

TREASURY TAX PLAN GIVEN TO CONGRESS

Divers Prepare For Raising Hulk Of Sub With 26 Bodies

Pontoons for Raising the Squalus

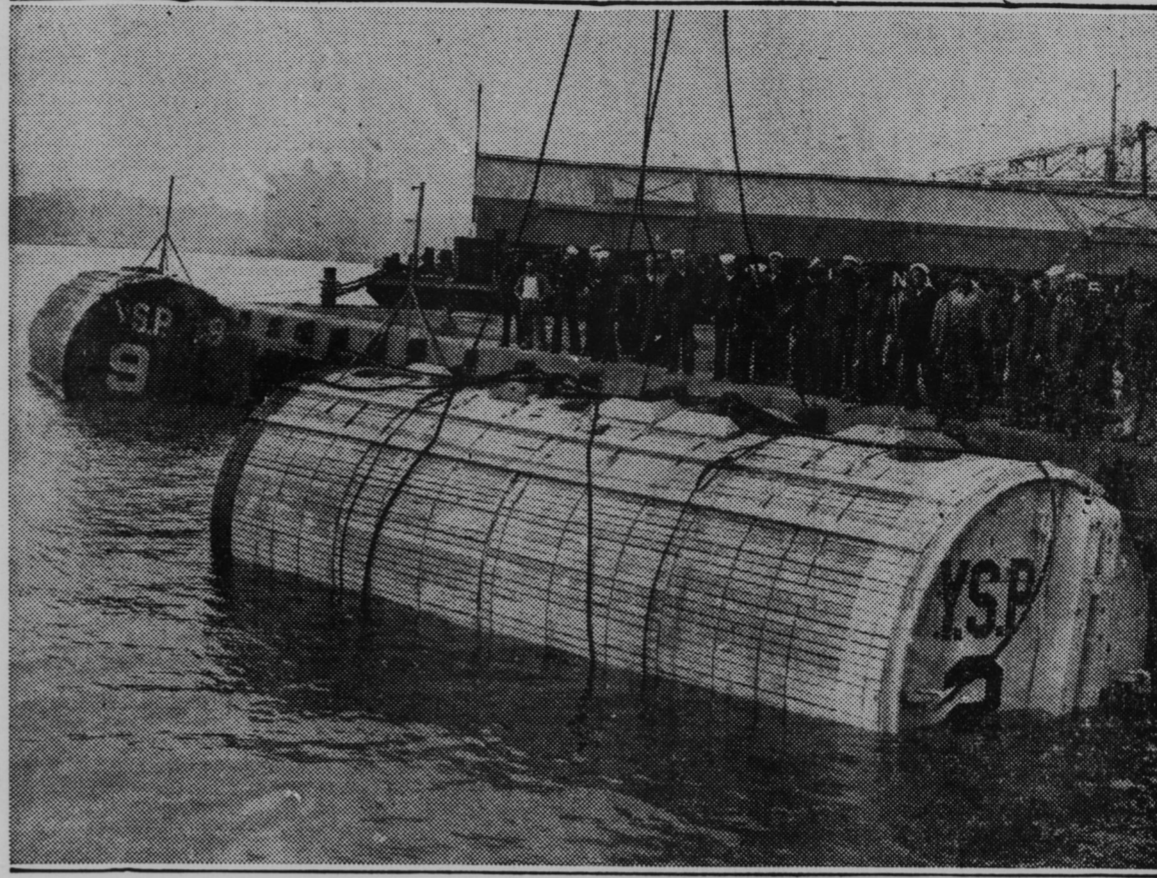
Hints Okay For Profits Levy Repeal



Grover Cleveland Bergdoll, World War draft dodger who fled to Germany, is pictured leaving ship in New York. He was immediately locked up in the same Governors Island guard cell from which he escaped almost twenty years ago.

New Helium-Oxygen Mixture Used in Lowering Deep Sea Workers; Plans Approved by Navy Department in Washington

Portsmouth, N. H., May 27.—(AP)—With more than 60 divers on the scene prepared to take advantage of every minute of calm weather, Navy officials announced today an intricate plan for salvaging the sunken submarine Squalus, and indicated it would be at least a week before the \$4,000,000 submersible could be raised from the ocean floor. One high official gave an off-the-record indication that even as much as two weeks might elapse before the 26 dead men now peopling the Squalus could be lifted to the surface. Simultaneously, however, the same officer said the work would go on night and day, Sunday and holiday included, until the work is completed.



Two of the ten pontoons rushed to the spot twelve miles off Portsmouth, N. H., where the submarine Squalus went down with fifty-nine aboard, are shown at the Brooklyn, N. Y., Navy Yard, being prepared for the trip. Water-filled pontoons are lowered to the submarine and secured, then rise with the craft as the water is pumped out and air forced in. (Central Press)

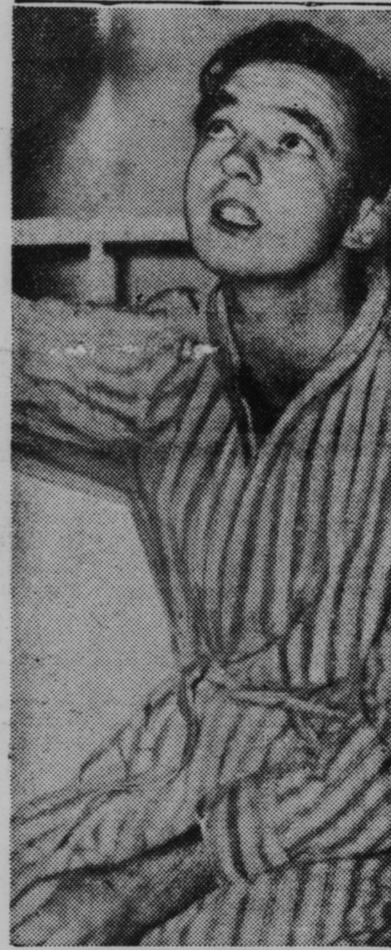
Portsmouth, N. H., May 27.—(AP)—Working swiftly to take advantage of calm, fair weather, Navy divers—using a new helium-oxygen mixture recently developed by the Navy—were lowered to the water-filled hull of the submarine Squalus shortly before noon today to complete the ground work for raising the craft and its cargo of 26 dead.

With a warm sun chasing away an early morning fog, the divers, under the direction of Admiral C. W. Cole, went down from the deck of the rescue ship, assured of longer time at the 240-foot sea depth because of the new mixture. Helium oxygen, officials said, was not so readily absorbed into the blood stream under heavy pressure as air.

Meanwhile, Lieutenant Commander A. I. McKee and A. R. McCann, submarine experts, completed a round trip flight from Washington, bringing approval of the intricate plans of operations to raise the 1,450-ton hulk. They left Washington at 8:18 a. m. daylight time, and landed at Portsmouth at 11:17 a. m.

On shore, the huge chamber used to rescue the survivors was fully repaired and ready to be taken back to the rescue ship when and if it should be needed.

Hero in Disaster



Lloyd B. Maness

Lloyd B. Maness, of Greensboro, N. C., an electrician's mate, was hailed as the hero of the Squalus disaster, credited with being the man who jammed shut the door which cut off the flooded sections of the submarine from the compartments in which the survivors lived for more than 30 hours. (Central Press)

Group Plans College Work

Raleigh, May 27.—(AP)—Governor Hoey today appointed ten University of North Carolina trustees to a committee to confer with Dr. Frank Graham on agricultural policies at N. C. State College. Dr. Graham requested the committee.

Named were Dr. Clarence Poe, of Raleigh, chairman; Dudley Bagley, chairman of the State Rural Electrification Authority; W. D. Barbee, of Seaboard; C. F. Cates, of Faison; Thurmond Chatham, of Winston-Salem; Edwin Pate, Laurel Hill; John Sprunt Hill, Durham; J. H. Poole, of West End; W. E. Fenner, Rocky Mount, and Leslie Weil, Goldsboro.

The governor said the committee would be entirely distinct from a group named to coordinate activities of the State College Extension Service and the State Department of Agriculture.

JUDGE W. L. SMALL DIES AT HIS HOME

Elizabeth City Jurist Was Only 53, And Had Suffered Stroke of Paralysis

Elizabeth City, May 27.—(AP)—Judge Walter L. Small, who retired from the superior court bench February 1, 1938, after suffering a stroke of paralysis, died yesterday. He was 53 years old.

After his retirement, Judge Small became an emergency judge, but performed few official acts because of his health. He was appointed to the superior court bench in 1928, and was twice re-elected. Previously he had represented Pasquotank county in the legislature, and was a district solicitor. For many years he was a member of the bar here, and formed a partnership with former Governor Ehringhaus.

Judge Small is survived by his widow and four children.

ROOSEVELT ARRIVES AT HYDE PARK HOME

Hyde Park, N. Y., May 27.—(AP)—President Roosevelt returned to his country estate overlooking the Hudson river at 8:30 a. m. today.

France Seeking Defense Agreement With Turkey

Berlin Squirms and Whines as Peace Powers Strengthen Front Against Aggression Group; Goebbels Frantically "Warns"

(By The Associated Press.)

The French cabinet conferred today on a proposed mutual assistance agreement with Turkey, another link in the British-French chain of alliances, as German Propaganda Minister Paul Goebbels sounded a "final warning" to powers he accused of seeking to "encircle" Germany.

Informed sources in Paris predicted that a Turkish-French accord paralleling the agreement already reached between Britain and Turkey, would be initiated next week. Foreign sources understood that all that stood between Ankara and Paris was an arrangement for minorities in Hatay, former Sanjak of Alexandretta, which France has administered as part of her Syrian mandate. Hatay is expected to pass to Turkey.

Goebbels' "warning" that "every blow of the British-French front will be answered by us with a deafening counter-blow," emphasized the gravity with which Germany views efforts in London and Paris to bring Soviet Russia into their line-up. A dispute at Geneva over joint Finnish-Swedish proposals to re-fortify the Aaland Islands in the Baltic Sea reached such proportions it was feared that Finland might quit the League. A scheme was reported, however, to try to mollify Finland by leaving to the Finns, Swedes and Russians attempt to reach a solution through direct negotiations without the League Council taking action until later.

King George Popular With Reporters

AP News Is Now To Be Available For Broadcasting

New York, May 27.—(AP)—Broadcast of Associated Press news by member newspapers with or without commercial sponsorship has been authorized by the executive committee of the board of directors of The Associated Press.

A resolution passed by the committee yesterday provides for a basic five percent additional assessment on member papers broadcasting news without commercial sponsorship and a 25 percent increase for those with such sponsorship. The resolution provides that The Associated Press, a cooperative, non-profit organization, must not be identified with any broadcast.

UNION SHOP CLAUSE IN COAL CONTRACTS

New York, May 27.—(AP)—The "union closed shop clause" was written into the new contract between the United Mine Workers of America and anthracite mines owners, it was said today. The contract was ratified last night. John Lewis, president of the United Mine Workers, said he was confident the new agreement would get "the overwhelming vote" of the union.

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Weather

FOR NORTH CAROLINA. Mostly cloudy today and Sunday; occasional showers in north central portion Sunday.

WEEKLY WEATHER. South Atlantic States: Scattered thundershowers, with near normal temperatures indicated for the week.

Pendergast Aide Admits His Guilt

Kansas City, May 27.—(AP)—Robert Emmett O'Malley pointed to by the government as the tool of Boss Tom Pendergast in engineering a \$9,500,000 insurance rate settlement, pleaded guilty today to evading Federal income taxes on his \$62,500 share of the pay-off.

Weekly, the ousted State superintendent of insurance followed the action of Pendergast, now under prison sentence for tax evasion on money which the government contended included a \$315,000 pay-off.

U. S. Sailors Would Marry French Girls

Villafraanche, France, May 27.—(AP)—Love-smitten sailors of the United States cruiser Omaha urged French officials today to give them permission to carry about a score of Riviera belles before the ship sails for home June 17.

Captain Wallis Lind, commander of the Omaha, which has been here over a year, sought to dissuade the men not to take on "additional anchors" at present. "Think it over a lot first," was his advice. It was a race against sailing time. The French mayor, surrounded by the thumping hearts and dark eyes that caused them had to telephone the ministry of Justice in Paris for special permissions for the weddings.

Awards Given For State Supplies At Price of \$25,000

Raleigh, May 27.—(AP)—The Division of Purchase and Contract announced today the awarding of contracts for miscellaneous State supplies to cost between \$25,000. The awards included:

Kitchen equipment and which were likely to occur before the Omaha departs, included: Charles Washington Briggs, of Princeton, N. C., and Nancy Garidel.

Walter O. Briggs, owner of the baseball club, is chairman of the automobile body manufacturing company that bears his name. A working contract between the company and the CIO United Automobile Workers expired last week, and a strike was called when negotiations for a renewal collapsed.

Rival union leaders differed widely in their attitude toward proposed National Labor Relations Board-conducted consent elections among employees of two automotive companies to decide a jurisdictional dispute, and facilitate settlement of a strike which threw 70,000 persons out of work.

Undistributed Profits Tax of Little Value, Morgenthau Tells Ways and Means Group; Capital Ponders Roosevelt Third Term Issue

Washington, May 27.—(AP)—Secretary Morgenthau directed "serious" congressional attention toward striking from the tax laws "any manifest inequalities or other defects" in the interest of promoting "lasting business recovery."

Naming a "balanced budget" as "the fundamental objective of sound financing," the secretary of the treasury told the House Ways and Means Committee that tax changes must not reduce federal revenue. Included among tax features outlined for consideration at this session were the controversial undistributed profits tax, the capital stock tax, and the computation of profits and losses for tax purposes.

In his 2,000-word prepared statement, Morgenthau urged consideration of the "present" international crisis and its "unmistakable implication that we should give serious consideration to our future fiscal position and redouble our efforts to attain full recovery."

Washington, May 27.—(AP)—Secretary Morgenthau laid before Congress today suggestions for revision of corporate taxes to remove possible business hindrances, including a hint the Treasury would not object to repeal of the undistributed profits levy. Without recommending any specific tax schedules, the secretary of the treasury presented to the House Ways and Means Committee general

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Negro Confesses To Assault Upon Burlington Lady

Raleigh, May 27.—(AP)—Director Frederick Handy, of the State Bureau of Investigation and Identification, said today that a Negro sought for criminal assault of Mrs. J. C. May, of Burlington, had been arrested and had confessed to the crime. He said an agent of his bureau, Guy Scott, apprehended a man he identified as LeRoy Wagstaff, in a farm house attic in Albemarle county near Burlington during the night. Handy said Wagstaff had been taken to an unnamed jail.

Also arrested was a Negro Handy named as Jerry Grant, in whose house, Handy said, Wagstaff was caught. Grant will be charged with harboring Wagstaff.

Handy said a third man was sought, one whom officers think has been aiding Wagstaff in avoiding arrest. Mrs. May was assaulted after midnight last Sunday in her home, she told officers.

Police Rout Pickets Near Tigers' Park

Detroit, Mich., May 27.—(AP)—Mounted police dispersed a large group of automobile workers who attempted to picket Briggs Stadium, home of the Detroit Tigers, at noon today, taking many of the marchers into custody, and seizing banners and placards. Police said no one was injured seriously.

Walter O. Briggs, owner of the baseball club, is chairman of the automobile body manufacturing company that bears his name. A working contract between the company and the CIO United Automobile Workers expired last week, and a strike was called when negotiations for a renewal collapsed.

Labor Laws Are Stifling Business, Babson Claims

Social Security Should Be on Pay-as-You-Go Basis; Unemployment Tax Purely Politics; Many Business Men Sick and Ready To Quit

By ROGER W. BABSON Copyright 1939, Publishers Financial Bureau, Inc.

Babson Park, Mass., May 27.—I doubt if one person out of a hundred even yet realizes the far-reaching effects of our new labor and social laws. They are the most dangerous pieces of legislation ever passed in the United States. They are forcing people out of jobs every day. These acts are stifling industry, choking jobs, raising prices, and holding back prosperity. I believe they

are the cause of 50 per cent of the loss in jobs since 1936.

As a result of my article on the coal strike several weeks ago, the president of an important coal mining concern in the southwest wrote me a very significant letter. He said: "I am satisfied that 70 per cent of the soft coal mine owners of the United States would far rather have Congress impose a tax of 100 per cent on net profits than to continue in force the present social security taxes of 4 per cent on payrolls. If a 100 per cent net profit tax were passed, employers could at least retain the funds they set aside for depreciation and depletion. On our case the tax we are being required to pay is in excess of 100 per cent of net profits."

Obstacles to Jobs "We no longer have any hope that our mines can, under present day conditions, be operated profitably. We have felt, however, that in justice to our employees we should try

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RAIL BANKRUPTCY PROCEDURE PASSED

Washington, May 27.—(AP)—The Senate passed and sent to the House today legislation which would revise railroad bankruptcy procedure by placing it under a special five-judge court. Approval came without a record vote after two days of debate.

Pinetown Man Is Dead at Ft. Monroe Of Auto Injuries

Hampton, Va., May 27.—(AP)—Jasper Boyd, 30, died early yesterday at the Fort Monroe hospital of injuries suffered in an automobile accident near Seaford early Sunday morning. He is survived by his widow, Mrs. Eloise Boyd; two sisters, Leota and Polly, both of Pinetown, N. C.; four brothers, Aubrey and Hertford Boyd, both of Newport News, and Philip and Winfield, of Pinetown, and his father, Richard W. Boyd, of Pinetown.

The body was met at the entrance of Fort Monroe this morning and escorted to the Old Point wharf by Chaplain J. K. Bodie, members of his company, and the second post artillery band. The funeral will be conducted at Pinetown at 2 p. m. tomorrow, and burial will take place in Latham cemetery.

Efficiency Of Teachers Very Costly

Expense to State Mounts Because of Greater Preparation and Fitness of Faculty Members; School Commission Faces Problem

Daily Dispatch Bureau.

In the Sir Walter Hotel. Raleigh, May 27.—North Carolina's just-reappointed School Commission personnel is suffering from a large, collective headache because, among other things, this State's teachers are getting themselves so well prepared for their positions that they rate more money in the salary scale.

Lloyd Griffin, commission executive secretary, today pointed to figures which showed that for the school year 1938-39 the salaries of all teachers and principals in North Carolina will be \$656,000 more than in 1937-38, although there were only 301 more teachers this year than last.

The big jump in wage costs, he said, was caused by the fact that so many of the teachers improved the certificates they held from "B" to "A," while so many others were getting automatic increases via the experience increment route. For the 1938-39 year, he said, total

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