

French Submarine Goes Down With 63 Men On Board In East

HENDERSON'S POPULATION 13,873

Henderson Daily Dispatch 8 PAGES TODAY

TWENTY-SIXTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS.

HENDERSON, N. C., FRIDAY AFTERNOON, JUNE 16, 1939

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

BRITAIN WARNS JAPAN AGAINST BLOCKADE

Roosevelt Says Income Tax Base Must Be Broadened

No Action By Congress Likely Now

President Says More Citizens Ought To Feel Weight of Tax Load; New Industrial Lending Program Discussed by Executive

Washington, June 16.—(AP)—President Roosevelt said today the income tax structure would have to be broadened at the base, but he doubted that Congress would take any action on it this session.

Responding to questions at a press conference, the President said he believed the base should be broadened a little bit to cover more taxpayers, but he added this would not bring in much additional revenue.

Germany Is To Deny New Claims Order

Prague, June 16.—(AP)—The semi-official announcement said today that the German government does not recognize the validity of the American Mixed Claims Commission decision holding the Reich responsible for World War Black Tom and Kingsland munitions disasters.

WPA Changes In Relief To Be Modified

Washington, June 16.—(AP)—The House Appropriations sub-committee in charge of the \$1,716,000,000 relief bill voted today to modify some of its proposed changes in the WPA program in an effort to head off an impending floor fight.

The sub-committee approved, in addition to some clarifying amendments, four changes in some of the provisions which have aroused the most opposition.

Specifically, they propose to change the \$25,000 limitation on WPA building construction projects so that the agency could spend up to \$50,000 on Federal buildings and \$40,000 of Federal funds on non-Federal projects. Sponsors' contributions would be in addition to the latter amount.

Other developments: President Roosevelt told a press conference the administration was working gradually toward ending the practice of giving jobs in payment of political debts. That was his comment on a speech by Attorney General Murphy at Asbury Park, N. J., last night. Murphy urged that this practice be stopped and also proposed a \$1,000,000,000 cut in the public payrolls, federal, state and municipal.

In Baltimore Branding Case



Morton Rosen, 19 (center), faces trial on charges of assaulting Harry Ebberts, 15 (left), and Carroll Phillips, 17 (right), in the alleged anti-Semitic branding of Melvin Bridges, 15, Baltimore high school student. Rosen is said to have accompanied the Bridges boy to school after he had been attacked and branded by members of a "Junior Nazi Bund."

Business Has Hit Bottom For 1939, Babson Thinks

Rise Should Be Better from Here on Through Year, Statistician Says; Finds Retail Trade Brisk; Most Industries Picking Up

By ROGER W. BABSON Copyright 1939, Publishers Financial Bureau, Inc.

- STRAWS IN BUSINESS WIND 1. Pivotal steel industry busier. 2. Most industries feel upturn. 3. Building best in ten years. 4. Stocks of goods on hand low. 5. Retail trade at good level. 6. Sensitive commodity prices rising. 7. Farm income higher than in 1938. 8. European picture quieter.

Wilmington, Del., June 16.—During the past two weeks I have traveled about 4,000 miles. It is very evident from my observations that business has started a new upward climb. It is a peculiar coincidence, but it was just a year ago this week that business threw off the shackles of the 1938 recession.

For June, the Babsonchart Index of Business stands at 96. A year ago

it was down to 80. This means business is 20 per cent above the low of last year. In my Business Outlook for 1939 I predicted that business would show a 25 per cent gain for the first half of 1939 over the same period of 1938. I was a trifle too optimistic. For the entire six months, the gain has averaged only 20 per cent. I had

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Durham Negro Is Gassed by State

Raleigh, June 16.—(AP)—Ed Alston, 29-year-old Negro, confessed his guilt today just before being executed by gas for the robbery-murder in Durham in December, 1937, of Janie Wilkerson, 103-year-old Negroess.

Chaplain L. A. Watts quoted Alston as saying, "I did it, and I want you all to forgive me. I am the one."

The slightly built Negro entered the death chamber at 10:02, and gas was started at 10:04. He was pronounced dead exactly 13 minutes later. His family claimed the body.

L. H. Owen, Durham officer who investigated the killing of the Negro, said Alston was known as a "pretty rough" man. Alston was the 221st person executed here since 1910.

French Sub Sinks Off Indo-China

Information Meagre, but Indicates Major Disaster Akin to U. S. Squalus and British Thetis Recently

Paris, France, June 16.—(AP)—The navy ministry announced tonight that the French submarine Phenix, with four officers and 59 men aboard, failed to reappear after a dive Thursday morning in the Bay of Camranh, French Indo-China.

The communique read: "There is serious anxiety concerning the fate of the first class submarine Phenix, at present attached to Indo-China. After a dive carried out during exercises the morning of June 15 off the Bay of Camranh, the submarine did not reappear. The Far Eastern naval forces, as well as unattached ships of the navy in Indo-China, immediately began searches which still continue. Seaplanes in the colony are also participating."

"Informed immediately, the navy ministry notified the families of the members of the crew." (At Camranh bay, southeast coast of Indo-China, France is building a large naval base to bulwark the defense of French interests in the Far East. Progress on the base has been speeded since Japan's invasion of China began two years ago.) Navy officials said the Phenix carried four officers and 59 men. They said the vessel sank in deep water, but gave no immediate estimate of

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Freak Hurricane Hits Golf Coast With Little Loss

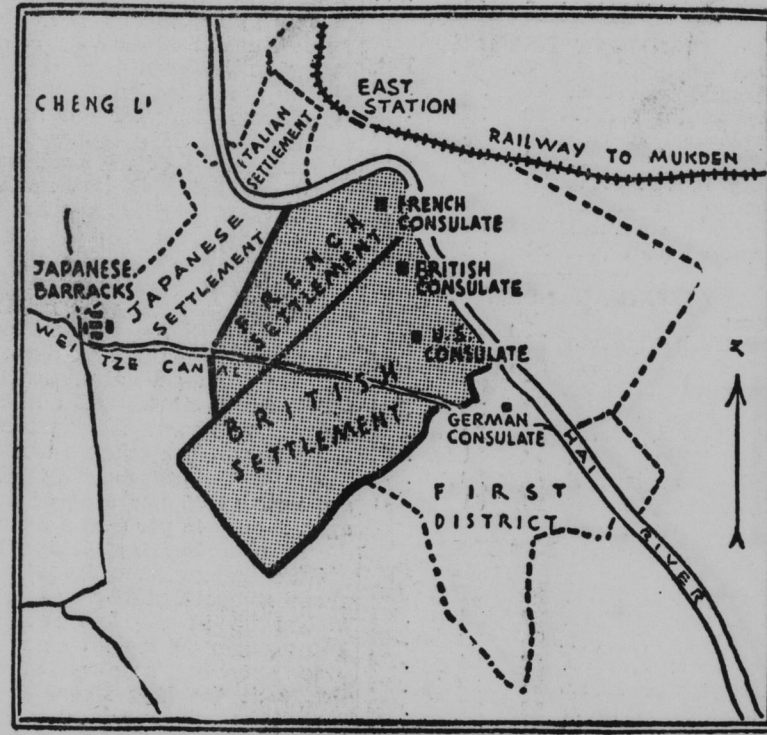
New Orleans, La., June 16.—(AP)—A freak tropical disturbance which remained almost stationary off the gulf coast several days, moved inland today, with winds up to 50 miles an hour buffeting the Mobile-Pensacola area. Early reports indicated damage was confined to blowing down a few signs and tree limbs. A high tide was predicted at Mobile.

A Weather Bureau advisory said the disturbance probably would be brief in duration. The storm, first of the "hurricane season," arose last Monday below Key West, Fla.

Weather

FOR NORTH CAROLINA Partly cloudy tonight and Saturday; probably showers in southwest portion.

Japs Blockade in Tientsin



Tientsin's British and French concessions are shown on this map of the troubled Chinese area. Japan tightened her blockade on the Tientsin concessions following reports the powers would take reprisal measures, and allowed no food to enter.

Two Chinese Killed Near Concession

Communique Says Japanese Action In China Affects Rights of All Powers Under Treaties; Food Situation Serious at Tientsin

London, June 16.—(AP)—The British government declared today that any attempt to restrict British rights in China would bring "immediate and active steps" by Britain. The foreign office took the unusual step of issuing a communique to express concern over statements by Japanese spokesmen that Japan demanded "that the British authorities cooperate with the Japanese in the construction of a 'new order' in the East."

The communique said: "British circles cannot but take a most serious view of the further demands which have been made, and which raise the widest issues affecting the rights of all those powers which have treaty rights in China. They would mean the abandonment under threats of force of the policy which His Majesty's government have followed in the past, which is the same as that of other great powers with interests in the Far East."

The communique was issued as the Japanese-British crisis in China continued, with the Japanese army blockading the British and French concessions in Tientsin.

"It is still hoped that the Japanese authorities may not maintain their refusal to give further consideration to the proposals to localize the incident," the communique continued. But if, unhappily, the new demands

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Germans Speed Up Policemen's Trial For Czech's Death

Prague, June 16.—(AP)—The trial of two German policemen on charges of slaying a Czech policeman, Johann Mueller, a week ago at Nachod, opened today before a special tribunal in Prague. Defendants and witnesses were brought to Prague this morning for proceedings in the regular court building. The prosecutor said the verdict would probably be announced about midnight.

A representative of official German and Czech news agencies was permitted to attend. The names of the accused men were not announced. The scheduled swiftness in handling the case was regarded in Czech quarters as an effort to demonstrate impartiality in the German administration of the protectorate of Bohemia and Moravia following stern restrictions imposed on the town of Kladno after the killing of a German policeman. The Kladno killer was still at large.

Supreme Court Upholds N. C.'s State Sales Tax

Tax on Sales by Out-of-State Firms Also Upheld; Four Death Sentences Likewise Approved as Court Ends Its Spring Term

Raleigh, June 16.—(AP)—The State Supreme Court today upheld the validity of North Carolina's three percent general sales tax.

The court upheld death sentences in four criminal cases involving Bricey Hammonds, of Robeson county; James Henderson, of North Hanover county; James Cureton, of Forsyth county, and James Godwin, convicted in Guilford county.

A new trial was granted James Buchanan, convicted in Forsyth of the murder of his wife.

The court held that the State tax imposed on out-of-state firms who hire rooms or exhibit places at which to offer merchandise for sale to be delivered on order was valid, in reversing a superior court decision in Wake county, in which Best & Company of New York won a test suit against A. J. Maxwell, revenue commissioner.

There were 33 cases decided. The court carried two over until its fall term, including one challenging the constitutionality of the State's "fair trades act." The court adjourned its spring term sine die.

Chief Justice W. P. Stacy wrote the sales tax case opinion. The suit was filed by J. Paul Leonard, secretary.

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New Efforts Made To Get Russian Aid

Moscow, June 1.—(AP)—In a fresh effort to overcome Russian reluctance to accept the latest British-French proposals for a tripartite mutual aid pact, envoys of Britain and France today had their second meeting in two days with Premier-Foreign Commissar Molotov.

Results of the conference were not disclosed. The western powers were represented by British Ambassador William Seeds, French Ambassador Paul Nagiar Naggiar, and William Strang, special envoy of the London Foreign office, who brought the new proposals to Moscow.

Before today's meeting, results of yesterday's lengthy talk were characterized.

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CONVICT ESCAPES FROM GATES CAMP

Raleigh, June 16.—(AP)—Oscar Pitts, penal superintendent, said George Wade, 24-year-old New Hanover county convict, escaped shortly before 9 o'clock this morning from the Gates county prison camp. Records showed Wade was sentenced in March to three consecutive terms, seven to ten years for store-breaking and larceny, two years on the same charges, and six months for larceny.

OHIO BABY KIDNAPED, FOUND SLAIN IN CREEK



Home from where baby was taken

Haldon Baker Fink ... Slain

Police throughout northwestern Ohio launched a widespread manhunt for the kidnap-slayer of 10-month-old Haldon Baker Fink of Clyde, O., kidnaped from the home of his grandparents and later found dead in a creek seven miles west of Clyde. The child's mother, Mrs. Velma Fink, divorced from her husband, Ervin Fink, 23, had been living with her parents, Mr. and Mrs. Oren Baker.

Farewells Sent To King By Roosevelt

Aboard the Empress of Britain, June 16.—(Canadian Press)—Farewell wishes, coupled with an expression of the "extreme pleasure" with which the royal visit was received in the United States have been sent to

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Military "Swap" Makes U. S. Friends Of Latins

By CHARLES P. STEWART Central Press Columnist Washington, June 16.—Whatever may be said concerning other New Deal policies, nobody who knows Latin America at all intimately can dispute that the Roosevelt administration is doing a wonderfully good job of developing friendship between this and other New World republics.



Cordell Hull

The other day the Washington War Department leaked (intentionally, I've no doubt) the information that eight of our southern neighbors are sending little groups of their

picked military men to this country for instruction, along with our own experts in war-craft, in a program of joint defense in the event of attempted transatlantic or transpacific interference in affairs in any of the Pan-Americas. The students are coming from Brazil, Argentina, Venezuela, Colombia, Mexico, Cuba, Chile and Haiti. Uncle Sam will foot the bill, too, a consideration well calculated to weigh in our favor throughout thrifty Latin America. It won't amount to much—one or two hundreds of thousands, a mere bag-o'-shells to Uncle Samuel. Still, the Latins will appreciate it. On our part, we have several military missions in their midst, for which they're supposed to pay the upkeep. The War Department's notion is to take that item off their hands also. It would

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