

JAPAN INSISTS ON EXTENDING EAST ASIA GRIP

Army and Navy Willing to Risk Clash With U. S. Or Britain.

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SHANGHAI, July 12.—The Japanese Army and Navy have agreed on a program of vigorous expansion in East Asia and the South Seas in the event of a collision with British and American interests, a reliable Japanese source told the United Press today.

Army leaders drafted the program, the United Press informant said, and Navy leaders have now agreed to support it.

As outlined, the program calls for:

1. Taking over the foreign concessions in China, as some army men have long advocated.
2. An intensified blockade of Hongkong, looking toward eventual occupation of that commercially and strategically important British colony.
3. Sending armed forces to occupy French Indo-China.
4. "Penetrating," in what was not clear, Borneo and the Netherlands East Indies. Borneo, a Dutch part British, is only 40 miles from the nearest of the Philippine Islands. Thus the Army-Navy program would mean that with the mandated Caroline Islands, Japan would circle the Philippines.

Marine Incident Trial Balloon
The Army and Navy constitutionally are responsible not to the Government but to the Emperor. If they desired, they could force their program on the Cabinet by threatening that unless it was accepted, they would withdraw the Army and Navy ministers and thus cause the Cabinet's overthrow.

According to the United Press informant, the preliminaries of enforcing the Army-Navy program already have been started with the building up of friction at Shanghai, including protests against the arrest of Japanese gendarmes by U. S. Marines, and by fomenting dissatisfaction in Indo-China and putting increasing emphasis on the demand that Britain send supplies to China through Burma.

The Marine incident, according to information received by the United Press, has been used as a sort of trial balloon to test American opinion.

Further Moves Expected

It was said that further moves might be expected after a Cabinet reorganization which is due soon, and is to be followed by the inauguration of a new totalitarian political party along Fascist lines. The next Cabinet, it was asserted, would be dedicated to stronger policies regarding Japanese domination in East Asia.

Japan's foreign policy is linked closely with the domestic political situation. Political leaders have been increasingly demanding that the Government ignore the sensitivities of Great Britain and the United States and seize the initiative.

Elements which a year ago demanded an alliance with Germany are now capitalizing the European war and alleged American lack of preparedness for war to urge expansionism.

United Press information indicated that Army and Navy leaders, at least, were prepared to take armed action both in Indo-China and the Netherlands Indies.

U. S. Considers Recalling Staff From Formosa

TOKYO, July 12 (U. P.).—American authorities, it was understood today, are considering the withdrawal of the U. S. Consular staff from Taihoku, Formosa, as a result of the arrest there last week of the chief clerk of the U. S. Consulate, a Japanese.

The arrest of the clerk, Chuhei Matsuo, a consular employee for 22 years, was followed by anti-American demonstrations. Matsuo was arrested because, in a routine inquiry as to the number of automobile registrations in the consular district, he was charged with violating the military secrets law. Although he did not obtain the information Matsuo was convicted and sentenced to three years imprisonment.

HOUDON DIES AS HE WAITS FOR AWARD

STRATTON, Me., July 12 (U. P.).—When Jack, a hound owned by State Fish and Game Supervisor Roy Gray, stalked and killed its 7th victim, Governor Lewis O. Barlow announced he would honor the venerable animal with a citation for protecting Maine wild life. On the day the award was to be made, the dog disappeared. A search disclosed that the animal, suffering from distemper, had wandered into the woods it had roamed since puppyhood and died.

FAMILY CLUB HAS OWN SINKING FUND

COLTON, S. D., July 12 (U. P.).—The parents and 13 children in the Grinde family of Colton, organized themselves as a family club of 27 years ago, and the organization is going strong today.

They met recently for one of their regular five-year reunions. Activities of the club include the exchange of chain letters and the maintenance of the "Grinde fund" to which members contribute yearly dues. This acts as a sinking fund for any member of the family who might have had luck.

F. C. Grinde of Minneapolis is president of the family club.

MOSLEM CENTER PLANNED
LONDON, July 12 (U. P.).—A scheme for the provision of a religious center for Moslems of all nationalities living in or visiting London is under way. Lord Zetland, Egyptian Ambassador, stated at a meeting of the Royal Central Asian Society.

FOUR WATCHES TAKEN
Four watches valued at \$305, other jewelry valued at \$30, and two gold pieces worth \$8 were taken yesterday from the home of Harry Bowser, 153 Buckingham Drive. Mr. Bowser said the burglar entered through a rear window screen.

Happy Over Hatch Victory



Rep. John J. Dempsey... "I cannot commend too highly the Scripps-Howard organization."

'Clean Politics' Bill Sponsors Praise Scripps-Howard Role

WASHINGTON, July 12.—Senator Carl A. Hatch and Rep. John J. Dempsey, New Mexico Democrats and co-sponsors of the Hatch Act of last year and the new Hatch bill of this year, today issued the following statements—

Senator Hatch:
"A question was raised in the Senate yesterday afternoon, not on the floor, in which an inference was made that the Scripps-Howard papers were the authority back of the bill which has just been agreed to by both houses of the Congress. Personally, I resent that implication because as sponsor of the legislation I never had any communication with the Scripps-Howard papers or any official thereof until after the legislation was introduced and argued by me on the floor.

"The Scripps-Howard papers voluntarily came to the defense of the bill and the officers for this legislation. Without their help neither the bill last year nor this year would have been passed.

"I appreciate the splendid support given by the press throughout the country generally and in the city of Washington, but I have no hesitation in saying as I have said

that without the valiant support of Scripps-Howard papers, including their editorial writers and their reporter forces, Charles T. Lucey, Thomas L. Stokes and Fred Perkins, the bills would not have been passed."

Rep. Dempsey:
"Today has brought me many expressions of appreciation as a result of my efforts in the House for the passage of the Hatch Act which has for its purpose clean politics in our nation. I cannot permit this occasion to pass without expressing my deep appreciation to the press of the nation and particularly the great support given by the Scripps-Howard organization.

"Never have I known a more accurate picture of a situation so clearly expressed and so literally broadcast, to the nation than was drawn in this particular instance. I cannot commend too highly the Scripps-Howard organization for awakening the people to the need for and the importance of this legislation, which awakening brought to the members of the Congress of the United States expression of approval by the constituency of those members. I congratulate the press for the wonderful service it has rendered."

RUMANIA KEEPS OIL FOR NAZIS

New Law Prevents British From Turning Over Huge Holdings to Reds.

BUCHAREST, Rumania, July 12 (U. P.).—The new law placing all oil properties under Government control was said today to have been designed to prevent British firms from turning over their hundreds of millions of dollars worth of holdings to Russia.

It was understood that Rumanian secret service agents had heard reports that the British intended to

dump their holdings on the Russian market and that Rumania feared this might aggravate Germany.

The resultant new law does not confiscate British oil property and permits foreign shareholders to realize profits from Rumanian oil fields even though the Rumanian Government will control the industry, well informed persons said. A question had arisen, however, as to whether foreign shareholders would be permitted to take their dividends in foreign currency, or would be obliged to accept Rumanian money, which cannot be transferred abroad.

Britons point out that in the latter case their money still would be tied up in this country, and other foreign companies not directly involved, including Americans, awaited a clarification.

We Close at 1:00 P. M. TOMORROW

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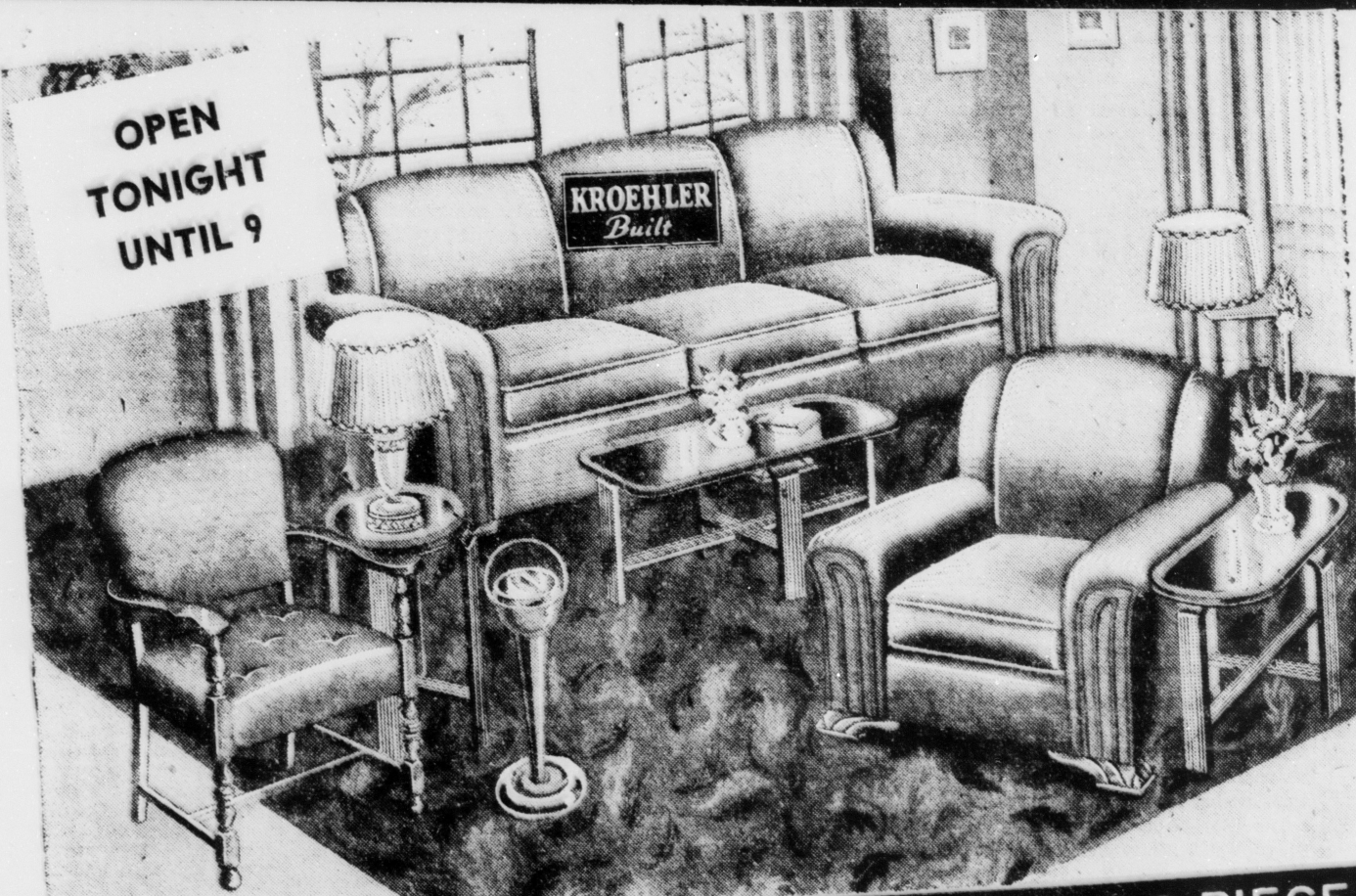
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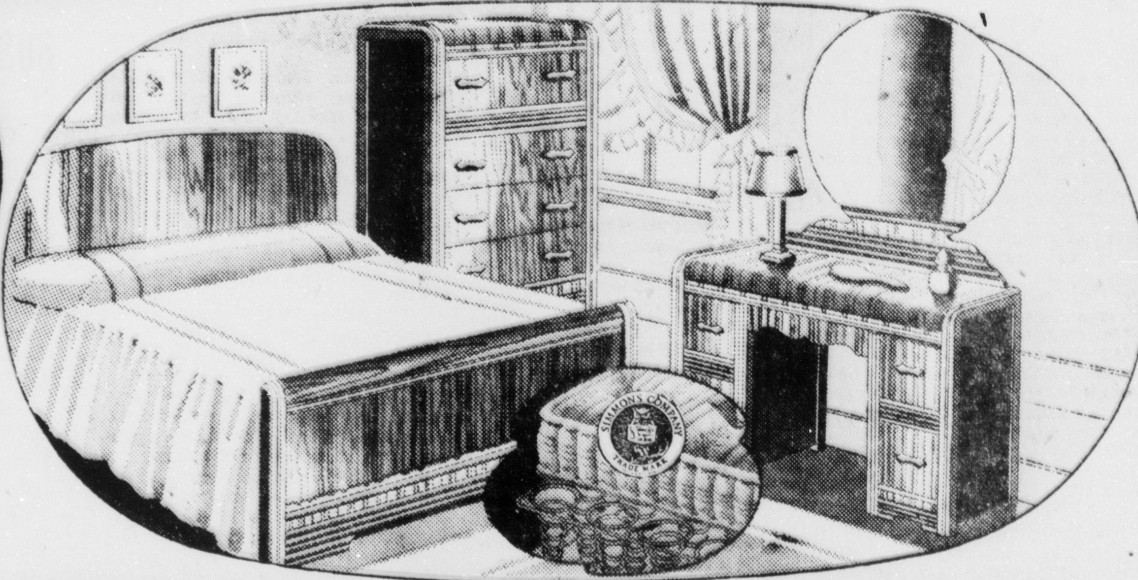
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