

HENDERSON'S  
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# Henderson Daily Dispatch

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## JAPAN AGAIN WARNS NEUTRALS TO LEAVE CHINESE WAR AREAS

Fighting Zone Probably Will Be Extended 700 Miles Inland from The Seacoast

### TOKYO EMBASSIES ARE SENT NOTICE

Jap Forces in China Strike from Land and Air in Effort To Blast Way Up Great Yangtze River; American and British Gunboats Are in Path

Tokyo, June 20.—(AP)—Japan today notified neutral powers that the China war zone probably would be considerably expanded and warned them to take precautionary measures in a vast area extending some 700 miles inland from China's coast.

General Kazushige Ugaki, foreign minister, conveyed the warning in a circular to all foreign embassies and legations in Tokyo, which said:

"Japan sincerely desires to avoid possible damage to the lives and property of foreign nationals and advises to take adequate measures along the following lines:

"First, foreign nationals and foreign vessels should evacuate the area south of the Yellow river and east of a line linking Sian, Ichang and Hengyang.

"Second, aerial and landmarks should be placed on foreign property in the aforesaid area, and immediate information should be given the Japanese authorities concerning such property."

### STRIKE FROM LAND, AIR IN DRIVE UP BIG RIVER

Shanghai, June 20.—(AP)—Striking both from land and air, the Japanese today sought to blast out a barricade of rock laden boats at Matowchen, which is blocking their drive up the Yangtze river to Hankow, while Japanese planes continued to bombard the boom, and overland columns forced the swollen Tsen river and marched into Hotow, 30 miles northwest of Matowchen, threatening a rear attack against Chinese forces guarding the barrier.

Another Japanese column, which captured Taihu yesterday, prepared to drive southward against Susung.

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## COURT DISMISSES HARLAN COAL CASE

### Government Prosecution Frankly Admits Its Case Is Too Weak

London, Ky., June 20.—(AP)—Federal Judge H. C. Ford today sustained a government motion dismissing charges against three Harlan county coal operators and three companies defendants in the anti-labor conspiracy trial here. The defendants freed of the charges were Elmer Hall and the Three Point Coal Company; William Slenknecht and the Blue Diamond Coal Corporation, and the C. B. Burchfield and the Black Star Coal Company.

Government counsel told the court "in candor and fairness we do not believe we have established a sufficient case against these defendants."

Judge Ford sustained defense motions last Friday after the prosecution had rested for directed verdicts of acquittal.

Today's move, to which the defense tacitly consented, means the action will be recorded as dismissals instead of directed verdicts of acquittal. It left 49 individuals and 17 coal companies as defendants.

## Franco's Failure To End War Speedily May Hasten An Anglo-Italian Accord

Rome, July 20.—(AP)—Failure of Generalissimo Francisco Franco to crush the Spanish government as quickly as Italy desired, sent spokesmen of Italy and Britain into a huddle today to discover means of bringing their April 16, accord into effect before the end of the war in Spain.

Foreign Minister Count Galeazzo Ciano and the Earl of Perth, Britain's ambassador met to consider such possibilities.

The accord, signed at Rome the day before Easter, does not come into effect until Italian troops are withdrawn from Spain, presumably after the end of the war.

In London, the British government announced that a commission of British, Swedish and Norwegian experts would leave for Spain soon to determine whether aerial bombardments

### Her Mate Doomed



Mrs. Franklin Pierce McCall, above, has shunned her husband, who confessed to the kidnaping of James Bailey Cash, Jr., in Princeton, Fla., and who has been doomed to the electric chair. But she indicated that she would pay him a visit before he walks the last mile. This is the first picture published of Mrs. McCall.

(Central Press)

## QUICK START FOR RELIEF MACHINES IS NOW PROMISED

Five Government Spending Agencies To Pres Distribute of \$3,753,000,000

### MANY PUBLIC WORKS ITEMS ARE INCLUDED

Will Be Pressed Fast As Possible for Sewers, Bridges, Roads, Low-Cost Housing Developments, Dams; Payments to Farmers Also To Be Speeded

Washington, June 20.—(AP)—Heads of five government spending agencies pledged today a quick start on the administration's \$3,753,000,000 relief and public works program.

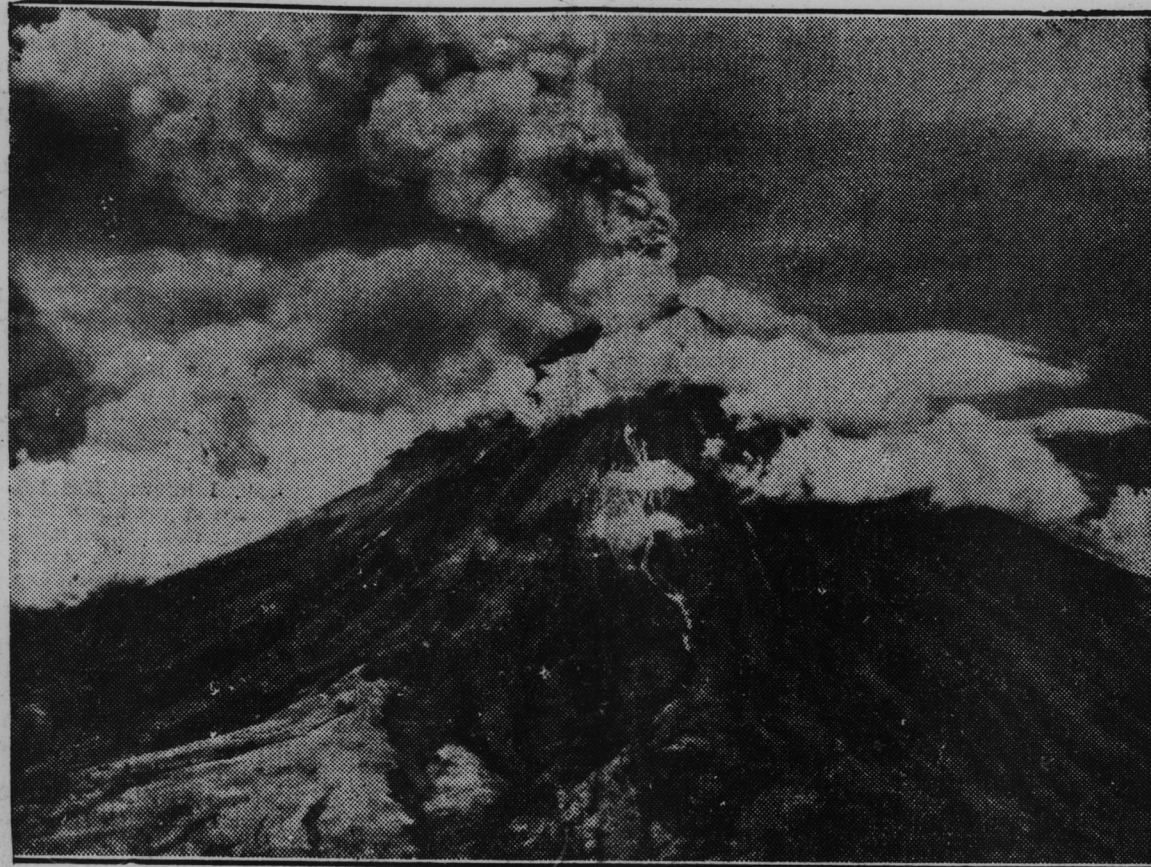
Their detailed outlines of hundreds of bridges, sewers, and roads, low cost housing developments, dams, harbors and flood control units awaited only the President's signing of the bill. In addition, the Agriculture Department studied disbursement of parity payments to farmers growing wheat, corn, cotton, tobacco and rice. Loans for farmers unable to get credit and subsistence grants for low-income farmers also are being arranged.

The five federal officials discussed their programs last night in a radio forum.

Harry L. Hopkins, WPA administrator, said the \$325,000,000 paid to WPA workers would flow into trade channels in their living costs. Howard Gray, assistant administrator of

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## Philippine Volcano Goes on a Rampage



For the first time in ten years, Mount Mayon, active volcano on the island of Luzon, in the Philippines, went into violent action, with the results depicted above. For days the mountain rumbled and groaned, spewing smoke, flames and ashes at intervals. Thousands fled, fearing a duplication of the catastrophe of 1814, when an eruption brought death to 1,200. Little material damage was done. One man died of fright, while another went insane.

(Central Press)

## Many Of 40 Dead In Wreck Of Montana Train Missing

Miles City, Mont., June 20.—(AP)—Custer creek, into which the Milwaukee railroad's "Olympian" carried nearly forty persons to their deaths in the nation's worst train tragedy in years, resisted today the efforts of rescuers to reach one car still holding its dead.

Heavy silt flowing into a submerged

tourist sleeper in which 17 persons had booked space forced Milwaukee officials to abandon attempts to raise it with cranes. They said they feared the bottom of the sleeper might drop out, sending the bodies downstream. Sixteen bodies, eleven of them identified, have been recovered from the wreckage.

Porters told of seeing as many as

five or six bodies carried away by 20-foot flood that rolled down the creek channel. The flood waters carried out a 150-foot bridge just before the train arrived at the crossing early yesterday. As the muddy waters fell back from the windows from the half-overturned car, witnesses said they could see the bodies of passengers, some still in their seats.

## ARMS SPENDING OF DOUBTFUL BENEFITS

### Reserve Board Hints It May Have Cushioned Depression, However

By CHARLES P. STEWART  
Central Press Columnist  
Washington, June 20.—The Federal Reserve Board's last monthly economic review does not specifically recommend increased American armament expenditures as an industrial stimulant.

It does, however, mention that, among all industrial countries, the United States has suffered the worst business recession since last fall. It remarks also that other countries' economic activity appears to have sustained by heavy production for armament purposes.

The inference is rather plain that the Reserve Board believes Uncle Sam might have supported this nation's prosperity in the same way.

Is This Its View?  
Congress has, indeed, recently authorized enormous armament expenditures, but it only "authorized" them except to a comparatively limited extent; it did not vote the money to realize more than a relatively small fraction of the authorization.

Little of the actual work is being done, or can be done soon, due to lack of spot cash to pay for it. Or credit, either.

It is hard to interpret the Reserve Board's review otherwise than as an

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## MAXWELL'S SAFETY CAMPAIGN UTILIZED

### Foes of Diversion of Highway Money Count on Official's Theory

Daily Dispatch Bureau, In the St. Walter Hotel.

Raleigh, June 20.—Two of the six points of Revenue Commissioner A. J. Maxwell's recommended program for better highway safety are being used by opponents of diversion as excellent arguments for their program of getting through a constitutional amendment forbidding use of automotive tax revenues for any other purpose.

The two points are (1) increase in highway patrol personnel and (2) construction of semi-hard surface shoulders on all curves in the State, even if it should be necessary to refund some of the State's bonds in order to get the money to do it.

The meat in these two cocoanuts, so to speak, which anti-diversion folks like particularly is the implication

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## Purge of Soviet Army Is Revealed

Moscow, June 20 (AP)—Red Star, the official newspaper, today disclosed an intensive purge in the political ranks of the army in the drive to bolshevize Russia's soldiers. The paper reported that the "offspring" of Jan Gamarnik, former vice-commissioner for war and navy; General B. M. Feldman and General Bulin had been "uprooted" during the past four months. Gamarnik committed suicide a year ago, Seldman was executed for treason, and the fate of Bulin is unknown.

## HANCOCK EXPENDED \$10,372 IN EFFORT

### Reynolds Has Not Filed Final Campaign Statement; Others Report

Raleigh, June 20 (AP)—Representative Frank W. Hancock, Jr., of Oxford, who lost in his effort to win Democratic nomination to the United States Senate, reported today he spent \$10,372.83 in his campaign. Senator Robert R. Reynolds won renomination. He has not filed his report, which is due by June 25, but J. Y. Jordan, Jr., of Asheville, Reynolds manager reported he spent \$134.17 for the candidate.

Hancock listed as major expenses items in his final report \$1,167 for

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## W. B. Aycock Found Dead At Raleigh

Raleigh, June 20 W. B. Aycock, 47, a former insurance man here, and a son of the late Governor Charles B. Aycock, was found shot to death at his home here this afternoon.

Dr. Hubert Haywood reported to officers that he answered a telephone call from Aycock and found the man dead in a bedroom when he got to the house. Dr. Haywood said Aycock had suffered shellshock during the World War, and was rated "totally disabled" by the Veterans Bureau. The doctor said Aycock shot himself, attributing the action to the man's nervous condition.

W. H. Sawyer, Wake county clerk of superior court, designated H. R. Roberts, a justice of the peace who

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## GRAFT CHARGES ON GOVERNOR EARLE TO GET INVESTIGATION

### Kennedy Denies He Is Candidate

New York, June 20 (AP)—Joseph P. Kennedy, United States ambassador to the Court of St. James, today disclaimed any intention to seek the Democratic presidential nomination in 1940.

He made the remark in response to a question asked him as the Queen Mary, in which he was returning from Europe, came up the harbor. Such an ambition for him he said, would be a "breach of faith" with President Roosevelt. Kennedy said he would see the President at the White House on Thursday, and would report to him on his "economic and political observations."

### Pennsylvania Supreme Court Authorizes Probe of Allegations Made in Campaign

### INQUIRY GOES INTO DEMOCRATIC RANKS

13 Others High in Party Councils To Be Investigated Along With Governor; "Conspiracy" To "Cheat and Defraud" for Gain Is now Alleged

Philadelphia, June 20.—(AP)—A grand jury investigation of political graft and coercion charges against Governor George H. Earle and 13 others high in Pennsylvania's Democratic ranks was authorized today by the State Supreme Court.

Most of the charges were made in the bitter Democratic primary campaign in May, many by former Attorney General Charles Margiotti, an unsuccessful candidate for the gubernatorial nomination, who was fired by Governor Earle.

It was charged in petitions for a grand jury investigation filed later by District Attorney Carl Shelley, of Dauphin county, that there was a "conspiracy" among persons in and closely connected with the administration to "cheat and defraud" the state for gain, political and otherwise.

The Supreme Court's decision to allow the grand jury inquiry was by unanimous vote of the seven judges.

The court named Judge Paul Schaefer, of Berks county, to sit in the grand jury inquiry.

Earlier the high tribunal had acceded to a request of the three Dauphin county judges that another judge be named to supersede them. The petition for a grand jury investigation was filed originally with the Dauphin county court.

## BAILEY DECLARES ADMINISTRATION IS VERY SOCIALISTIC

### More Like National Socialism Than Democracy, North Carolina Senator Asserts

### SPEAKS AT FINALS OF MAINE COLLEGE

Says American Republic Is Being Undermined by Attacks on Democratic Processes by Which It Lives; Urges Graduates To Challenge System

Waterville, Maine, June 20.—(AP)—Senator Josiah W. Bailey, Democrat, North Carolina, today declared the policies of the present Democratic administration "savor more of a national socialism under a sole leader than of a democratic republic."

In a commencement address at Colby college, Senator Bailey reviewed what he described as "the evidence of the undermining of our republic by attack upon the Democratic processes by which it lives," and called on the graduates to embrace "the opportunity of an epoch in history."

"The situation is difficult," he said, "Unspeaking disaster appears to menace the entire world just as you enter upon the scene. But humanity will carry on."

"It is your part to challenge within yourself and wherever your lot may be cast all the forces of the attack upon civilization and any inroad upon

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### SLIGHT GAINS FOR INSURGENTS SHOWN

On Two Fronts Rebels Go Forward, They Claim; Government Troops Feel Security

Hendaye, France, June 20.—(AP)—Spanish insurgents today reported slight advances both on the eastern front and the Cordoba front in southern Spain.

On both fronts, the insurgents were slowed down as they reached strong government positions. Along the Mediterranean, south of Castellon de la Plana, government militiamen were making a strong stand in fortified positions.

Government troops felt secure in their new positions. Insurgents reported an advance of nine miles along a tributary of the Zugar river, on the border of Cordoba province. Government artillery on that point was said to be laying down a heavy curtain of fire on mountain slopes captured by the insurgents over the week-end.

## RAINS AND BUYING BOOST FOR COTTON

Futures Up 10 to 13 Points at Close, With Spot Middling at 8.62 Pinnacle

New York, June 20.—(AP)—Cotton futures opened seven to nine points up on higher cables and rains in the cotton belt. Shortly after the first half hour, October was selling at 8.53 with the list ten to twelve points net higher. October sold off from 8.50 to 8.51, leaving prices nine points net higher at midday.

Futures closed 10 to 13 points higher. Spot steady, middling 8.62.

Open Close

July . . . . . 8.48 8.58

October . . . . . 8.50 8.58

December . . . . . 8.57 8.60

January . . . . . 8.61 8.59

March . . . . . 8.61 8.54

May . . . . . 8.63 8.65

## 18 Indicted In Spy Case In New York

New York, June 20.—(AP)—Three indictments naming 18 persons were returned today by the Federal grand jury which has been engaged in the government's first intensive espionage investigation since the World War.

The indictments were based on several months of inquiry and four weeks of closed meetings, during which scores of men and women were questioned. Two surprise witnesses, Johanna Hoffman, hair dresser on the North German Lloyd liner Europa, and Private Erych Glasser, attached to the army air corps at Mitchell Field were called before the grand jury shortly before the indictments were returned. Each is now held in \$25,000

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## Monopoly Probe To Hurt No One, Senators Assert

Washington, June 20.—(AP)—Senators O'Mahoney, Democrat, Wyoming, and Borah, Republican, Idaho, declared today that business has nothing to fear from the Federal investigation of monopolistic practices.

They took issue with a statement by Representative Snell, Republican, New York, that he was concerned the inquiry be "made an instrument for further unjustified attacks on legitimate business."

O'Mahoney probably will be chairman of the 12-man committee, and Borah is one of the members.

Borah declared "I venture the belief that the committee is not proposing any which hunting program. We have a great problem and it is our business to do what we can to advance a wise and just solution for it."

## WEATHER

FOR NORTH CAROLINA.  
Showers this afternoon and possibly tonight; Tuesday partly cloudy, preceded by showers near the coast; Slightly cooler in extreme north portion and mountains tonight.