TWENTY-SIXTH YEAR

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Finland Pays Up Again



Hjalmar Procope (right), Finnish Minister to U. S., hands Secretary of the Treasury Henry Morgenthau a check for \$160,000, which includes \$141.662.50 under the funding agreement of 1923 and \$19,030.50 under the 1932 moratorium. The little country was the only nation to pay up as yearly installment of war debts to the United States came due.

# Relief Bill Is Passed By Big House Majority

ing-Lending Sure

Washington, June 17.—(AP)— A weary House put an emphatic "okay" early today on the bill to provide

\$1,735,000,000 for relief during the

year starting July 1, abolish such

WPA projects as theatrical produc-

tions and otherwise restrict work re-

The bill was passed at the end of

a tumultuous session which lasted

sideration, in order to replenish WPA

coffers when current appropriations

A smooth-working coalition of Re-

porters, beat back repeated efforts to

eliminate or modify some of the pro-posed restrictions on the relief agency

Belief that President Roosevelt

gram of federal lending to stimu-

North Wilkesboro, June 17.—(AP)

-A. F. Phillips, for 30 years identi-

Other developments:

new lending proposals.

A. F. PHILLIPS, OF

lief spending.

### Air Base Saved By Warren Move

Washington, June 17 .- (AP)-Representative Warren, Democrat, North Carolina, may have saved the coast guard air base at Elizabeth City, N. C., and hundreds of federal projects now under way from being cut off from WPA

Warren was one of the first to discover that the provisions in the 1940 relief appropriation bill as it came from committee, prohibit-ing grants for federal projects, would affect those already under way and projects for which federal funds had been appropriated for materials with the expectation WPA money would be used for

Elizabeth City air base, now under construction, came in the latter classification. As a result of Warren's discovery, the House Appropriations Committee agreed o amendments insuring WPA funds for such undertakings, and they were quickly agreed to by

### Electrical Co-Op Runs Into Trouble

Daily Dispatch Bureau, In the Sir Walter Hotel. By HENRY AVERILL

Raleigh, June 17.—All is not sparkle and glitter along the 966 miles of line operated by the Caldwell Electrical Cooperative. There is considerable woe, and some indignation among its more than 5,000 customers because there has recently been levied against each and every one of them a monthly "amor-

tization" fee of 75 cents. The first bills onto which this 75 cents was tacked went out a couple of days ago and it is receipt of the been in ill health for some time. unwelcome duns that brought into the open the fact that some of things said about the coop a couple of years back were not put unadulterated meanness and power company pro-

Notice of the "Amortization fee" was mailed in a circular letter to customers some time ago; the letter being in the nature of an admission by the co-op's "board of directors," as the circular was signed, that the management was all wet when it insisted that the project could be operated without a mini-

trification Authority for approval, but when Dudley Bagley and his associates begin to dig into the feas-

# King, Queen In St. Johns, Final Visit

Newfoundland Pays Homage to British Rulers Before They Set Sail Finally For Home; Fisherfolk Give Warm Welcome

St. Johns, N. F., June 17.—(Canadian Press)—King George and Queen Elizabeth rode into the capital of their empire's oldest colony today to receive the homage and acclaim of Newfoundland on the last stop of their North American tour.

Their majesties reached the gaily decorated capital after a 26-mile drive across a peninsula from Conception Bay, where the liner Empress of Britain, serving as a royal yacht on the return trip to England, anchored last night after a 25-hour voyage from Halifax.

Governor Sir Humphrey Walwyn, of Newfoundland, welcomed them aboard the liner. A few moments later the king and queen, refreshed by two nights and a day at sea, step-ped ashore from a royal barge which brought them from the liner.

Fishermen lined the decks of their schooners to shout a welcome Crowds massed along the shore took up the cry and a 21-gun salute boomed while a band played, "God Save the

In a brief radio address to the colony, King George recalled his previous visit in 1913 as a naval cadet aboard the cruiser Cumberland.

#### STRANGE MAN DEAD ON LEADING STREET Vote Comes After 14-

Hour Session, Longest Moncks Corner, S. C., June 17.—
In Recent Years; 30 and 35 years old was found dead Hour Session, Longest Roosevelt Determina- today on main street here. Police said it appeared he had been struck tion for Huge Spend- by a hit-and-run motorist. He was dressed in white summer clohes and white shoes. He wore a pin bearing the letters, "C. P. C." and on the shoes was the name Thalheimer's, Richmond, Va.

The officers said they were told the man was seen in a dancing place last night, and was heard to say he had come from Charleston.

#### Ickes Blocks \$36,000 Fee more than 14 hours, one of the longest in recent years. Speaker Bankhead announced the roll call vote was 373 to 21. Nine Democrats and 12 On WPA Job Republicans ballotted against the measure. It now goes to the Senate, where leaders promised swift con-

Washington, June 17.—(AP)—Administrtaor Ickes disallowed today a \$36,000 tee for the L. W. Robert A smooth-working coalition of Republicans and some Democrats, augmented by a sprinkling of members who usually are administration supported by the support of the firm of architects and engineers, Atlanta, in connection with PWA construction of a \$4,881,000 Georgia hospital for the insane.

Robert, secretary of the Democratic National Committee, recently was cleared of charges of "lobbying" for and to increase the funds for various phases of the relief program.

Ickes said the Georgia State Dewill propose to Congress a new pro- partment of Public Welfare, sponsor of the construction project at late business was strengthened by Milledgeville, Ga., might pay Rob-the action of one of his foremost fin-ert the \$36,000 from its own fund if ancial advisors, Marriner Eccles, in strongly advocating such outlays. Ec- was "promotion" activities contained the sales tax; said that the State cles, chairman of the Federal Rein the Robert contract in the State, can levy a tax on the display of serve Board, took the lead in an efand it was "to be paid upon apgoods in hotel rooms; killed the last fort to muster public support for the proval of the federal agencies and able to the State."

This provision, he said, violated vided that the offer of a \$2,381,400 grand was made "subject to the express condition" if Ickes found that the applicant had agreed to pay a fied with business interests here, died the applicant had agreed to pay a today in a Richmond, Va., hospital, bonus commission or fee to any one friends here were informed. He had for attempting to procure approval

# 30 Aboard Clipper Upon Preview Hop To Europe

Thirty persons, the largest number Taking off between 1 and 2 p. m., ever to set out on a trans-Atlantic Captain W. D. Culbertson planned to

benefit of newsmen and radio repre- tion, Marsellies. Five of the passensentatives, is a prelude to regular gers are women.

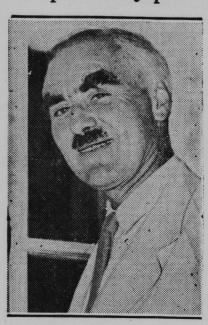
New York, June 17.—(AP)— sengers and a crew of 12. When organization of the co-op was under consideration, application was made to the State Rural Electrification Authority for approval, but when a consideration application approval, the company of the co-op flight, headed for Europe today on reach Horta, The Azores, about sunrise Sunday, then go on to Lisbon to spend the night. Then on Monday the plane will fly to its ultimate destination.

ibility of the set-up as presented to them, sponsors, egged on by the Federal Rural Electrification Ad
(Continued on Page Five)

Sentatives, is a preside to regular passenger service scheduled to start in ten days. News stories and broadcasts will be sent from the fourmotored 6,000 horsepower plane employees participated.

Pan-American Airways has operated a mail service over the route since May 20, but today's flight was the first in which any but company employees participated.

### Reports on Japan



Joseph C. Grew, United States ambassador to Japan, arrives at White House to report on the situation in China, where the Japanese have laid down blockades against inter-national settlements. (Central Press)

# **Road Deaths** 62 In State **During May**

Five Percent Less Than May, 1938, Total in Five Months 319,

Raleigh, June 17.—(AP)—Sixtytwo persons died as a result of North Carolina traffic accidents during May a decrease of five percent under the 65 of May, 1938, fatalities. This year however, 319 persons had been killed up to June 1 in automobile accidents, compared with 313 a year ago.

Ronald Hocutt, director of the highway safety division, pointed out that 19 of the May fatalities occurred within city limits, and that 145 of the 506 accidents reported took place within municipal boundaries. He reasserted that more attention should be paid by municipal authorities to the traffic problem.

Eighteen pedestrians, an increase of two over May, 1938, died of trafof two over May, 1938, died of traf-fic accidents last month, but only off the coast of Indo-China. four child pedestrians were killed, as compared with five a year ago, The fatalities, accidents involving injudies to persons, and accidents all decreased in May as compared with May a year ago.

### Court Omits Rulings Upon Live Issues

Daily Dispatch Bureau, In the Sir Walter Hotel.

Raleigh, June 17.—Only two cases legal hope of four men convicted of upon federal aid being made avail-able to the State." capital crimes while it gave one a new lease on life; handed down opin ions in 26 other cases; and knocked

WILKESBORO, DEAD the letter of the contract between the applicant and PWA, which pro-Sanders Drug Stores, in which the constitutionality of North Carolina's 1937 "fair trade" act is at stake; the other is Tickle vs. Hobgood, from Alamance, in which the plaintiff below got a verdict for being made sick by a "foreign and deleterious substance" in a bottle of coca-cola. In the Lilly case, Judge Henry L. Stevens, Jr., in one of his first decisions after ascending the superior court bench, held that the State cannot forbid sale of "trade marked" and nationally advertised goods at less than the price fixed by makers of the products.

Litigants in these two cases must, (Continued on Page Three)

## Weather

FOR NORTH CAROLINA. Partly cloudy and somewhat unsettled, possibly showers in central portion Sunday.

WEEKLY WEATHER. South Atlantic States: Partly cloudy, with temperature near normal to somewhat above, except for occasional scattered day-

# 71 Men Lost Aboard Japs Arrest French Submarine Briton In At Indo-China Base Angry Row

Craft, One of Finest In French Navy, Not Even Located Yet, and Death of Entire Crew Is Certain; Water Is Very Deep

Saigon, French Indo-China, June 17. -(AP)-An official French government communique said today 71 officers and sailors were lost aboard the French submarine Phenix, which disappeared Thursday off Cam-Ranh

Death for the men, whose number previously was given by officials as 63, was considered "certain," the communique said. The depth of the ocean and two days' failure to locate the submarine were advanced as reasons for lack of hope. Naval authorities calculated that the Phenix's air supply was exhausted today. Disappearance of the Phenix, one of the fast submarine units in the French navy, marked the third great submarine disaster in less than a month. It followed loss of the American Squalus with 26 lives, and the British Thetis, which was the sealed tomb of 99.

Even if located, naval authorities expected great salvage difficulties would be encountered in attempting to learn the secret of the sunken craft. In places, the China Sea is more than 300 feet deep, and pressure on the submarine, lying on the ocean floor, would give salvagers and div-

Same Period Last
Year

Raleigh

Authorities kept in constant touch with homeland officials. Families of the victims were notified yesterday that hope had been abandoned for the crew, commanded by 43-year-old Lieuten and the crew, commanded by 43-year-old Lieuten and the crew and the crew abandoned for the crew, commanded by 43-year-old Lieuten and the crew abandoned for the crew abandoned for the crew, commanded by 43-year-old Lieuten and the crew abandoned for the crew abandon

The area where the Phenix made

(Continued on Page Five)

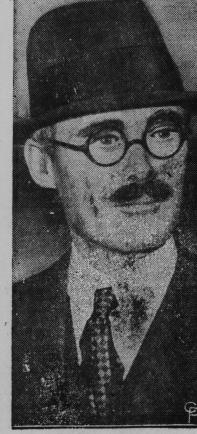
### French Hint At Sabotage

Paris, June 17.—(AP)—Hints of suspected sabotage began to creep into sections of the Paris press today as the nation mourned the disappearance of the 2,000-ton French sub

Writers in several newspapers asked questions like, "Can this be the law of average, that three democracies lose three submarines in less than a month?"

The communist paper, L'Human-ite, said: "This commands suspicion". It linked three submarine disasters suffered by the United States, Great Britain and France, with the loss of the 34,000-ton French liner Paris, which burned April 19 at her Le-Havre dock. French authorities have worked on the theory that the fire was set by foreign agents.

### Warns Japan



Sir Robert Craigie

Sir Robert Craigie, British ambas-sador to Japan, warned the Tokyo government that danger of "provo-cative action" in Tientsin and other blockaded British concessions in China, might lead to a "regrettable incident"

# Jap Danger Spots

YELLOW

SEA-

New struggle over Occidental interests in China broadened to include

these three cities, as Japan began

blockade of foreign settlements, no-

tably those of Great Britain. Block-

ade began at Tientsin, when British

refused to relinquish four prisoners,

and spread to Amoy, where Japanese warships congregated. British shipping firms at Hankow reported they were cut off.

(Central Press)

For Killing

King Carol

ades for the attempt.

outlawed iron guard.

The police said the arrested men

The government surpressed news

Premier Calinescu, Foreign Minis-

ter Gafencu and other members of

the government also were reported

Police said that a "half hundred"

Scores of detectives started raids

on homes of former iron guard mem-

bers. Twenty-two hand grenades were reported discovered in the home

iron guard members, who police ac-

were found in the home of one of

the arrested men.

been liquidated.

Slayer Dies

By Guillotine

of the alleged plot in Bucharest.

marked for death by the band.

arrests were expected shortly.

of one of the arrested men.

SHANGHAI

PHILIPPINE

Trouble Occurs At Tientsin, Which Is Blockaded; Jap Soldiers Beaten Off In Attempt To Seize Police Station at Shanghai Settlement

Tientsin, June 17.—(AP)—Tense British-Japanese relations were aggravated today when Japanese soldiers arrest G. A. Smith, a British exporter, following an argument between him and a Chinese policeman outside the British concession.

Smith allegedly struck the Chinese in the face. An unidentified companion then circulated a story, later disproved, that a Japanese sentry shot dead a man believed to be a White Russian. The British consul general took steps to obtain Smith's

Informed persons said they were preparing for a long "siege" in the belief that only the solution of the larger issues between Japanese and foreigners could end a British-Japanese crisis arising from a Japanese blockade of Tientsin's British and French concessions, imposed four

A definite air of pessimism and a fatalistic acceptance of their situation was noticeable among foreigners as food prices soared, a milk shortage caused hardship among children, and Japanese urged the Chinese to bring independent pressure on the British to accede to Japanese de-

In qualified British quarters, the

(Continued on Page Three)

# State Liquor Sales Higher

Seven Alleged Mem-Raleigh, June 17.—(AP)— North Carolina's 27 "wet" counties sold \$493,002.40 worth of liquor last bers of "Iron Guard" month of liquor last month, an increase of \$36,869.73 over May, 1938, Cutlar Moore, chairman of the State Board of Alcoholic Control, reported today. However, Moore said, sales Held in Roumania; Premier and Foreign Minister Reported Alfor this fiscal year through May total ed \$6,397,131.15, compared with \$6,530,209.30 for the same period last so "Marked" Men Bucharest, Roumania, June 17 .-

Receipts during the first five months of this calendar year were \$2,572,738.80, as against a total of \$2,-AP)—Discovery of a widespread plot to assassinate King Carol was announced by police today. Seven men were under arrest charged with 567,455.20 for the same period in preparing quantities of hand gren-

Wake county led in May, with \$76,-481.65. Durham was second, with \$76,167.90. were identified as members of the

Escapee Recaptured.

Raleigh, June 17.—(AP)— Oscar Pitts, penal superintendent, reported today that George Wade, who escaped yesterday from the Gates county prison camp, was captured last night. Prison records said Wade was serving terms of two years and seven to ten years for store-breaking and larceny in New Hanover county.

#### Local Lady It was the third assassination plot reported against Carol or members of the government since the first of the year. In January a premature bomb explosion led to the arrest of B. P. W. Meet cused of plotting to kill Carol. Twenty-five guardists were arrested early in February on the charges of plotting to kill Calinescu. Great stocks of firearms and explosives

Winston-Salem, June 17 .- (AP)-Election of officers today climaxed the arrested men.

Today's arrests came as a surprise to the capital, for the government Clubs, attended by 250 delegates had boasted that the iron guard had from 26 clubs. An unopposed slate of officers was

nominated in the morning, with the last major item on an afternoon business session being the election. Mrs. Dess M. Gurganus, of Raleigh was unopposed nominee for president; Mrs. Frances Hoffman, of Raleigh, corresponding secretary. Mrs. Ruby Day, of Barfield, of Durham, and Miss Genevieve Rutherford were

Versailles, France, June 17.—(AP) presidents. — Eugene Weidmann, 31-year-old mass murderer, falteringly went to Henderson, was slated to become rehis death on the guillotine this morn-ing. The man who killed the young ret Thompson, of Thomasville, treas-

nominees for first and second vice-

Brooklyn dancer, Jean Dekoven, and five others, suddenly rebelled at death with his head on the block, and tried to withdraw.

The man who killed the young ret Thompson, or T third, Miss Marian Steadman, of Asheville; fourth, Miss Eunice Cook, of Clinton; sixth, Mrs. W. E. Porch, It took the aged strength of 70year-old "Uncle Leopold" Desfour-

of Goldsboro. The delegates met at a "dawn of mann flat, and his assistant pulled a new day" breakfast, at which Mrs. O. B. James, president of the High Point club, served as hostess.

(Continued on Page Five)

neaux, chief headman, and one assis-

tant, to unbuckle Weidmann's knees.

"Uncle Leopold" then pushed Weid-