

NYE ASKS NORTH DAKOTA ELECTION PROBE

FRANCO IS ADVISED BY ITALY TO CHECK ATTACK ON BRITISH

Mussolini Drops Words of Caution to Spanish Insurgent General on Air Raids

RESPONSIBILITY IS DENIED BY NATION

But Approves Bombing of Contraband Vessels; British Ambassador to Rome Told by Foreign Minister Ciano Restraining Measures Already Taken

Rome, June 29.—(AP)—A spokesman for the Fascist regime declared today that Italy had advised General Francisco Franco, the Spanish insurgent leader, to "use moderation" in his efforts to prevent British and other foreign ships from bringing supplies to government Spain.

The spokesman, the editor Virginio Gayda, said, however, that Italy approved of the bombing of vessels carrying contraband, but disclaimed Italian responsibility therefor.

He disclosed that Foreign Minister Count Galeazzo Ciano had told the Earl of Perth, British ambassador, that Franco already had taken a series of measures to give the British government satisfaction with regard to the long list of bombings of British ships, against which London had protested vigorously.

These measures, Gayda said, were: 1. Franco had given orders that British ships should not be attacked while navigating.

2. He had ordered that the British (Continued on Page Eight.)

TWO SPY WITNESSES ARE GIVEN LIBERTY

But Suspects in New York Probe Closely Watched; U. S. Attorney Sails for Europe

New York, June 29 (AP)—Two of the government's most important witnesses in the international spy ring probe, Kate Moog Busch and Senta de Wanger, were released today from the tower cell block in the Federal building. However, their freedom was restricted by a heavy guard of G-Men, who maintained a strict watch on their homes.

The woman had been in "protective" custody for a month. Federal officials refused to explain her release. Both testified before the special grand jury which indicted 18 individuals, including high German war ministry officials on June 20.

United States Attorney Lamar Hardy sailed on the Normandie today to discuss the spy question with European authorities.

Holt Fears Corruption U. S. Funds

Washington, June 29 (AP)—Senator Holt, Democrat, West Virginia, expressed the hope today the administration would not use the new lending spending program to return "favors" to corporations which bought campaign books in 1936 and 1937.

The West Virginian filed in the Congressional Record a list of corporations and corporate officials he said had purchased the books. Receipts, he said, totaled \$349,812.

Turning the sale a "very questionable method of obtaining campaign contributions," Holt asserted that (Continued on Page Five.)

British Destroyers Are Ordered To Italian Port Upon Island of Mallorca

London, June 29.—(AP)—Two British destroyers, the Imogene and the Isis, were ordered suddenly to Mallorca today from Gibraltar.

The Admiralty described the movement as "routine" in connection with the Nyon anti-piracy patrol. The Italian-operated airplane base at Palma, Mallorca, is the source of the insurgent air raids on the coast of government Spain, and British shipping in Spanish waters, Mallorca is 150 miles east of Spain. Observers connected the movement of the destroyers with reports from Rome that Premier Mussolini had interceded with insurgent General

Bailey Will Rest At Duke Hospital

Charlotte, June 29.—(AP)—Senator Bailey, Democrat, North Carolina, informed friends here today that he was entering Duke hospital at Durham for a period of rest.

YANGTZE DEFENSE IS STILL HELD BY CHINESE SOLDIERS

Important Matowchen Boom Barrier to Japanese Drive Up River, Obstructs Japanese

CRUCIAL BATTLE IS BELIEVED IMMINENT

Both Sides Cautious in War Bulletins as Fierce Fighting Continues; Conflicting Reports Given of Air Clashes; Hankow Is Stake In Great Move

Shanghai, June 29.—(AP)—Chinese declared today they still held the important Matowchen boom, barrier to Japan's drive up the Yangtze river, against Hankow. But the trend of what may be a crucial battle in defense of the provisional capital, 175 miles up-river from the boom, was obscured behind cautious communications from both sides. Chinese, who earlier had acknowledged loss of one of several forts (Continued on Page Five.)

Prison Planning Triple Execution Friday Forenoon

Raleigh, June 29.—(AP)—Preparations went forward at State Prison today for the electrocution Friday of Wiley Brice, a Negro, and the execution by gas of Bill Payne and Wash Turner, desperadoes, all convicted of murder.

Paroles Commissioner Edwin Gill indicated that pleas lodged this week for Payne and Turner would not gain them a respite. Warden H. H. Wilson said Brice would die first at about 10 o'clock. The Negro was convicted of a slaying in 1926, in Alamance county. Under State law, he must be electrocuted, as that method of execution was in use when the crime was committed.

Payne and Turner were sentenced for the slaying of George Penn, a highway patrolman, and will be given gas under a 1935 law.

No passes to witnesses for the execution of Payne and Turner will be granted the general public, Wilson said. Some 1,500 requests were received, but the entire allocation, ten in all, went to the highway patrol. Wilson said he sent five to each division, east and west, and did not know who would get them.

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Last Survivors of Civil War Who Can Make It Head for Blue and Gray Reunion at Gettysburg

President Roosevelt to Address 4,000 Union and Confederate Veterans Who Encamp June 29-July 6 on Famous Battlefield



All is now peaceful at Gettysburg, Pa., where Union and Confederate troops were locked in a death struggle 75 years ago. One of the many monuments that dot the battlefield is in foreground.

Eternal Light Peace memorial to be dedicated at Gettysburg battlefield by President Roosevelt, Sunday, July 3.

The encampment of the Blue and Gray reunion at Gettysburg.

North and South... mellowed by the years.

Death For Spies Set In France

Paris, June 29.—(AP)—The French government today issued a decree establishing the death penalty in peacetime for certain forms of espionage. The law was designed to halt the growing number of spy cases in France in recent years.

Sentences of penal servitude for life, hitherto reserved for war-time espionage offenses, also were made applicable to peace-time convictions in a new drive which authorities said emulated Germany's recent counter espionage activities.

There has been a feeling in government quarters for some time that the existing penalties needed stiffening. There has been a huge increase in espionage arrests in France in recent years. In the Strasbourg area alone, near the German border, there were 150 convictions of espionage charges in 1937.

Spaniards' Stalemate Continuing

Hendaye, France, June 29.—(AP)—The battle for Valencia today swung on both flanks of a 50-mile front in eastern Spain with neither the government nor the insurgents able to gain a decisive advantage.

General Franco's forces held the upper hand in the coastal sector where they attempted to break through strong government defenses guarding the important Mediterranean port.

Indian, where another insurgent column was pushing east, General Jose Miaja's defense troops were more than holding their own.

The insurgent coastal forces were advancing slowly but steadily toward Nules, about 25 miles north of Valencia.

Fresh troops and heavy artillery enabled the insurgents to push back weary government militiamen to the line of fortifications protecting Nules and the highway to the west. Artana, only 28 miles from Valencia, is the point of the insurgent arrowhead.

WEATHER FOR NORTH CAROLINA. Generally fair tonight and Thursday, continued rather cool.

Drive Upon Depression To Attain Stride by July 1

Britain Stirred by Storm Over National Secret Act

London, June 29.—(AP)—Britain's political storm over the official secret act was intensified today when Duncan Sandys, central figure in the turmoil, told a turbulent House of Commons he had been ordered to appear before a military court.

Sandys, conservative member of the House and son-in-law of Winston Churchill, declared this was "a gross breach of the privileges of this house."

It was Sandys' charge in the House Monday that the attorney general had threatened him with invocation of the secret act usually used against spies, unless he divulged the source of cer-

tain information that brought the controversy into the open and aroused criticism weakening the position of the government.

On the basis of this information, Sandys had framed a question to be asked in Commons concerning alleged deficiency in Britain's defense against aircraft. The military court was instituted yesterday to inquire into this leakage.

Sandys told the House he was ordered to appear before the court in uniform in his capacity as an officer of the territorial army tomorrow morning "for the purpose of giving evidence."

SCRAP TOBACCO ACT FACES EARLY TEST

Judge Frizzelle at Snow Hill To Hear Arguments Over Complaints

Raleigh, June 29.—North Carolina's 1937 scrap tobacco act will get a searching test Saturday at Snow Hill when constitutionality of the measure will be argued before Superior Court Judge J. Paul Frizzelle.

Attorney General Harry McMullan for the State, and J. Con Lanier, of Greenville, for the J. B. Picklen Tobacco Company, agreed on the date for a hearing, which will be a complaint of the company charging that the \$1,000 license fee levied in the act (and which it paid under protest) is unconstitutional. To Wade Bruton, assistant attorney general, will likely make the appearance for the State. The suit is nominally against A. J. Maxwell, commissioner of revenue, to whom the license was paid.

The State's 1935 act was held void for lack of clarity and because it did not specifically state that a violation thereof was a misdemeanor. That case (State vs Morrison) originated in Robeson county and was fought all the way from recorder's to Supreme Court, with the State losing every round.

Justice Heriot Clarkson wrote the Supreme Court opinion in the matter pointing out that the statute failed (Continued on Page Five.)

ASSERTS MONOPOLY PROBE IS ON LEVEL

O'Mahoney Says It Is Honest Search for Means To Save America

By CHARLES P. STEWART Central Press Columnist

Washington, June 29.—Senator Joseph C. O'Mahoney of Wyoming talks, in general, like a fairly advanced liberal. Nevertheless, he was prominent in the successful congressional fight against President Roosevelt's plan to reorganize (or, as some folk put it, to "pack") the Federal Supreme Court. This aroused the ire of most New Dealers, who have had a spell of referring to O'Mahoney as at least a very conservative Democrat, if not an outright reactionary.

Now, however, he is leader of what commonly is described as the "monopoly investigation", to proceed during Congress' adjournment period, until next January or until an extra session is called, if one is called, earlier than that.

And the quite popular supposition is that this will be a decidedly radical quiz.

So what is the senator? A rightist or a leftist? As Stewart Classes Him. From the Wyoming solon's fashion of expressing himself, I would class him as a liberal, but decidedly a constructive one.

He denies that his investigation pro- (Continued on Page Eight.)

Full Momentum To Be Reached Quickly, Roosevelt Assures Nation In Statement

STUDYING SWEDISH LIQUIDATION PLANS

United States Still Hunting Solution to Unemployment Problem Without Such Huge Expenditures, President Says; Various Spending Agencies Moving

Hyde Park, N. Y., June 29.—(AP)—President Roosevelt gave the nation assurance today that the big Federal drive on the depression would reach full momentum by July 1. At the same time, the President said, this country, is still searching for a solution for the unemployment problem, a solution that would not involve large expenditures of money.

Mr. Roosevelt said one matter under study was how Sweden was able (Continued on Page Five.)

Hoover and Landon Fate Is Shaping

Washington, June 29 (AP)—The congressional election campaign may determine whether Alf M. Landon or Herbert Hoover will be recognized as the titular leader of the Republican party.

Friends of the two men consider both have a claim to the leadership, Landon as the party's last standard-bearer, and Hoover as its last President.

Prominent Republicans in Washington said today that campaign activities of the pair should give the rank and file an effective yardstick for measuring the relative effectiveness of their leadership.

In some cases, one or the other may have his way about the nomination of Republican candidates, and in others state and county leaders may have an opportunity to observe which one demonstrates the more vote getting power for party nominees. Both Hoover and Landon are expected to make a series of addresses during the campaign. Comprehensive arrangements have not been (Continued on Page Eight.)

FDR SPEECHES NOT SUBJECT TO PROBE, SHEPPARD ASSERTS

Investigating Chairman Holds President's Pleas for Candidates Are Not Liable

NYE'S PLEA AIMED AT CLEAN ELECTION

Wants To Know How Extensively Absentee Ballots Are Being Used in Senate Primary of G. O. P., Won by Nye; Williams Speech Is Studied

Washington, July 29.—(AP)—Chairman Sheppard, Democrat, Texas, announced today the Senate campaign investigating committee would poll all county auditors in North Dakota at once to determine the extent to which absentee ballots were used in yesterday's primary elections.

At the same time, Sheppard told reporters that he did not believe speeches by President Roosevelt in behalf of candidates in primary elections would fall within jurisdiction of the investigating committee.

The committee's action on the North Dakota situation, he said, was in response to a request from Senator Nye, Republican, North Dakota, that the survey be made in the cause of clean elections.

Nye was leading Governor William Langer for the Republican senatorial nomination by about 16,000 votes when a third of the precincts had reported. Sheppard told reporters that, although Nye did not clearly indicate what use could be made of the information, he assumed the North Dakota senator wished to compare the number of absentee ballots with (Continued on Page Four.)

Crop Loss For State 12 Million

Raleigh, June 29 (AP)—N. C. State College agricultural experts said today that rain, hail and wind had caused heavy damage to crops in many counties of the State in recent weeks but that "good crops are still to be found in North Carolina."

Damage running into the millions of dollars has been done to tobacco and cotton by rain and hail. John Goodman, assistant director of extension, said. Another survey has placed the loss at \$12,000,000 or more, with Johnston, Nash, Beaufort, Halifax and Franklin counties suffering most.

Goodman said the best crops could be found where farmers used soil building crops last year and had made provisions for drainage either by terracing or installing drainage systems. Pastures speckled and legumes have thrived during the wet weather, aid E. C. Blair, extension agronomist.

Goodman commented that excessive wet weather was not only hurting field crops, but was reducing honey flow, with indications being that bees could not produce a normal crop.

FDR Signs Flood Bill Grudgingly

Says \$386,500,000 Measure Not What He Wants for National Planning

Hyde Park, N. Y., June 29.—(AP)—President Roosevelt announced today that he had signed the \$386,500,000 omnibus flood control bill "with some reluctance."

Asserting that it "is unnecessary for me to emphasize the importance of carrying on a large and continuing program to eliminate floods, lessen soil erosion, continue reclamation, encourage reforestation and improve navigation", the President declared the bill he signed "is not a step in the right direction in the set-up provided for general government planning."

"I am in doubt," President Roosevelt said, "as to the value of some of the projects provided for, and it is unwise to place recommendations to the Congress solely in the hands of the engineer corps of the army in (Continued on Page Six.)