

SPENDING ORGY SPEEDED; STATE GETS PART

Two British Ships Bombed and Fired On Spanish Coast

One Is In Harbor of Valencia, Other In Alicante Port, With Heavy Casualties

50 BOMBS DROPPED AT VALENCIA PORT

In London, Chamberlain's Opponents Are Incensed By Attacks and Demand Arming of Merchantmen With Anti-Aircraft Guns, Which Is Turned Down

Valencia, Spain, June 27.—(AP)—Bombs from aerial raiders today smashed and set afire two more British ships in the ports of Valencia and Alicante. Several seamen were killed or wounded.

The first victim of the attacks was the freighter Arlon, in the harbor at Valencia. She was set afire, and a Roumanian crewman was killed. A short time later a bomb crashed on the steamer Farnham in the port at Alicante, killing or wounding an undetermined number. The Farnham was discharging foodstuffs when the attack occurred. The Arlon was reported sinking a mile from the port of Valencia.

Three bombs from six Junkers (German-made planes) set the Farnham afire. The planes dropped 40 bombs on the port.

Government pursuit planes gave chase and anti-aircraft guns replied to the raid with heavy fire.

Five tri-motored planes dropped 50 bombs in the raid on the port of Valencia, in which the Arlon was hit.

In London Prime Minister Chamberlain's opponents in the House of Commons, enraged by the attacks on

(Continued on Page Eight)

Separation Planned By Hutton Girl

London, June 27 (AP)—A judicial separation for American-born Countess Barbara Hutton Haugwitz-Reventlow and her Danish nobleman husband was believed near completion today.

The Woolworth heiress spent a busy week-end discussing legal technicalities of the probable separation and possible divorce with her Danish and British lawyers.

In Copenhagen, Bunch Jensen, representing a legal firm handling the affairs of Count Haugwitz-Reventlow, disclosed that he had attempted unsuccessfully to obtain withdrawal of a British restraining order against his client. Withdrawal of the order, obtained in London by the countess to restrain the count from interfering with her and their two-year-old son, Jensen said, would have been a prelude to divorce discussions.

Legion Is Denounced As Fascist

New York, June 27 (AP)—The American Legion was denounced as "fascist" and "unpatriotic" today in a 280-page survey of the veterans organization, published by Teachers College of Columbia University.

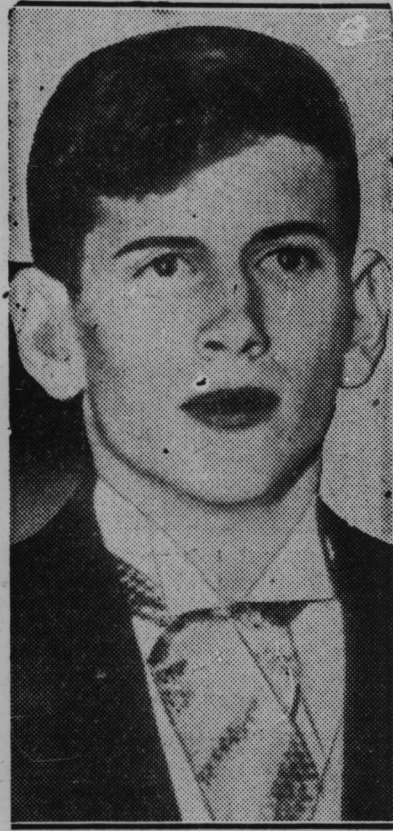
The monograph prepared by Prof. William G. Gillerman, of Northwestern University, was released as approximately 15,000 educators gathered for the annual convention of the National Education Association.

Gillerman assailed the role played by the Legion in the educational, economic and political life of the nation and called on school officials to cease "pandering" to it. Columbia University awarded the Northwestern faculty member a doctor of philosophy degree on the basis of his study, and published the monograph as one of its "contributions to education" series.

"The American Legion is not an expression of democracy, but rather an expression of entrenched business and military interests, which attempt to hide their true purposes under democratic guise," the survey said. Gillerman, a former Legionnaire, said the organization "was dominated by a small group of reactionary leaders too powerful to be unseated."

"It is encouraging to observe that the average ex-service man is not now and never has been a member of the American Legion," he said.

Heir Disappears



Medill McCormick, 21-year-old scion of families famous in statesmanship and the publishing world, is pictured above. He is missing in the Sandia Mountains, near Albuquerque, N. M., after he had gone on a hiking expedition with Richard Whitmer, lumber heir. An intensive hunt is under way for the two young men.

(Central Press)

Farm Cash Income Off 25 Percent

Drop Under 1937 In Prospect as 1938 Marketing Season Gets Under Way

Washington, June 27.—(AP)—American farmers opened their 1938 marketing season for major crops this week with prospects of a cash income 25 percent below the goal set up by the new farm act.

The goal is an income of at least \$10,000,000,000. On the basis of present relationships between farm and industrial prices farmers would require that much money. Agriculture Department economists said today, to give them buying power equal to that of urbanites.

As movement of the wheat crop got into full swing, these officials estimated the cash farm income, including government benefit payments from January to June, would be at least \$4,500,000,000 below that of the comparable period of 1937. The six months income for 1938 was estimated at \$3,500,000,000.

Should commodity prices remain at about the present level, the income for the last six months of this year could not be expected to exceed \$4,500,000,000 making a total of \$7,500,000,000 for 1938.

Only an upturn in prices and a material improvement in domestic, as well as foreign, demand for American farm products could raise the income above the estimates, economists said.

NEIL CAMPBELL, 18, CAR CRASH VICTIM

Elizabethtown, June 27 (AP)—Neil Campbell, 18, died in a Lumberton hospital today as the result of injuries sustained last night at White Lake when a car he was driving overturned. He was a star player on last season's Parkton high school basketball team. Woodrow Parks, a companion, was injured and was still in the hospital today. Walter Grimley, Jr., another companion, escaped with no serious injuries.

WEATHER

FOR NORTH CAROLINA.

Cloudy, with probably occasional showers tonight in east and central portions Tuesday; cooler in central and northeast portions Tuesday.

WHEN CIRCUS WORKERS STRUCK—



Circus patrons getting their money back

When 1,600 employees of Ringling Brothers and Baruum and Bailey circus walked out at Scranton, Pa., refusing to accept a 25 per cent wage cut, the "greatest show on earth" had to call off its performances and scores rushed to the ticket windows for their money back. Police were called to preserve order, for many patrons with general admission tickets were without stubs and were unable to get a refund. Photo shows patrons milling around the ticket windows.

Britain and France Warn Japs To Keep Off Hainan Island

London, June 27.—(AP)—Britain and France have warned Japan to stay off Hainan island, off the south China coast, and will act to support each other in case "complications" arise, the government informed the House of Commons today.

Richard Austen Butler, under secretary for foreign affairs, made the announcement.

Hainan, Chinese territory, is separated by the 150-mile Gulf of Tonking from French Indo-China and commands the eastern approaches to that colony.

Butler said "His Majesty's government and the French government, through their ambassadors at Tokyo, have made clear to the Japanese forces and government that they would regard any occupation of Hainan by Japanese forces as calculated to give rise to undesirable complications. Should any complications unfortunately arise, His Majesty's government and the French government would no doubt afford each other such support as appears warranted by the circumstances."

OPPOSING ARMIES ALONG YANGTZE ARE DEADLOCKED

Shanghai, June 27.—(AP)—With Chinese and Japanese forces apparently deadlocked in the Yangtze river valley below Hankow, Japanese bombing crews today carried out widespread aerial operations over south China.

The forts on Hainan island, just off the south China coast, were bombed, and the attackers reported Chinese shore batteries there were silenced.

More than 500 miles to the northeast of Hainan, the Kwangtung province city of Chauchow was bombarded. The Japanese said that in this attack railway buildings were destroyed.

Many military observers expect that the support of Swatow may become the point of entry for any Japanese attempt to invade south China.

\$4,596,533 GIVEN TO JOBLESS WORKERS

Unemployment Reserves Dip Then Climb Again as June Checks Come

Raleigh, June 27.—Rapidly approaching the five million dollar mark in distribution of benefits to unemployed and partially unemployed workers in North Carolina, the State Unemployment Compensation Commission had distributed \$4,596,533.32, embraced in 678,055 checks issued at the end of business last Friday, June 24, and since the first check was issued on January 29.

Checks are continuing to go out from the office daily at a rate of 5,000 to 9,000, and for aggregate amounts of \$30,000 to \$60,000.

The State's reserve fund dropped to \$9,124,602.81 on June 22, then began to build up again as the May contributions from employers, due June 25, began to come in. The balance at the end of business last Friday was \$9,160,046.60. Payments of contributions by the end of this month will probably reach \$60,000, and will be close to \$750,000 when the entire month's contributions are paid by employers.

"We are now 'current' and are issuing checks for delivery on the days they are due, except in rare cases, in which there is some mix-up or delay," (Continued on Page Eight.)

UPTURN IN MARKET CHEERS OFFICIALS

Raleigh Spends Time During Week Also Arguing State's Surplus

Daily Dispatch Bureau, In the Sir Walter Hotel. Raleigh, June 27.—Close of last week found Raleigh's streets gaily decorated with bunting and flag effects for a coming convention of AHEPA, Greek organization.

By contrast, it recalled that on June 14, our national Flag Day, displays of the national colors were scarce as New Dealers among Wall Street brokers.

Which gets around to the point that the brisk upturn in the Wall Street stock market last week brought in its wake an obviously more optimistic outlook among officials who have anything to do with the State's finances.

Surplus, Or No: Governor Hoey and other officials played at a new version of an old game last week. They called it "Surplus, Surplus, Who's Got the Surplus?", and wound up by offering to go halves with any one who will dig up the \$15,000,000 one alleged by the State Merchants Association to exist.

Seriously, the governor estimated that the State's general fund will show a balance of between four and (Continued on Page Four.)

MORE MILLIONS OF PUBLIC MONEY PUT INTO ALLOTMENTS

Bill for Government Operation Coming Year Estimated at \$8,500,000,000 Total

BANK CREDITS ARE LOOSENED SHARPLY

Long-Term Loans To Be Permitted Under Regulations Allowed by Roosevelt: Coast Guard Stations In North Carolina Share Generously in Funds

Washington, June 27.—(AP)—The Treasury speeded up its spending machinery today to increase its output of cash from \$20,820,000 to about \$23,300,000.

The 1939 fiscal year, beginning Friday, will start officially the administration's spending-lending program, and officials predicted the next twelve months would cost the government around \$8,500,000,000. The closing fiscal year cost about \$7,600,000,000.

To add further to increasing business activity, President Roosevelt issued new banking regulations intended to stimulate the flow into business channels of \$3,000,000,000 estimated to be lying idle in the banks.

He ratified an agreement of federal banking agencies on revised banking procedure, permitting bankers to make long-term loans over nine months if the loans otherwise are sound, and allowing them to invest in bonds of small local corporations, although the securities are not quoted on stock exchanges.

The Public Works Administration allotted \$10,000,000 today for 178 projects to improve coast guard stations throughout the country.

The allotment included in North Carolina: Ocracoke, \$142,000; Fort Macon, \$93,000; Bogue Inlet, \$157,000; Oregon Inlet station, \$500,000; Cape Hatteras station, \$19,050; Oak Island station, \$21,500; Caffreys Inlet station, \$5,100; Kill Devil Hill station, \$5,100; Nags Head station, \$5,100; Pea Island station, \$5,100; Chicamacomico station, \$5,100; Little Ninnekeet station, \$5,100; Wash Woods station, \$5,000; Hatteras Inlet station, \$113,500; Cape Lookout station, \$17,000; Morehead City rifle range, \$1,000.

The PWA also gave the Bureau of Fisheries \$1,055,350 for 78 projects in 36 states. The allotments included in North Carolina: Beaufort, construction of sea wall and repairs to buildings and grounds, United States Fisheries Laboratory, \$24,800; and Edenton, \$5,000.

North Carolina also got \$15,000 for the Geological Survey.

Big Corporations Should Be Broken, Conferees Agree

Washington, June 27 (AP)—General agreement that many large corporations ought to be broken into smaller ones, it was disclosed today, has developed in conversations between groups of big business men and administration economists.

Prince Conley, who left a New York brokerage firm to arrange the informal meeting, said they had produced almost unanimous acceptance of these principles:

1. "Bigness is not always efficient and generally a consolidated business colossus does not earn as much money as its units earned separately.

2. Business must find methods of taking care of dismissed employees more adequately.

3. Cutting prices does not always increase the volume of sales, because buyers wait in hope of further concessions.

Payne and Turner Refuse Statement As Plea Is Made

Raleigh, June 27 (AP)—Bill Payne and Wash Turner turned aside questions today as they started what may be their last week alive, but Wiley Eric, Negro condemned to be executed Friday also for murder, talked freely to newsmen on Death Row.

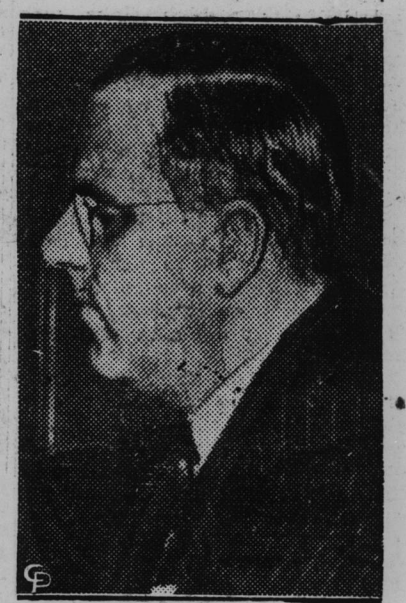
Payne and Turner are to die Friday for the murder of George Penn, a highway patrolman. Governor Hoey has declined to intervene for them, but Walter D. Siler, of Pittsboro, has asked for a new conference as their counsel.

Both men, talked to separately, declined to discuss any happenings between the time they kidnaped a prison farm official at Caledonia and escaped, and the time G-men arrested them at Sanford.

Eric, 35, convicted in the slaying in 1936 of Shelly Lea during a hold-up attempt, said he "fixed it with God," and was ready to die.

Speaker at Legion Warns U.S. of Fate That Befell Rome

Bund Chief Testifies



Fritz Kuhn ... "America's Hitler"

Head of the German-American Bund, Fritz Kuhn, called the "American Hitler," is pictured testifying in New York at a joint New York state legislative committee inquiry into activities of the Bund. Kuhn, on the stand, made several tirades against Jews. He told the investigators that the Bund maintains 22 camps in the United States.

Crops Meet New Damage Over State

Damp Weather and Scattered Showers Further Menace for the Farmers

Raleigh, June 27 (AP)—Damp weather with scattered showers over most of North Carolina yesterday and today has hit crops already suffering from previous rain, agricultural experts at N. C. State College, reported.

However, E. Y. Floyd, extension tobacco specialist, said the few days of dry weather last week were a boon to tobacco growers, who plowed and "broke out their middles."

J. O. Rodwell, extension entomologist, reported boll weevils were multiplying and cutting cotton badly over much of the State.

The rains were said to be hurting corn by washing nitrogen out of the soil, and wheat and other small grains left in the fields are suffering from continued soakings.

KIDNAPER-GUNMAN KILLED IN BATTLE

Companion Wounded In Gun Fight With Officers Near Joliet, Ill.

Joliet, Ill., June 27 (AP)—Two outlaws who terrorized parts of Indiana and Illinois with gunfire and kidnaping reached dead ends today in a Reslam, Ill., farm yard one slain and the other wounded. Approximately 100 peace officers of the two states were in on the kill, which climaxed a 20-minute flurry of sharp fighting.

Joliet, Ill., June 27.—(AP)—State Policeman Joseph Gromann reported today one kidnap-gunman had been killed in a cornfield near Deslem and his companion wounded in a 20-minute gun battle with officers.

Gromann identified the dead man as Ray Leach, age and address not immediately learned, and the wounded man as James Dickie, 24, of Indianapolis.

Illinois and Indiana authorities had been searching for the desperadoes since Sunday night. In a few hours, the fugitive had critically wounded an Indiana State trooper, kidnaped two Indiana deputy sheriffs, engaged in three gun fights with Illinois officers and abducted an Illinois farmer and his small son.

Gromann said his squad sighted and pursued the fugitives' car near Deslem. The desperadoes' car became (Continued on Page Five.)

Arguments Used to Ancient Republic 2,000 Years Ago Are Being Used Here Now

BLACKWELL PLEADS PROBLEM OF YOUTH

Says Legion of State Is Trying To Help Solve That; Membership in North Carolina 14,153 at Present, Caldwell Reports to Convention

Winston-Salem, June 27 (AP)—Comparing the ancient Roman republic with America of today, Leonard H. Nason, of Centerville, Mass., author of World War stories, told the twentieth annual convention of the North Carolina Department of the American Legion here today that the same arguments "used to the Romans 2,000 years ago are being used to us."

The ancient Roman Empire, he said, disappeared from the face of the earth because it became too big to be administered as a republic.

At present, Nason said, Americans hear "our country is too big for the farmer to grow what crops please him best; our country is too big for the business man to make what he wants and to sell it where and how he pleases."

"If we have not progressed in 2,000 years to the point where we can run our own affairs, then of what use is civilization?" he asked.

Commander Hector Blackwell, of Fayetteville, said:

"We of the American Legion are seeking definitely, but calmly and sincerely, to contribute something worthwhile to the solution of the youth problem in our State, and when I say youth problem, I mean every difficulty and every barrier that stands between the youth of our state and the goal of good citizenship."

J. M. Caldwell, department adjutant and finance officer, reported a membership of 14,153, which, he said was greater than in 1936.

HULL BOOM GAINS; AGE ONLY HANDICAP

Secretary of State Is Liberal Rationalist; Outstanding Leader

By CHARLES P. STEWART

Central Press Columnist. Washington, June 27.—Admirer of Secretary of State Hull (and he has many of them) are developing quite a formidable Democratic 1940 presidential boom in behalf of the cabinet premier.

There is one and only one thing to be said to Cordell Hull's disadvantage as a presidential nominee. On election day in 1940 he will be hard upon 70.

Unquestionably it is widely held that a man of his years has not sufficient life expectancy ahead of him (Continued on Page Five.)

Wages, Hours Bill Is at Last Signed By the President

Washington, June 27 (AP)—The wage hour bill, providing for national regulation of minimum wages and maximum hours in interstate industry became law today with President Roosevelt's signature.

The White House announced the President had signed this measure along with 1,130 other bills passed by the last Congress.

The wage-hour law fixes a minimum wage of 25 cents an hour and a maximum work week to 44 hours, effective 120 days from Saturday, the date of the President's signature. Other features of the act go into effect at once.

Will Report Soon On Vets Hospital Site in the State

Washington, June 27 (AP)—Colonel George Hams, said today the Veterans Administration subcommittee, of which he is chairman, might report soon upon its study of proposed locations in North Carolina for a \$1,500,000 veterans hospital, already authorized.

Any committee recommendations he explained, must be approved by Veterans Administrator Frank Hines and the final decision will be made by President Roosevelt.