them, was a Spaniard (man, woman or child) taking pot shots at the invaders.

Spain also has had plenty of civil trouble before and since. It never has been easy to end.

THE DANGER The Madrid government has been to the leftward—anarchistic, communistic, socialistic; call it what you like.

That, approximately, is in line with the views of France's leftist government—however long it may last. It doesn't want to see a rightist government get into the saddle in Spain.

But Premier Mussolini of Italy, a rightist, is in favor of the Fascist rebels in Spain.

If Italy helps the Spanish rightist

(Continued on Page Four.)

New Group Appears On Labor Scene

Progressive Miners of America May Ask Membership in A. F. of L.

Washington, Aug. 8 (AP)—A possible new claimant to the American Federation of Labor membership, which John L. Lewis' United Mine Workers are on the point of losing, appeared on the troubled labor scene today.

William Keck, president of the Progressive Miners of America and bitter critic of Lewis, said at Gillespie, Ill., when his union meets in convention next month, it will probably consider the question of applying for A. F. of L. membership.

The labor world anxiously watched today to see whether the action of A. F. of L. executive council in ordering Lewis and ten associated unions suspended from the federation unless they repented from their "rebellion" in thirty days would lead to civil war in labor ranks.

Denials for plans for such a war were being drawn came from the Lewis camp and from supporters of the craft union leaders of the executive council whose ire was aroused by Lewis drive to organize steel and other big industries into industrial unions.

In both camps, however, it was conceded that such a conflict with both sides bidding for each others members might develop.

Rescuers Renew Efforts To Save Entombed Miners

Barnsley, York, England, Aug. 7.—(AP)—Weary rescue crews returned today to the grim task of searching for the bodies of 25 miners, who apparently died in a coal mine explosion.

The 25 were officially listed as missing but hope for their rescue alive was termed "hopeless" as bodies of 32 fellow workers have been brought out of the wrecked workings.

LIGHTNING KILLS THREE AT MT. AIRY

Mt. Airy, Aug. 7.—(AP)—Lightning killed three men near here yesterday. They were Robert Welch, 30, of Pineball, and two Negroes, Paul Russell, 40, of Sumpter, S. C., and Henry Davis, 23, of Pineball.

The Negroes had sought shelter from a heavy rain by crouching under some bushes at the side of the highway. Welch had just emerged from under a truck and was walking toward them when the bolt killed all three.

(Continued on Page Three.)

PICKING CHAIRMAN GIVING POLITICOS PLENTY OF TROUBLE

Wild Guessing on Part of Politicians As to Whom Hoey Will Name As Leader

STRATEGISTS UNABLE TO AGREE ON MAN

Some Want Member of So-called "Machine", Some a "Liberal" Democrat to Bring Graham-McDonald Followers Back Into Fold; Ben Parham Talked for Post

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILLE

Raleigh, Aug. 7.—If Clyde R. Hoey is having as much trouble trying to select a chairman for the State Democratic Executive Committee which will meet here Friday night, August 14, to formally elect the man Mr. Hoey decides upon, as the political prognosticators are having in trying to select one for him, he is having plenty of trouble. The political dopsters here have never been known to be guessing as wildly or as much at random as they are at the present time with regard to the chairmanship. About the only fact agreed upon is that Mr. Hoey as yet has not told any one who he has decided to recommend for chairman of the committee and a good many doubt if he will reveal his choice until the committee meets here to formally elect its chairman.

A good many names have been mentioned, of course, in connection with the chairmanship as being eligible for the post. For a week or more the politics here have been mentioning Ben Parham of Oxford, Luther Hamilton of Morehead City, Reg L. Harris of Roxboro and several others as being "in line" for consideration as chairman. More recently the names of Kenneth Royall of Goldsboro, John Dawson of Kingston and Robert Grady Johnson of Raleigh and Burgaw, have been added to the list. But it is difficult to get more than two or three to agree that any of those being mentioned would be able to meet with the approval of the various factions in the party and could hence get the party together with a united front against the Republicans in the campaign this fall. Another factor is the difference of opinion among political strategists as to

Continued on Page Two.)

Outlook For Crops Better Toward West

Corn and Cotton Still Late With Yield Expected Light; Tobacco Better

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILLE

Raleigh, Aug. 7.—The crop outlook is somewhat better in the Piedmont and western counties as the result of rains there during the past week or ten days, but crops are still very late, especially corn and cotton, with the result that the yield from these crops are expected to be very light. Frank Parker of the State-Federal Crop Reporting Service said today.

In some of the eastern counties, however there has been too much rain for the past month, with the result that some crops are being damaged by the excessive moisture, Parker said.

"The heavy excess of rainfall in

(Continued on Page Two.)

OUR WEATHER MAN



FOR NORTH CAROLINA. Cloudy, scattered thunder showers this afternoon and tonight, probably ending in the east portion Saturday morning; cooler in north portion tonight.

NEW INTERNATIONAL "SOFT SPOT"



Great Britain looks with increasing fear on the Fascist revolt in Spain. The Spanish Fascists already control Cueta on the African side of the Strait of Gibraltar, opposite the British stronghold of that name. Now, it is rumored, the Spanish Fascists are prepared to cede Cueta to Italy in return for Mussolini's help. Thus, Mussolini, already entrenched in Ethiopia, would make an Italian sea of the Mediterranean. Cueta also is in the news for another reason. A Paris paper charges that the German pocket battleship Deutschland, accompanied by a destroyer, prevented a Loyalist Spanish warship bombardment of rebel forts by steaming into Cueta harbor as the loyal ships were about to open fire.

—Central Press

BETTER BUSINESS SEEN IN THE STATE

Building Picks Up, Together With Automobile Sales and Employment

HOUSING SHORTAGES

Merchants Expect Remaining Months to Far Exceed 1935; Substantial Gains Seen in Revenues for Period

Raleigh, Aug. 7 (AP)—Postal receipts, building activities, placement by employment service, automobile sales and registration, tax collection and merchants and business men today attested to improved economic conditions in North Carolina.

Merchants said they expect this business to continue.

Willard L. Dowell, secretary of the State Merchant's Association, said that reports from members in every part of the state say "that business is holding up exceptionally well this summer."

"Most of the merchants look for business during the last three months of the year to be 12 to 15 per cent better than the 1935 trade," Dowell added.

Housing shortages have been noted by Chamber of Commerce and Real Estate Boards at Raleigh, Winston Salem, Charlotte, Asheville and other places.

Resources for commercial state banks on June 30 were 303,201,176.46, ahead of the 302,981,652.91 is shown on June 30, 1935.

Officially, State and federal revenue in July, as in past months of 1936, showed substantial gains over those of the same month last year.

Building permits in 21 principal cities in the State June were 51 per cent ahead of January 1935 in number and 29 per cent in costs of construction, and the labor department, with July tabulations not complete, said the record last month was even better.

UNEMPLOYMENT IS SET AT 9,550,000

March, 1933, Was Peak With 15,100,000 Persons Standing in Idleness

Washington, Aug. 7.—(AP)—Commerce department officials estimated that about 9,550,000 persons are out of work.

Ernest G. Draper, acting commerce secretary, said the department's figures represent a "composite estimate" of unemployment, and are based, in part, on statistics of other government agencies.

The hitherto unpublished figures today fixed unemployment in March, 1933, at 15,100,000. Draper said the peak was reached in that month. By last April, the estimate had dropped to 9,900,000 and since then, Draper said, "it is reasonable to assume that there has been a further reduction of 300,000 to 400,000."

Civil Strife Threatens In Greece

King George Broke Solemn Promise When He Appointed Dictator

(By The Associated Press.)

Athens (Uncensored)—(By Air Mail to London)—Liberal Greek circles charged that King George, 2nd, broke a solemn promise of constitutional government when he established Premier John Metaxas as military dictator.

This action, declared members of the liberal party formed by the late Eleutherios Venizelos, will never be forgiven by many of his subjects.

These circles predicted a convulsive upheaval might result under the military dictatorship.

Some expressed the belief that the once exiled king might endanger his throne.

As political circles argued events following the government exposure at which it termed a "communist plot," martial law continued to rule the country.

Newspapers were not allowed to express the views of their editors. Censorship was unprecedented.

ROOSEVELT COMING ON SEPTEMBER 10

Charlotte, Aug. 7.—(AP)—Haywood Robbins, general chairman of the Southern States Green Pastures Roosevelt rally received today a telegram from Hyde Park saying the President would arrive here 4:30 p. m. September 10, the day of the gathering.

Gasoline Commission In Meeting At Morehead

Investigating Terminal Facilities for Gasoline and Freight Rates From Refineries to Morehead; Collecting Facts for the Time Being

(By Staff Correspondent.) Morehead City, August 7.—The recently appointed commission to study the advisability of establishing a state-owned gasoline terminal as a possible means of reducing prices, is meeting here today.

Representative Oscar G. Barker of Durham is chairman of the commission. Other members are T. S. Royster of Oxford; D. L. Ward, New Bern; E. V. Webb, Kingston and Harriss Newman, Wilmington.

The commission held a meeting in Wilmington last week, when it looked over the gasoline terminal facilities there and looked into prices and freight rates both from refineries to Wilmington and from Wilmington to

(Continued on Page Eight.)

PROTEST AGAINST TREATMENT GIVEN THEIR NATIONALS

U. S. Already Has Warned Spain She Must Identify All Property Losses Sustained

FOUR YOUNG NAZI WERE PUT TO DEATH

Berlin Foreign Office Term-ed Execution "Murder;" Great Britain Warns She Will Take Suitable Steps to Protect Neutrals in Gibraltar Area

(By The Associated Press.)

Great Britain and Germany took a hand today in the Spanish civil war with a vigorous protest against the treatment of their nationals by both rebels and loyalists.

The United States government yesterday asked Spanish authorities in Madrid to protect American properties in the area of the revolt and asserted indemnification would be expected for any damages.

The execution of four young Nazi near Barcelona was called "murder" by a foreign office spokesman in Berlin.

Protests were lodged in Barcelona with Leftists by the Germans against the deaths, and another complaint was made to Madrid authorities over the "unprovoked shelling of a German steamer by a Spanish destroyer."

Both sides were warned by Great Britain that suitable steps would be taken to prevent the endangering of neutrals by either Leftists or Rightists fighting in the area of Gibraltar.

Victorious advances by Loyalist troops in the Masarramas mountains north of Madrid were reported today along with successful assaults against insurgents in the south.

The Leftists French press accused Germany of aiding the Spanish rebels with airplanes, munitions and men. French fears of possible collapse of a projected international neutrality agreement were quickened.

ELY SAYS SMITH TO OPPOSE FDR

Former Massachusetts Governor Declares Al To Speak in Boston

Detroit, Aug. 7.—(AP)—Joseph D. Ely, former governor of Massachusetts, said today that Alfred E. Smith would make a speech in Boston, opposing the re-election of President Roosevelt.

However, when informed in New York of Ely's announcement, Smith issued the following statement:

"There is no authority for any statement that I will speak any place." Former Governor Ely, attending a conference of thirty Democrats formerly prominent in the party here to plan a campaign of opposition to the administration, said definite plans for Smith's address had not been made.

He said the former Democratic presidential candidate would make the speech under auspices of his friends in Boston "if their were no other auspices."

Ely said emphatically he would support Governor Alf M. Landon, Republican nominee, in the campaign and would speak for Landon.