TWENTY-FIFTH YEAR

Army Ship Sights Oil Spot In Area Of Missing Plane

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STATE LEGISLATURE TO MEET NEXT

Georgia Asks Wallace To Suspend Tobacco Penalties

Crop Control Law May Be Big Issue In Farming Areas

AAA Sends Agents into Cotton Belt To Combat Movement: Wheat Is Also Affected in Sentiment Rising Against Present Control Methods

Washington, August 1.-(AP) -The new crop control law may become an important issue in four major farming areas during the next few weeks. Officials of the Agricultural Adjustment Administration have sent representatives to the cotton belt to attack a "domestic allotment" program, which would permit farmers to grow all they wanted for foreign markets. Each grower would be given a share in the domestic market, for which he would receive cost of production

prices.

This program, which had strong support in the last session of Congress, is described in reports reaching here as gaining adherents among It has been criticized by Secretary Wallace as unworkable and inadvisable from a foreign trade standpoint.

It is quite probable, officials said, that a referendum will be held in the midwestern corn belt to determine

(Continued on Page Three.)

Court Halts Stoppage Of **Pennsy Probe**

Harrisburg, Pa., August 1.— (AP)—Judge Paul Schaeffer held today that the Pennsylvania legislature could not suspend a grand jury investigation of political graft and corruption charges against Governor George H. Earle and 13 others high in State Demo-

Legislation to permit the General Assembly to take the projected inquiry away from a grand jury and place it in the hands of a legislative committee was passed Saturday and signed by the governor.

Judge Schaeffer's opinion today was on a petition by District Attorney Carl Shelly, of Dauphin county. He is in charge of the

(Continued on Page Three.)

50 Russian Planes Raid Jap Borders

Four Brought Down in Korean Territory; Moscow Reports Heavy Jap Losses

Hsinking, Manchoukuo, Aug. 1 .-(AP)—The Japanese army announce ed today that 50 Soviet war planes inflicted slight damage on railways in an afternoonu raid on Changkufeng and vicinity in the disputed border

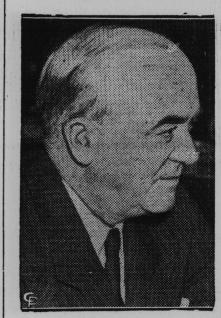
It said four Soviet aircraft were brought down on Korean territory, while one was believed down in Manchoukuo after the raiders dropped nearly 30 bombs.

The announcement said Japanese used only anti-aircraft fire as they were too near the border to use defensive planes.

In Moscow, Japan was reported to have "strongly rebuffed" in a clash to run right now for a third term the of any appreciable loss in Roosevelton the Siberian-Manchoukuoan frontier "enduring great losses both of men and material.

Only brief newspaper reports of the There are published, however, their senatorial, representatorial and entirely a different matter. There was no specific editorial comment except in the army organ, Red Star, and Soviet circles apparently did not regard the border incidents as the beginning of a large-scale Russo-Japanese conflict.

To Supreme Court?



Judge John P. Devaney . considered for high bench

Judge John P. Devaney of Min-neapolis, former chief justice of the Minnesota supreme court and first president of the National Lawyers Guild, is said to be under consideration for nomination to the U.S. supreme court to fill the place left vacant by the death of Justice Benjamin N. Cardozo. Judge Devaney, a liberal Democrat, is a personal friend of Presi-

dent Roosevelt's. -Central Press

Governor 10 Ask Sale Of Mullet Road

State Has Offer at Profit for Goldsboro-Morehead Line; Make

> Daily Dispatch Bureau, In The Sir Walter Hotel.

Raleigh, Aug. 1.—Governor Clyde R. Hoey will ask the North Carolina General Assembly—either in special or regular session-for legislation authorizing the State to sell the Atlantic and North Carolina Railroadthe old "Mullet Line" connecting Goldsboro and Morehead City.

The governor hasn't said so-not publicly, at least—but the fact is verified by entirely reliable informants who know whereof they speak. As a matter of fact, the road would have been sold by the State some

three months ago but for an opinion of the attorney general that it cannot do so without specific authority from the General Assembly. A bona fide offer for the line was

Governor In Demand On AAA Head

Face Financial Ruin Unless Action Is Taken, Rivers and George Declare

Atlanta, Ga., August 1.—(AP)—Senator Walter F. George and Governor E. D. Rivers today requested Secretary of Agriculture Wallace to suspend the tobacco marketing of fluecured tobacco from allotted acreage without penalties.

Under the national quota system, growers are limited in the amount of tobacco they may sell, whether or not the crop is produced on allotted acre-

Rivers wired that unless quotas are suspended "we face financial ruin." Incomplete returns from the first veek's sales in the south Georgia bright leaf tobacco markets showed \$3,181,000 paid for 11,840,000 pounds of tobacco. The reports were from 41 of the 56 tobacco warehouses in the State. The average in these warehouses was \$27 per hundred pounds. Official figures on the entire market for the opening week will not be released by the State Department of Agriculture until tomorrow.

With 16 warehouses still to report the figures today compared with \$3,-248,275.02 paid in all markets during the opening week of last year. The average last year was \$25.23 per hundred, and the poundage 12,875,254. Protests and court attacks harried government tobacco officials.

A mass meeting of Candler county growers was called today to protest permanent allotments issued by the AAA. Emanuel county growers wir-

(Continued on Page Three.)

Carry-Overs Of Cotton At Record Peak

New Orleans, La., Aug. 1.—(AP) -The 1937-38 world carry-over of American cotton, including linters, was placed at the all-time high of 13,803,000 bales in the annual report of the New Orleans Cotton Exchange today. The carry-over last year was 6,108,000 bales.

Various private agencies have estimated the carry-over of fore-ign growers at about 10,000,000 bales, which, combined with the American carry-over, gives the world a total carry-over of about 23,000,000 bales, the largest in his-

Henry Plauche, secretary of the exchange, said that of this amount, the government was holding under its loan program a total of 6,796,780 bales. Cotton futures prices, now between 8 1-2 and nine cents a pound, are only about 30 points above the government loan figure.

Plauche estimated consumption of American cotton, including linters, at 12,162,000 bales, compared with 14,426,000 bales last year. Exports were placed at. 5,953,872 bales, compared with 5,776,000 bales.

no slaughter of the "antis" either.

This Year's Prospects.

The Republicans probably will gain

seats and maybe two or three gover-

However, that will be (if it proves

Stewart Sorts Them Out.

Of the anti-New Deal Jeffersonians

to be re-elected; otherwise they would

(Continued on Page Three.)

By CHARLES P. STEWART

Central Press Columnist

open between "pro" and "anti" New

Washington, Aug. 1.-Judging from

President Roosevelt appears to be

term precedent. But when Democrat- mal.

state candidates they seem inclined

to do their choosing without much

To be sure, some New Dealers have

been renominated but there has been

wishes.

Democrats Badly Split

Despite Popurlarity Of

The President Himself

Democratic primary results thus far the party still is split pretty wide quite a handful of representatives'

amply popular personally. If he were to be a sound prediction) not because

indications are that he would win handsomely, regardless of the two-ocratic majorities have been abnor-

ic voters come to the selection of The internal Democratic conflict is

regard for what presumably are his who are renominated most are likely

norships.

Ray Of Hope Troops Might Not Be Sent Memphis Is Yet Left Nashville, Tenn., Aug. 1.—(AP) —A statement by Governor Gordon Browning that he would not send

troops into Memphis for election day duty "unless I change my For Clipper mind," eased somewhat today tenseness surrounding preparations for the Tennessee Democratic primary Thursday. A governor, United States sena-tor and public utilities commissioner are to be nominated, but a break between Browning and Na-

Browning.

of the street.

Fact No Wreckage Has Been Found Is tional Committeeman E. H. Crump, Slender Thread Obleader of the powerful Shelby county political organization, far overservers Cling To shadowed all other activities Memphis is the citadel of Crump.

Manila, P. I., Aug. 1.—(AP)—A new note of optimism was sounded to-night in the apparently hopeless search for the lost Hawaii Clipper and its 15 passengers. As army and navy craft ended their

fourth day of far flung search with the report "found nothing," aeronautical experts of the Philippines department of communications expressed belief that the 26-ton flying boat

might still be afloat. In support of their theory, they pointed to the fact that intensive search of the area where the Clipper last was heard from had failed to Protests On search of the area where the Clipper disclose a single bit of wreckage They added the Clipper's radio might have failed after its last report, and that it might have left its course for some unknown reason and landed at a spot outside the present search

\$50,000 In Cash Taken by Yeggmen In New York Bank

New York, Aug. 1.—(AP)—Four gunmen held up a branch of the Banco di Napoli Trust Company at First Avenue and 12th Street early this afternoon. Police said they fled with \$50,000 in cash.

An armed guard usually on duty in the bank was at lunch when the gunmen entered. They cowed 14 customers and nine employees. The cash they seized was to have been transferred later in the

day to the banking firm's main branch on lower Broadway.

The branch bank is in the heart of a push-cart district on the lower East Side.

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38 Are Hurt In Crash Of **Fast Trains**

rt Meigs, top; Clipper control room, lower left; Rear Admiral George J. Myers,

lower right, directing search.

A broad oil spot on the surface of the Pacific a few miles from where the missing Hawaii Clipper last radioed its

position was found by the army transport Meigs, pictured above. Greatest ocean search in history was being di-

rected by Rear Admiral George J. Myers. At the lower left is a view of the control room of a Clipper ship. Did

whose organization is supporting

Prentiss Cooper, an attorney, a-gainst Browning's bid for renom-

ination. The troops were held from

scheduled movements into Missis-

sippi for third army maneuvers by

verbal order from Governor

Great Britain

Japs' Attitude

Shanghai, August 1.—(AP)—Great

Britain protested to Japanese autho-

rities today against what was called

the "increasingly belligerent attitude"

of sentries guarding bridges from the international settlement into Japa-

nese-controlled sections of Shanghai.

The protest was the outgrowth of

the alleged "rough-housing" of Miss Dorothea Lintilhac when she crossed

the garden bridge on the wrong side

Meanwhile, three Japanese columns.

attempting to fight their way up the

Yangtze river toward Hankow, China's

(Continued on Page Three.)

FOR NORTH CAROLINA.

Partly cloudy, scattered show-er Tuesday and possibly in west

portion tonight.

provisional capital, were held to a

New York Central's Luxury Fliers Collide Near Toledo; Three Are Serious

crash of two New York Central had performed "usual" services. luxury trains, the Mercury and the Commodore Vanderbilt, left 38 injured persons in hospitals today and others with minor hurts.

Three passengers were in serious condition. Sixteen were taken to and State employees Toledo hospitals, eight to Port Clinton and 14 to Cleveland. Dr. George Poe, aboard the Mercury, said he treated about 50 persons at the scene. has said was marked by every kind

to Cleveland, grazed an automobile reported no contributions, and \$6,120

(Continued on Page Three.)

To Approve Acceptance **PWA Grants**

\$6,000,000 Bonds To Be Authorized To Match \$4,000,000 Government Gift

Raleigh, Aug. 1.—(AP)—Governor Hoey today called a special session of the North Carolina legislature to meet Monday, August 8, at noon,

The session will consider legislation to enable North Carolina to participate in the PWA program.

The formal call had not been prepared when the chief executive, by and with the consent and approval of the Council of State, issued his statement on the matter. The governor expressed hope the

session would last only a week.

All members of the 1937 legislature were sent telegrams to be here Monday. It will be the second special session for the assemblymen, perhaps setting a precedent. The governor said a special session

'is necessary if North Carolina is to receive any aid out of the PWA appropriation for the various state institutions in the way of necessary permanent improvements and new build-

Declining to estimate the probable amount of money to be involved in proposed legislation, the governor said the advisory budget commission, in special session here Thursday and Friday would make recommendations.

Last week Hoey said that probably five to ten million would be needed for permanent improvements. The State may issue around \$6,000,000 in bonds to get its 55 percent of the total cost if the government gives grants of 45 percent for all proposed improve-

The governor said Attorney General Harry McMullan would prepare bills and have them ready when the

Barkley And Others Show Expenditures

Washington, Aug. 1.-(AP)-Senator Barkley told the Senate committee investigating the Kentucky Democratic primary today he had spent \$2,180 in his campaign for renomina-

The Senate majority leader, who was given a warm endorsement from President Roosevelt, reported receiving contributions of \$1,915.

Governor A. B. (Happy) Chandler, his opponent in the bitter Kentucky primary, last week reported expenditures of about \$1,000, and said he had received no direct contributions, Toledo, Ohio Aug. 1.-(AP)- A though groups working in his behalf

The campaign expenditures committee, to which the reports were made, has sent representatives into Kentucky to investigate charges involving political activities by Federal

Senator Berry, candidate for renomination in the Tennessee Democratic primary, which the committee The Mercury, bound from Detroit of "questionable scheme and device,"

(Continued on Page Three.)

Election Reforms To Be Banned At Extra Session

Governor Wants Only PWA Loan Legislation and Will Have His Way; Reform of Election Laws Would Take Weeks To Frame and Enact

call a special session of the General many and varied charges of fraud. Assembly, speculation increases a- corruption, connivance and neglect in mong observers on the question of the administration of the laws now whether or not such a session could on the statute books. be confined to consideration of au- It would appear clear that Goverthorization of PWA grants to the nor Hoey isn't going to call any spe-State for use in construction of in- cial session unless he has the assurdispensable buildings at State insti-

In the forefront of the speculation In The Sir Walter Hotel. is the matter of election law reform Raleigh, Aug. 1.—As Governor Clyde a matter very much in the public R. Hoey debates whether or not to eye because of the current probe of

(Continued on Page Three.)

(Continued on Page Three.)