

PRESIDENT TO FIGHT FOR HIS SUPPORTERS

Italy and Germany Threaten Fight If Island Is Bombed

Gambles With Death



Afflicted with spontaneous paralysis, a rare and deadly disease, 19-year-old Beatrice Garraway (above), beauty prize winner and star high school athlete of Patchogue, L. I., has decided to risk a "do-or-die" operation. She is confident she will pull through. Her chances of surviving are 50-50, according to physicians.

Spanish Government Considers Retaliation for Franco's Attacks on Civilians

TALK OF BOMBING BALEARIC ISLAND

Region Is Controlled by Italy and Threats Rouse Ire of Rome, Whose Spokesman Blusters Answer; One of War's Bloodiest Battles Is Raging

Paris, June 25 (AP)—Far-flung aerial reprisals, including bombardment of "Italian-dominated" towns in the Balearic islands have been threatened by the Spanish government unless General Franco quits bombing civilian centers behind Spain's battle lines.

Despite urgent British and French admonitions against "rash" acts, the Spanish embassy in Paris insisted today that retaliation would be taken into consideration unless the insurgent chieftain abstains from that type of warfare.

The embassy said since Franco's raiders operate largely from the Spanish Balearic Islands, the reprisals raids certainly would be directed against Italian-dominated towns there.

The embassy itself did not elaborate on or confirm a previous implication the government might carry aerial warfare to German or Italian cities or other non-Spanish objectives. Sources closest to the French office, however, said the Barcelona government had threatened to bomb cities of "those foreign countries" which share responsibility for bombardment of Spanish civilian centers. Informed circles disclosed the Spanish ambassador to Paris had informed Foreign Minister Georges Bonnet several days ago Barcelona's patience with raids by Italian planes in the insurgent service had reached its limit.

ITALY AND GERMANY WILL MAKE REPLY WITH CANNON

Rome, June 25 (AP)—Italy and Germany will reply "not with diplomatic notes of protest, but with cannon," said Fascist editor Virginio Gayda today, if the Barcelona Spanish government attacks citizens or shipping of these two countries.

Gayda made the statement in an apparently inspired article in Il Giornale d'Italia concerning Barcelona's declared intention to consider reprisals against Italian-dominated towns in the Spanish Balearic islands, whence have come planes attacking Spanish government territory.

ONE OF BLOODIEST FIGHTS OF WAR NOW IN PROGRESS

Hendaye, France, June 25 (AP)—More than 100,000 government and insurgent troops were fighting today one of the bloodiest battles of the almost two-year-old Spanish civil war.

The battle for control of the Teruel Mediterranean highway extended along a 15-mile front, with its center 22 miles east of Teruel. It was increasing in intensity hourly. Another

(Continued on Page Eight.)

Italy Will Raze Spain If Bombed

Paris, June 25 (AP)—Italy tonight notified France the Fascist air force would wipe Spanish government cities off the map if the Barcelona Spanish government should bomb Italian cities.

The Italian charge d'affaires, Renato Prunas, conveyed a message from Premier Mussolini in an audience at the foreign office with Foreign Minister Georges Bonnet.

Prunas said the first Spanish government bomb dropped on Italy would signal open war. He declared the Italian army and navy in such event would follow Fascist fighting planes into whole sale destruction on Spanish government territory.

Bonnet replied that France totally disapproved of the bombing threat attributed to the Spanish government and already had warned Barcelona authorities they stand alone to face consequences if any action against Italy or Germany.

The foreign minister told the diplomat, however, he felt the wording of the Spanish threat was "very vague," and that he did not believe Barcelona authorities intended to carry it out.

To Be Prince's Dinner Partner



The committee arranging the welcome to Prince Bertil, son of the Swedish Crown Prince, at the Swedish tercentenary celebration next month, chose lovely Joanna W. Biddle (above), debutante daughter of Nicholas Biddle, of Philadelphia, to be his partner at a dinner to be given in Bertil's honor in Philadelphia.

Center of U. S. Industry Is Moving to the South

Southern Newsprint Manufacture Is Now Reality, and Other Great Industries Will Follow Here, Babson Declares; South An Empire in Itself

By ROGER W. BABSON, Copyright, 1938, Publishers' Financial Bureau, Inc.

Chicago, June 24.—A new industry is being born in the South. At Lufkin, Texas, next month the ground will be broken for a newsprint mill. This will be the first mill making newsprint from southern pine. Its effect will be far-reaching. It will be another step in the industrialization of the New South. Low costs in the South will force northern newsprint makers to follow the trek of the textile mills toward the Gulf. Fast-growing southern pine will become a new major crop, possibly as important in the years to come as cotton is today. This is a significant event.

The South's great problem, even before the Civil War, was its one-crop economy. Cotton was king. When cotton prices were high or crops good, the South prospered. When cotton prices were low or crops failed, there were hard times below the Mason-Dixon line. Southern editors and statesmen have patiently worked for decades teaching the lesson of diversification. Great progress has been made, particularly during the last fifteen years, in the rounding-out of southern agriculture. Here in the

Middle West, farm people are already alarmed by the inroads southern corn, beef, truck crops, and dairy products are making in their markets.

Industries Trek Southward. Meanwhile, there has been tremendous progress. A big labor supply, the proximity to the cotton fields, good water-power, combined with union troubles in the North, long ago forced New England textile mills to move to the Piedmont section of the Carolinas and Georgia. In more recent years, however, the migration of northern industries has broadened. From the northwestern and middle western states, other businesses have pulled up stakes and moved toward the Gulf. Today the South is not only the cotton-textile center of the country, but it has growing interests in iron and steel, in pottery, in clothing, in chemicals, and in kraft paper.

The discovery of the great oil fields of Texas, Oklahoma, and Louisiana gave the South another hypodermic. With petroleum came a myriad of by-product industries and service businesses. The fast-growing sections of the United States today are in the oil regions of the South and Southwest.

(Continued on Page Three.)

MORE PROJECTS OF PWA ARE OFFERED

\$4,238,260 in Grants and \$24,000 in Loans; Light-houses Here

Washington, June 25 (AP)—The Public Works Administration announced today allocation of \$4,238,260 in grants and \$24,000 in loans for 22 non-federal PWA projects in eleven states and Alaska. PWA officials estimated that the total construction cost would be \$9,418,960.

The allotments include \$9,818 grant for a sewer system at Middlesex, N. C.

The United States Lighthouse Service received \$2,098,750 from the PWA for projects in 28 states. The projects and grants included North Carolina, replace and improve radio equipment at fifth lighthouse district; replace old wooden structures at various minor lights; electricity and improve sanitation at Cape Fear structures at North Carolina waters; replace radio equipment at sixth lighthouse depot, and move and establish aids at six lighthouse districts, \$52,450.

WEATHER

FOR NORTH CAROLINA Partly cloudy, scattered showers in north portion tonight or Sunday, and in southeast portion Sunday.

WEEKLY WEATHER

South Atlantic States: Occasional thundershowers in Florida all week; showers elsewhere first half and possibly again toward close. Temperature near normal except cooler in north portion first half.

U. S. WON'T CONCEDE JAPAN RIGHTS OVER AMERICAN CITIZENS

Washington Will Not Submit To Denial of Privileges to Our Nationals in China

SLAPPING OF WIFE OF OFFICER OCCURS

Sentry Walloped American Woman at Pier as She Returns from Visit to Husband Aboard U. S. Gunboat; Couldn't Answer in Japanese Language

Washington, June 25 (AP)—State Department officials said today the United States would not concede Japan's rights to deny extra-territorial privileges in Chinese territory occupied by Japanese troops.

Secretary Hull said he had not received official word that a Japanese embassy spokesman in Shanghai had asserted that "third power nationals residing in Japanese-occupied territory do not enjoy special status because of their extraterritoriality."

Press dispatches reported this statement was made in connection with the spokesman's denial of charge by Dr. J. C. Thompson, of New Brunswick, N. J., that he had been slapped by a sentry at Nanking.

VIGOROUS PROTEST LODGED WITH TOKYO GOVERNMENT Shanghai, June 25 (AP)—The second diplomatic action within four days over the slapping of a United States citizen by a Japanese sentry was registered with representatives of the Tokyo government today. United States Consul Louis Gourley at Tsingtao, Shantung province reported to the State Department a sentry struck the wife of Lieutenant Thomas Massey, the naval officer who figured in the famous Honolulu Massey case in 1932.

Mrs. Massey was returning to Tsingtao after having visited her husband aboard the United States gunboat

(Continued from Page One.)

UPWARD SWING OF STOCKS IS RAPID

Sixth Consecutive Day of Feverish Advances Experienced by Mart

New York, June 25.—(AP)—Stocks swung upward at high speed today after a slow profit-selling dip at the opening, and initial losses of fractions to a point were converted into first advances running to three or more.

The swift right-about, bringing the sixth consecutive rallying session, came after a statement of the United States Steel Corporation asserting that no official of the company had given assurances that wage cuts would not follow yesterday's drastic slash in prices posted by the principal subsidiaries of the corporation.

The President's fireside chat was the subject of much discussion in brokerage circles, and, while there was some disagreement as to its ultimate market effect, most were of the opinion the address contained nothing especially bearish.

While new purchases, long delayed because of the price situation, were expected to bolster steel mill activities soon, it was noted that operations next week in this field might be

(Continued on Page Six.)

Milwaukee Flier Again Has Wreck

Miles City, Mont., June 25.—(AP)—H. J. McMahon, chief clerk of the Miles City division of the Milwaukee railroad, announced the road's "Olympian" crashed head-on with a special train carrying CCC boys near Ingomer, Mont., early today.

He said one boy was killed and another injured. Little information was available, he said, because of the isolated section in which the accident occurred. Ingomer is about 75 miles west of Miles City.

In New York Race



Gov. Lehman and John Bennett

Political spotlight shifts to New York state following the announcement of Gov. Herbert H. Lehman he is a candidate for the Democratic nomination for the senate seat left vacant by the death of Senator Royal S. Copeland. At the same time State Attorney General John J. Bennett, Jr., right, announced he would be a candidate for the Democratic gubernatorial nomination. This new picture shows them together in Brooklyn.

(Continued on Page Six.)

U. S. STEEL GIVES NO PROMISES NOT TO REDUCE WAGES

Makes No Pledge To Maintain Standards in Face of Price Cut for Its Products

COMPANY PRAISED BY MR. ROOSEVELT

Presence of Lewis and Murray in New York Past Few Days Gave Rise to Rumors Cuts Were Planned; Republic Steel Follows "Big Steel" Move

New York, June 25 (AP)—The United States Steel Corporation, in its official statement today, said none of its officials "has given any assurances that wage reductions will not follow steel price reductions announced yesterday."

Late yesterday leading subsidiaries of the nation's biggest steel maker announced price cuts in its products ranging from seven to 21 percent and reducing them to the lowest in slightly more than ten years.

Commenting on the price cut in his fireside chat in Washington last night, President Roosevelt said: "I was gratified to know what this reduction involved. Every encouragement should be given to industry

(Continued on Page Three.)

EXTRA CONGRESS IN SEPTEMBER HINTED

Roosevelt Would Like To Put His Foes On Spot Before Election

By CHARLES P. STEWART Central Press Columnist

Washington, June 25.—The betting is about 2-to-1 on an extra session of Congress, beginning some time in September.

The country undoubtedly thanked its stars when the law-makers adjourned. President Roosevelt undoubtedly thanks his, too. The last session was not an overly manageable one, from the executive mansion's standpoint. Republicans and anti-New Deal Democrats, combined, blocked a good bit of legislation that the White House was vitally interested in and passed a tax

(Continued on Page Four.)

ROOSEVELT TELLS NATION HE THINKS HE HAS THE RIGHT

Declares He Is Not Acting as President but as Head of the Democratic Party

100,000 EMPLOYEES ON CIVIL SERVICE

Announces Merit System for Many Government Workers; Plan Both Denounced and Defended in Congress; Many Supported by Emergency Funds

Washington, June 25 (AP)—President Roosevelt, declaring a right to intervene in Democratic primaries, gave virtual notice today he was prepared to fight personally for election of a Congress favorable to his policies.

In his 12th "fireside chat" by radio to the nation last night, the President made it plain he would not hesitate to speak out when he thought a contest between a liberal and a conservative warranted.

"As President of the United States" I am not asking the voters of the country to vote for Democrats next November, as opposed to Republicans or members of any other party, he said, "nor am I as President taking part in Democratic primaries. "As head of the Democratic party, I however, feel that I have every right to speak in those few instances where there may be a clear issue between candidates for a Democratic nomination involving these principles, or involving a clear issue of my own name."

Meanwhile, the President's order extending civil service to more than 100,000 government employees met both praise and criticism from con-

(Continued on Page Six.)

Congress Is Divided Over FDR Address

Washington, June 25.—(AP)—Congressional views divided today over the political course President Roosevelt charted last night in his address to the nation.

Some senators and representatives upheld the chief executive's rights to intervene in primaries and said his address would aid the country's liberal forces. Others contended intervention would be "dangerous" to the Democratic party. Comment included: Senator Burke, Democrat, Nebraska: "I think it is entirely ethical and proper for the chief executive as head of his party to take action in primaries if he wants to. However, it is a dangerous thing to do. The country will resent it, and party members in the various states will want to make their own decisions. The President

(Continued on Page Three.)

Red Springs Officer Shot In Ambush

Bound and Gagged by Two Robbers at Night Before Store Safe Is Blown

Red Springs, June 24 (AP)—A shot gun blast in the dark felled Policeman A. J. Breeden, 49, in an uptown backlot early today, then two men bound and gagged him, threw him into a ditch, covered him with shingles, and robbed a drygoods store safe.

Police Chief M. N. McRaney told the story this morning while he sought clues to the identity of the two yegmen, described by Breeden as "medium" height, middle-aged "white men."

Breeden's face and neck were peppered with small shot. He was hurried to a Lumberton hospital.

McRaney, who took the wounded officer to Lumberton, said he thought Breeden would "recover all right," barring complications.

Breeden talked freely of the incident enroute, the chief said. The night officer was walking across the backlot about 3 a. m. when, without warning, he was shot at close range. He told McRaney two men pounced upon him and bound his hands with adhesive tape. They

(Continued on Page Six.)

Search For McCormick Is Pressed

Companion of Wealthy Youth Found Dead in Mountains Near Albuquerque

Albuquerque, N. M., June 25.—(AP)—The bluff Sandia mountains, frowning down on the Rio Grande valley, hid today the fate of John Medill McCormick, feared the victim of a fall from one of their precipitous peaks. Searchers, who resumed their tragic task at dawn, expected only the worst—that they would find the mangled body of the Chicago publishing heir, such as they came last night upon the body of his climbing companion, 29-year-old Richard Whimser, of Albuquerque.

Personally commanding the search, Governor Clyde Tingley, expressed the thoughts of the army of men he led into the Sandias today: "That boy—his body—is in there somewhere, and we'll find him—we'll find him."

Wracked by anxiety, Mrs. Ruth Hanna McCormick Simms waited last night in a CCC camp at the base of the mountains, hoping to learn that her 29-year-old son still lives. She heard only that young Whimser's body, skull crushed, almost denuded, had been found at the base of the "Shield," sheer rock face of North Sandia peaks.

Of John Medill McCormick there was no word. The plan of today's search, Governor Tingley said, is to surround the base of about eleven million dollars in the hope of finding him or his body on a ledge near where that of his companion came to rest.

SURPLUS OF STATE TO BE SHORT-LIVED

Governor Hoy Concerned Over Revenues During Year 1939

Raleigh, June 25.—Governor Clyde R. Hoy is of the opinion that whatever surplus the State has on July 1 is likely to be short-lived because of diminishing revenue collections in the next fiscal year.

He pointed out to your correspondent today that the decrease in income taxes alone is likely to be sufficient to wipe out a surplus of four to five million dollars—the estimated surplus which the State will have to start the next fiscal year.