

Seven Removed From Submarine

New Offer Made Russia By Britain

Full Agreement at Early Date Expected by Chamberlain; Halifax Urges Immediate Acceptance of Russia's Terms

London, May 24.—(AP)—Prime Minister Chamberlain announced today that the British government was making new proposals to Soviet Russia for her adherence to the British-French front, and he had every reason to hope it would be possible to reach full agreement at an early date.

He said that, as a result of conversations at Geneva between Foreign Secretary Viscount Halifax and Soviet Ambassador to London Maisky "all relevant points of view have now been made clear."

Speaking in the House of Commons, the prime minister reported on the latest stage in the long-drawn negotiations between Britain and Russia for their projected mutual aid accord. Earlier, a two-hour cabinet meeting had heard a detailed report of Lord Halifax's talks at Geneva with Maisky and French Foreign Minister Bonnet.

Informed quarters said that the foreign secretary urged immediate acceptance of Russia's terms for a three-power mutual assistance pact between Britain, France and Russia. Chamberlain told the House he hoped to be able to announce the completion of an agreement with the Soviet Union by the time Parliament reconvenes June 5, after a recess. Chamberlain's statement was brief.

British Troopers Leave Pootung As Jap Guard Arrives

Shanghai, May 24.—(AP)—Thirty British bluejackets sent ashore yesterday in Pootung to protect a British-owned cotton mill, withdrew today after the landing of a Japanese marine detachment and a Japanese protest to the British consulate.

Pootung, on the east shore of a river opposite Shanghai, is Japanese-occupied territory. The Japanese naval command protested that the British had no right to land troops in such territory and demanded withdrawal. The controversy developed from a strike of Chinese workers at the Pootung mill. British authorities requested the Japanese detailed police to protect the property. The Japanese replied that police were under local Chinese government control. The Pootung government was established under Japanese auspices.

Americans Winners In Sweepstakes

Esom, England, May 24.—(AP)—Blue Peter won the 155th Derby today. Fox Club was second. Reliopolis was third.

Carrying the silks of Lord Rosebery, Blue Peter came from behind to beat 26 other three-year-olds and pay seven to two. Fox Club, owned by Edward Esmond, was quoted at 100 to 6, and Lord Derby's Reliopolis, an early pace-setter, at 100 to 9.

The winner finished the mile and a half four lengths in front of Fox Club, with Reliopolis another three lengths back. Casanova was fourth, with William Woodward's Hypnotist, second choice and only American-owned horse in the field, finished out of the money. Hypnotist finished seventh.

Blue Peter covered the distance in two minutes, 36 4-5 seconds, well behind the record of 2:32.3-5, made when the race was run at New Market during the World War.

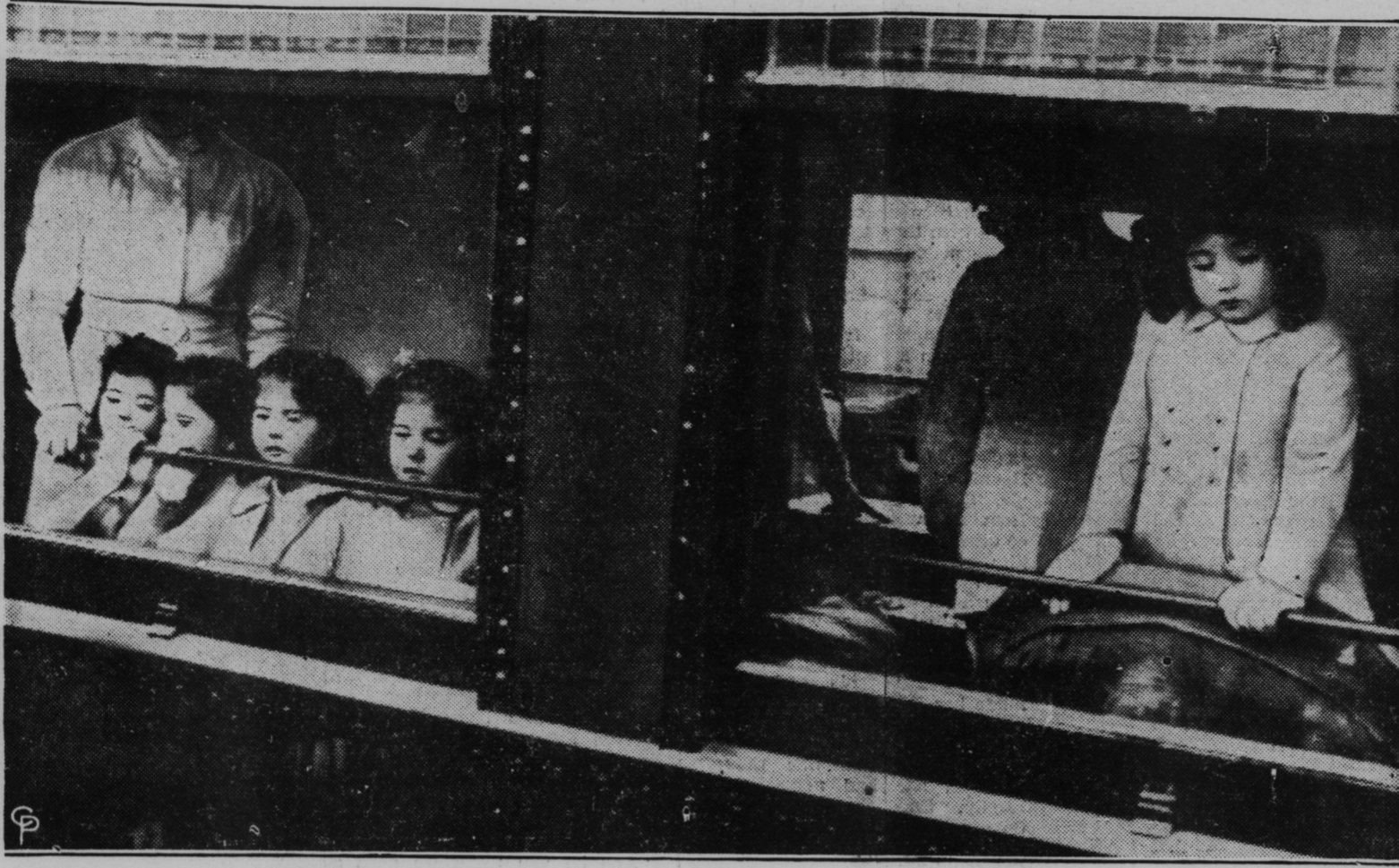
TWELVE AMERICANS CLAIM BIG MONEY FROM CONTEST

New York, May 24.—(AP)—Two United States holders of tickets on Blue Peter, winner of the derby, won \$140,400 each today, in the Irish hospital sweepstakes. They were listed from Bronx, N. Y., and from New York City itself.

Five Americans held tickets on Fox Club, second place horse, winning \$70,200 each.

Five American ticket-holders on Reliopolis, third place winner, won \$46,800 each.

They Kissed the Queen and Vamped the King



Four little Dionne quintuplets stare through one window of train, while the fifth peers through another window, as they begin return ride from Toronto to Callander. They bowed before the British monarchs and gave unexpected kisses to the Queen, with Marie tendering flowers to the King.

Earlier Marketing Election For Tobacco Is Now Proposed

Royal Pair Are Paraded In Heavy Winnipeg Rain

Winnipeg, Canada, May 24.—(AP)—King George and Queen Elizabeth arrived in Winnipeg on their royal tour today and had before them a rainy public drive over 26 miles of sodden flags and bunting. The king came to the center of his great Canadian Dominion to speak to the people of his realm on Empire Day, British worldwide holiday. The royal train reached Winnipeg at 11:30 a. m., completing a long overnight train trip from the twin cities of Fort William and Port Arthur, at the head of the Great Lakes.

Doubt Peace For College, Department

Daily Dispatch Bureau, In the Sir Walter Hotel

Raleigh, May 24.—Appointment of membership of the co-ordinating committee charged with the difficult task of determining and deciding squabbles between the Department of Agriculture and State College has brought in its wake the doleful prediction in many quarters that it will do just like previous bodies appointed for the same purpose.

All of which may, of course, come to pass, but it will not be because the co-ordinators lack power to go ahead with their co-ordinating and to enforce their co-ordination plans upon these they want to co-ordinate.

There isn't any clause making any body who violates the act guilty of even a misdemeanor, much less a felony—but there is set out in the act creating the committee the unmistakable mandate that "it shall be the duty of the Co-ordination Committee to allocate, after due consideration, such duties and functions as may be in disagreement or overlapping, and that are not already allocated by law, to the proper agency in which they are to be performed."

The act adds in another section: "that the findings and recommendations—shall be binding on the com-

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Booms, Slumps Projected On Long Periods

By CHARLES P. STEWART Central Press Columnist

Washington, May 24.—Senator Joseph C. O'Mahoney's so-called "monopoly committee" (The Wyoming solon is its chairman) is getting into some very interesting testimony relating to the causes of economic booms and slumps.

This committee, by the way, isn't an ordinary congressional committee. Its members include representatives from both the upper and lower chambers of Congress.

When Herbert Hoover was secretary of commerce he conducted a boom-and-slump investigation, run principally by Edward Eyre Hunt, one of his most trusted assistants. Secretary Hoover's and Inquisitor Hunt's assumption was that booms and slumps automatically are cyclical.

Washington, May 24.—(AP)—On her way to see her sea-going husband for the first time in two years, Mrs. Robert Franklin Gibbs learned today he was trapped at the bottom of the sea in the submarine Squalus.

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Change from Present Early Limit of November 15 Is Tentatively Approved by Hutson; Might Have Beneficial Effect

Washington, May 24.—(AP)—Southern members of Congress, working on amendments to the tobacco section of the 1938 farm act, received a suggestion today that the secretary of agriculture be authorized to call a marketing quota election any time during the selling season.

The change, proposed by representatives of North Carolina growers, received the tentative approval of J. B. Hutson, assistant AAA administrator, who said it would be of some benefit to flue-cured tobacco.

The marketing session for that crop begins July 1, whereas for burley and other types of tobacco it does not open until late fall.

AMERICANS LOSERS IN GOLF TOURNEY

Holy Lake, England, May 24.—(AP)—American representation in the British amateur golf championship was reduced to Dick Chapman, of Greenwich, Conn., and Bill Holt, of Syracuse, today, when Ellsworth Vines, former tennis champion, fell before John Baillieu, of Australia, two and one. Previously, Chapman eliminated defending champion Charlie Yates, of Atlanta, Ga., five and three.

Wife of One Man Learns of Tragedy On Her Way North

Washington, May 24.—(AP)—On her way to see her sea-going husband for the first time in two years, Mrs. Robert Franklin Gibbs learned today he was trapped at the bottom of the sea in the submarine Squalus.

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Greensboro Youth Is Aboard Craft

Washington, May 24.—(AP)—The navy gave out today a list of the men aboard the submarine Squalus, including the following from North Carolina and South Carolina: A. C. Bryson, machinists mate, second class, R. F. D. No. 2, Greenville, S. C.

Queen Mary Is Restless During Night

London, May 24.—(AP)—Queen Mary suffered injury to one eye when her automobile overturned yesterday, and spent a restless night, her doctors said today. The physicians' bulletin said: "Her Majesty Queen Mary has passed a restless night, partly due to injury to one eye, which, although very painful, is not a source of anxiety. Her Majesty's general condition is satisfactory."

Queen Mary will be 72 years old on Friday. Sir Richard Cruise, a famed specialist, who is surgeon-oculist to the queen, called on her last night and again today with other physicians.

Briggs Firm Ready To Submit Dispute To an Arbitrator

Detroit, Mich., May 24.—(AP)—With more than 70,000 auto workers idle because of a strike which closed seven plants of the Briggs Manufacturing Company, James Dewey, federal labor conciliator, said today he hoped to arrange a conference within a few hours.

ARMY PLANE FALLS, KILLING ITS PILOT

Marlette, Mich., May 24.—(AP)—An army plane exploded and crashed five miles west of here today, killing the pilot. Second Lieutenant Hamilton McClure, 27, of Selfridge Field, Lieutenant McClure, whose home was at Fort Worth, Texas, was alone in the plane.

Weather FOR NORTH CAROLINA. Partly cloudy tonight and Thursday; slightly cooler in northeast and north central portions tonight, and in east portion Thursday.

27 Men Trapped On Floor Of Ocean Are Put Down As Dead

First Time in History of Submarines Any Rescue of Kind Has Been Made; Diving Bell Hastily Sent Down for More Survivors.

Portsmouth, N. H., May 24.—(AP)—Seven men entombed for more than 29 hours in the crippled submarine Squalus were pulled to safety today in a rescue chamber raised through 240 feet of water, and immediate preparations were made for another descent to save as many as possible of the other 52 men still trapped below.

The first survivors reported 25 of their colleagues, including three officers, were still alive inside the submarine, and that still others might have held on to life without their knowledge. This figure placed the likely death toll at 27, inasmuch as 59 had been aboard.

Women Wait Sadly Near Navy Yard

Wives, Sweethearts and Children of Men Trapped on Submarine Present Pitiable Sights Ashore

Portsmouth, N. H., May 24.—(AP)—Wives, sweethearts and children of the men who lay imprisoned in the submarine Squalus on the ocean floor, 35 miles out of Portsmouth, kept tight-lipped vigil today as they awaited scraps of information from the rescue craft at the scene.

Pitifully parading from their rented bungalows, mothers with young children clutching their hands, forlorn brides, older women, trudging back and forth to the navy yard, where they asked with mingled eagerness and fear for such bits of news as had come back from the assembled rescue fleet.

They crowded around officers returning from the scene of the sinking, pleading for words of encouragement. Cheered at first by word that the imprisoned men had been in communication with those working for their rescue, they were stunned today when unofficial word came that 26 of the 59 men were believed dead.

Having followed their sea-roving men from base to base, living their itinerant lives, the families knew few of their neighbors, and to their grief and anxiety was added loneliness. Seeking solace, they turned to one another and to such few friends as they had learned in the navy yard area.

Two Death Cases Heard In Appeals In Supreme Court

Raleigh, May 24.—(AP)—The Supreme Court took under advisement today appeals from death sentences imposed on Julius Buchanan and James Cureton in Forsyth county. The court was to hand down opinions late in the afternoon.

On the docket for argument late in the day or tomorrow was the suit by Paul Leonard challenging the constitutionality of the State's three percent general sales tax, which returns about \$12,000,000 yearly into the State treasury.

Ford Motor Co.'s Surplus Declines, As Report Shows

Boston, Mass., May 24.—(AP)—A decline in the surplus account of the Ford Motor Company for 1938 was reported today in its annual statement to the Massachusetts Department of Corporations and Taxation. For the year the account totaled \$58,821,274. For the preceding 12-month period it was \$68,085,935.

The Ford company filed its certificate of condition with Henry F. Long, commissioner of the department. Long said that for the first time the name of Henry Ford II, Edsel Ford's eldest son, appeared in the list of directors. The certificate was signed by Edsel Ford, president and treasurer, and by P. E. Martin as vice-president.

Even as this first definite report came from the rescued men, the diving bell plunged below on a second mercy trip. One of the seven men saved was an officer, Lieutenant J. C. Nichols, of Chicago, and the other six were enlisted men. All appeared in fair condition after their harrowing experience. The other six saved did not include a North Carolina or South Carolina man.

A great cheer arose from the crew of the rescue ship Falcon as the dripping rescue bell arose from the sea and was landed gently on the deck of the surface vessel. All seven were able to step from the bell without help, and walk about on the deck drawing their first free air since the Squalus was trapped on the ocean floor by an open induction valve during a dive at 8:40 a. m. yesterday.

The first actual rescue in history from such a depth as 240 feet was accomplished in almost record speed—less than five hours after a diver first touched the sunken craft. Within a matter of minutes after the seven men had stepped into freedom, the diving bell was sealed and once more dropped over the side.

Naval officers said the reason for bringing up an officer in the first load was so that he could help direct those still left aboard the Squalus. Those at the rescue ship abandoned hope, even before the second descent.

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Dual Budget Proposed By Harvard Man

Washington, May 24.—(AP)—A. H. Hansen, Harvard University economist, proposed to the monopoly committee today that a special study be made to determine the feasibility of a "double budget system" for the Federal government.

"The time is ripe for such an inquiry," he said. "We have already been stumbling piecemeal toward the budget system, but without any organized plan."

Woman Chief Lauds WPA At Winston

Winston-Salem, May 24.—(AP)—Mrs. Florence Kerr, assistant administrator of the WPA, gave a thorough review today of the functions of that spending agency, and said that "the pump that we are priming is the system of private industry."

"Why did they get a new pump in all those different European countries? Because the old pump was working badly, and because they didn't have anything to prime it with," Mrs. Kerr said in an address prepared for delivery before the regional conference of Democratic women of the south central and south Atlantic states.

"In America, during the depression, our own pump worked badly, too, but we fortunately had something to prime it with," she said. "Our own depression was a part of the worldwide chaos that followed the economic exhaustion of the World War. If you remember, we were lending Europe money with which to buy American goods, and that was the basis of the splendid American prosperity that collapsed so suddenly in 1929."