

BRITISH-JAPANESE CRISIS GROWS WORSE

Finland Pays Up Again



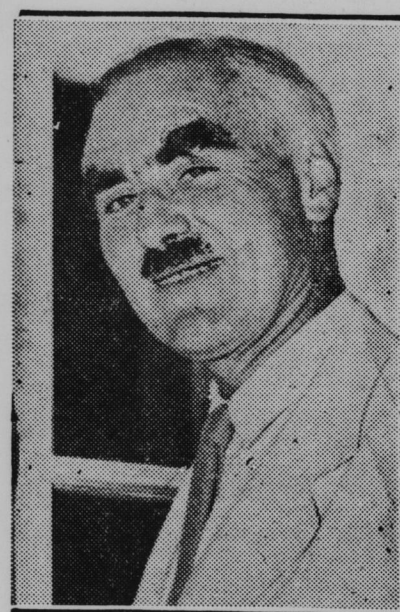
Hjalmar Procope (right), Finnish Minister to U. S., hands Secretary of the Treasury Henry Morgenthau a check for \$160,000, which includes \$141,662.50 under the funding agreement of 1923 and \$19,030.50 under the 1932 moratorium. The little country was the only nation to pay up as yearly installment of war debts to the United States came due.

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.

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 international settlements.

Road Deaths 62 In State During May

Five Percent Less Than May, 1938, Total in Five Months 319, Compared With 313 Same Period Last Year

Raleigh, June 17.—(AP)—Sixty-two 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.

STRANGE MAN DEAD ON LEADING STREET

Moncks Corner, S. C., June 17.—(AP)—A man apparently between 30 and 35 years old was found dead today on main street here. Police said it appeared he had been struck by a hit-and-run motorist.

Ickes Blocks \$36,000 Fee On WPA Job

Washington, June 17.—(AP)—Administrator Ickes disallowed today a \$36,000 fee for the L. W. Robert firm of architects and engineers, Atlanta, in connection with PWA construction of a \$4,881,000 Georgia hospital for the insane.

A. F. PHILLIPS, OF WILKESBORO, DEAD

North Wilkesboro, June 17.—(AP)—A. F. Phillips, for 30 years identified with business interests here, died today in a Richmond, Va., hospital, friends here were informed. He had been in ill health for some time.

Vote Comes After 14-Hour Session, Longest In Recent Years; Roosevelt Determination for Huge Spending-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 productions and otherwise restrict work relief spending.

The bill was passed at the end of a tumultuous session which lasted 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 Republicans bolted against the measure. It now goes to the Senate, where leaders promised swift consideration, in order to replenish WPA coffers when current appropriations run out.

A smooth-working coalition of Republicans and some Democrats, augmented by a sprinkling of members who usually are administration supporters, beat back repeated efforts to eliminate or modify some of the proposed restrictions on the relief agency and to increase the funds for various phases of the relief program.

Belief that President Roosevelt will propose to Congress a new program of federal lending to stimulate business was strengthened by the action of one of his foremost financial advisors, Marriner Eccles, in strongly advocating such outlays. Eccles, chairman of the Federal Reserve Board, took the lead in an effort to muster public support for the new lending proposals.

This provision, he said, violated the letter of the contract between the applicant and PWA, which provided 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 bonus commission or fee to any one for attempting to procure approval of the work.

30 Aboard Clipper Upon Preview Hop To Europe

New York, June 17.—(AP)—Thirty persons, the largest number ever to set out on a trans-Atlantic flight, headed for Europe today on a "preview" flight on the Pan-American Airways Atlantic Clipper.

The journey, especially for the benefit of newsmen and radio representatives, is a prelude to regular passenger service scheduled to start in ten days. News stories and broadcasts will be sent from the four-motored 6,000 horsepower plane enroute. The clipper will carry 18 passengers and a crew of 12.

71 Men Lost Aboard French Submarine At Indo-China Base

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 naval base.

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 divers an immense task.

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 Lieutenant Bouchacourt.

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 submarine Phenix with 71 men aboard off the coast of Indo-China.

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'Humanite, 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.



Sir Robert Craigie, British ambassador to Japan, warned the Tokyo government that danger of "provocative action" in Tientsin and other blocked British concessions in China, might lead to a "regrettable incident."

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, somewhat above, except for occasional scattered daytime showers.

Japs Arrest Briton In Angry Row

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 release.

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 days ago.

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 demands.

In qualified British quarters, the (Continued on Page Three)

State Liquor Sales Higher

Raleigh, June 17.—(AP)—North Carolina's 27 "wet" counties sold \$493,002.40 worth of liquor last month of liquor last month an increase of \$36,869.73 over May, 1938. Cutler Moore, chairman of the State Board of Alcoholic Control, reported today. However, Moore said, sales for this fiscal year through May total ed \$6,397,131.15, compared with \$6,530,209.30 for the same period last year.

Receipts during the first five months of this calendar year were \$2,572,738.80, as against a total of \$2,567,455.20 for the same period in 1938.

Wake county led in May, with \$76,481.65. Durham was second, with \$76,167.90.

Local Lady Honored At B. P. W. Meet

Winston-Salem, June 17.—(AP)—Election of officers today climaxed the convention of North Carolina Business and Professional Women's Clubs, attended by 250 delegates 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 nominees for first and second vice-presidents.

Miss Annie Marshall LeMay, of Henderson, was slated to become recording secretary, and Miss Margaret Thompson, of Thomasville, treasurer.

Jap Danger Spots



New struggle over Occidental interests in China broadened to include these three cities, as Japan began blockade of foreign settlements, notably those of Great Britain. Blockade 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.

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Plot Found For Killing King Carol

Bucharest, Roumania, June 17.—(AP)—Discovery of a widespread plot to assassinate King Carol was announced by police today. Seven men were under arrest charged with preparing quantities of hand grenades for the attempt.

The police said the arrested men were identified as members of the outlawed iron guard.

The government suppressed news of the alleged plot in Bucharest. Premier Calinescu, Foreign Minister Gafencu and other members of the government also were reported marked for death by the band.

Police said that a "half hundred" arrests were expected shortly.

Scores of detectives started raids on homes of former iron guard members. Twenty-two hand grenades were reported discovered in the home of one of the arrested men.

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 iron guard members, who police accused of plotting to kill Carol. Twenty-five guardsmen were arrested early in February on the charges of plotting to kill Calinescu. Great stocks of firearms and explosives were found in the home of one of the arrested men.

Today's arrests came as a surprise to the capital, for the government had boasted that the iron guard had been liquidated.

Slayer Dies By Guillotine Versailles, France, June 17.—(AP)—Eugene Weidmann, 31-year-old mass murderer, flatteringly went to his death on the guillotine this morning. The man who killed the young Brooklyn dancer, Jean Dekoven, and five others, suddenly rebelled at death with his head on the block, and tried to withdraw.

It took the aged strength of 70-year-old "Uncle Leopold" Desfontaineux, chief headman, and one assistant, to unbuckle Weidmann's knees. "Uncle Leopold" then pushed Weidmann flat, and his assistant pulled (Continued on Page Five)

Relief Bill Is Passed By Big House Majority

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 funds.

Warren was one of the first to discover that the provisions in the 1940 relief appropriation bill as it came from committee, prohibiting 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 labor.

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

Electrical Co-Op Runs Into Trouble

Daily Dispatch Bureau, In the Sir Walter Hotel.

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 "amortization" 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 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 propaganda.

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 minimum charge.

When organization of the co-op was under consideration, application was made to the State Rural Electrification Authority for approval, but when Dudley Bagley and his associates begin to dig into the feasibility of the set-up as presented to them, sponsors, egged on by the Federal Rural Electrification Ad-

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