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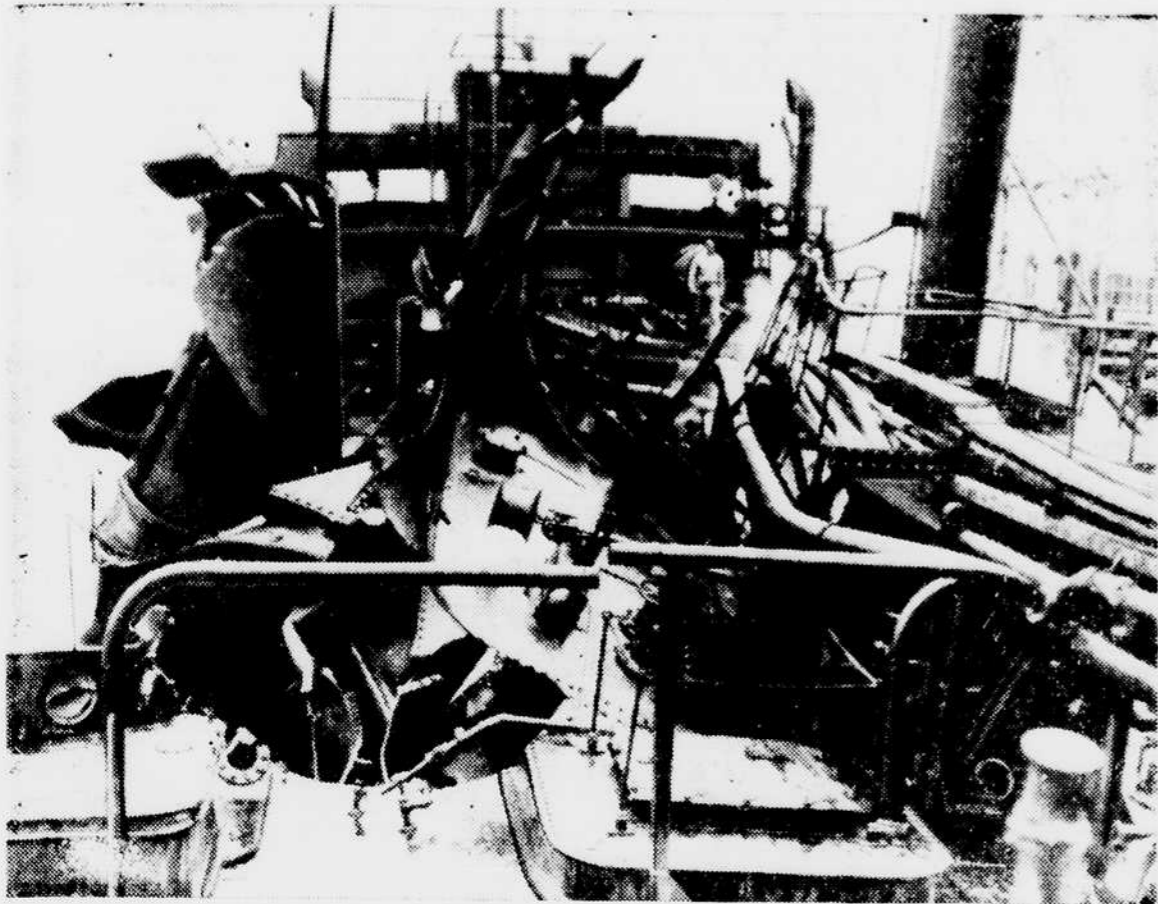
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Torpedoed Tanker Limp to Atlantic Port



Official U. S. Navy Photo

This picture shows the ruined upper deck of a medium sized tanker torpedoed by a submarine. Although her two decks were almost cut in two, the tanker carrying a precious cargo of high test gas, managed to make port safely under the watchful eye of a United States destroyer. (Central Press)

Higher Taxes Are Abandoned As Curbs Against Inflation

Morgenthau Represented as Believing Present Program Sufficient and That Purchases of Bonds May Be Increased.

Washington, April 14.—(AP)—The administration was reported authoritatively today to have decided against asking for drastic new tax increases as a means of combating inflation. Attempts were under way to compose disagreements among high government officials over a broad program envisioning the freezing of prices, wages, profits and bonuses.

Secretary of the Treasury Henry Morgenthau, Jr., was reported by his aides as believing the present \$7,600,000,000 tax program was sufficient, that voluntary purchases of war bonds could be stepped up to \$11,000,000,000 a year, thus absorbing excess purchasing power, and that consumer merchandise should be rationed.

It was understood to be opposed to most of the plans favored by a group led by Eric Administration, then Henderson and Mariner S. Eedes, chairman of the federal reserve board, who reported favored not only a much stiffer tax program but a simultaneous assault on all important inflationary factors as well. This would mean freezing of nearly all wages and prices, compulsory war bond purchases, profit limitations and general retail credit controls.

President Roosevelt has curtailed his engagement to devote as much time as possible to the problem, his attention of which may be continued in a bedside chat within the next two weeks.

Strong congressional opposition has developed against new efforts to boost taxes, and Chairman George Democrat, Georgia, of the Senate finance committee, told reporters it was "highly questionable" whether Congress would be willing to go beyond the present program. George's views were understood to be shared by Chairman Doughton, Democrat, North Carolina, of the House ways and means committee.

PRESIDENT IS KEPT FROM OPENING GAME BY 'WAR AND WORK'

Washington, April 14.—(AP)—President Roosevelt decided today against tossing out the first ball at the New York-Washington game opening the American League season here, but there were some 31,600 others in the crowded capital who found time to do so.

Stephen Early, presidential secretary, said the reason Mr. Roosevelt was passing up the game could be summed up in these words: "War and work."

Sales Tax Advocated

United States Chamber of Commerce Proposes Overall Revenue Program.

Stock Prices Drift Lower

New York, April 14.—(AP)—Against a generally unfavorable international news background, the stock market today continued its slow descent to the lowest average since May, 1937.

Cotton Prices Turn Lower

New York, April 14.—(AP)—Cotton futures, opened 35 to 65 cents a bale higher.

Knox Fights Labor Law

Navy Secretary Says 'Confusion and Delay' Would be Only Result of Change.

Washington, April 14.—(AP)—Secretary of the Navy Knox told Congress today that suspension of the 40-hour work week law would result "only in confusion and delay."

He said there was no need for labor legislation so far as the Navy was concerned.

Knox told the House naval committee today that he thought the issue of changing the 40-hour week was only a question of wages and would mean a 10 per cent cut in the income of workers.

PETROLEUM PIPELINE MAY GO TO NORFOLK

Charlotte, April 14.—(AP)—Extension of the Plantation Pipeline Company's Baton Rouge-Greensboro line to the Norfolk, Va., area is being considered seriously by the office of Petroleum Coordinator Ickes, the Charlotte News said today.

Refugee Ship Sunk By Sub

Charlotte, S. C., April 14.—(AP)—A big British merchant ship with refugees from the East was sunk in the Atlantic last Saturday and the only life lost was that of the ship's cat.

Laval And Darlan Get Posts In New French Government; Closer Axis Ties Indicated

American-Filipino Forces Resist Japs Invading Cebu Island

Defenders of Corregidor Undergo Four More Aerial Assaults; Communications With Cebu Re-Established; Skirmishes on Mindanao.

(By The Associated Press.) Greatly outnumbered American and Filipino troops were officially reported putting up stubborn resistance to Japanese invasion forces today on Cebu island, in the central Philippines, while Lieutenant General Jonathan Wainwright's defenders of Corregidor underwent four more assaults by Japanese bombers.

A War department bulletin said that communication between Cebu and Corregidor had been re-established and that heavy fighting was in progress, with our troops stubbornly resisting the advance of the enemy.

On Corregidor, the last major American-Filipino bastion in the battle of Luzon, the war department said heavy Japanese bombers inflicted some troop casualties but only slight damage to military installations.

U. S. Subs Score Against Jap Ships

Washington, April 14.—(AP)—Pressing on the enemy's vital supply lines, regardless of the peril, U. S. submarines, such as the Sea Wolf, have accounted for approximately one-fourth of the 215 Japanese ships sunk or damaged by American action since the war began.

Naval observers here were quick to note that the new commander in chief of the Pacific fleet, Admiral Chester W. Nimitz, was an old pig-boat man, and that the increase of submarine successes has been mounting since he supplanted Admiral Husband E. Kimmel. The Japanese radio has been eloquent in implied tribute to Nimitz' ability as an undersea raider.

On several occasions, Tokyo has broadcast warnings of American submarines in Japanese waters.

Survivors Of Sinkings Reach Port

Jacksonville, Fla., April 14.—(AP)—Sixty-eight survivors from two torpedoed United States merchant vessels have reached safety here and most of them were ready today to return to the sea from which they were saved.

Twenty others are dead or missing, and given up for lost in the sinkings which were announced today by the Navy. Both were "off the Atlantic coast" to new bottom, for a year or so, helped to start the retreat after a fairly steady opening. Near the fourth hour a majority of the market leaders showed declines ranging from fractions to a point or more.

Flew 18 to Safety



U. S. Army Airforce Combat Command photo

Brig. Gen. Barton K. Young (right) is shown awarding the Soldiers Medal to Master Sgt. Harry M. Hayes of San Antonio, Tex., in 1939. Recently, Hayes performed another heroic deed. Although he had never piloted a plane, took a battered, bullet riddled flying fortress, without oil, gas or flying instruments, fixed it up and made a 1300 mile trip from Java to Australia and saved the lives of eighteen American, British and Dutch officers, women and children.

Nazis Fear Invasion

Reports Reaching London Indicate Advance Case of Jitters Bothering Berlin.

London, April 14.—(AP)—Reports reaching London from neutral capitals today indicted the German high command as resigned to an impending invasion of Europe by allied forces and afraid that the attack would come at a place where it was not expected.

The well publicized visit of General George C. Marshall, U. S. Army chief of staff, and Harry Hopkins, adviser to President Roosevelt, has given Berlin an advance case of jitters, which was being assuaged by statements of bravado, those reports said.

The Berlin correspondent of the Stockholm Daily reported a German high command spokesman as saying:

"We are expecting an invasion at any time. Let them try it. We are ready."

Refugee Ship Sunk By Sub

Charlotte, S. C., April 14.—(AP)—A big British merchant ship with refugees from the East was sunk in the Atlantic last Saturday and the only life lost was that of the ship's cat.

Somber Repercussions In London Follow Announcement of Petain's Decision to Form New Regime; Other European News.

(By The Associated Press.) France moved sharply toward greater collaboration with Germany today as Chief of State Philippe Petain decided to form a new government including Pierre Laval, chief exponent of stronger ties with the reich, and Admiral Jean Darlan, anti-British vice premier.

The 85-year old marshal's decision, stirring immediate speculation on the possibility of France's turning her still powerful fleet over to Adolf Hitler, aroused somber repercussions in London.

Informed British quarters said the British government took "an exceedingly grave view" of Laval's re-entry into the Vichy government.

Diplomatic sources said Laval's return was a "tactical defeat" for the United Nations diplomatic campaign, waged through the State department in Washington, to win Vichy away from the axis.

A British foreign office spokesman declared the reorganization was forced on Petain by the nazis because "the Germans are to a high degree nervous about affairs in France" resulting from an upswing in pro-ally sympathy in the conquered French republic.

Marshal Petain's decision was announced soon after the Vichy government immediately suspended the trial of French leaders charged with being responsible for France's unpreparedness for war.

Germany had complained bitterly that the trial failed to bring out "France's war guilt" for having taken up arms against the reich in the first place.

Other major developments on the European front included:

1. Russian front—Russia's armies pressing their furious winter-into-spring offensive were reported to have launched an attack of extreme violence on the Moscow front.

2. London—General George C. Marshall, U. S. Army chief of staff, conferred with one of Britain's top experts on invasion tactics, Lord Louis Mountbatten, chief of British commands.

3. Berlin—Hitler's high command asserted that German U-boats and planes had sunk 15 more allied merchant ships totaling 120,000 tons, including two American vessels in a convoy returning from the Russian Arctic port of Murmansk.

4. North Africa—Cairo headquarters reported that British artillery partially blotted a column of axis tanks, armored cars and artillery in the Tarragat sector, 60 miles across the desert to an 85 land from the main British positions at Tobruk.

Protective Steps Urged

Solons Advocate Seizure of French Possessions as Reply to New Government.

Washington, April 14.—(AP)—United States seizure of French possessions was demanded in the House today as a reply to plans of Vichy France for a new government embracing axis admiral Pierre Laval.

Fliers Raid Jap Bases

Strong Blows Struck By American and British Fliers in Defense of India.

New Delhi, April 14.—(AP)—American and British fliers have struck strong blows in the defense of India, threatened by a Japanese fleet of three battleships, five aircraft carriers and other warships in the Bay of Bengal, smashing 13 big flying boats in the Andaman Islands and attacking an airbase in Burma, it was announced today.

Thirteen flying boats used by the Japanese for long range scouting, patrol and bombing were sunk, set afire or damaged when the KAM struck 800 miles across the Bay of

WEATHER

FOR NORTH CAROLINA. Not much change in temperature tonight.

(Continued on Page Three)