

U. S. DENOUNCES BOMBINGS OF CIVILIANS

STATE'S DEMOCRATS TO VOTE TOMORROW FOR MANY OFFICERS

Only Two Statewide Places at Stake, United States Senator and Utilities Office

INTEREST SLIGHT IN THE CAMPAIGN

Some Scant Administration Support for Hancock Seen Past Few Days; Winborne Bitterly Attacked By Grady; Some Congressmen Are Unopposed

Daily Dispatch Bureau. In the Sir Walter Hotel. Raleigh, June 3.—North Carolina Democrats will go to the polls tomorrow to nominate their candidates for a United States Senate seat, eleven posts in the Federal House of Representatives, twenty-one district solicitors, the State utility commissioner, ten superior court judges, all members of the 1939 General Assembly (House and Senate) and a large percentage of their county and township officials.

Republicans will hold no statewide primary and will vote in only a scattering of local contests. The minority party has named its candidates for State office in convention and all of them are without intra-party opposition.

Nominations by the Democrats will be equivalent to election in all statewide races and most local contests, as the Republicans have fallen to their lowest estate in many decades—holding no statewide office, few county posts and in the last General Assembly only eight of 120 House seats and two of fifty in the Senate.

Nominations by Default. In addition to the races in which there are to be contests, the Democrats have already nominated (by de-

(Continued on Page Four.)

21 Contests In Judiciary Are At Issue

Daily Dispatch Bureau. In the Sir Walter Hotel. Raleigh, June 3.—Tomorrow's primary will settle (or reduce to two candidates in each race) twenty-one contests either for a superior court judge's robes or the prosecuting powers of a district solicitor.

While there are 21 judicial districts, this does not mean there is one fight to the district, as some of them have both judge and solicitor battles and others have none at all. Ten of the races are judicial, eleven are solicitorial. Twenty of the twenty-one are Democratic party fights—only one is the Republican scrum for solicitor in the seventeenth, where J. F. Jordan and Avolon E. Hall want the nomination of the G. O. P.

Some of the judicial races are among the very hottest in the State, notably those in the first, second and twenty-first, where Hoey appointees are facing politically strong opponents. Only in the second is the issue

(Continued on Page Eight.)

Babson Believes Upturn Like 1933 Now Probable

Economist Says If Business Does Not Get Better of Its Own Accord, Administration Will Be Forced To Repent or Inflate; Nation Is Sound

BY ROGER W. BABSON, Copyright 1938, Publishers Financial Bureau, Inc.

New York City, June 3.—New York is still terribly blue. Friends here point out that business is now at the lowest level for any June since 1932. Moreover, with that exception, it is the worst since 1921, particularly for the motors and rails. I, however, point out to my friends that this is a coincidence and applies only to the months of June. Taking the first six months of 1938 as a whole we find them materially better than 1932, 1933, or 1934. In fact, if business had gradually risen from March, 1933, up to its present level, we all would be happy. It was the boom in 1936-7 and the rapid drop of the past six months which have discouraged every one.

Prospects for the return of good times have long centered on the

Big Flying Boat Reaches Honolulu

Honolulu, June 3 (AP)—The flying boat Guba, bearing six men for scientific research in wild New Guinea, arrived here from San Diego, Cal., at 6:22 a. m., today. The huge "flying laboratory," built for the American Museum of Natural History, carried Richard Archibald, young research scientist, and a crew of five.

The flying time for the 2,624 miles from California was 18 hours, nine minutes. Awaiting the plane at Hollandia, New Guinea, is a party of museum scientists which will seek rare specimens of plant and animal life from the jungles surrounding Lake Habbema, 12,500 above sea level.

For the next two years, the plane will carry supplies from Hollandia to the isolated camp in a few minutes, compared to days on treacherous jungle trails required by more prosaic methods.

Winborne And Grady Claim Wins

Incumbent Predicts 150,000 Margin, Opponent Claims 60,000 Majority

Raleigh, June 3 (AP)—Stanley Winborne claimed today he would win Democratic renomination as utilities commissioner tomorrow by a margin of at least 150,000 votes, while his opponent, Paul Grady, of Kenly, contended he would whip Winborne by 60,000.

"Enthusiastic supporters of a new public utility order for North Carolina report to my headquarters," Grady said in a statement issued at Smithfield, "that the Paul Grady straight-from-the-shoulder attack on the private power monopoly as defended by my opponent, will sweep Mr. Winborne and his reactionary power theory from office."

"Reports from all over the State are very satisfactory," said Winborne in a statement issued here. "I believe the discussion of issues in this campaign has clarified many things the public has not heretofore understood, and I believe the public has now been convinced that utility rates in North Carolina are reasonable and lower

(Continued on Page Six.)

AGED CONFEDERATE VETERAN PASSES ON

Charlotte, June 3.—(AP)—J. Z. Porter, 97-year-old Confederate veteran, died early today at the home of a son here after a stroke of paralysis three weeks ago. He was a native of Lancaster county, South Carolina.

mammoth building industry. Building swings up and down in cycles just as does business. But both cycles do not always coincide. For instance, do not allowing hit its all-time top in 1926 and declined steadily from then until 1934. In 1926, however, business was only beginning its long climb to the 1929 New Era peaks. Now the tide of both is running in. The synchronizing of the building and business cycles for the first time in many years may give us a prosperity peak never seen before in America.

FHA Mortgages Aid.

The immediate business outlook is brightened by the fact that home building has been able to buck the trend of the recession. Not even un-reasonable labor costs, had business, and fear of the future have prevented

(Continued on Page Four.)

They Advised President to Hold Revamp Bill Until 1939



Representative Sam Rayburn, Senator Alben W. Barkley, Vice President John Nance Garner and Speaker William B. Bankhead in a smiling mood, the Big Four of Democratic leaders in congress leave the White House after convincing President Roosevelt that a second attempt to pass his departmental reorganization bill be postponed till the 1939 congress. The bill passed the senate in this con-

JAPANESE BOMBING OF CANTON BRINGS DEATH TO SCORES

Fifty Perish in Textile Factory and Many Others Die in Houseboats on River

CHINESE ARMY IS AGAIN WEAKENING

Japs Driving Toward Two Cities Preparatory to Gigantic Offensive Against Hankow, Provisional Capital; Chinese Admit Situation Is Serious

Hong Kong, China, June 3 (AP)—Japanese bombing planes killed fifty persons in a Canton textile factory today and caused a great loss of life among houseboat dwellers along the Canton river.

The factory was crowded with workers when two bombs struck the building.

The attackers also bombed the vicinity of a railway station, where many refugees were encamped.

The station was no hit, however, and the raiders departed after 55 minutes. The raid was another of the series that began Saturday, in which a total of 1,000 civilians were estimated to have been killed and 1,500 injured.

CHINESE ARMY APPEARS TO BE WEAKENING AGAIN

Shanghai, June 3 (AP)—China's army appeared to be weakening again today before continuous artillery and aviation attacks on the central China front, where Japanese are driving toward Kaifeng and Chengchow, preparatory to a gigantic offensive south along the Peiping-Hankow railway against Hankow, China's provisional capital.

Chinese reports from Hankow admitted the situation was becoming critical at Lanfeng, the station along the Langhai railway, and a key city in the Chengchow drive.

Foreign military observers reported evidences the Chinese were running short of heavy munitions.

NEW LEGISLATURE TO BE NOMINATED

All Seats in Senate and House at Stake in Year's Contests

Daily Dispatch Bureau. In the Sir Walter Hotel.

Raleigh, June 3.—All members of the 1939 legislature (except those lucky enough to have escaped intra-party opposition) and most county officers in North Carolina will be nominated by Democrats and Republicans in tomorrow's primary.

In a few instances large fields will be reduced to two for run-off races in July.

In contrast to the situation which existed two years ago, there are no Statewide races or issues which are lapping over into the legislative and local field—the contrary much of the vote which is cast tomorrow will be accounted for by the keenness of these lesser contests. So, instead of

(Continued on Page Six.)

Roosevelt Sends Board To England For Studies Of Trade Union Statute

North Carolina To Get \$6,936,000 Federal Road Funds in 1940-41 Fiscal Years; Ijams Says No Decision Reached Yet on Veterans Hospital Point

Washington, June 3.—(AP)—President Roosevelt said today he was sending a commission to England this summer to study the British trade union act.

The President told his press conference the study would have no relation at all to the Wagner labor relations act in this country.

Declaring that the idea of the study was his own, Mr. Roosevelt said its real purpose would be to clear up a great deal of misinformation in this country regarding the British law. He said he could not say who would serve on the commission.

Meanwhile, North Carolina's major share of Federal road funds authorized by Congress to be expended in the 1940 and 1941 fiscal years would be \$6,936,000. These figures were made

public by Senator Hayden, Democrat, Arizona, co-author of the Hayden-Cartwright roads appropriation bill which went to the White House June 1.

Hayden's figures showed North Carolina's allocation for regular Federal aid highways in North Carolina would be \$2,323,000; for secondary or feeder roads, \$349,000, and for grade crossings \$497,000.

For the 1941 fiscal year, the State would receive \$2,672,000 for regular Federal aid highways, \$349,000 for secondary roads and \$748,000 for grade crossings.

Also, Colonel George Ijams, chairman of a Veterans Administration sub-committee considering a site for

(Continued on Page Two.)

Ex-Senator Butler Dies At Capital

Washington, June 3 (AP)—Former Senator Marion Butler, of North Carolina, died today in nearby Takoma Park, Md. He was 76 years old.

Butler served three parties during his political career. He was elected to the North Carolina State Senate as a Democrat in 1890, but two years later left the party to help organize the Peoples party. While national chairman of the Populists, he was sent to the United States Senate in 1896. Later, he aligned with the Republicans, and attended six national conventions as a delegate, the last in 1932.

Butler's home was Elliott, N. C.

SEC CHIEF MEETS WITH STOCK HEADS

First "Meeting of Minds" Between Exchange President and Government Officials

New York, June 3.—(AP)—William O. Douglas, chairman of the Securities & Exchange Commission, today revealed a plan far-reaching in its implication for "round table" cooperation between the commission and the New York Stock Exchange.

Talking to reporters after the first of what he indicated may be weekly meetings between commission officials and those of the exchange, he said of the joint SEC-stock exchange problem, "We hope to solve them in a round table manner."

Douglas said specific solution for various problems confronting the exchange and the regulatory body were mostly still in the conversational stage.

"We have a general agenda of unfinished business," he said, "but it is not the method but the joint approach which is the important thing."

Douglas said he felt this was the first real meeting of minds between the president of the exchange and federal officials.

Cash Search Extends Into "Keys" Areas

Father of Kidnap Infant Leaves Home First Time Since Paying Ransom

Princeton, Fla., June 3.—(AP)—A fleet of boats extended the search for kidnaped Jimmy Cash, southward into the Florida keys today, while J. Edgar Hoover, director of the Federal Bureau of Investigation augmented his staff by 14 G-men rushed here by plane.

James E. Cash, Sr., left home for the first time since he paid the \$10,000 ransom Tuesday to investigate an erroneous report that his five-year-old son's body had been found. Mrs. Cash was abed under a doctor's care.

Hoover arrived at the FBI office in Miami late in the morning, leading to the supposition he and his men had worked far into the night. With him were Clyde Polson, his aide, and E. J. Connelley, investigator from Washington. All were uncommunicative.

Searching parties took the field in small number than those who have beaten the bushes in the past few days.

Working from boats, divers explored the bottom of the sound.

WINDSORS OBSERVE FIRST ANNIVERSARY

Duke and Duchess Forego Celebration, However, To Condition Their New Residence

Antibes, France, June 3.—(AP)—The Duke and Duchess of Windsor celebrated their first wedding anniversary today working together on their first real home. The ex-ruler of the British empire and the American-born woman were so engrossed in getting the Chateau de la Croye ready to live in that they planned no formal celebration.

They scheduled just another day of supervising alterations inside and outside the comfortable chateau, which they have leased for two years.

GOVERNMENT LINES REPORTED SEVERED

Spanish Insurgents Make Sharp Headway in Their Drive on East Coast Territory

Hendaye, France, June 3.—(AP)—Insurgents declared today they had broken the government's stubborn defense lines west of Albacete, opening the way for attacks from three directions on the coastal highway reaching south to Valencia.

Despite tenacious government resistance, General Aranda's Galicians captured two mountain positions, establishing a semi-circle of three miles radius about Albacete. Both positions are west and south of the beleaguered town.

There was evidence again the government was deserting insurgen, mastery of the air. Insurgents' claimed and possibly six more government planes were shot down during May, but a communique from Barcelona said insurgent planes were also shot down from the air.

WEATHER FOR NORTH CAROLINA.

Partly cloudy, preceded by rain in east this afternoon and possibly on the coast early tonight; Saturday generally fair and warmer.

AMERICA'S VIEW ON SPANISH WAR AND JAPAN SET FORTH

Under Secretary Welles Issues Stern Statement After Confering With President

\$300,000,000 MORE OF SPENDING APPROVED

Amount Inserted in New Finance Measure in Senate by Wagner of New York; President Divides Victories And Defeats In Present Congress

Washington, June 3.—(AP)—The United States government expressed today its "emphatic reprobation" of bombings of civilian populations in China and Spain.

Under Secretary of State Sumner Welles, after a conference with President Roosevelt, issued a stern statement on behalf of the State Department. The statement said American public opinion "regards such methods as barbarous."

It recalled that in recent days aerial bombings have caused the deaths of many hundreds of persons in Spain and China. He mentioned the fact that the United States government has, on numerous occasions, expressed its disapproval of such actions, particularly through statements by Secretary Hull September 23 and March 31.

Welles said today's statement was not taken in conjunction with Great Britain, and was not being communicated diplomatically to General Franco or the Japanese government.

The Senate approved an additional \$300,000,000 for slum clearance, meanwhile. The authorization was written into the administration lending-spending bill, raising the total to \$3,722,000,000. The action was taken on motion of Senator Wagner, Democrat, New York, author of much housing

(Continued on Page Six.)

WAR UNLIKELY BY ECUADOR AND PERU

Napo River Incident Expected To Be Settled by South Americans

Lima, Peru, June 3 (AP)—A high government source declared today that "there seems to be no serious danger of an outbreak" between Ecuador and Peru as a result of the Napo river incident.

The Peruvian foreign office denied its ships or military forces had attacked the inhabitants or garrison of Rocafuerte, disputing Ecuadorian versions of the border dispute.

ECUADOR'S ARMY READY FOR ITS DEFENSE

Quito, Ecuador, June 3 (AP)—Ecuador's frontier army sharpened its defenses today in the wake of a new incident of violence in the nation's 107-year-old dispute with Peru. Two soldiers and a lieutenant were killed yesterday in a clash with Peruvian gunboats along a river in the northeastern portion of a vast jungle claimed by both nations.

The ministry ordered troops to refrain from retaliatory aggression, but to defend themselves "with all their characteristic valor."

Ford Predicts Greatest Orgy Of Prosperity Yet And Hits Money Barons

Detroit, Mich., June 3 (AP)—In his first statement on public affairs since he returned home from a recent eastern trip that took him to Washington as a White House visitor, Henry Ford said in an interview today that nothing has happened in recent weeks to change his conviction that "we are going to have the greatest era of prosperity and happiness we have ever known."

Ford sat astride a bench in the mess hall of a boys' farm camp not far from his home in Dearborn, and, pointing toward the nearly 300 acres under cultivation by the young farmers, said:

"And it will come through a back-to-the-land movement."

Ford reiterated his criticism of certain financial interests, which he

said would like to bring about another war. "Somebody once said that 60 families have directed the destinies of the nation. It might well be said that if somebody would focus the spotlight on 25 persons who handle the nation's finances the world's real war-makers would be brought into bold relief."

The motor manufacturer said veterans of the World War would have an increasing part in shaping the future of the nation's affairs, charged once more than some financial interests seek to control food prices, and declined to discuss for publication his call at the White House.

Ford said there was nothing about his recent visit to Wall Street to see J. P. Morgan that was inconsistent with his opposition to "certain financial interests," which he