

NEUTRALITY MAY BE DROPPED FOR SESSION

Barkley Proposes Legislation For Lending Program

Reconstruction Finance Corporation to Handle Funds, Which Will Be Repaid to Government; Liquidating Loans Be Made from Fund

Washington, July 10.—(AP)—Senator Barkley of Kentucky, the Democratic leader, proposed legislation today to carry out a new \$2,800,000,000 lending program.

The legislation sponsored by the administration called for the creation of no new governmental agencies and most of the financing would be handled through the Reconstruction Finance Corporation.

Sums would be made available as follows:

Non-federal public works, "of a character which will return to the federal government its investment in time, \$350,000,000; self-liquidating express post roads and highway improvements, \$750,000,000; rolling stock and ship equipment for lease to railroads, \$500,000,000; rural electrification loans, \$460,000,000, plus \$40,000,000 already appropriated; self-liquidating farm tenancy loans, \$300,000,000 plus not more than \$100,000,000 of funds already appropriated; loans through export-import bank, \$100,000,000.

The total did not include an already projected increase of \$800,000,000 in borrowing authority of the

(Continued on Page Five)

Rapid Wage Rise of Cotton Worker Blight to South

Washington, July 11.—(AP)—L. T. Barringer, manifest cotton merchant, predicted today an economic blight for the South if cotton textile wages were increased too rapidly.

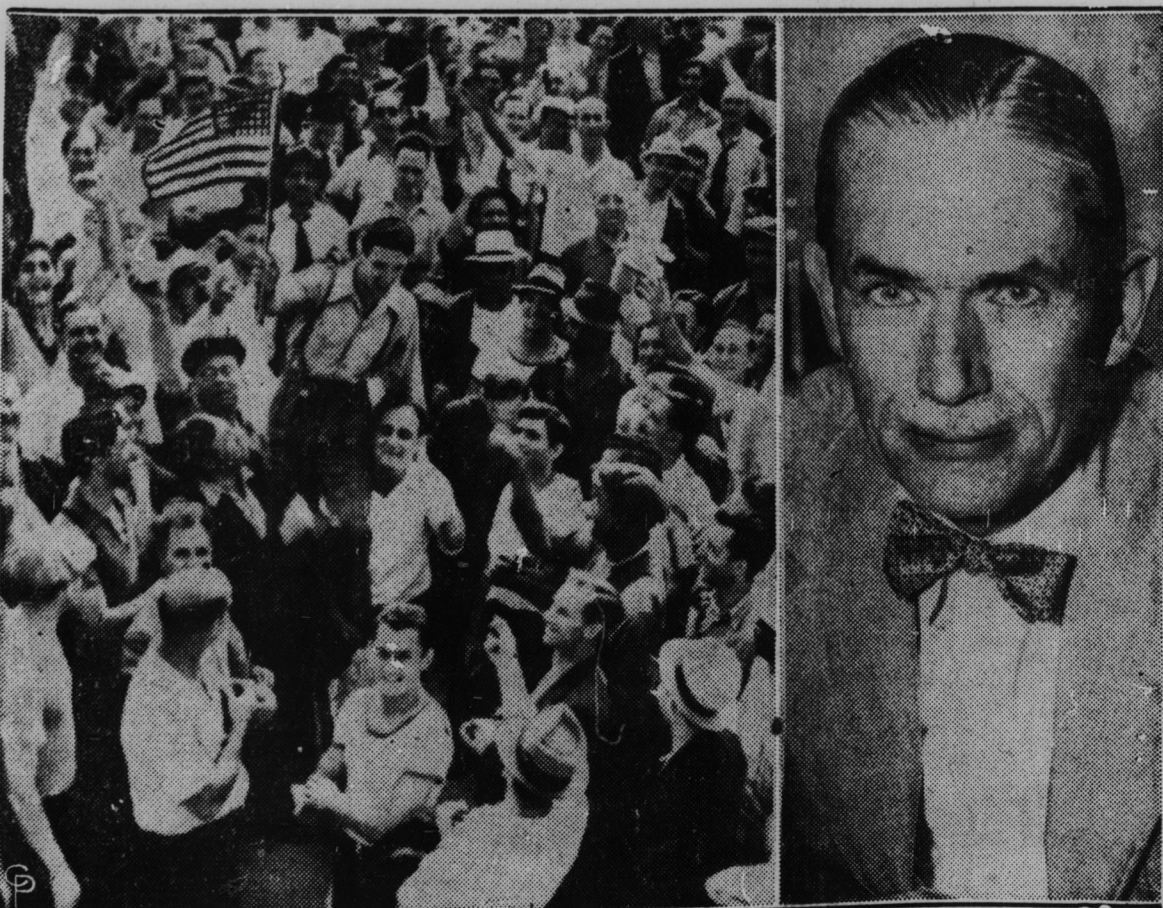
Opposing a proposed 32 1-2 cent minimum for the entire cotton textile industry at a hearing before Administrator Elmer F. Andrews, of the Wage Hour division, Barringer declared:

"About 250 small southern mills with less than 15,000 spindles each are facing calamity."

Adoption of the proposed wage order on which Andrews has conducted hearings for the last month would place small southern mill towns in a deplorable condition and force their inhabitants to move away, Barringer added. Northern mills have supported the minimum in an effort to equalize wages between north and south.

"There are some persons who admit an increase in the minimum wage to 32 1-2 cent would result in rapid elimination of many low wage mills." He continued, "But they insist this would be only a speeding up of a process that has been underway for some time."

"They Can't Strike Against the Government"



Lifting their standard-bearer on their shoulders, skilled WPA workers walk out on the North Beach, N. Y., airport project as thousands struck against the Government's elimination of the prevailing wage provision in the WPA. But, "They can't strike against the Government," said Lieut. Col. Breha Somervell (right), New York administrator, as the strike threatened to spread.

Strikers Of WPA Going Back On Job

Leaders Advise Workers To Return After Walking Out in Protest Over Longer Hours; Nightly Meetings Are Advised

Washington, July 10.—(AP)—A back to work movement by the workers security federation developed today in the widespread walkout of WPA laborers in protest against the new 130-hour month.

Officials of the federation, recently organized from local unions of WPA workers and the unemployed, advised those of its members who had quit work to return to their jobs. They urged the men, however, to continue to protest against the hours provision by holding night mass meetings, and by participating

(Continued on Page Three)

Three Long Term Negroes Escape From Road Gang

Raleigh, July 10.—(AP)—Three long term Negro prisoners escaped from a road gang near Sunbury this morning and a posse with dogs sought them this afternoon.

Penal superintendent Oscar Pitts said the escapees were: Ralph Hewitt, 28, serving 22 1-2 to 30 years for second degree murder, convicted in Catawba in 1933; Roscoe Montgomery, 34, given 17 years in Guilford in September 1937 for second degree murder; and Jimmy Walker, alias Johnny Morgan, 32, sentenced in Guilford for 5 years for second degree murder.

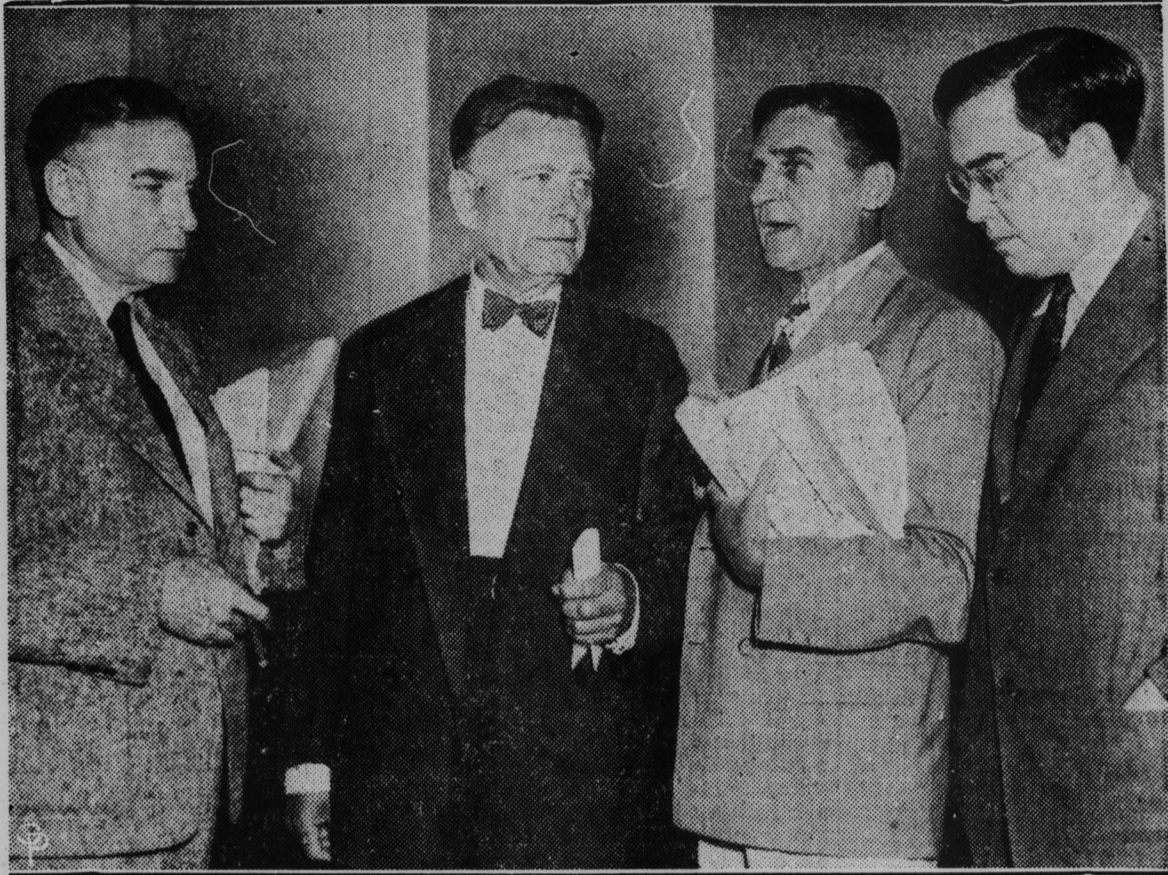
Insurance For Cotton Talked

Washington, July 10.—(AP)—Secretary Wallace told the Congress today that it might well extend federal corporation insurance to cotton "in view of the many hazards" that affect the production of cotton and the large number of farmers that must face these hazards.

A letter from Wallace to Senator Bankhead, Democrat, Alabama, was made public before the House Agricultural Committee by Cecil A. Johnson, assistant manager of the federal corporation insurance corporation.

Johnson appeared in support of a bill by Representative Fulmer, Democrat, South Carolina, to extend to cotton growers the same type of insurance now offered wheat farmers against losses from drought, flood, and other natural hazard. Similar legislation has been approved by the Senate Agricultural Committee.

Block Roosevelt on Neutrality



Led by Senator Hiram Johnson of California and William E. Borah of Idaho, a powerful isolationist block of 34 in the Senate pledged themselves to talk to death any change in existing neutrality, unless "every honorable and legitimate means at our command." Leaving conference in Johnson's office are (l. to r.): Senators Homer T. Bone, Borah, Gerald P. Nye, and Rust Holt.

Chamberlain Is Very Cautious In Discussing Danzig Problem

London, July 10.—(AP)—Prime Minister Chamberlain declared today that an attempt to settle Danzig's problem by "unilateral action, organized by surreptitious methods" would threaten Poland's possible independence, which Britain is pledged to maintain.

Chamberlain said that while the present status of the free city was "neither basically unjust or illogical, it may be capable of improvement", and added that "it may be that, in a clearer atmosphere, possible improvement could be discussed."

Recent occurrences in Danzig, Chamberlain said, had caused fears "that it is intended to settle her future status by unilateral action, or-

ganized by surreptitious methods." "If the sequence of events should be in fact such as is contemplated in this hypothesis, the members will realize that the issue could not be considered as a purely local matter involving the rights and liberties of the Danzigers, but will at once raise graver issues affecting Polish existence and independence," Chamberlain said.

He then declared that "we have guaranteed to give assistance to Poland in the case of a clear threat to her independence, which she considers it vital to resist with her national forces, and we are firmly resolved to carry out this undertaking." Chamberlain's statement was intended to dispel any doubt in the minds of Ger-

man officials that Britain would stand by her pledge to Poland in the case of Danzig, and it was understood to have had the advance approval of both Poland and France.

Chamberlain's cautious phraseology had a double purpose—to avoid language which Germany might use to advantage in furthering her claims of encirclement, and to leave open the door to possible negotiations of a settlement of the Danzig question by Germany and Poland.

The statement was intended to supplement the recent speech of Foreign Secretary Lord Halifax, who asserted in strong terms that Britain was determined to resist aggression, but omitted specific reference to Danzig.

Protest By Danzig Made To Poland

Danzig, July 10.—(AP)—Free city authorities drafted a protest to Poland today against an alleged "violation of the frontier" by three Polish soldiers. Police charged that shortly before dawn two Polish privates and a non-commissioned officer crossed the frontier bridge over the Vistula river and menaced Danzig customs officials with a rifle.

The customs officials, they said, held their ground and the Poles were persuaded to return to Poland. A Danzig Nazi newspaper described the incident as "Polish provocation."

It came in the wake of a defiant Nazi demand for removal of a Polish military depot on the strategic Westerplatte, at the mouth of the Vistula.

"Away with this Polish ammunition dump at our front door," was, in effect, the demand made by Danzig's Nazi party leader, Albert Forster.

GERMAN ARMY HEAD DEPARTING BERLIN

Berlin, July 10.—(AP)—Colonel General Walther von Brauchitsch, chief of staff of the German army, left Berlin today for a vacation of several weeks.

Weather

FOR NORTH CAROLINA. Partly cloudy tonight; Tuesday generally fair, except scattered showers in extreme east portion.

\$25,000,000 Paid On Unemployment

Raleigh, July 10.—Receipts of the North Carolina Unemployment Compensation Fund have exceeded \$25,000,000, while benefit payments exceed \$11,000,000, Chairman Charles G. Powell, of the State Commission, reveals.

Receipts through July 6, amounted to \$25,039,594.05, including \$24,628,441.48 in contributions from liable employers and \$411,152.57 in interest on the balance in the United States Treasury. Benefit payment to unemployed and partially unemployed workers through July 6 in about 18 months, reached \$11,009,045.90. Mr. Powell said. This leaves a balance in the State fund of \$14,030,548.15 as of July 6, which includes the pooled fund and the amount being credited to individual employer accounts under the merit rating plan.

Sabath Seeks Restore Wage Rate For Works

Washington, July 10.—(AP)—Representative Sabath (D., Ill.) introduced in the House today a bill to restore the prevailing wage rate on Works Relief projects.

Elimination of the prevailing wage rate from the 1940 Works Relief appropriation act caused the hours of some WPA workers to be increased to 130 hours per month and brought on a widespread strike of skilled WPA workers.

The American Federation of Labor protested that elimination of the provision would tend to lower wages generally since its effect would be to make WPA employees work at much lower rates of pay.

William Green, president of the A. F. of L., said today the A. F. of L. would use all of its economic strength to compel the Congress to restore the old wage rates on WPA projects.

Failure, he added, would mean "strikes and strikes."

Nation Pays Tribute To Sec. Swanson

Washington, July 10.—(AP)—Congress, President Roosevelt, and the Supreme Court joined today in final tribute to Claude A. Swanson, late secretary of the navy, with a State funeral in the Senate chamber.

With bowed heads they heard the chaplain of the Senate and House perform the brief and simple funeral ceremony over the flag draped casket.

Members of the Swanson family sat at one side of the flower-heaped rostrum, while Mr. Roosevelt took his seat directly in front, the members of the cabinet on his left.

SOLUTION SEEN IN PROBLEM AT DANZIG

Berlin, July 10.—(AP)—A "reasonable solution" of the Danzig problem is possible, some Nazi sources said today after British Prime Minister Chamberlain's statement in the House of Commons on the Danzig situation.

Daniels As Successor To Swanson Is Again Talked

Daily Dispatch Bureau, In the Sir Walter Hotel.

Raleigh, July 10.—Death of Secretary of the Navy Claude Swanson last Friday revived rumors going around State Capitol circles some weeks ago to the effect that Joseph Daniels, now ambassador to Mexico, would like very much to get back in the berth which he held during the Wilson administration.

The ambassador's are is regarded as almost, but not quite, insuperable obstacle to his appointment.

The original story has it that the President would like very much to replace Mr. Daniels in Mexico, but that he did not want to offend his

May Become First Order In January

Prompt Consideration When Senate Meets Again Would Be Assured to President; Committee To Consider Issue Tuesday

Washington, July 10.—(AP)—As a compromise in the closely drawn Senate battle over neutrality legislation, a suggestion was put forward in some quarters today to make the controversial subject the first order of business whenever Congress reconvenes.

This would assure President Roosevelt of prompt consideration, it was argued, should international developments cause him to call a special session before January.

Administration forces were silent pending a showdown meeting tomorrow of the Senate Foreign Relations Committee. At that time, opponents of the administration bill to repeal the arms embargo against warring nations are expected to move that no action be taken on neutrality proposals during this congressional session.

The 23-member committee is sharply divided on the issue, and both sides waged a vigorous week-end

(Continued on Page Five)

Treasury Again Slashes Price On Foreign Silver

Washington, July 10.—(AP)—The Treasury cut its foreign silver prices again today to set a price of 35c an ounce.

This figure was sufficiently above the London silver market price of \$33.84c to enable shipping of the metal across the Atlantic for the first time in about two weeks. The 35c represented a reduction of 1.75c from the last quoted price Friday.

With the London market priced at 33.84c and since it costs only about 1-2 of 1 per cent per ounce to ship silver across the ocean, it became possible to buy silver in London and ship it here for selling to the United States Treasury.

Officials would not say what the disparity in the new Treasury and London prices meant, but some observers commented that the difference might mean that the treasury would intervene to stabilize the world's silver market.

McNutt Looms As Choice For One New Job

Washington, July 10.—(AP)—Stephen Early, a White House secretary, told reporters today he would "not be at all surprised" if, sooner or later, Paul V. McNutt was not found "somewhere in the administration."

McNutt, former governor of Indiana, and now American high commissioner of the Philippines, has been mentioned as a possible head for the new Federal security agency when he retires from his Philippine post.

Lending additional credence to reports he might be offered the job, was the fact that President Roosevelt invited him to a 15-minute conference

(Continued on Page Five)