

FIVE NEW TAX PLANS FOR DEFENSE REVENUE STUDIED AT CAPITAL

Flat Boost In Current Levy Talked

Existing Exemptions Would Also Be Lowered; Defense Tax And Armaments Levies Proposed; Sales Tax Is Also Mentioned.

Washington, Dec. 7.—(AP)—Congressional experts are studying five new tax plans designed to raise money for the projected record defense program next year.

The plans which will be submitted to congressional committees include a defense tax, a defense profits tax, a special levy on the profits of armaments manufacturers, a general sales tax, and a defense tax on the profits of armaments manufacturers.

A general sales tax. This suggestion has been criticized by Chairman Doughton, Democrat, North Carolina, of the House Ways and Means Committee, and presumably would command scant support.

King George Visits France



At an unnamed port in France, King George of England, followed by Gen. Viscount Gort, commander-in-chief of British forces, disembarks from a destroyer after a rough Channel passage. Ignoring mud and cold, the King spent eight hours on the Western Front, touring trenches and pill-boxes.

Spending to Hit New Top Next Year; No New Taxes

Big British Ships Sink In Collision

Halifax, N. S., Dec. 7.—(AP)—Loss of the 5,989-ton British freighter Manchester Regiment, with an unannounced number of her crew, and of the 4,607-ton freighter Chancellor in collisions at sea was disclosed today with arrival here of survivors. Both collisions occurred in "pea soup" fog.

230 Finns Of U. S. Arrive At Helsinki

Will Enlist in Finnish Army in War Against Russia; Finns Deny Soviet Army Has Broken Through Defense Lines.

Helsinki, Dec. 7.—(AP)—Two hundred and thirty Finnish Americans, some of whom never have been in Finland before, arrived today to enlist in the Finnish army to fight against Russia. A spokesman for the group said they left New York as soon as they learned Finnish independence was threatened.

Economy Talk Is Bunk, Babson Says; Administration Pledges to Cut Costs Pure Mockery; Congress to Be Brief And Routine.

By ROGER W. BABSON, Copyright 1939, Publishers Financial Bureau, Inc. Washington, Dec. 8.—Quarters which are usually "in the know" here in Washington are convinced that the 1940 session of Congress will be brief, routine and uneventful.

There has been a lot of talk in administration circles recently about economies that will result in a slash in the nation's deficit for 1940. This is sheer nonsense. There is no hope of reducing expenditures next year.

King George Host To Dignitaries At Quarters at Front

Paris, Dec. 7.—(AP)—King George VI of England, on a tour of expeditionary British forces, today entertained President Albert Lebrun, Premier Daladier, Generalissimo Gamelin and Winston Churchill, first lord of the British Admiralty, at lunch "somewhere in France."

Weather FOR NORTH CAROLINA. Generally fair tonight and Friday; warmer tonight; somewhat colder in north and west portions Friday afternoon and night.

U.S. Holding Its Rights In Blockade

Will Not Surrender to British Claims in Barring German Exports, Some of Which Are Badly Needed in This Country.

Washington, Dec. 7.—(AP)—The United States, it was learned today, has reserved all its rights under international law in connection with Great Britain's order in council to stop German exports from being made through neutral countries.

Government Not To Assume Local Relief Problems

Washington, Dec. 7.—(AP)—Agriculture Department officials indicated today that they had no intention of relieving states or local communities of relief problems by increasing distribution of surplus food among the needy in areas hard pressed for funds to aid the jobless.

Philip Maguire, vice-president, said the Federal Surplus Commodities Corporation would adhere to a policy of making surplus commodities available to state and local welfare agencies as a supplement for aid provided by those agencies.

NAVAL TRAWLER OF BRITAIN GOES DOWN

London, Dec. 7.—(AP)—The Admiralty announced today that the British naval trawler Washington, 209 tons, was sunk by a mine yesterday in the North Sea with the loss of eight lives.

FBI PROBING INTO HELD GERMAN SHIP

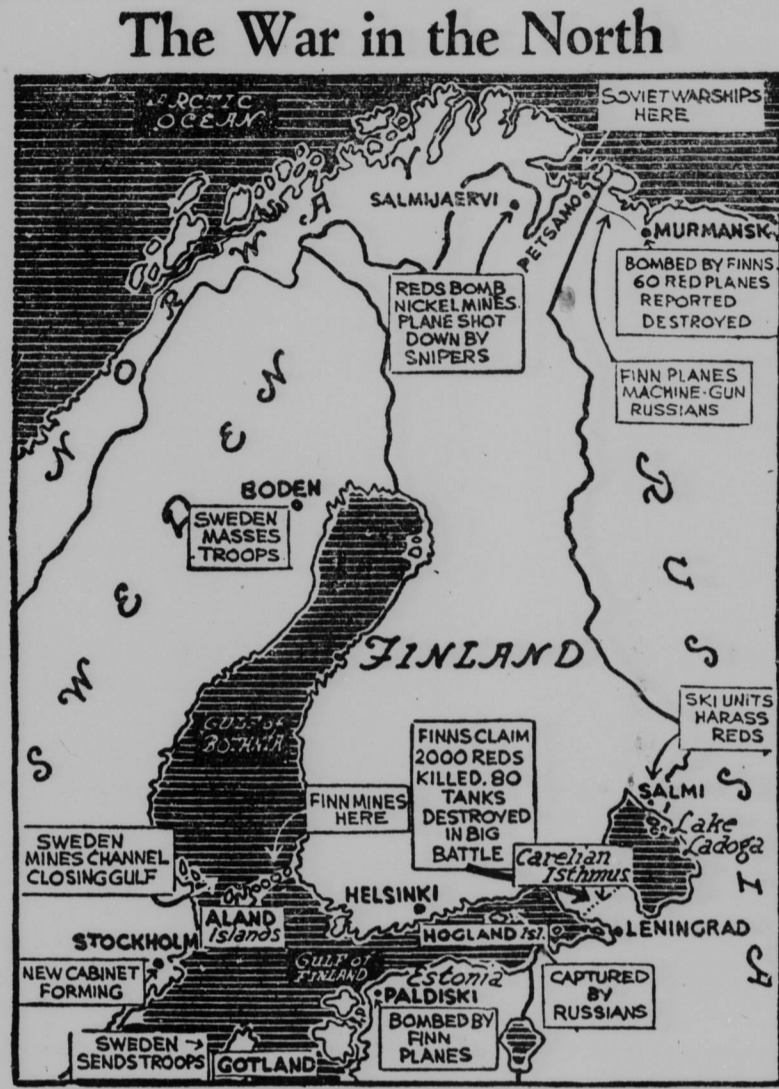
Washington, Dec. 7.—(AP)—Attorney General Murphy said today that the Federal Bureau of Investigation was looking into the case of the Yakala, which was seized by the coast guard near Wilmington, N. C., Tuesday.

Vengeance Is Theory For German Death

New York, Dec. 7.—(AP)—A vengeful person with a racial or personal grudge was sought today as the bludgeoned slayer of Dr. Walter Engelberg, 42, German consulate secretary.

Deputy Medical Examiner Manuel E. Martin said Engelberg, who had been in the consular service nearly twenty years, had been struck at least three times, while asleep, and that the blows "with an axe or some other heavy weapon" were so severe the man was "practically decapitated."

MOSCOW CLAIMS BREAK ACROSS FINNISH LINE BUT FINNS DENY LOSS



The map is self-explanatory. The legends, based on Helsinki reports, tend to show that Finland has played David to Russia's Goliath.

Republicans Divided On 1940 Convention Dates

Big Netherlands Liner Torpedoed

Amsterdam, Dec. 7.—(AP)—The 8,150-ton Netherlands motor ship Tanjandoen, with 68 persons aboard, was torpedoed and sunk in the English channel today. It was not immediately known whether there were any casualties.

Japan-Russia Seeking Pact Against War

Tokyo, Dec. 7.—(AP)—It was learned on reliable authority today that conversations looking toward a non-aggression pact with Soviet Russia now are in progress, although observers expressed belief they might be intended by Japan merely for effect abroad—particularly in the United States.

14 SHOPPING DAYS TILL Christmas. An advertisement featuring a cartoon illustration of a man in a top hat and a woman, with the text '14 SHOPPING DAYS TILL Christmas'.

Gathering in Washington Studies \$700,000 Party Deficit; High Praise Given Tom Dewey's Key-note Address Last Night.

Washington, Dec. 7.—(AP)—A score of Republican leaders, meeting to discuss ways of wiping out the party's \$700,000 deficit, voiced various dissimilar views today on the question of when to hold the 1940 presidential nominating convention.

Although it will not be decided until the full Republican National Committee meets here in January or February, the convention date proved to be a topic sharing interest among the executive committee members of the national committee with discussion of Thomas E. Dewey's initial presidential campaign speech in Minneapolis last night.

French Soldiers Beat off Attacks By German Troops

Paris, Dec. 7.—(AP)—French advance positions withstood repeated shocks of savage German patrol attacks along the entire northern front of the western front today after a night of activity in which the French reported inflicting heavy losses with automatic and artillery fire.

German strategy was reported by French military reports. After being halted during the night by deadly French fire, the German patrols, instead of retreating as usual, dug in on bare no-man's-land. The French countered by raining shells on them and then dislodged them with infantry attacks.

Russians Die By Wholesale In Assaults

Finns Mow Down Advancing Lines of Enemy on Karelian Isthmus; North Sector in Arctic Area Is Reported Quiet.

Moscow, Dec. 7.—(AP)—A Soviet Russian army has smashed the main Finnish defense line on the Karelian Isthmus, the Leningrad command announced today, and is thrusting northward.

The Leningrad communique said that "Soviet troops, after artillery preparations broke through the main defense line of the Finns along the Vuoksi water system, known among Finnish white guards as the "Magainot Kirke line."

GOVERNORS DISCUSS FREIGHT STRUCTURE

Asheville, Dec. 7.—(AP)—Governors of North Carolina, Tennessee, Georgia and Alabama were in executive session here today with a score of representatives of the Southern Traffic League and Utilities commissioners of the four states for the purpose of laying plans for the southeast's fight for freight rates on a parity with those of the North.

Germans Are Driven From English Base

London, Dec. 7.—(AP)—German war planes raided the vital Fifth of North area shortly after noon today, but the air ministry said they were driven off by British fighting planes, and "one of their aircraft was seen to be hit."

G-Men Still Seek Slayer Mattson Boy

Tacoma, Wash., Dec. 7.—(AP)—J. Edgar Hoover, director of the Federal Bureau of Investigation, revealed today that the FBI still listed 500 suspects in the fiendish kidnap-slaying of ten-year-old Charles Mattson.

However, replying to questions on the Mattson case submitted to him by The Associated Press, said agents were still assigned to the almost three year-long quest for the man who kidnaped the son of a prominent Tacoma doctor, and left the boy's mutilated body in a snow-covered thicket near Everett, Wash., 60 miles north of here.

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