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Roosevelt Favors Loan To Finns

Tension Increasing Between Russians And Scandinavians

Nazi Spy Held



Sought by G-Men since 1938 as leader of a Nazi spy ring in the United States, Karl Schluter was located at Ellis Island among survivors of the scuttled German liner Columbus, on which he served as a steward. He had managed to escape after being indicted.

Soviet Broadcasts Accuse Sweden of Forcing Unemployed Workers to Fight in Finland; Sweden, Norway Protest Raids.

Stockholm, Jan. 16.—(AP)—It was officially denied today that England has offered Sweden a guarantee against violation of her integrity. The Norwegian Telegraphic Agency reported that the Norwegian foreign minister similarly had denied statements originated abroad that Britain had offered to guarantee the integrity of Norway.

Copenhagen, Jan. 16.—(AP)—A Soviet Russian broadcast accusing Sweden of forcing the unemployed to fight for Finland increased today the strain of relations between the U. S. S. R. and Scandinavian countries.

Russia previously expressed dissatisfaction with replies of Sweden and Norway to her complaints that they were sending men and supplies to the Finns, and permitting anti-Soviet press campaigns. Meanwhile, the Swedish and Norwegian governments last night directed their ministers in Moscow to protest alleged violations of their borders by Soviet planes.

The Swedish foreign office said ten bombs had been dropped on the Swedish island of Kallaks Sunday, and that one of the nine Russian planes sighted was believed to have made a forced landing in Sweden. The Norwegian foreign office, protesting a "breach of neutrality," and several Russian planes had flown over Norway between January 12 and 14, and that one landed on Norwegian soil.

Observers from Kirkenes, on the

Senate Vote On Treaties Is Opposed

If That Had to Be, There Would Be No Reciprocal Pacts, Witness Tells House Committee; Cites Records in History.

Washington, Jan. 16.—(AP)—Henry F. Grady, assistant secretary of state, declared today that if Senate ratification of reciprocal trade treaties were required, it would mean a "complete blackout" of executive tariff-making authority. Let there be no misunderstanding on this score, and no mincing of words, he told the House Ways and Means Committee, which is conducting hearings on legislation to extend the trade treaty program. "Ratification is tantamount to repeal."

Facing the hostile Republican side of the committee, he took up item by item the principal objections to the program, which he administers under Secretary Hull. Grady contended that card stacking statistics, and the use of which resort is had to support the false contention that the American farmer has been injured

\$600 Million Income From Resources

Daily Dispatch Bureau, In the Sir Walter Hotel. Raleigh, Jan. 16.—North Carolina's Department of Conservation and Development is a "bank" which holds in trust assets of the State which produced more than \$700,000,000 net income in 1938, according to figures reported up in the department. Directly, or substantially, under supervision of the department are these activities which produced in 1938: timber, \$27,000,000; minerals, \$20,000,000; water power, \$10,000,000; manufacturing industries, \$5,000,000; retail commerce, \$2,000,000; game and fishing, \$2,000,000; and travel and tourists, \$2,000,000. Director R. Bruce Etheridge and his assistant advance these figures as substantially accurate and in compliance with the law.

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Foils U. S. Putsch



J. Edgar Hoover, head of the Federal Bureau of Investigation, is in charge of investigation of the Christian Front. Eighteen members were arrested in New York, charged with plotting to seize the U. S. Government. "They planned to follow Hitler's procedure," says Hoover.

Reds Bomb Finns With 51 Below

Homeless Natives Suffer Untold Agony In Terrible Cold; Homes Blasted to Pieces or Burned to Ground.

Helsinki, Jan. 16.—(AP)—Continued Soviet air raids were reported from Finland's interior today as the severest cold in 25 years brought new suffering to victims of the last four days' raids.

Suffering in the smaller villages was said to be particularly intense, because of difficulties encountered by air raid victims in finding shelter when their homes were bombed or burned. In some parts of Finland, the thermometer registered 51 degrees below zero, Fahrenheit.

An unconfirmed report said the village of Ekenas on the southwest tip of Finland, was almost demolished yesterday. More than half of its 700 homes were said to have been destroyed and the inhabitants forced to struggle through bitter weather to other refuges.

This report said that Soviet war planes dropped several heavy bombs, blowing most of the village to pieces. Casualties were small because the populace had taken refuge in the fields. Senate Confirms Murphy, Biddle and Robert H. Jackson. Washington, Jan. 16.—(AP)—The Senate confirmed today the nomination of Attorney General Murphy to be an associate justice of the Supreme Court. The action was taken on a voice vote without audible dissent. The chamber then quickly approved the nominations of Senator Robert H. Jackson to be attorney general and Judge Francis Biddle to be solicitor general.

New Legislative Issues Have Not Yet Appeared

Daily Dispatch Bureau, In the Sir Walter Hotel. Raleigh, Jan. 16.—Devoid of issues as the current gubernatorial campaign has been up to this good day, the legislative campaign which is proceeding concurrently is even less marked by the appearance of anything even remotely resembling something new under the sun. Naturally the races for the State House of Representatives and the State Senate have yet—they all the announcing stage started than ways are later getting started than the statewide battling—but seldom in Tar Heel history has there been a time this late in an election year when no novel problem has bobbed up for consideration in selecting

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Britain Admits 3 Submarines Sunk By German Naval Forces

German Wireless Announces Part of Crews of Two Were Rescued; Worst Disaster to British Navy Since Fall.

London, Jan. 16.—(AP)—The loss of three British submarines, the Sea Horse, Star Fish and Undine, was acknowledged today by the Admiralty, marking Germany's first victories over Britain's undersea fleet.

An official statement said the three vessels "have been engaged on particularly hazardous service, and the Admiralty fears they must now be regarded as lost." The German wireless has announced that part of the crews of the Undine and Star Fish have been rescued. The Admiralty said. The three submarines normally carried a total of 107 men, but total casualties were not known.

The Berlin communique, covering yesterday's actions, said: "The British U-boats Star Fish and Undine were destroyed through German defense measures in German Heigoland Bight," but did not mention the Sea Horse.

The loss of the three submarines was the greatest blow suffered by the British Navy since the German pocket battleship Deutschland sank the armed British raider Rawalpindi, with a loss of 280 lives last November 25.

Each of the three submarines cost approximately \$1,000,000. Last night, the British announced a salvo of bombs from a British plane was believed to have sunk a German submarine in the North Sea.

Meanwhile, French naval officials in Paris said a French patrol ship had attacked a German submarine "with great chances of success." Conclusive evidence of the U-boat's destruction was lacking, however.

The French Admiralty announced a German freighter had been scuttled by her crew to avoid capture when intercepted by a French warship. The name of the freighter was believed to be the Janus.

Candidate In Louisiana Is In Custody

New Orleans, La., Jan. 16.—(AP)—Police detention of one of the principal gubernatorial candidates was reported today as Louisiana voters decided the fate of the 12-year-old Huey P. Long political dynasty. State Senator James A. Noe, the candidate, and two aides were taken to a police station by officers after they had made pictures

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New Jap Premier



Admiral Yonai, former Japanese minister of the navy, Admiral Mitsumasa Yonai, was delegated by Emperor Hirohito, of Japan, to form a new cabinet to replace that of Gen. Nobuyuki Abe. (Central Press)

Weather FOR NORTH CAROLINA. Fair and continued cold tonight; Wednesday increasing cloudiness and warmer. (Continued on Page Seven.)

Held in Plot to Seize U. S.



Charged with being leaders of a plot to overthrow the U. S. Government, these men were among 18 arrested in New York by the F. B. I. Top, John F. Cassidy (left), national head of the Christian Front, and William G. Bishop, described as second-in-command. Bottom, Claus Ernecke (left), alleged German-American Bund member, and John T. Prout, Jr., who is a National Guard captain.

Louisiana Votes On Long Control

New Orleans, La., Jan. 16.—(AP)—Louisiana voters went to the polls today to decide the fate of the 12-year-old Huey P. Long political dynasty. Nearly 600,000 persons were expected to cast ballots in the Democratic primary, which followed a turbulent campaign for the governorship. Governor Earle K. Long, brother of the ship Huey, carried the administration's banner. He was opposed by four "reform" candidates, who sought to displace the "machine" which has ruled since 1923. Elaborate precautions were taken to insure an honest election, and the Federal government stood by to accept any complaints. One candidate sent his men out to "fingerprint" the ballot boxes, and prevent "switching."

Hoover Wants More G-Men, More Prisons

By CHARLES P. STEWART, Central Press Columnist. Washington, Jan. 16.—Director J. Edgar Hoover of the Federal Bureau of Investigation wants more money from Congress to keep up with his organization's detective work. His annual report to the lawmakers points out that his bureau simply hasn't enough sleuths to go around. Plenty of suspicious situations, he says, go unreported due to lack of experts to do the necessary under-cover work. Who's more, J. Edgar remarks, the country hasn't enough cell-room to accommodate all the federal culprits. (Continued on Page Seven.)

2 Agencies Denied Fund FDR Asked

Washington, Jan. 16.—(AP)—Completely denying funds for two agencies created by President Roosevelt, the House Appropriations Committee slashed budget estimates for the government's "independent offices" today by \$94,482,166. In recommending that Congress appropriate only \$1,190,212,307 of the \$1,194,704,473 asked by Mr. Roosevelt, the committee trimmed \$75,000,000 from the Maritime Commission's estimate of \$200,000,000 for the

House Committee Slashes \$94,482,166 From Independent Offices Bill; Other Activities Than The Two Also Cut.

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Matter Of Aid Is Left To Congress

President Says Nation Wants Plan For Little Nation to Buy Farm Surpluses And Manufactured Products Here.

Washington, Jan. 16.—(AP)—President Roosevelt told Congress today that an extension of credit to Finland "as this time does not in any way constitute or threaten any so-called 'involvement' in European wars."

In identical letters to Vice-President Garner and Speaker Bankhead, the chief executive also declared that the matter of giving Finland credit and the amount was wholly within the jurisdiction of Congress. Mr. Roosevelt said it seemed to him the most reasonable approach to the problem of credits would be for Congress to authorize an increase in the revolving credit fund of the Export-Import Bank, and authorize the Reconstruction Finance Corporation to buy loans and securities from the bank "to enable it to finance exportation of agricultural surpluses and manufactured products not including implements of war." On the question of granting assistance to the Finns, Mr. Roosevelt wrote: "There is without doubt in the United States a great desire for some action to assist Finland to finance

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New Jap Regime To Seek Accords With the U. S.

Tokyo, Jan. 16.—(AP)—A new Japanese government under Admiral Mitsumasa Yonai as installed today at the imperial palace. The new premier declared that his cabinet, considered by Japanese and foreign observers alike to be of "stop gap" calibre, would continue generally the foreign policy of his predecessor, emphasizing settlement of Japanese-American problems, while seeking friendship with Soviet Russia.

Parliament Peaceful On Belisha Talk

London, Jan. 16.—(AP)—Prime Minister Chamberlain and the man he removed as war minister on January 5, Leslie Hore-Belisha, buried an incipient ministerial crisis in guarded statements before Parliament today, which drew a nod of approval, even from the opposition. Chamberlain, declining to give detailed reasons for the change in the war office, said that he "had become aware of difficulties arising out of the very great qualities" of Hore-Belisha, "which in my view made it desirable that a change should occur." He said no change of army policy was anticipated. Hore-Belisha, saying he knew of "no conflict of policy with any of

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Germany Arming Roumania In Return For Her Oil

Washington, Jan. 16.—(AP)—Germany, in return for continued shipments of badly needed Roumanian oil, is sending Roumania war implements and supplies which would help that nation fight off any aggression in the Balkans. Authoritative sources disclosed today that the Nazis, despite their war with Great Britain and France, have delivered 70 Heinkel bombing planes, 70 pursuit planes, anti-tank guns and ammunition to the Roumanian army. Regular large-scale deliveries were continuing, these sources said. All munitions and equipment contracted for the Roumanian government with the Skoda arms plant in Czechoslovakia before the outbreak

of the European war have been delivered, it was reported, and Germany has pledged deliveries of recently ordered military supplies. In Roumania, it is common knowledge that Germany is shipping diesel engines and periscopes to the Galatz shipbuilding plant. German technical experts there are supervising construction of submarines for the Roumanian navy. Germany's needs of Roumanian oil is so great, it is pointed out by analysts of international affairs, that she is providing equipment and supplies which might be used against Russia, her partner in non-aggression and economic pact, in order to insure continued shipments.